

INNOVATE TO SERVE



PT BFI FINANCE INDONESIA Tbk

2016

INTEGRATED ANNUAL REPORT



Cover Story



The impact or significance of an innovation is not determined by the sophistication of the technology, but from its usefulness and benefits resulted. Although can be small, a simple innovation can bring about a major change and impact especially if it can serve and be enjoyed by many.

The boat shown on the cover of the 2016 BFI Integrated Annual Report has a structure made of bamboo that stretches across both sides of the boat. The structure forms rectangular frames where nets are mounted. This fishing tool is called Boat Operated Lift Nets. Compared to other types of lift nets, the Boat Operated Lift Nets have the advantage of being mobile and therefore it can catch fish in several locations further away from the coastline.

Lift nets are a fishing innovation that are lawfully and widely used in Indonesia to catch fish in large quantities without threatening the environment. Operation is carried out over the water surface by vertically lowering and raising nets from a boat/raft/static structure on the shoreline. This fishing method is often aided by flashlight as a mean for collecting fish and a roller to lower and raise nets.

Indonesia as a maritime country, which has more sea area than land, naturally has abundant marine resources. Many people in Indonesia, especially them living in the coastal areas or islands, depend their livelihood on the marine natural resources such as fish for source of food and commodity. Driven by the growing demand and advance technology, fishing techniques have developed over time. Fishing effort changes from catching fish one by one to catching them in large quantities in a way that is faster and more efficient, for example is through the invention of the Boat Operated Lift Nets. With a similar concept, BFI continuously strive to innovate in providing funding services to a wider group of customers in a way that is fast, efficient, and transparent.

DISCLAIMER

PT BFI Finance Indonesia Tbk (the "Company") has made every effort to ensure the accuracy of the information contained in this Integrated Annual Report. However, the Company does not guarantee the appropriateness, accuracy, usefulness or any other matter whatsoever regarding this information. This Integrated Annual Report contains some forward-looking statements about the Company's future expectations, plans and strategies that are not historical facts. They are based on current expectations, estimates, forecasts and projections about the business and environment in which the Company operates and beliefs and assumptions made by management. As these expectations, estimates, forecasts and projections are subject to a number of risks, uncertainties and assumptions, actual results may differ materially from those projected. The Company, therefore, wishes to caution readers not to place undue reliance on forward-looking statements. Furthermore, the Company undertakes no obligation to update any forward-looking statements as a result of new information, future events or other developments. Any reliance placed on this Integrated Annual Report and Accounts is done entirely at the risk of the person placing such reliance. Please also note that numbers represented throughout this Integrated Annual Report have been rounded up to the closest million or billion rupiah, and as such, there may be discrepancies in percentage change calculations compared to when calculated using full figures from the Audited Financial Statements.

INNOVATE TO SERVE

Innovation can come in the smallest of forms. At BFI, we encourage our employees to constantly think out of the box and to look beyond industry norms to see how we can improve our products, processes and systems to serve our customers better.

The idea behind our theme for 2016, Innovate to Serve, does not involve complex technology or radical changes to the way we do business. We are a brick and mortar business and we serve a traditional mass segment of customers, but we believe that there is always room for improvement in the way we do things, not matter how simple or small any idea may seem. Some initiatives, for example, include the adopting of digital applications to simplify processes and to be less dependent on human intervention. Faced with increasing competition (direct or indirect) from both traditional and non-traditional players, induces us to change the way we think about our competitors.

Our end goal is to **provide financing in a quick, efficient, and transparent manner to an increasingly vast web of customers.** To achieve such a goal, we have begun a substantial initiative

this year, i.e. diversification and improving the capability of the organization and the agency management while providing added value to the products we sell. We endeavor to speed up and simplify survey processes, increase transparency, and continue to improve our risk assessment system.

These initiatives are large undertakings that will continue to be the focus of the Company in the next year or more, and we are committed to continue innovating and improving the way we run our business, as well as strive to stay relevant in an industry that will inevitably become more crowded in the years to come.

THEME CONTINUITY



2012

THREE DECADES OF SUSTAINABLE GROWTH

Celebrating 30 years in business, BFI has shown a good track record in sustainable growth.



2014

PEOPLE AT THE CORE

Improvements in technology and processes are not sufficient without the support of a competent workforce and a good work ethic. Because of this, the Company has a long-term commitment to develop human capital with the view of building a more robust and efficient organization.



2013

BUILDING A GREAT FRANCHISE

BFI has built a solid corporate culture based on the core values of "GREAT", which was established in 2013 in line with its objective to build a respectable business reputation and to become one of the leading finance companies in Indonesia.



2015

OPTIMIZE • GROW • LEAD

Optimization strategies for superior performance to strengthen the Company's growth not only for now, but also for the medium and long term, and especially during challenging times.



2016

INNOVATE TO SERVE

It is an initiative of the Company to improve the business operations. The Company is certain that there is always room for improvement, no matter how simple or small.

INTRODUCTION TO INTEGRATED REPORTING

PT BFI Finance Indonesia Tbk (“BFI”) presents the 2016 Annual Report in the form of an Integrated Report. This report describes how the balance of Triple Bottom Line (Profit-People-Planet) contributes to BFI’s long-term achievement and how we as a financial services company are focused on innovation and creating sustainable added value.

REFERENCES IN THE REPORTING

The 2016 Integrated Report of BFI combines the Annual Report (including the financial statements from independent auditor) and the Sustainability Report that previously have been published separately every year. In its preparation, this report refers to the prevailing laws and regulations relevant to the presentation of Annual Reports for Public Companies and the guidelines for Sustainability Reporting set forth by the Global Reporting Initiatives (“GRI”).

- Financial data and information are presented in line with the prevailing Financial Accounting Standards in Indonesia.
- Non-financial data and information are presented in line with the “in accordance” principle of the Sustainability Reporting Guidelines from the Global Reporting Initiatives Generation-4 or GRI G4, with the addition of the Financial Services Sector Disclosure G4, at Core option.
- The integration of the financial and non-financial reporting in this report has been prepared following the principal guidelines from the International Integrated Reporting Framework issued by the International Integrated Reporting Council.

This report presents various non-financial topics that are material for BFI and the views of its stakeholders. The theme of this report, “Innovate to Serve”, have been chosen for reasons explained in the Theme Explanation section (see page 1).

ABOUT THE INTEGRATED REPORTING

The usage of the Integrated Reporting (IR) framework as established by the International Integrated Reporting Council is aimed at presenting corporate reports in a more efficient and productive manner.

In keeping with its name, the Integrated Report presents how the resources owned by the Company interact with the external environment and the existing sources of capital, in order to create added value in the short, medium, and long term.

As the interaction of resources is regarded with a comprehensive view to create sustainable value, thus the information in this report is valuable not only for its financial purposes, but also is valuable for employees, customers, suppliers, partners, the public, regulators, and policymakers.

More on the IR framework and its supporting information can be found at <https://integratedreporting.org>.

KEY HIGHLIGHTS 2016

DISTRIBUTION OF OUTLETS

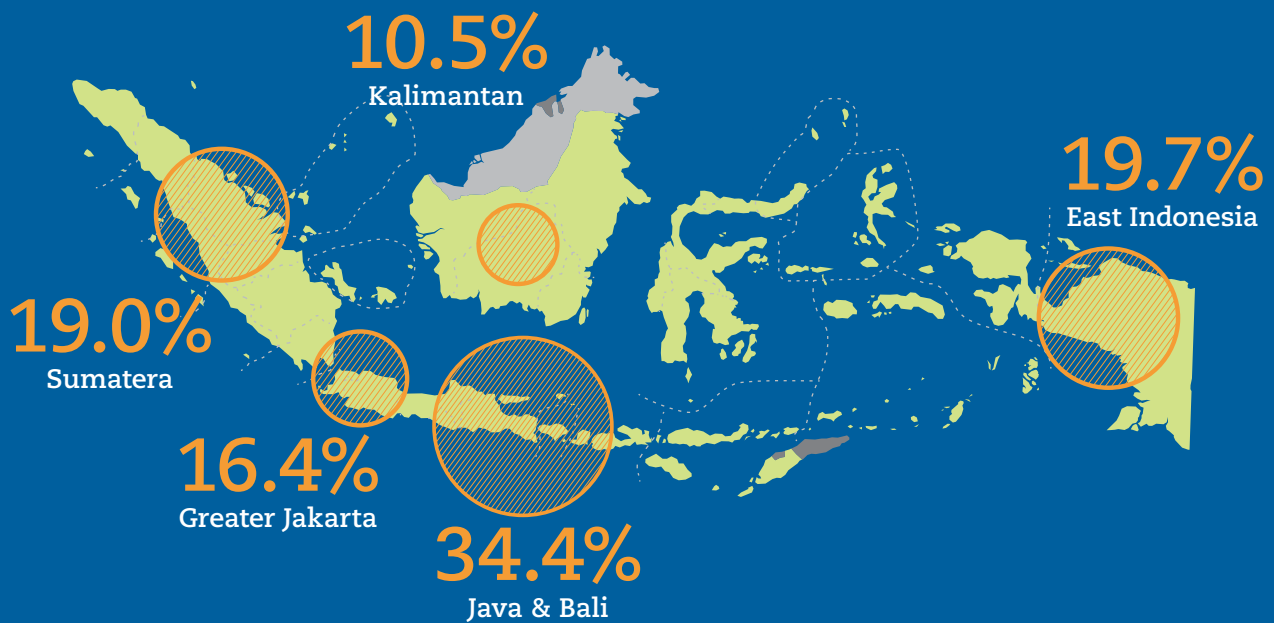
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Branches

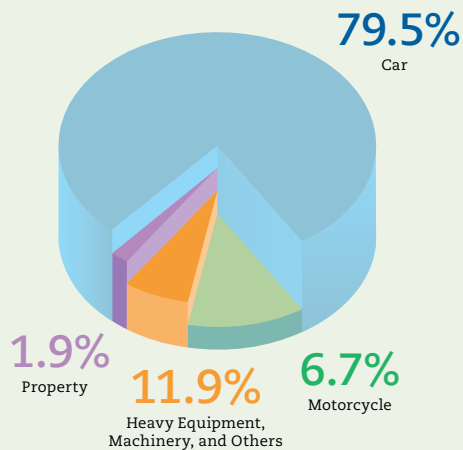


96

Kiosks



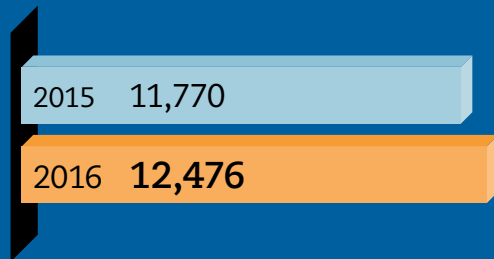
PRODUCTS BY ASSET TYPE



8,941
TOTAL
EMPLOYEES

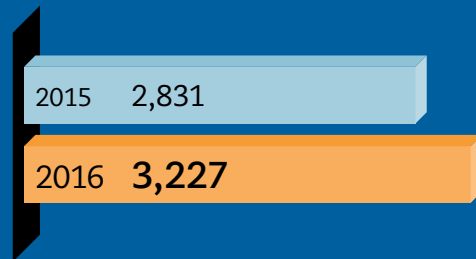
TOTAL ASSETS (Rp billion)

↑ 6.0% yoy



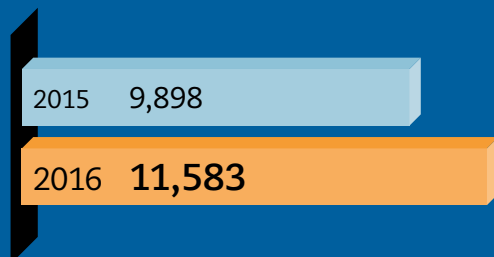
TOTAL INCOME (Rp billion)

↑ 14.0% yoy



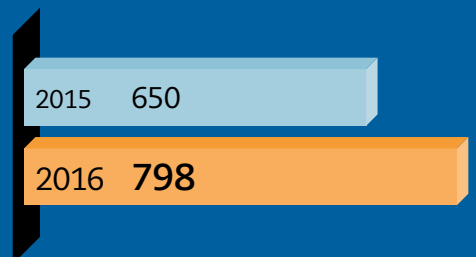
TOTAL NET RECEIVABLES (Rp billion)

↑ 17.0% yoy



PROFIT FOR THE YEAR (Rp billion)

↑ 22.8% yoy



AA-(idn)
Outlook Stable
by Fitch Ratings

↑ ROAE
19.3%

↓ NPF
0.91%

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Information Technology

Information Technology preparedness is a crucial factor for supporting the Company's growth.

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Financial Performance Review

The Company's net income grew 23% from the previous year's.

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CSR Program Implementation

CSR programs emphasize employees' engagement in the activities that are carried out.

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For more information, please visit:





MY WORK – BULUKUMBA
HASRULLAH ARIFIN

Finishing process during the construction of
a pinisi boat

PERFORMANCE HIGHLIGHTS

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KEY FINANCIAL HIGHLIGHTS

Figures in tables and charts below are presented in billion rupiah (unless stated otherwise).

Table 1 – KEY FINANCIAL HIGHLIGHTS AND RATIOS

Description	2012	2013	2014	2015	2016
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					
Financing Income	1,268	1,505	1,784	2,125	2,401
Others	314	385	515	706	826
Total Income	1,582	1,890	2,299	2,831	3,227
Interest and Financing Charges	360	422	505	712	792
Salaries and Benefits	339	428	506	627	716
General and Administrative	177	234	294	341	392
Provision for Impairment Losses	73	107	198	230	273
Others	19	32	46	85	29
Total Expenses	968	1,223	1,549	1,995	2,202
Profit Before Income Tax	614	667	750	836	1,025
Income Tax Expense	124	159	150	186	227
Profit for the Year	490	508	600	650	798
Other Comprehensive Income - Net of Tax	-	(34)	(48)	63	(63)
Total Comprehensive Income for the Year	490	474	552	713	735
STATEMENT OF FINANCIAL POSITION					
Cash and Cash Equivalents	169	225	290	777	165
Net Financing Receivables	5,940	7,239	8,558	9,898	11,583
Other Receivables - Net	59	83	127	141	164
Fixed Assets - Net	286	388	416	428	414
Intangible Assets - Net	19	26	31	22	20
Other Assets	97	340	261	504	130
Total Assets	6,570	8,301	9,683	11,770	12,476
Fund Borrowings	2,404	3,172	3,933	5,637	4,691
Securities Issued - Net	1,124	1,454	1,622	1,681	2,965
Other Payables	180	312	561	433	565
Total Liabilities	3,708	4,938	6,116	7,751	8,221
Equity	2,862	3,363	3,567	4,019	4,255
Total Liabilities and Equity	6,570	8,301	9,683	11,770	12,476
SHARES DATA					
Share Outstanding (million)	1,521	1,527	1,550	1,566	1,597
Basic Earnings per Share (Full Amount of Rupiah)	322	333	390	417	524
Dividend per Share (Full Amount of Rupiah)	-	125	192	208	*

Description	2012	2013	2014	2015	2016
RATIOS					
PROFITABILITY					
Return on Average Assets (ROAA) [^]	10.3%	9.0%	8.3%	7.8%	8.5%
Return on Average Equity (ROAE) ^{**}	18.8%	16.3%	17.3%	17.1%	19.3%
Profit for the Year / Total Revenue	31.0%	26.8%	26.1%	23.0%	24.7%
ASSET QUALITY					
Non-Performing Financing (NPF) (including Joint Financing)	1.05%	1.38%	1.48%	1.33%	0.91%
Allowance for Impairment Losses on Managed Receivables	1.0%	1.1%	1.4%	1.5%	1.4%
Coverage of Non-Performing Financing	0.9x	0.8x	1.0x	1.1x	1.5x
LIQUIDITY					
Liquidity Ratio ^{***}	1.8x	1.9x	1.5x	1.6x	1.7x
Asset Solvency ^{^^}	0.6x	0.6x	0.6x	0.7x	0.7x
Gearing Ratio ^{^^}	1.2x	1.4x	1.6x	1.8x	1.8x
OTHER INFORMATION					
Number of Outlets	185	236	260	267	305
Number of Employees	5,396	6,516	7,407	7,924	8,941

* Waiting for the resolution of the 2017 General Meeting of Shareholders (GMS)

** Profit for the Year/Average Equity

*** Current Assets/Current Liabilities

[^] Profit Before Income Tax/Average Assets

^{^^} (Fund Borrowings and Securities Issued-Net)/Equity

^{^^^} Total Liabilities/Total Asset

Chart 1 – TOTAL ASSETS (Rp billion)

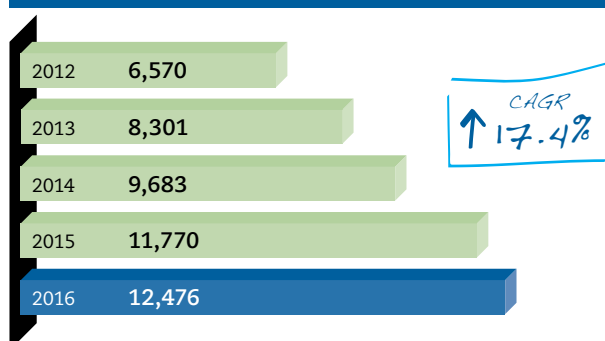


Chart 3 – TOTAL INCOME (Rp billion)

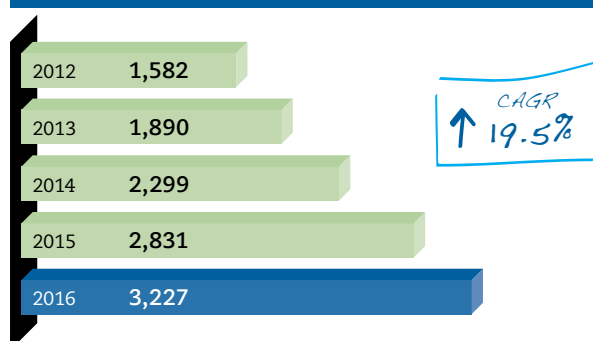


Chart 2 – TOTAL NET RECEIVABLES (Rp billion)

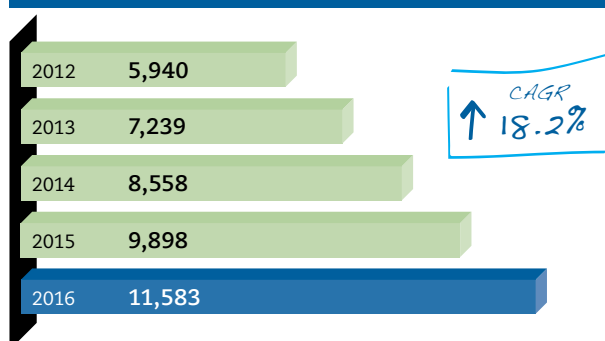
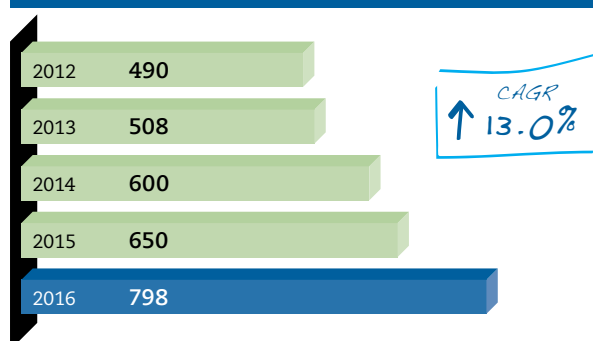


Chart 4 – PROFIT FOR THE YEAR (Rp billion)



SHARE HIGHLIGHTS

Table 2 – HISTORY OF SHARE ISSUANCE

CORPORATE ACTION	PERIOD	NEW SHARES ISSUED (million)	OUTSTANDING SHARES (million)
IPO @Rp5,750	April 1990	2.1	10.5
1-for-10 Stock Dividend	January 1993	1.2	11.7
17-for-20 Stock Bonus	July 1993	9.9	21.6
1-for-3 Stock Dividend	January 1994	7.2	28.8
1-for-1 Rights Issue @Rp1,500	May 1994	28.9	57.7
2-for-1 Rights Issue @Rp1,000	March 1997	115.4	173.1
2-for-1 Stock Split	September 1997	173.1	346.2
New Shares from MCB Conversion	August 2002 - May 2006	414.2	760.4
2-for-1 Stock Split	August 2012	760.3	1,520.7
MESOP Phase I - Grant Date 1	May 2013	5.9	1,526.6
MESOP Phase I - Grant Date 2	May 2014	23.3	1,549.9
MESOP Phase II - Grant Date 1	May 2015	16.0	1,566.0
MESOP Phase II - Grant Date 2	May 2016	30.8	1,596.7

Note:

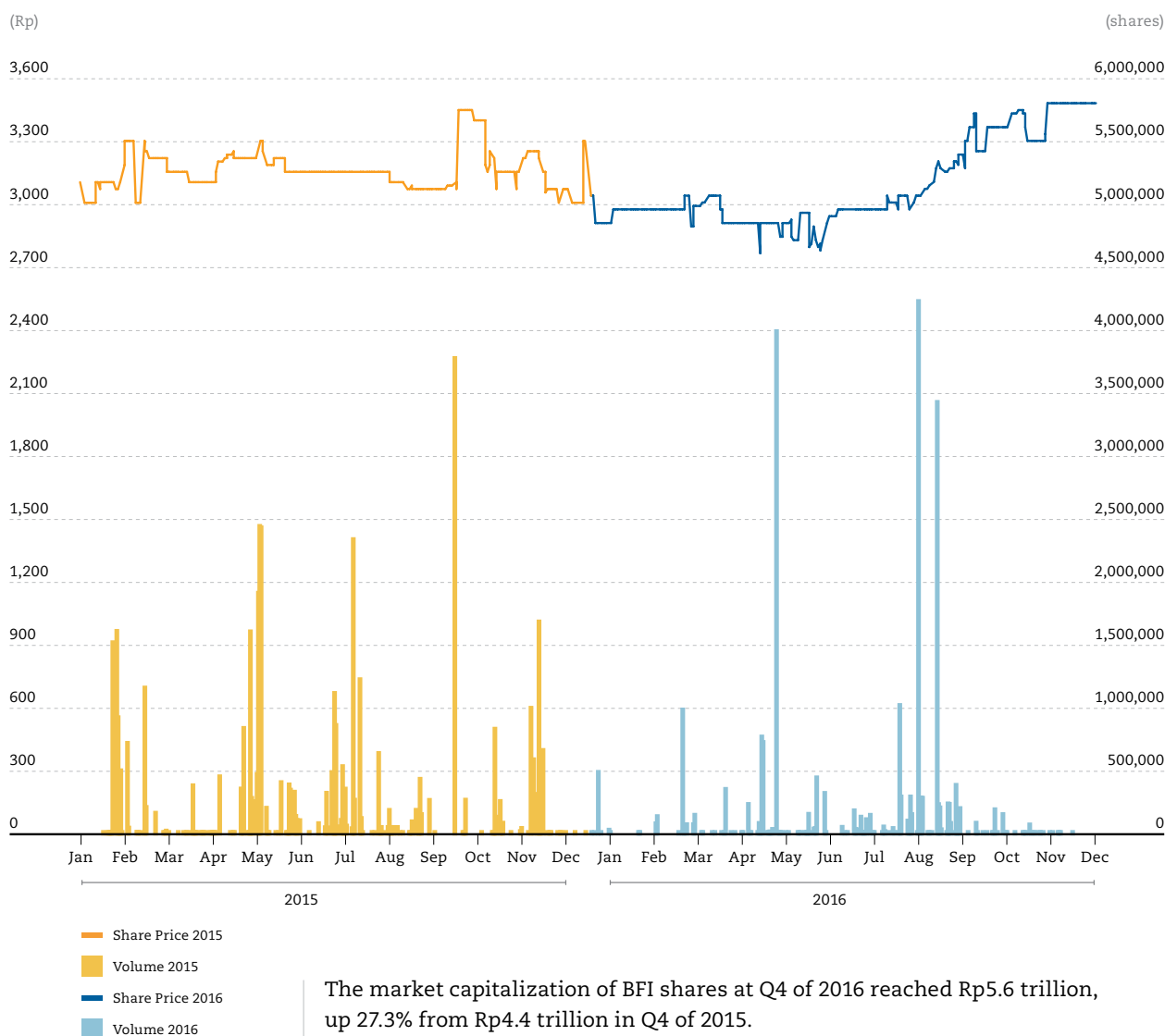
MCB = Mandatory Convertible Bonds

MESOP = Management and Employee Stock Option Program

Table 3 – HISTORY OF SHARE PRICE

PERIOD	SHARE PRICE						SHARES CIRCULATION IN REGULAR MARKET				MARKET CAPITALIZATION (Rp)	
	HIGHEST (Rp)		LOWEST (Rp)		CLOSING (Rp)		TRANSACTION VOLUME (unit)		TRANSACTION VALUE (Rp)		2015	2016
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016		
1 st Quarter	2,800	2,800	2,330	2,525	2,550	2,800	7,323,100	2,169,300	18,253,867,500	5,916,450,500	3,952,333,133,100	4,384,686,773,600
2 nd Quarter	2,800	2,795	2,500	2,370	2,600	2,710	5,501,200	7,597,000	41,478,159,000	19,771,000,000	4,071,494,861,200	4,327,088,333,020
3 rd Quarter	3,000	3,300	2,495	2,500	3,000	3,300	10,120,900	12,724,700	25,995,366,000	37,656,228,000	4,697,878,686,000	5,269,148,154,600
4 th Quarter	2,945	3,600	2,380	3,120	2,800	3,500	5,169,600	1,372,000	14,000,350,500	4,560,309,000	4,384,686,773,600	5,588,490,467,000

Chart 5 – SHARE PERFORMANCE



The market capitalization of BFI shares at Q4 of 2016 reached Rp5.6 trillion, up 27.3% from Rp4.4 trillion in Q4 of 2015.

The total volume of BFI shares traded in 2016 reached 23,863,000 units of shares worth Rp67,903,987,500.00.

BFI Share Price (BFIN) Against Composite Share Price Index in 2016

BFI shares opened on 2 January 2016 with a closing price Rp2,700.00 and closed on 30 December 2016 with a closing price Rp3,500.00 per share, which was a gain of 29.6%. The Composite Share Price Index opened at 4,593 points and closed at 5,297 points, up by 15.32%.

SHAREHOLDERS STRUCTURE

BFI's shareholders with ownership of 5% or more as of 31 December 2016 are detailed below:

Table 4 – STRUCTURE OF SHAREHOLDERS

SHAREHOLDERS	2016		
	TOTAL SHARES	NOMINAL AMOUNT (Rp)	%
Trinugraha Capital & Co SCA	683,524,966	170,881,241,500	42.81
PT BFI Finance Indonesia Tbk [^]	100,273,200	25,068,300,000	6.28
Others (each below 5%)	812,913,396	203,228,349,000	50.91
Total of Issued and Fully Paid-up Capital	1,596,711,562	399,177,890,500	100.00

[^] Result of the Company's stock buyback program in line with the Resolution of the EGMS on 15 April 2015

Chart 6 – COMPOSITION OF SHAREHOLDERS

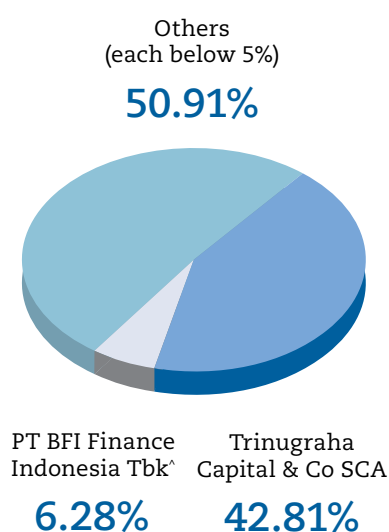


Table 5 – DIVIDEND PAYMENT HISTORY FOR THE LAST FIVE YEARS

FISCAL YEAR	2012	2013	2014	2015	2016**
Date of Board of Directors' Meeting/ General Meeting of Shareholders	16 May 2013	6 May 2014	9 December 2014/ 15 April 2015	19 November 2015/ 25 April 2016	21 November 2016
DIVIDEND PER SHARE (in full amount - rupiah currency)					
Interim*	-	-	138	138	150
Final**	-	125	54	70	**
Total	-	125	192	208	150
Payout Ratio	-	38.1%	49.6%	49.7%	**
DATE OF PAYMENT					
Interim*	-	-	15 January 2015	16 December 2015	16 December 2016
Final**	-	19 August 2014	15 May 2015	25 May 2016	-
Total of Dividend (Rp billion)	-	193	298	323	224

* Interim cash dividend was determined at the BOD Meeting

** Any payment of final dividend for 2016 shall be determined during the 2017 GMS

SUMMARY OF BONDS

Debt securities listed on the Indonesia Stock Exchange:

Table 6 – SUMMARY OF BONDS

DEBT SECURITIES LISTED	DATE LISTED AT IDX	EFFECTIVE DATE	BOND RATINGS	TOTAL (Rp million)	AMOUNT ISSUED		DUE DATE	STATUS
					(Rp million)	(Rp million)		
Obligasi Berkelanjutan I BFI Finance Indonesia Tahap I Tahun 2012	Series A:	13 June 2012	4 June 2012 (No.S-6878/BL/2012)	A(idn)	575,000	195,000	17 June 2013	Paid
	Series B:					110,000	12 June 2014	Paid
	Series C:					270,000	12 June 2015	Paid
Obligasi Berkelanjutan I BFI Finance Indonesia Tahap II Tahun 2013	Series A:	20 February 2013	4 June 2012 (No.S-6878/BL/2012)	A+(idn)	625,000	100,000	1 March 2014	Paid
	Series B:					370,000	19 February 2015	Paid
	Series C:					155,000	19 February 2016	Paid
Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014	Series A:	10 March 2014	28 February 2014 (No.S-121/D.04/2014)	AA-(idn)*	500,000	225,000	17 March 2015	Paid
	Series B:					55,000	7 March 2016	Paid
	Series C:					220,000	7 March 2017	Not yet paid
Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015	Series A:	20 March 2015	28 February 2014 (No.S-121/D.04/2014)	AA-(idn)*	1,000,000	345,000	29 March 2016	Paid
	Series B:					105,000	19 March 2017	Not yet paid
	Series C:					550,000	19 March 2018	Not yet paid
Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016	Series A:	26 February 2016	28 February 2014 (No.S-121/D.04/2014)	AA-(idn)*	1,000,000	200,000	5 March 2017	Not yet paid
	Series B:					142,000	25 February 2018	Not yet paid
	Series C:					658,000	25 February 2019	Not yet paid
Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016	Series A:	26 October 2016	17 October 2016 (No.S588/D.04/2016)	AA-(idn)*	1,000,000	317,000	25 October 2017	Not yet paid
	Series B:					550,000	25 October 2019	Not yet paid
	Series C:					133,000	25 October 2021	Not yet paid

* Based on the annual rating review by Fitch Ratings in its letters No.: 189/DIR/RAT/XI/2016 and No.: 190/DIR/RAT/XI/2016 respectively dated 25 November 2016

Results of debt ratings on BFI long-term debt securities in accordance with Letter No.: 189/DIR/RAT/XI//2016 and No.: 190/DIR/RAT/XI//2016 respectively issued on 25 November 2016 by PT Fitch Ratings Indonesia (“Fitch Ratings”) were as follows:

- The Company’s Long-Term National Rating was upgraded to ‘AA-(idn)’ with Stable Outlook from ‘A+(idn)’ with Positive Outlook.
- The Company’s Short-Term National Rating was upgraded to ‘F1+(idn)’ from ‘F1(idn)’.
- The Long-Term and Short-Term National Ratings for Obligasi Berkelanjutan III Tahap I Tahun 2016 were upgraded respectively to ‘AA-(idn)’ from ‘A+(idn)’ and to ‘F1+(idn)’ from ‘F1(idn)’.
- The Long-Term National Rating for Obligasi Berkelanjutan II Tahap I Tahun 2014 was upgraded to ‘AA-(idn)’ from ‘A+(idn)’.
- The Long-Term National Rating for Obligasi Berkelanjutan II Tahap II Tahun 2015 was upgraded to ‘AA-(idn)’ from ‘A+(idn)’.
- The Long-Term and Short-Term National Ratings for the Obligasi Berkelanjutan II Tahap III Tahun 2016 Program were upgraded to ‘AA-(idn)’ from ‘A+(idn)’, and to ‘F1+(idn)’ from ‘F1(idn)’, respectively.
- The Long-Term National Rating for Obligasi Berkelanjutan III Tahap I Tahun 2016 was upgraded to ‘AA-(idn)’ from ‘A+(idn)’.
- The Long-Term National Rating for Medium Term Notes III Tahun 2015 amounting to Rp100 billion was ‘AA-(idn)’.

IMPORTANT EVENTS IN 2016

JANUARY

- 8** Post-Assignment Orientation for Young Teachers (*Orientasi Pasca-Penugasan Pengajar Muda*) by Indonesia Mengajar was held in Kebayoran Baru, South Jakarta
- 12** Awarded The Best Business Agent (BA) in NDF Motorcycle Gathering 2015 for Jakarta-Depok-Tangerang area held in South Tangerang
- 16** The “Uber Milyaran BFI 2015” lucky draw for the 4th period and the launching of “Uber Milyaran BFI 2016” held in Surabaya, East Java



FEBRUARY

- 11** “Uber Milyaran BFI 2016” Press Conference in Semarang, Central Java
- 12** Presented the Grand Prize of “Uber Milyaran BFI 2015” for a customer in Bojonegoro, East Java
- 18** “Uber Milyaran BFI 2016” press Conference at Palembang, South Sumatra
- 22** BFI Management Tour to South Korea conducted in three phases, up to March 2016
- 25** Press Conference of “Uber Milyaran BFI 2016” and “BFI RUN 2016” and presented the “Uber Milyaran BFI 2015” prize for the 4th Period to a customer in Kemang, South Jakarta

MARCH

29 “BFI RUN 2016” Press Conference in Central Jakarta



APRIL

7 The 34th BFI Anniversary with the theme “Kejar Prestasi Raih Peluang Lewat Inovasi” (Pursue Achievements and Grab Opportunities through Innovation) and the inauguration of BFI Social Media Rebranding (Facebook, Twitter, Instagram) held at BFI Tower, BSD City, South Tangerang

10 BFI RUN 2016 and “Uber Milyaran BFI 2016” lucky draw for the 1st Period held in BSD City, South Tangerang

25 The Annual and Extraordinary General Meeting of Shareholders and the Annual Public Expose held at The Dharmawangsa Hotel Jakarta, South Jakarta

MAY

3-14 “Europe Bounding Tour 2016”

11 The dispatch of BFI employees who participated in the Homestay Program in collaboration with Gerakan Indonesia Mengajar

21- 27 BFI Management Tour to Japan

24 Financial Literacy Seminar, Career Workshop, and Dissemination of Undergraduate Scholarship Program at Multimedia Nusantara University (UMN), Serpong, South Tangerang



JUNE

13 “Gerakan 1.000 Perlengkapan Sekolah” (1,000 School Utensils Initiative) to celebrate the National Education Day and the Holy Month of Ramadan 1437 Hijriyah for students at 12 disadvantaged elementary schools held at North Lombok, West Nusa Tenggara

23 Break Fasting Event with Employees held at BFI Tower, BSD City, South Tangerang, attended by children from the neighboring orphanage

JULY

23 “Uber Milyaran BFI 2016” lucky draw for the 2nd Period held in Medan, North Sumatera



AUGUST

10-21 BFI and Uber’s participation in GAIKINDO Indonesia International Auto Show 2016 at Indonesia Convention Exhibition (“ICE”), BSD City, South Tangerang

13 Employee Volunteer Program by BFI Semarang Branch to build drainage in Kalialang Baru, Semarang, Central Java, in cooperation with Habitat for Humanity (HFH) Indonesia

15 The signing of Work Capital Credit Agreement of Rp500 billion with PT Bank Mandiri (Persero) Tbk

19-21 “Sales Force Gathering” event held as a token of appreciation to the Sales Force Team in BSD City, South Tangerang and Jakarta

29-30 Participation in “Indonesia Fintech Festival & Conference 2016” at ICE BSD City, South Tangerang. Sudjono (Director of Finance & IT) became one of the speakers in “Fintech dalam Institusi Finansial Non-Perbankan” (Fintech in Non-Bank Financial Institution) session.



SEPTEMBER

- 3** Inspiration Classes with Gerakan Indonesia Mengajar held at two elementary schools in Luwuk, Banggai District, Central Sulawesi
- 19** Talkshow program of “Director’s Update” at Smart FM Radio by Sutadi (Director of Retail Business)
- 20** Inauguration of BFI Jambi Branch’s new building
- 21** Investor Gathering for Public Offering of Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016 held at Mulia Hotel, Central Jakarta
- 24** Presented the “Uber Milyaran BFI 2016” prize for the 2nd Period (one Toyota Agya) to a customer in Medan, North Sumatera



OCTOBER

- 5** Inauguration of the new building of BFI Branch in Citeureup, Cibinong, West Java
- 8** “Uber Milyaran BFI 2016” lucky draw for the 3rd Period held in Balikpapan, East Kalimantan
- 11** Inauguration of “Rumah Jahit BFI” (BFI Sewing House) in Duri Kepa, West Jakarta, in cooperation with Yayasan Cinta Anak Bangsa (YCAB)
- 15** Inauguration of the new building of BFI Branch in Cimahi, West Java
- 17** Inauguration of new building of BFI Branch in Surabaya, East Java
- 22** The program of 1,000 Mangrove Trees Planting on Marunda Beach, North Jakarta, in cooperation with Yayasan KEMANGTEER

NOVEMBER

12 Inauguration of the new building of BFI Branch in Merauke, Papua



26-27 Participation in Multifinance Day, with the theme “Maju Berkat Pembiayaan” (Advancing through Financing) organized by OJK and APPI in Bandar Lampung, Lampung



27 Participation of BFI as the sponsor of “Surabaya 10K” organized by Dispora of Surabaya City in Sentral Ikan Bulak, East Java



21 Inauguration of the 2nd BFI Branch in Bogor, West Java

28 Inauguration of the 5th BFI Branch in Bandung, West Java

28 Inauguration of the 2nd BFI Branch in Mataram, West Nusa Tenggara

DECEMBER

16 Inauguration of the 2nd BFI Branch in Semarang, Central Java

20 The closing event of Knitting Class Program for the teachers and production staff of “Rumah Jahit BFI – Duri Kepa” (BFI Sewing House – Duri Kepa) and awards presentation for the participants at BFI Tower, BSD City, South Tangerang

AWARDS AND ACHIEVEMENTS

2016



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BFI was one among three nominees at the Sustainable Finance Award 2016 for the “Other Financial Services Institutions” sub-category. The Sustainable Finance Award was held by Otoritas Jasa Keuangan (“OJK”) for financial services institutions deemed able to provide a balanced contribution through sustainable financial initiatives in terms of the environment, social aspect, and governance

1 Awarded the Lifetime Achievement in Multifinance Industry 2015 by the Indonesian Financial Services Association (“APPI”) presented to Francis Lay Sioe Ho, President Director of BFI, at the “Members Assembly and Appreciation of APPI 2015” held on 26 January 2016 at Raffles Jakarta Hotel, Ciputra World 1, Jakarta

2 Awarded the Market Conduct 2015 by OJK as the Financial Services Company that has Implemented the Principles of Consumer Protection in Financial Services Sector based on the 2015 Self Assessment, on 22 March 2016 at Le Meridien Hotel, Jakarta

3 Awarded the Infobank Digital Brand Awards 2016 by *Infobank* magazine based on the survey results by *Infobank* and *Isentia Research* during 2015, on 5 April 2016 at Le Meridien Hotel, Jakarta

4 Awarded the Investor Awards 2016 as The Best Issuer 2016 in Multifinance Sector by *Investor* magazine, on 3 May 2016 at the Main Hall of Indonesia Stock Exchange Building, Jakarta

5 Awarded the Corporate Image Award 2016 by Frontier Consulting Group in collaboration with *TEMPO* and *MARKETING* magazines for “The Best in Building and Managing Corporate Image” in Heavy Equipment Leasing category based on the Indonesia’s Most Admired Companies (“IMAC”) 2016 survey results, held on 8 June 2016 at Hotel Mulia Senayan, Jakarta



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6 Awarded the Indonesia's Top 100 Most Valuable Brands 2016 by Brand Finance and SWA magazine, on 21 July 2016 at Shangri-La Hotel, Jakarta

7 Awarded the Indonesia Human Capital Study ("IHCS") 2016 by Dunamis Human Capital and BusinessNews Indonesia magazine in the category of The Best Human Capital Initiatives (The Best Recruitment System Initiative), on 8 September 2016 at Balai Kartini, Jakarta

8 Multifinance Company with Excellent Financial Performance in 2015 and ranked Number One for the category of "Multifinance Companies with Assets of Rp10 trillion and above" by Infobank magazine, on 29 September 2016 at InterContinental MidPlaza Hotel, Jakarta

9 Golden Trophy for Multifinance Company with Excellent Financial Performance in Five Years Consecutively (2011-2015) by Infobank magazine, on 29 September 2016 at InterContinental MidPlaza Hotel, Jakarta

10 Appreciation to Francis Lay Sioe Ho, President Director and CEO of BFI, as one of the Finalists of "CNBC 15th Asia Business Leaders Awards ("ABLA") 2016" from CNBC Asia, in November 2016

11 Awarded the "Warta Ekonomi Indonesia Multifinance Consumer Choice Award 2016" as the Multifinance Company with the Best Financial Performance for the Category of Assets above Rp5 trillion by Warta Ekonomi magazine, on 1 December 2016 at Hotel Pullman Jakarta Indonesia

12 Awarded the "Best Employer Award 2016" in the Category of Financial Institution as "The 2nd Best Company of Active Contribution for Telkom University Graduates Placement" by Telkom University Bandung, on 1 December 2016 at InterContinental MidPlaza Hotel, Jakarta

13 The nomination for the Sustainable Finance Award 2016 for the Non-Bank Financial Industry – Other Financial Services Institutions by OJK on 1 December 2016 at Westin Hotel, Nusa Dua, Bali



2015

- Awarded the IHCS Award 2015 by Dunamis Human Capital and *BusinessNews* Indonesia magazine in the category of Appreciation of Human Capital Management System Improvement
- Awarded the Corporate Image Award 2015 by Frontier Consulting Group and TEMPO magazine for “The Best in Building and Managing Corporate Image” in Heavy Equipment Leasing category, based on IMAC 2015 survey results
- Multifinance Company with Excellent Financial Performance in 2014 and ranked Top Ten of The Best Multifinance Company by *Infobank* magazine
- Golden Trophy for Multifinance Company with Excellent Financial Performance in Five Years Consecutively (2010-2014) by *Infobank* magazine

2014



- Awarded the Corporate Image Award 2014 by Frontier Consulting Group, TEMPO and MARKETING magazines for “The Best in Building and Managing Corporate Image” in Heavy Equipment Leasing category, based on IMAC 2014 survey results
- Awarded the “Maju Berkas Kredit” by APPI based on the Company’s performance in assisting its customers to achieve success due to the financing facility from BFI
- Multifinance Company with Excellent Financial Performance in 2013 and ranked Top Ten of The Best Multifinance Company by *Infobank* magazine
- Golden Trophy for Multifinance Company with Excellent Financial Performance in Five Years Consecutively (2009-2013) by *Infobank* magazine
- Awarded the “Investor Awards Best Listed Companies 2014” by *Investor* magazine as one of the Best Issuers listed on Indonesia Stock Exchange (IDX) for the full-year performance in 2013 until the first quarter of 2014
- Awarded “The Best Five Multifinance Companies in 2014” by APPI for the category of assets above Rp5 trillion

2013



- Awarded the 2013 Tokoh Finansial Indonesia (Indonesia's Financial Figure) by *Investor* magazine presented to Francis Lay Sioe Ho, Presiden Director of BFI, in which he was nominated as the "Top Executive of Multifinance Company"
- Awarded the Corporate Image Award 2013 by Frontier Consulting Group and *Bloomberg Businessweek* magazine for "The Best in Building and Managing Corporate Image" in Heavy Equipment Leasing category, based on IMAC 2013 survey results
- Multifinance Company with Excellent Financial Performance in 2012 and ranked Top Ten of The Best Multifinance Company by *Infobank* magazine
- Golden Trophy for Multifinance Company with Excellent Financial Performance in Five Years Consecutively (2008-2012) by *Infobank* magazine
- Awarded the 2013 Rekor Bisnis (Business Record or "ReBi") by Tera Foundation, *Seputar Indonesia* Daily and supported by Frontier Consulting Group as "The Multifinance Company with the Most Comprehensive 'One Stop Service' of Telecentre Services in Indonesia"

2012



- Golden Trophy for Multifinance Company with Excellent Financial Performance in Five Years Consecutively (2007-2011) by *Infobank* magazine
- Ranked Top Ten of The 2011 Best Multifinance Company by *Investor* magazine
- Multifinance Company with Excellent Financial Performance in 2011 and The Best Multifinance Company by *Infobank* magazine



AGRICULTURE TANAH TERASERING – MAJALENGKA
KUSNADI

Management of spring onion plantation on a terraced hill

MANAGEMENT REPORTS

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Pursuant to the Company's articles of association, each member of the Board of Directors and Board of Commissioners are appointed by the shareholders at the General Meeting of Shareholders ("GMS") to serve the position for five years.

The appointment of Francis Lay Sioe Ho and

Cornellius Henry Kho, respectively as President Director and Director, as well as Kusmayanto Kadiman as President Commissioner, Emmy Yuhassarie, Johannes Sutrisno and Alfonso Napitupulu, each of whom as the Company's Commissioner, was based on the Deed of Minutes of Annual GMS No.80 dated 15 June 2011, drawn up before Aulia Taufani S.H.,



a substitute for Sutjipto, S.H., Notary in Jakarta, with term of office effective until the closing of the 5th (fifth) Annual GMS by 2016. Whilst Sudjono and Sutadi were appointed as the Company's Directors pursuant to the Deed of 2014 Extraordinary GMS Minutes No. 18 dated 6 May 2014 in conjunction with Deed of Meeting Resolutions No. 3 dated 25 June 2014

until the closing of the Annual GMS in 2019. Dominic John Picone and Sunata Tjiterosampurno were appointed as Commissioners based on the Deed of Minutes of Extraordinary GMS No. 44 dated 15 April 2015 in conjunction with the Deed of Meeting Resolutions No. 3 dated 6 July 2015 until the closing of the Annual GMS in 2020.



BOARD OF COMMISSIONERS' REPORT

"The Board of Commissioners commends the Board of Directors for our strong business performance in 2016 and for continuing to build a solid financial foundation for the future."

Kusmayanto Kadiman
President Commissioner

Dear Shareholders and Stakeholders,

On behalf of the Board of Commissioners (“BOC”), I would like to express our gratitude to God Almighty, as it is through His grace, that PT BFI Finance Indonesia Tbk (“BFI”) was able to close 2016 with satisfactory performance and continue to build on our strong foundation for future business growth. These positive results were achieved, despite challenging economic and market conditions, which reflects the Board of Director (“BOD”)’s prudent management and wealth of experience, having gone through many economic and credit cycles at the helm of the Company.

The BOC acknowledges and commends the BOD for leading and growing the Company through recent challenging times. With “Innovate to Serve”, I believe that the BOD embarked on the right strategic initiatives to counter a slowing economy and changes that we are beginning to see in the industry. This theme focuses on improving operating efficiency to better compete in an increasingly competitive and challenging space. These include developing and implementing more efficient workflow and processes, optimizing risk management and internal audit systems, building the capacity and the capability of BFI’s Human Capital and investing in Information Technology to better automate processes and creating new digital channels of distribution.

2016 ECONOMIC OVERVIEW

This year was a challenging one, both politically and economically. During the year, our government made every effort to increase revenue and to accelerate spending, especially in areas that could impact our economy positively. Unfortunately, this was not supported by the sluggish global economic and uncertain political environment. For the last few years, the Rupiah has been under considerable pressure, as exports dropped. The movement of the Rupiah was highly fluctuative throughout the year, however the exchange rate improved slightly in 2016, i.e. by 3.3%. Inflation was kept within Bank Indonesia’s inflation target so the monetary authorities, subsequently, brought down the Rupiah’s benchmark market interest rate to spur growth.

Due to the slower growth of the domestic market, companies were faced with weaker purchasing power, resulting in a reduced demand for bank loans and financing. In 2016, the financing industry’s total Account Receivables grew by a mere 6.7% to Rp388 trillion from December 2015 to December 2016. This was significant, given that in the previous year, the national financing receivables contracted by almost 1%.

BOARD OF DIRECTORS’ PERFORMANCE ASSESSMENT

We are satisfied with the BOD’s ability to generate not just asset growth, but also improved profitability and asset quality, as well as maintain sufficient capital levels, in a challenging environment. Total Assets grew by 6% to Rp12,476 billion, while net profit after tax grew by 23% to Rp798 billion and asset quality reflected by the Company’s Non-Performing Financing or (NPF) of 0.91%. Capital levels were at Rp4,255 billion, representing an asset to capital ratio of 2.93x, which provides sufficient room for future growth.

In addition, we commend management's ability to obtain a rating upgrade from PT Fitch Ratings Indonesia to 'AA-(idn)' with Outlook Stable from 'A+(idn)' with Outlook Positive.

The BOC also appreciates management efforts to successfully shift its financing business away from high-risk sectors, such as those closely linked with commodities and focusing more on lower risk sectors. These moves proved successful in Java, generating higher growth, when other commodity-focused regions were experiencing a slowdown.

The BOD chose the right strategy of focusing on expanding Company's branch network and a multi-channel expansion that will further support BFI's long-term business growth, which will be more sustainable.

We also would like to report that this year's financial statements were audited by Public Accounting Firm Tanubrata Sutanto Fahmi Bambang & Partners (member firm of BDO International), with an unqualified opinion.

BOC MONITORING OF MANAGEMENT'S STRATEGY AND RECOMMENDATIONS

The BOC monitors the implementation of management's strategy through quarterly meetings with the BOD and monthly meetings, against the minimum requirement of four meetings per year, with our Audit, Risk Management and Nomination and Remuneration Committees. The BOC also has access to periodic management reports, which allows us to fulfill our supervisory role and ensure the Company's triple line of defense is running effectively.

Through our numerous meetings, the BOC assesses the Company's performance and provides direction and recommendations to be followed up on. For instance, we have recommended management to more closely follow external events, such as recent political and economic trends so BFI can be more proactive in their management responses. We also continuously ensure that prudential norms are maintained as management grows the business to ensure risks are properly managed and minimized. Finally, we also ensure that investment in the Company's people and information technology is maintained for future growth.

One area that we review during our assessment is a comparison of the Company's Budget Work Plan targets with actual results. We also ensure that the Company takes into account and follows government rules and regulations; in particular from Otoritas Jasa Keuangan ("OJK").

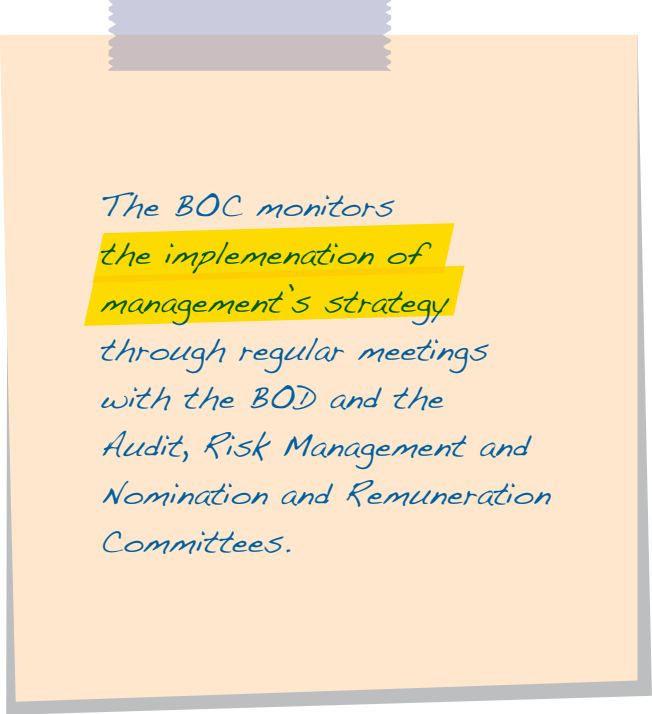
In line with the prevailing rules and regulations, BOC's Committees, comprising of the Audit Committee, the Risk Management Committee, and the Nomination and Remuneration Committee are all chaired by an Independent Commissioner. During our periodic BOC/BOD meetings, these three Committees provide reports to the BOC, which are further discussed within the Board of Commissioners' meetings. When required, the BOC may invite management to provide further explanation.

For 2016, we are satisfied that the Committees have performed their duties and responsibilities appropriately, with integrity and in line with prevailing regulations.

IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

The BOC places high importance on the proper implementation of the Company's Good Corporate Governance ("GCG") policies. Through our oversight, management has satisfactorily conducted the Company's business in line with GCG principles. We regard this is necessary and important to maintain a sustainable business. In addition, the BOC together with the BOD continues to seek ways to further improve and strengthen the Company's GCG implementation, where BFI is the only financing company to have received an award from OJK for its performance in Market Conduct and Sustainable Finance Award ("SFA").

We have also reviewed BOD's compliance with their task and responsibilities as stated in the Company's articles of association as well as prevailing rules and regulations. Based on this, we believe that the management has fulfilled their tasks and responsibilities accordingly. In 2016, following new regulations issued by OJK and other regulatory institutions, the Company has updated and completed new guidelines and manuals for the BOC, BOD, and the Nomination and Remuneration Committee.



*The BOC monitors
the implementation of
management's strategy
through regular meetings
with the BOD and the
Audit, Risk Management and
Nomination and Remuneration
Committees.*

Finally, based on periodic BOD reports, we have responded and fulfilled our oversight and reporting duties to shareholders. Through our numerous BOC and Committee meetings during the year we have ensured that the Company applied the highest standards and followed the GCG principles of compliance, transparency, integrity, and accountability.

ASSESSMENT OF MANAGEMENT'S BUSINESS PROSPECTS FOR 2017

We have viewed management's 2017 plan and are satisfied that they have sufficiently taken into account all external and internal aspects. Next year will continue to be a challenging year with a number of government economic policy changes, so the Company needs to anticipate these changes first and take advantage of new business opportunities that will grow in the future.

Facing global economic uncertainty that affected the Indonesian economy during 2017, management needs to remain prudent against any impact that could affect the performance of the Company's customers. As a result, risk management needs to continue to be improved, supported by management and reliable information technology systems so that the processes of identification, measurement, monitoring and risk control can be done more effectively.

The macroeconomic conditions as well as governmental and OJK policies will remain major factors in creating conditions that support the growth of the industry nationwide. We believe that BFI will still be able to respond to challenges in the coming year and remain one of the leaders in the Indonesian financing industry.

CLOSING REMARKS

In closing and on behalf of the BOC, I would like to express our highest appreciation to the BOD, senior management and all staff who have worked hard to achieve favourable results in 2016. In addition, we would like to thank all our customers for their loyalty and the ongoing support of our shareholders and stakeholders.

There were no changes to the BOC membership in 2016, but we would like to take this opportunity to welcome a new member of the BOD, Sigit Hendra Gunawan, who joins us with a solid background in credit and risk management, and Edy Sugito as member of the Audit Committee. We believe that

they will be valuable assets to our growing family. We extend our farewell and thanks to Stefanus Ginting who has served the Company all these years on the Audit Committee.

Finally, we hope BFI will continue to grow and provide much needed financial services to our growing customer base and, in so doing, generate sufficient value-added for all stakeholders and shareholders going forward.

Thank you.



Kusmayanto Kadiman
President Commissioner

From left to right

1. **Sunata Tjiterosampurno**
Commissioner

2. **Alfonso Napitupulu**
Commissioner (Independent)

3. **Emmy Yuhassarie**
Commissioner (Independent)

4. **Kusmayanto Kadiman**
President Commissioner

5. **Johanes Sutrisno**
Commissioner (Independent)

6. **Dominic John Picone**
Commissioner



BOARD OF COMMISSIONERS

BOARD OF DIRECTORS' REPORT

"In line with its 'Innovate to Serve' theme, the Company remained agile to face the challenges faced in 2016."

Francis Lay Sioe Ho
President Director



Dear Shareholders and Stakeholders,

I am honored to report that in a year filled with so much uncertainty (and surprises) globally, and subdued growth domestically, PT BFI Finance Indonesia Tbk (“BFI”) has been able to still grow its assets and profitability in 2016.

Total assets and funding grew by 6.0% and 6.8% respectively, to reach Rp12.5 trillion and Rp10.7 trillion at year-end, while net profit after tax grew 22.8% to Rp798 billion during the year. BFI didn’t just grow its assets and financing, but also improved its asset quality, reflected by a drop in its non-performing financing (“NPF”) ratio from the 1.3% recorded a year earlier to 0.9% this year.

Another milestone achieved during the year was BFI’s National Long Term Rating upgrade from PT Fitch Ratings Indonesia to a ‘AA-(idn)’ from ‘A+(idn)’ with Outlook Stable. We remain the highest rated independent finance company in Indonesia.

Our theme for the year, “Innovate to Serve”, reflects our commitment to keep up with the times, in particular the evolution of the industry and market dynamics. Whilst our business is brick and mortar, we continuously seek to make incremental improvements in our products and services, be it in terms of origination (including new partnerships with e-commerce businesses and portals to boost origination efforts), efficiency improvements as well as cost reductions. To us, innovation means the implementation of new and different ideas to better our products, processes and existing services. We believe that this is critical so that we remain relevant in the advent of digitalization and more intense competition both from traditional and non-traditional players. In light of this, we spent the year implementing a Golden Bamboo project which focused on these key issues – Agent Productivity, Improvement in Product Proposition as well as Network Optimization, including the digitalization of risk management with improvement in scoring and booking engine. We discuss this in more detail later on in this address.

This year, for the first time, we merge our Sustainability Report into our Annual Report. We take our role in business and the community seriously, and we focus our social responsibility activities around the three P’s – Profits, People and Planet. We believe in instilling these values company-wide in order to build a strong culture of social responsibility and sustainability within the organization. It is vital that our employees understand the importance and the relationship between the three P’s – that we should not forsake our community and environment for profits.

ECONOMIC AND INDUSTRY OVERVIEW

In 2016, Indonesia’s economy grew by a subdued 5.0%, but still slightly better than the 4.8% achieved the previous year. The weak global economy kept exports down this year, although towards year-end, commodity export prices are starting to improve. The Rupiah was fluctuating throughout 2016, starting the year at Rp13,898 per USD and closing at Rp13,436 per USD, a 3.3% improvement during the year. Consumption was - weak, despite the drop in Rupiah interest rates throughout the year, as loan demand continued to be slow. This year’s inflation was kept relatively low at 3.02%, which allowed Bank Indonesia to bring down its Rupiah benchmark interest rates from 5.5% early in the year to 4.75%.

Indonesia’s weak domestic demand has impacted both the banking and multifinance sectors. As a result, the growth of bank loans and multi-financing receivables was not as high as expected, and correspondingly, asset quality worsened, with rising industry NPFs.

Total multifinance sector receivables grew by 6.7% to Rp388 trillion in December 2016. This weak growth is reflective of the sluggish (albeit improving) automotive sector where new car sales reached 1,062,729 units, a 4.9% slight pick-up from a year ago, while for new motorcycle sales there was a decline of 9.3% to less than 6,000,000 units.

2016 FINANCIAL PERFORMANCE

We grew our managed receivables by 6.5% to Rp13 trillion. Despite slow growth in national new car sales, BFI has been able to grow due to its strategy to focus on used cars. Receivables from the used cars accounts for 68.9% of our portfolio or Rp9.0 trillion, followed by receivables from used motorcycles with 6.7% of the portfolio or Rp868 billion and receivables from heavy equipment and property with 13.8% or Rp1.8 trillion.

This growth has been funded by bonds and bank borrowings. We successfully placed Rp2 trillion through two bond issuances. Cost of funds improved to 11.3%, 23 bps lower than the year before.

In terms of capital structure, our ratio of debt to equity is still low at 1.8x. Our capital structure is more efficient now thanks to the Company's continuous effort to diversify its funding structure.

The growth in receivables generated a revenue growth of 14% to Rp3.2 trillion in 2016, as we reduce financing of new car during the year. This, together with our ability to bring down our cost of funds as well as maintain high portfolio return rate, resulted in an improvement in our interest margin to 8.85% from 8.20% last year. Our cost and risk management efficiency focus also bore positive results with improvements in our operating margins. Here, we tightened our risk management filtering process, by shifting to lower-risk market segments, away from higher risk sectors, that are closely linked with the suffering natural resource sector. Furthermore, we tightened our risk monitoring processes with more in-depth and frequent review of customer risk profiles. Furthermore, we changed our write-off policy in December 2016 to 210 days from 270 days, resulting in an NPF of 0.91% for the full year.

The Company's 2016 net profit was Rp798 billion, or a 22.8% improvement from 2015. This exceeded our expectations and was achieved amidst sluggish market conditions. This net profit resulted in a Return on Average Equity ("ROAE") of 19.3% and a Return on Average Assets ("ROAA") of 8.5%, the highest in the past five years. Total Equity amounted to Rp4,255 billion, an increase of Rp236 billion, or 5.9% from Total Equity of Rp4,019 billion in 2015.

2016 OPERATIONAL PERFORMANCE

In 2016, in line with the Company theme "Innovate to Serve", we worked closely with strategic consultant to conceptualize and initiate a number of key operational initiatives (a large part of which will continue in the new financial year) to focus on Network Optimization, Product Proposition Improvements as well as Agent Productivity.

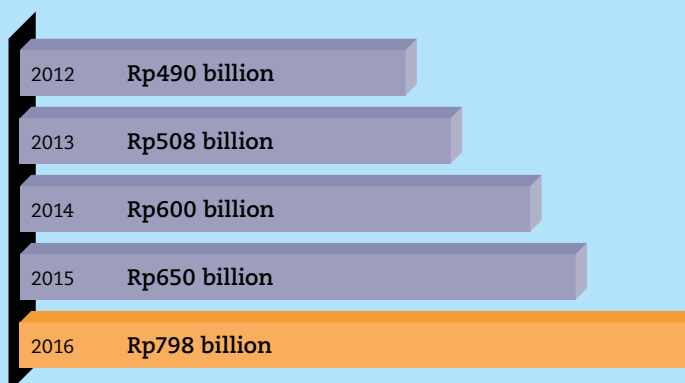
Network Optimization

In terms of Network Optimization, we continue to widen our market coverage, optimize marketing efforts as well as improve branch monitoring by ensuring standardized branch performance metrics as well as manageable branch coverage. We maintain

our growth strategy of expanding our distribution network in Java as well as continue to strengthen BFI's branding and presence in areas not yet widely accessible by other financing companies, such as in eastern Indonesia. We closed the year with 305 outlets compared to 267 the year before. We continue to closely review and manage our branch network expansion to ensure improved productivity and efficiency. In the financing of car and motorcycle, we continued to maintain our business growth through our Java outlets, which have the biggest market potential given the density of population, economic activity, as well as access to a better infrastructure.

In addition to strengthening our physical network, we expanded our distribution by tapping into digital channels. These digital channels include both internal and external – we revamped the Company website and ramped up our social media marketing, as well as forged relationships with a number of digital partners (aggregators). This is in line with the Company's theme "Innovate to Serve" and we believe, whilst has not yet reaped significant results, being involved in the digital process will improve our operating capabilities and keep us abreast with developments in this area. Collaboration with Fintech and utilisation of Apps in origination and collection process has been integrated into existing processes.

Chart 7 – COMPANY'S 2012-2016 NET PROFIT



Product Proposition

Improvement in Product Proposition includes having a better and faster survey process, improvement in transparency of the process as well as faster approval times and a more standardized risk profile. These initiatives are still in early stages of implementation and we continue with the roll-out process in the new financial year.

Agent Productivity

Agent Productivity is probably our biggest undertaking for the year, where we focus on improving our agency management with the aim to streamline the monitoring and management of our agency network in order to increase productivity as well as prospects with the end goal of ramping up our origination engine. Speed, transparency and simplicity is the essence of this process improvement.

Other notable operational accomplishments during the year can be seen in terms of Human Capital and Risk Management.

HUMAN CAPITAL

In terms of Human Capital, we focused on improving our recruitment sourcing and quality of new hires as well as elevate our brand as an employer in these channels. We also socialized and improved on productivity metrics for better KPI management and improved performance monitoring especially for the branch level. Learning also becomes a priority as we upgraded our front liners and their supervisors with intensive workshops to improve their delivery and engagement skills.

RISK MANAGEMENT

This year, we managed the shift in product focus from new to used cars, successfully mitigating the business impact of this shift as seen in the 6.8% growth in New Financing, despite the 71.2% fall in new car sales. We also showed improvements in credit risk mitigation evidenced by more manageable vintages through systematic Product Quality Review, Risk Acceptance Criteria and risk policies on bookings (better segmentation, stricter underwriting). Collections also saw improvements where we were able to minimize accounts that were migrated into a higher category of days past due.

GOOD CORPORATE GOVERNANCE

BFI has always been committed to implementing GCG principles of transparency, accountability, responsibility, independence and fairness to national standards. In addition to this, we also continue to focus on three-prong sustainability – in economic growth, social responsibility and environment, as part of the social responsibility we carry out across our entire organization. Through our CSR team, GCG extends to activities that focus on our community, society and the natural environment. The quality of Good Corporate Governance implementation

in BFI continues to be refined in line with best practices and standards in Indonesia, such as OJK Roadmap. We have also examined our values in line with our business activities, based on GCG principles and supported by a robust internal control and risk management. This will help minimize risk and contribute to future business performance.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

In line with our vision to contribute improving the quality of life and welfare of communities around us, we seek to maintain an effective balance of profit, people and planet (3Ps). Our sustainability programs include addressing needs of the environment, community welfare, as well as our employees and their families.

Since 2004, we have partnered leading universities in Java to award BFI Scholarships to outstanding undergraduate students. We also opened online registration for our bachelor-degree scholarship program from universities nationwide. In 2016, we awarded 63 scholarships to undergraduates of all disciplines.

In line with our vision to contribute improving the quality of life and welfare of communities around us, we seek to maintain an effective balance of profit, people and planet (3Ps). Our sustainability programs include addressing needs of the environment, community welfare, as well as our employees and their families.



Our partnership with **Gerakan Indonesia Mengajar** continued this year, where we participated in the Young Teachers and Class of Inspiration Programs for two elementary schools in Luwuk, Central Sulawesi, as well as participated in a Homestay Program where employees were given the opportunity to volunteer to stay with and learn from Indonesia Mengajar teachers.

We also continue to award employees' children with scholarships from elementary to high school. The number of students under this program almost doubled in 2016 to 129 students from 76 in 2015. Our partnership with Gerakan Indonesia Mengajar continued this year, where we participated in the Young Teachers and Class of Inspiration Programs for two elementary schools in Luwuk, Central Sulawesi, as well as participated in a Homestay Program where employees were given the opportunity to volunteer to stay with and learn from Indonesia Mengajar teachers.

In addition to that, we have, since 2014, partnered Habitat for Humanity Indonesia in "BFI for Kalialang Baru - Water and Education Project" aimed at improving living conditions for low-income families. In

2016, we continued to work together to build proper drainage for residents of RW 07 in Kalialang Baru, Semarang, Central Java in addition to other independent projects involving renovations of schools and places of worship. In healthcare, we continue to work with Yayasan Citra Baru in providing free cleft lip surgeries to those in need. We supported such surgeries to low-income families that have started since 2012.

2017 BUSINESS OUTLOOK AND PLAN

Next year, is expected to remain a challenging one. Whilst oil and commodity prices are slowly improving, exports are still projected to be weak and our economy to remain weak,

especially for the first half. However, improvements are expected in the second half of the year. On the government's macro assumption for its 2017 State Budget, growth, inflation is forecast to be 4-4.5%. Meanwhile, the rupiah will remain pressured owing to the weakening of the Chinese economy and the prospects of further US Federal Reserve's USD interest rate hikes in 2017.

Based on the Macroeconomic Indicators Forecasting Survey quarter IV-2016 by Bank Indonesia, Indonesia's economic growth in 2017 will be in around of 5.13%. Factors that are predicted to impact growth next year include, among others, increased government spending and investment growth in line with the government's numerous economic packages to stimulate the economy. The government plans to introduce tax reforms,

following its Tax Amnesty program, spend more on building much needed infrastructure and improve the country's social welfare programs. There is an ambitious target for tax revenue. This is a critical number as the country deficit is pegged at not more than 3%.

Given the above, we continue where we left off in 2016 with the following strategic initiatives for 2017:

- to improve productivity in our Agency management capabilities by focusing on speed, simplicity and transparency;
- to optimize growth by continued network expansion as well as more focused and rigorous credit scoring capabilities; and
- to continue strengthening the profile and competence of employees at all levels as well as invest in new Information Technology initiatives to improve operating efficiency through automation and achieve greater market penetration through digitization of our services.

We hope for OJK's continued support and further alignment of the multifinance industry. With the number of new regulations enacted, we see more opportunities for multifinance companies like ours to grow. This will have a positive impact on the company's market and financing growth going forward.

CLOSING AND APPRECIATION

In closing, I would like to take this opportunity to inform you that at the Company's Extraordinary General Meeting of Shareholders on 25 April 2016, our shareholders have agreed to appoint Sigit Hendra Gunawan as Independent Director of the Company. Sigit has over 20 years of experience in the areas of credit and risk and we believe he will be a valuable asset to the Company.

On behalf of the Board of Directors, I would also like to thank the Board of Commissioners for their close supervision and partnership. In addition, we would like to thank our shareholders, customers, bankers, bondholders, business partners and regulators for their continued support, trust, and cooperation. As always, we would like to express our deepest appreciation for all our employees, who have worked with dedication and commitment and their efforts to realize our vision, mission, and objectives of achieving a strong and sustainable growth.

Finally, we thank the Almighty God for guiding and protecting our business in 2016, and continue to pray and seek His guidance for 2017.

Thank you.



Francis Lay Sioe Ho
President Director

From left to right

- 1. Sutadi**
 Director of Retail Business
- 3. Francis Lay Sioe Ho**
 President Director
- 5. Sigit Hendra Gunawan**
 Director of Enterprise Risk
 (Independent)
- 2. Cornelius Henry Kho**
 Director of Operations
 and Corporate Business
- 4. Sudjono**
 Director of Finance and
 Information Technology



BOARD OF DIRECTORS



**PRODUKSI BIOLA BAMBU – CIMAHI
DJULI PAMUNGKAS**

Exploration of the use of bamboo as a modern musical instrument, a way to boost creative economy and enrich Indonesian culture

COMPANY PROFILE

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COMPANY IDENTITY



COMPANY NAME

PT BFI Finance Indonesia Tbk
(abbreviated as “BFI”)

DOMICILE

South Tangerang,
Indonesia

ESTABLISHED

7 April 1982

LAW OF ESTABLISHMENT BASIS

Based on Deed No. 57 made before Kartini Muljadi, S.H., Notary in Jakarta. The deed of establishment was approved by the Minister of Justice (now the Ministry of Justice and Human Rights) of the Republic of Indonesia through Decree No. C2-2091-HT.01.01.TH.82 dated 28 October 1982 and was published in the State Gazette No. 102 dated 21 December 1982, Supplement No. 1390.

STOCK MARKET

BFI shares listed and traded on the Indonesia Stock Exchange (“BEI” or “IDX”)

DATE OF SHARE REGISTRATION

16 May 1990

AUTHORISED CAPITAL

Rp500 billion

OWNERSHIP

- Trinugraha Capital & Co SCA: 42.81%
- PT BFI Finance Indonesia Tbk*: 6.28%
- Public/Others (each below 5%): 50.91%

STOCK CODE

BFIN

ISSUED AND FULLY PAID-UP CAPITAL

Rp399.2 billion

MEMBERSHIPS IN ASSOCIATIONS

- Indonesian Financial Services Association (APFI)
- Indonesian Public-listed Companies Association (AEI)
- Indonesian Capital Market Arbitration Board (BAPMI)
- Indonesia Financing, Pawnbrokerage and Venture Mediation Board (BMPPVI)

Contact Us

HEAD OFFICE

PT BFI Finance Indonesia Tbk
BFI Tower
Sunburst CBD Lot 1.2
Jl. Kapt. Soebijanto Djojohadikusumo
BSD City - Tangerang Selatan 15322
Indonesia
Phone: (62-21) 2965 0300, 2965 0500
Facsimile: (62-21) 2966 0757, 2966 0758

CORPORATE SECRETARY

corsec@bfi.co.id

INVESTOR RELATIONS

investor@bfi.co.id

WEBSITE

www.bfi.co.id

CALL CENTER

1500018

SOCIAL MEDIA

BFI Finance @BFIFinance bfinance

BUSINESS ACTIVITIES

Investment Financing, Working Capital Financing,
Multipurpose Financing



305

Total
Outlets



8,941

Total
Employees

* Result of the Company's stock buyback program in line with the Resolution of the EGMS on 15 April 2015

VISION, MISSION, AND CORE VALUES

Vision

To become a trusted partner in financial solutions that contributes to the enhancement of people's standard of living

Mission

- To provide reliable and effective financial solutions to our customers
- To deliver superior return-on-investment and sustain our reputation as a trusted public company
- To provide an ecosystem that nurtures future leaders of the organization
- To build long-term collaboration with business partners, based on mutual trust and benefit
- To contribute positively to the society

CORE VALUES



G Grow and Improve Continuously

R Respect and Care

E Excellent Service

A Absolute Integrity

T Trust and Team Spirit

The Company's Vision, Mission, and Core Values have been reviewed comprehensively in line with the dynamic business development of BFI. The Vision, Mission, and Core Values have been approved by the Board of Commissioners and the Board of Directors.

COMPANY IN BRIEF



INCORPORATION

PPT BFI Finance Indonesia Tbk (“the Company” or “BFI”) is one of the longest established finance companies in Indonesia. First starting as PT Manufacturers Hanover Leasing Indonesia, a joint venture with Manufacturer Hanover Leasing Corporation (“MHLC”) from the United States, the Company was incorporated on 7 April 1982 under the Deed

No. 57 made before Kartini Muljadi, S.H., Notary in Jakarta, and approved by the Minister of Justice of the Republic of Indonesia by virtue of its Decree No. C2-2091-HT.01.01.TH.82 dated 28 October 1982, and published on the State Gazette No. 102 dated 21 December 1982, Supplement No. 1390. The MHLC shareholding was 70%, while the rest was owned by Indonesian nationals.

The Company was granted a finance institution business license as a leasing company from the Minister of Finance of the Republic of Indonesia under the Decree No. KEP-038/KM.11/1982 dated 12 August 1982.

In 1986, PT Bank Umum Nasional and Essompark Ltd., Hong Kong, took over MHLC’s ownership of the Company and later changed the Company name to PT Bunas Finance Indonesia under the Deed made before Inge Hendarmin, S.H., Notary in Jakarta, dated 14 August 1986, and approved by the Minister of Justice of the Republic of Indonesia by virtue of its Decree No. C2-9677.HT.01.04. TH.86 dated 7 October 1986, and published on the State Gazette No. 94 dated 25 November 1986, Supplement No. 1451.

DEVELOPMENT

In 1990, the Company became one of the first finance companies to go public after listing its shares at the Jakarta Stock Exchange and Surabaya Stock Exchange (now Indonesia Stock Exchange or "IDX"), with the stock code BFIN. A change was made to the Company name and status to PT Bunas Finance Indonesia Tbk.

In the same year, BFI altered its operating license to a multifinance company under the Decree of the Minister of Finance of the Republic of Indonesia No. 493/KMK.013/1990 dated 23 April 1990.

After weathering the 1997 Asian financial crisis, the Company successfully restructured its debts in 2001 and changed its name to PT BFI Finance Indonesia Tbk, under the Deed No. 116 made before Aulia Taufani, S.H., substitute of Sutjipto, S.H. Notary in Jakarta, dated 27 June 2001, and approved by the Minister of Law and Human Rights of the Republic of Indonesia by virtue of its Decree No. C-03668.HT.01.04. TH.2001 dated 24 July 2001 and published on the State Gazette No. 35 dated 30 April 2002, Supplement No. 4195.

On 20 February 2006, the Minister of Finance of the Republic of Indonesia amended the Company's business license through its Decree No. KEP-038/KM.5/2006 to backdate the business license previously

granted to PT Bunas Finance Indonesia Tbk to the date of the approval of the Company name change to PT BFI Finance Indonesia Tbk under the Decree of the Minister of Law and Human Rights of the Republic of Indonesia No. C-03668.HT.01.04. TH.2001 dated 24 July 2001.

The latest amendment to the Company's articles of association was made under the Deed No. 2 dated 3 June 2015, made before Aulia Taufani, S.H., Notary in Tangerang, on the approval of the issuance of shares for Phase II of the Management and Employee Stock Options Program ("MESOP") (for the period up to 30 June 2016). The amendment was accepted and recorded in the database of Legal Entity Administration System of the Ministry of Law and Human Rights of the Republic of Indonesia No. AHUAH.01.03-0941444 dated 12 June 2015. As of the date of these financial statements, the amendment has not been published on the State Gazette.

The Company's articles of association have been amended several times. The latest amendment was made under the Deed of Statement of Meeting Resolutions No. 10 dated 20 June 2016, made before Aulia Taufani, S.H., Notary in Tangerang, on the approval of the issuance of shares for Phase II of the Management and Employee Stock Options Program ("MESOP") for the period up to 30 June 2016, with the notice of the amendment accepted by the Minister of Law and Human

Rights by virtue of its approval No. AHU-AH.01.03-0061069 dated 27 June 2016, and registered in the Company Register under No. AHU-0078939.AH.01.11. Tahun 2016 dated 27 June 2016, to amend Article 4 paragraph (2) on Capital. As of the date of this Integrated Annual Report, the amendment has not been published on the State Gazette.

BFI NOW

Now, BFI has grown into one of the biggest finance companies with the widest network and product range, supported by 8,941 employees in 209 branches and 96 outlets all across Indonesia.

BFI is a renowned and solid provider of financial services, proven by the Company's sustainable growth trajectory and numerous awards won over the years, including the title of "Multifinance Company with Excellent Financial Performance" from *InfoBank* magazine for eleven consecutive financial years (2006-2016).

As of 31 December 2016, Trinugraha Capital & Co SCA, a Luxembourg-based financial institution, becomes the majority shareholder of BFI with a 42.81% stake. Since 2013, the Company's Head Office has been located in BFI Tower, Sunburst CBD Lot 1.2, Jl. Kapt. Soebijanto Djojohadikusomo, BSD City, South Tangerang.

MILESTONES

1982

- The Company was founded under the name of PT Manufacturer Hanover Leasing Indonesia.
- Obtained a finance institution business license (leasing).

1990

- Obtained a multifinance business license, which was renewed in 1990.
- Conducted an Initial Public Offering on the Jakarta Stock Exchange and the Surabaya Stock Exchange (now Indonesia Stock Exchange or "IDX") with stock code BFIN by issuing 25% of new shares (2,125,000 shares) offered to the public at Rp5,750 per share with nominal price of Rp1,000 per share.
- The Company status and name changed to PT Bunas Finance Indonesia Tbk.

1994

- Conducted Limited Public Offering I (Rights Issue I or "PUT I") for 28,829,558 shares.

2001

- Completed financial restructuring, resulting in a change of majority shareholder.
- The Company name changed to PT BFI Finance Indonesia Tbk.

1986

- Acquired by PT Bank Umum Nasional and Essompark Ltd., Hong Kong.
- The Company name changed to PT Bunas Finance Indonesia.

1993

- The first share dividends with 1 (one) new share for every 10 (ten) shares held, and a total of 1,062,500 shares with a nominal value of Rp1,000 per share.

1997

- Stock split from Rp1,000 per share to Rp500 per share.

2002

- Issuance of Mandatory Convertible Bonds ("MCB"), converted into 414,384,585 ordinary shares in 2006.

2006

- Amended the Company's business license on 20 February 2006 to accommodate the Company name change.
- Full repayment of debts under debt restructuring exercise.

2011

- Trinugraha Capital & Co SCA became a majority shareholder with 44.95% shares.
- Obtained a rating of 'A(idn)' from Fitch Ratings.

2015

- Conducted stock buyback program to improve the Company's capital management.
- Obtained an upgraded rating of 'A+(idn)' with Outlook Positive from Fitch Ratings from the previous 'A+(idn)' with Outlook Stable.

2007

- Conducted an initial bond offering for Obligasi BFI Finance Indonesia Tahun 2007 Dengan Tingkat Bunga Tetap.
- Awarded Moody's Investors Service rating of Baa1(id).

2012

- Issuance of new shares for the Management and Employee Stock Options Program ("MESOP") of up to 5% of the Company's total shares.
- Changed the nominal value of the Company's shares (stock split) from Rp500 per share to Rp250 per share.

2016

- **Obtained a rating of 'AA-(idn)' with Outlook Stable from Fitch Ratings from the previous 'A+(idn)' with Outlook Positive.**

BUSINESS ACTIVITIES

BUSINESS ACTIVITIES

Pursuant to the Regulation of the Minister of Finance No. 84/PMK.012/2006 on Finance Company (“PMK 84”), the Company’s scope of activity is to conduct a financing business by providing funds or capital goods in the forms of:

- a. Finance Lease;
- b. Consumer Financing;
- c. Factoring; and
- d. Credit Card Business.

Under the Regulation of Otoritas Jasa Keuangan No. 29/POJK.5/2014 on the Implementation of Finance Business (“POJK 29”), the scope was subsequently changed to:

- a. Investment Financing;
- b. Working Capital Financing;
- c. Multifinance; and
- d. Other business activities approved by Otoritas Jasa Keuangan (“OJK”).

The statements of amendment to the articles of association with regard to PT BFI Finance Indonesia Tbk’s (“BFI” or “the Company”) purpose, objective and activity in Article 3 were approved by the Extraordinary General Meeting of Shareholders (“EGMS”) based on the Deed of Minutes of EGMS No. 44 dated 15 April 2015 in conjunction with the Deed of Statement of Meeting Resolutions No. 1 dated 30 April 2015 and the approval of the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-0934483.AH.01.02 of 2015 dated 30 April 2015, and have been recorded at the Directorate of Institutional and Non-Bank Financial Industry Product according the Director of Institutional and Non-Bank Financial Industry Product’s letter No. S-4171/NB.111/2015 dated 5 August 2015.



DODY TRI ARIYANTO

UD Tri Mulia, Tuban, East Java

I have partnered with BFI since 2010. At that time I recognized BFI from mass media and I had the opinion that BFI was a steady, strong company. My partnership with BFI has been excellent, because there are clear procedures that are reliable and the service is courteous and friendly. I have no doubt to continue my partnership with BFI well into the future.

BUSINESS SEGMENTS

As no regulation has been issued for financing classification under POJK 29, the Company's business segments still refer to the Company's activities under PMK 84, i.e. Consumer Financing and Finance Lease.

Consumer Financing

Consumer Financing includes the financing of new car purchased via dealer, and used car and motorcycle purchased via dealer or sales representative (non-dealer).

1. Financing of New and Used Car (Dealer)

New and used car financing (via dealer) has been BFI's core business for more than 20 years. This product is offered in most of our branches and provides financing facilities for new and used car purchased via our partner dealer. The financing term ranges from one to four years at a fixed rate.

2. Financing of Used Car and Motorcycle (Non-Dealer)

Non-dealer financing was first introduced in 2006 to serve the financing needs of the customer directly (owners of car and motorcycle). This includes existing customers with repeat orders, new customers referred by existing customers (Customer-Get-Customer program), or through independent sales agents and telesales call centers (direct marketing and sales). The target market is low-to-middle income segment.

Finance Lease

Finance Lease business includes financial services provided to individual and corporate customers that make a purchase or sale and leaseback of heavy equipment, machinery, motor vehicles, and other equipment, both in new and used condition. Customers of BFI's Finance Lease business generally come from the mining, trading, construction, services, agriculture, manufacturing, transportation, infrastructure, and other sectors.

PRODUCTS BY ASSET TYPE

The Company's Consumer Financing and Finance Lease business segments cover the following product portfolio by asset type:

1. New Car;
2. Used Car;
3. Used Motorcycle;
4. Heavy Equipment, etc. consisting of:
 - heavy equipment;
 - truck and public transportation;
 - machinery; and
 - etc.
5. Property.

Our product portfolio will be discussed further in the Business Overview by Product based on Asset Type section in the Management Discussion and Analysis Chapter of this Integrated Annual Report (page 128-134).

ERFIN ANRIBALI

PT Hasjrat Abadi - Ternate, North Maluku

We have been in partnership with BFI since November 2014. An important factor in this partnership is BFI's robust position as a company so that it knows what its partners, like us, and its customers, need.



MAP AND OPERATIONAL NETWORK

Currently BFI has one head office and 305 outlets that serve consumers and customers in most of all provinces in Indonesia.

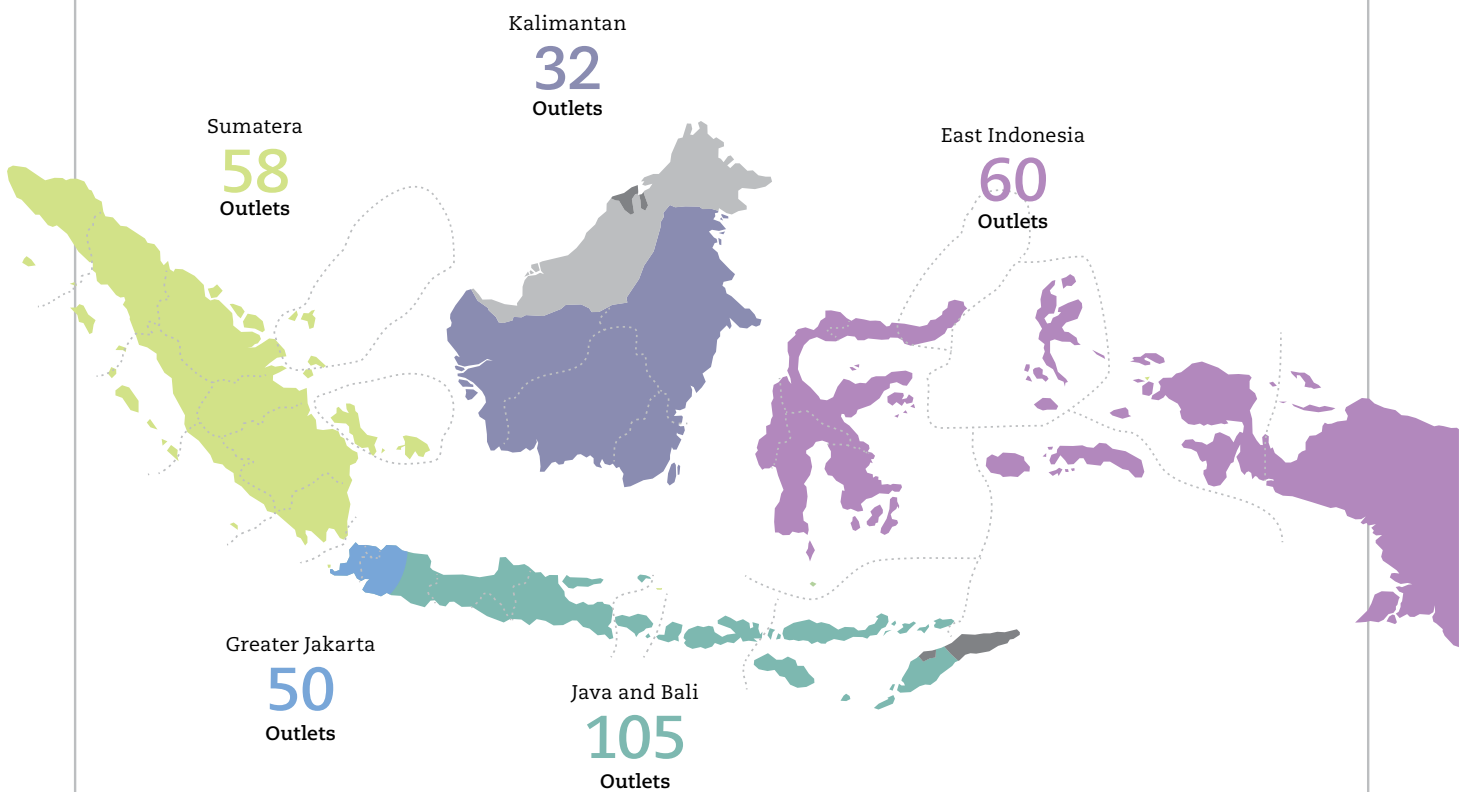
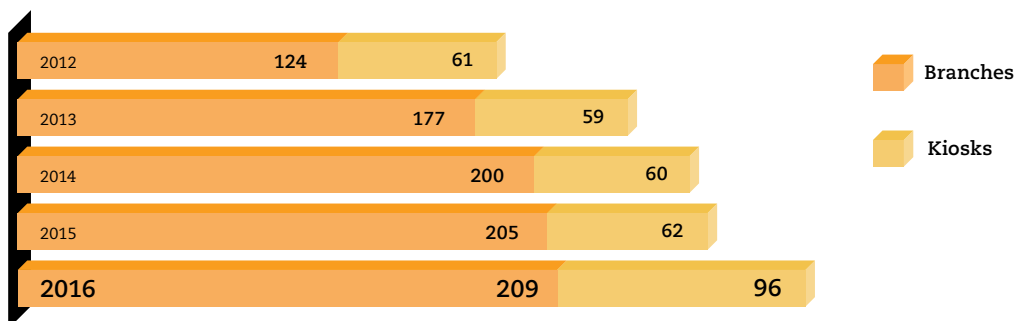
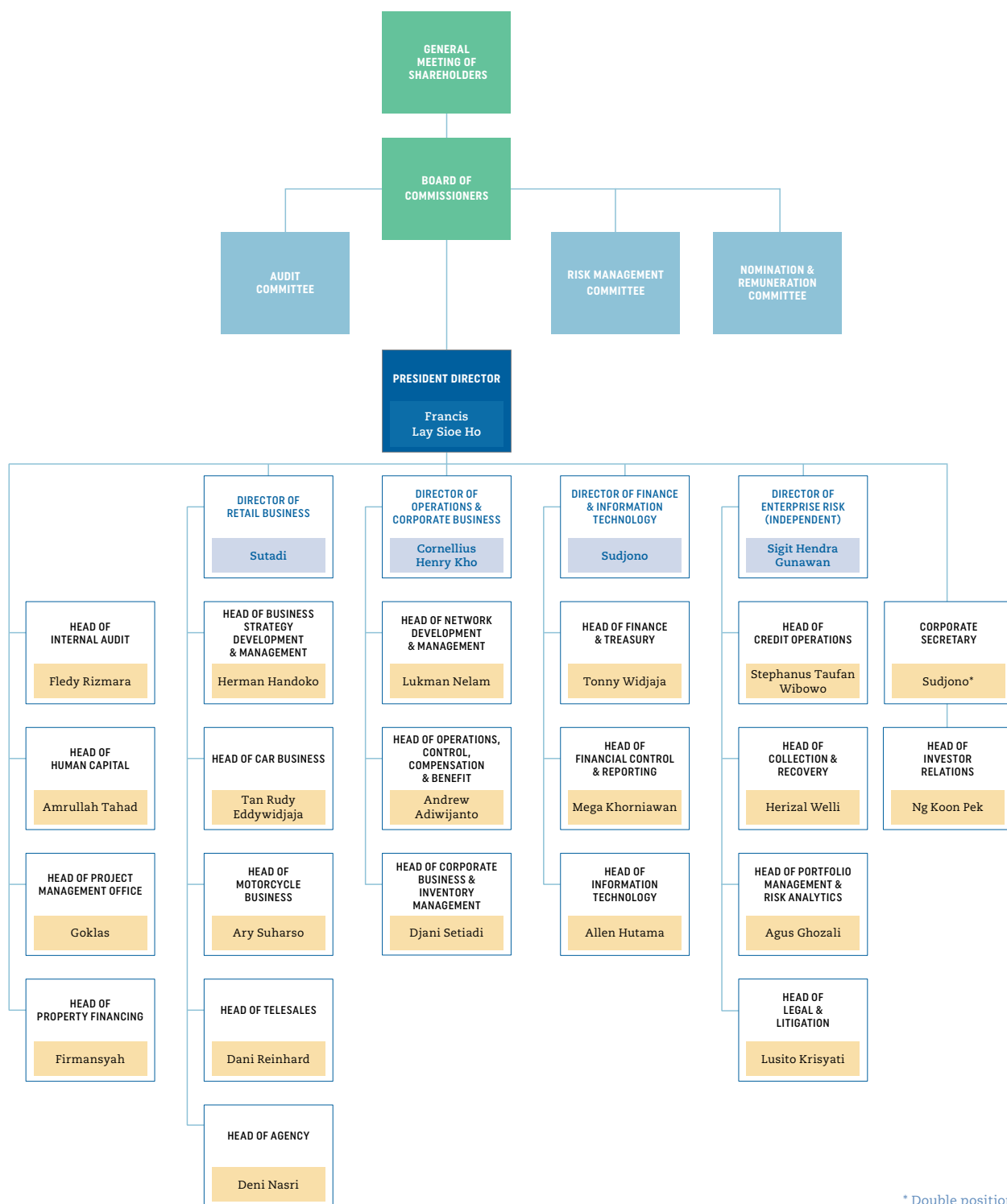


Chart 8 – TOTAL OUTLETS



ORGANIZATION STRUCTURE

The organization structure of BFI on 31 December 2016 is as follows:



* Double position

BOARD OF COMMISSIONERS' PROFILE

Based on the Company's Minutes of the Extraordinary General Meeting of Shareholders ("EGMS") as notarized by Deed No.43 dated 25 April 2016 in conjunction with Deed of Meeting Resolutions Statement No. 44 dated 25 April 2016 prepared before Aryanti Artisari, S.H., M.Kn., Notary in Jakarta, which has been accepted and recorded by the Ministry of Law and Human Rights of the Republic of Indonesia in Decree No. AHU.AH.01.03-00045172 dated 28 April 2016, the Company's Board of Commissioners on 31 December 2016 are as follows:

BOARD OF COMMISSIONERS

1	President Commissioner	Kusmayanto Kadiman
2	Commissioner (Independent)	Johanes Sutrisno
3	Commissioner (Independent)	Alfonso Napitupulu
4	Commissioner (Independent)	Emmy Yuhassarie
5	Commissioner	Dominic John Picone
6	Commissioner	Sunata Tjiterosampurno



Kusmayanto Kadiman
President Commissioner

Indonesian citizen, born in 1954, aged 62 (as of 31 December 2016), domiciled in Jakarta. He serves as the Company's President Commissioner pursuant to the Deed of Minutes of AGMS No. 80 dated 15 June 2011 and was reappointed to the same position pursuant to the Deed of Minutes of EGMS No. 43 dated 25 April 2016 for the period of 2016-2021. He also serves as the Vice President Commissioner of PT Adaro Power, Commissioner of PT Tamaris Hidro, President Commissioner of PT iForte Solusi Infotek and President Commissioner of PT Setiabudi Investment Management. Prior to serving as the President Commissioner of BFI, he was a Commissioner and an Adviser to several companies

in the field of natural resources and power generation since 2009, the Minister of Research and Technology of the Republic of Indonesia in 2004-2009, Chairman of the Asian-Europe University Network (ASEA-UNINET) in 2002-2004, Rector of Bandung Institute of Technology ("ITB") in 2001-2004, Head of Technology Development Center of ITB in 1998-2001, as well as Head of ITB Laboratory Control in 1995-1998, Director of Business Group in Jakarta in 1993-1995, and Director of ITB Computer Centre in 1990-1993. He earned his Doctor of Philosophy degree from Australian National University, Canberra, Australia, in 1988, as well as Bachelor of Physics Engineering from ITB in 1977.



Johanes Sutrisno
Independent Commissioner

Indonesian citizen, born in 1951, aged 65 (as of 31 December 2016), domiciled in Jakarta. He serves as the Company's Independent Commissioner pursuant to the Deed of Minutes of AGMS No. 80 dated 15 June 2011 and was reappointed to the same position pursuant to the Deed of Minutes of EGMS No. 43 dated 25 April 2016 for the period of 2016-2021 as well as being the Chairman of the Risk Management Committee. He once served as a member of the Audit Committee of PT Bentoel Internasional Investama Tbk since March 2010 until 31 March 2016. He joined BFI as a Credit Officer (1982-1991), then served as a Director (1991-1999) and a President Commissioner (2000-2011). He previously held positions as the Director of Finance of PT Carsurin from April 2007 until June 2013, joined Mutual International Finance Corporation (1980-1982), and as Auditor in SGV, Utomo, Mulia & Co. (1973-1976). He obtained his Master of Business Administration (M.B.A.) degree from Gadjah Mada University, Jakarta, in 2009 and Bachelor of Economics in Management (Drs.) from University of Indonesia, Jakarta, in 1980.



Alfonso Napitupulu
Independent Commissioner

Indonesian citizen, born in 1950, aged 66 (as of 31 December 2016), domiciled in Jakarta. He serves as the Company's Independent Commissioner pursuant to the Deed of Minutes of AGMS No. 80 dated 15 June 2011 and was reappointed to the same position pursuant to the Deed of Minutes of EGMS No. 43 dated 25 April 2016 for the period of 2016-2021 as well as being the Chairman of the Nomination and Remuneration Committee. He currently holds positions as the Managing Partner at the Law Office of Alfonso Napitupulu & Partners, Jakarta, since 1993, President Director of PT Nana Mandiri Dwikarya since 1989, Independent Commissioner of PT Asuransi Bringin Sejahtera Artamakmur (BRINS General Insurance) since 2015, Chief Commissioner of PT Kredit Biro Indonesia Jaya (KBIJ) since 2016, and Expert Staff of Statutory Management of AJB Bumiputera 1912 since 2016. Prior to joining BFI, he worked in the Law Office of Alfonso, Giunseng & Kolopaking, Jakarta, in 1988-1993, as an International Lawyer Practitioner in Law Office of Bronson, Bronson & McKinnon, San Francisco, California, USA, in 1984-1985, joined the Law Office of Gani Djemat & Partners in 1975-1988, as well as a Legal Consultant Advocate on Capital Market and Intellectual Property Rights in 1976. He obtained his Bachelor of Law degree (Civil Law) from University of Indonesia, Jakarta, in 1975.



Emmy Yuhassarie
Independent Commissioner

Indonesian citizen, born in 1950, aged 66 (as of 31 December 2016), domiciled in Jakarta. She serves as the Company's Independent Commissioner pursuant to the Deed of Minutes of AGMS No. 80 dated 15 June 2011 and was reappointed to the same position pursuant to the Deed of Minutes of EGMS No. 43 dated 25 April 2016 for the period of 2016-2021 as well as being the Chairwoman of the Audit Committee. She also holds positions as the Honorary Board Member of the Capital Market Legal Consultants Association ("HKHPM") since 2012, Adviser of HKHPM, Supervisory Board of the Indonesia Institute of Corporate Directorship (IICD) since 2012, Commissioner of PT Indonesia Asahan Aluminium/INALUM (Persero) since 2007 and Lecturer of the Faculty of Law, University of Indonesia. In addition, she once served as a Special Staff to the Minister of State-Owned Enterprises (BUMN) in 2007-2012, and Domestic Consultant of the World Bank and Indonesia National Committee of Good Governance in 2004-2005. She earned her Master of Law (L.L.M.) degree from University of California (UC), Berkeley, USA, in 1982 and Bachelor of Law degree from University of Airlangga, Surabaya, in 1979.



Dominic John Picone
Commissioner

Australian citizen, born in 1978, aged 38 (as of 31 December 2016), domiciled in Singapore. He serves as the Company Commissioner pursuant to the Deed of Minutes of EGMS No. 44 dated 15 April 2015 in conjunction with the Deed of Meeting Resolutions Statement No. 3 dated 6 July 2015 for the period of 2015-2020. He previously served as the Member of the Audit Committee, the Risk Management Committee as well as the Nomination and Remuneration Committee from 2011 until March 2015. Currently, he also holds positions as the Managing Director and Head of Financial Services (Asia, excl. India) at TPG Capital (S) Pte. Ltd. in Singapore since 2005. Prior to that, he was an Analyst in Investment Banking Division of Credit Suisse First Boston in Melbourne, Australia (2004-2005), and held various positions at Consumer Finance Division of ANZ Bank, Australia (1998-2004). He earned his Bachelor Degree in Laws in 2003 and Bachelor of Commerce (Honours-Finance) in 2001 from University of Melbourne, Australia.



Sunata Tjiterosampurno
Commissioner

Indonesian citizen, born in 1972, aged 44 (as of 31 December 2016), domiciled in Jakarta. He serves as the Company Commissioner pursuant to the Deed of Minutes of EGMS No. 44 dated 15 April 2015 in conjunction with the Deed of Meeting Resolutions Statement No. 3 dated 6 July 2015 for the period of 2015-2020. He previously served as the Member of the Risk Management Committee from May 2013 until September 2014. He currently holds positions as the Managing Director of Northstar Advisors Pte. Ltd. starting from 2006, President Commissioner of PT Bukit Makmur Mandiri Utama (BUMA) since 2009, Commissioner of PT Delta Dunia Makmur Tbk since 2011, Commissioner of PT Trimegah Sekuritas Indonesia Tbk since 2013, and Commissioner

of PT Multi Adiprakarsa Manunggal since 2016. He previously served as a Commissioner, member of the Audit, Risk Monitoring, and Remuneration and Nomination Committees of PT Bank Tabungan Pensiunan Nasional Tbk (2008-2015), Director at Investment Banking Division of PT Danareksa Sekuritas (2004-2006), and a Consultant at Boston Consulting Group, Jakarta (1998-2004). He started his career as an Assistant Vice President in Equity Research of PT Lippo Securities - SBC Warburg (1995-1998). He earned his Master of Finance (Merit) degree from London Business School, UK, in 2002, and Bachelor of Business Administration (Distinction) degree from University of Wisconsin-Madison, USA, in 1995.

BOARD OF DIRECTORS' PROFILE

Based on the Company's Minutes of the Extraordinary General Meeting of Shareholders ("EGMS") as notarized by Deed No. 43 dated 25 April 2016 in conjunction with Deed of Meeting Resolutions Statement No. 44 dated 25 April 2016 prepared before Aryanti Artisari, S.H., M.Kn., Notary in Jakarta, which has been accepted and recorded by the Ministry of Law and Human Rights of the Republic of Indonesia in Decree Number AHU-AH.01.03-0045172 dated 28 April 2016, the composition of the Company's Board of Directors on 31 December 2016 are as follows:

BOARD OF DIRECTORS

1	President Director	Francis Lay Sioe Ho
2	Director of Operations and Corporate Business	Cornellius Henry Kho
3	Director of Finance and Information Technology	Sudjono
4	Director of Retail Business	Sutadi
5	Director of Enterprise Risk (Independent)	Sigit Hendra Gunawan



Francis Lay Sioe Ho
President Director

Indonesian citizen, born in 1948, aged 68 (as of 31 December 2016), domiciled in Jakarta. He worked as an Executive Officer at the Ministry of Finance in Singapore in 1972-1973. He joined PT Indovest in 1975 as Treasury Officer, served as Credit Manager until 1980, and Head of Credit Department from 1980-1983. He was appointed as Director of BFI in 1983, and later served as President Director in 1986.

Pursuant to the Deed of Minutes of EGMS No.43 dated 25 April 2016, he was reappointed to the position of the President Director for the period of 2016-2021. He obtained his Bachelor of Business Administration (B.B.A.) from the National University of Singapore (NUS) in Singapore in 1972 and Master of Business Management (M.B.M.) from the Asian Institute of Management (AIM) in Manila, Philippines, in 1975.



Cornellius Henry Kho*
Director of Operations and Corporate Business

Indonesian citizen, born in 1966, aged 50 (as of 31 Desember 2016), domiciled in Jakarta. He serves as the Company Director pursuant to the Deed of Minutes of AGMS No. 80 dated 15 June 2011 and was reappointed to the same position pursuant to the Deed of Minutes of EGMS No. 43 dated 25 April 2016 for the period of 2016-2021. Prior to serving as the Director of Operations which began in May 2014 and supervising the Company's Operations Division, Network Development and Corporate Business, from 2007 until 2014, he served as the Director that supervised various departments in BFI, among others, Human Capital until 2012, Finance and Treasury as well as Internal Audit until 2014 and concurrently served as the Corporate Secretary until June 2014. He once served as the Head of Financial Control and Treasury of BFI (1996-1997), Financial Control of BFI (1992-1996) and Auditor at Prasetyo, Utomo and Co. (1989-1992). He obtained his Bachelor of Economics degree in Accounting from University of Trisakti, Jakarta, in 1990.

* Resigned per 31 January 2017



Sudjono
Director of Finance and Information Technology

Indonesian citizen, born in 1970, aged 46 (as of 31 December 2016), domiciled in South Tangerang. He has been serving as the Director of Finance and Information Technology since May 2014 pursuant to the Deed of Minutes of EGMS No. 18 dated 6 May 2014 in conjunction with the Deed of Meeting Resolutions Statement No. 3 dated 25 June 2014 for the period of 2014-2019, concurrently serving as the Corporate Secretary based on the Virtue of the Board of Directors of the Company No. BOD-BOC/VI/2014-0011 dated 24 June 2014. Previously, he held a position as the Division Head of Finance and Information Technology and other positions at BFI from 1993 to April 2014, as well as the Member of the Risk Management Committee from 2003 to 2013. He previously held a position as a Senior Auditor in Public Accounting Firm of Hans Tuanakotta Mustofa (HTM) - member of Deloitte Touche Tohmatsu International in 1991-1993. He earned the title of Enterprise Risk Manager (ERM™) from Asia Risk Management Institute (ARiMI) and National University of Singapore (NUS) in 2009, Master of Business Administration (M.B.A.) degree from Institut Pengembangan Manajemen Indonesia (IPMI), Jakarta, in 2006, and Bachelor of Economics degree in Accounting from University of Tarumanagara, Jakarta, in 1993.



Sutadi
Director of Retail Business

Indonesian citizen, born in 1974, aged 42 (as of 31 December 2016), domiciled in Tangerang. He has been serving as the Director of Retail Business since May 2014 pursuant to the Deed of Minutes of EGMS No. 18 dated 6 May 2014 in conjunction with the Deed of Meeting Resolutions Statement No. 3 dated 25 June 2014 for the period of 2014-2019. Previously, he has served in various other positions at BFI, among others, Head of Retail Business until April 2014, Department Head and Associate Division Head (2008-2012), Regional Manager (2006-2008), Branch Manager (2004-2006), Branch Establishment Manager (2001- 2004), and Branch Manager (2000-2001). He also once served as a Sales Executive in Marketing Export at PT Tjiwi Kimia Pulp & Paper since (1999-2000) as well as Collection & Credit Analyst Officer of PT Bunas Finance Indonesia (1997-1999). He earned his Bachelor of Industrial Engineering degree from University of Trisakti, Jakarta, in 1998.



Sigit Hendra Gunawan
Director of Enterprise Risk (Independent)

Indonesian citizen, born in 1968, aged 48 (as of 31 December 2016), domiciled in Tangerang. He has been serving as Director of Enterprise Risk (Independent) since April 2016 pursuant to the Deed of 2016 EGMS Minutes No. 43 dated 25 April 2016 for the period of 2016-2021. He joined BFI as the Head of Enterprise Risk in 2015. Previously, he worked at Adira Finance in 2005-2015 with his last position as Head of Credit Division or Deputy Director - Head of Credit & Collection, and PT Astra Sedaya Finance as Account Management Department Head and Credit Analyst and Risk Department Head (Fleet Division) from January 1994 to August 2005. He has a Certified Business Management in 2004 and a Certified Business Management-Operation in 2003, both from Prasetya Mulya Business School, Jakarta. He obtained his Bachelor of Industrial Engineering degree from University of Trisakti, Jakarta, in 1993.

PROFILE OF COMMITTEES UNDER THE BOARD OF COMMISSIONERS

AUDIT COMMITTEE



Emmy Yuhassarie
Chairwoman of the Audit Committee

Indonesian citizen, born in 1950, aged 66. Her position as the Chairwoman of the Audit Committee was confirmed by the Board of Commissioners' Decision Letter No. BOC/SK/VI/2016-05 dated 21 June 2016 for the period of 2016-2021. She also serves as the Independent Commissioner reappointed under the Deed of Minutes of EGMS No. 43 dated 25 April 2016 for the period of 2016-2021. Her profile has been presented in the Board of Commissioners' Profile section (page 59).



Edy Sugito
Member of the Audit Committee

Indonesian citizen, born in 1964, aged 52 (as of 31 December 2016), domiciled in Jakarta. He serves as the Member of the Audit Committee pursuant to the Board of Commissioners' Decision Letter No. BOC/SK/VI/2016-05 dated 21 June 2016 for the period of 2016-2021. He also serves as the Chief Commissioner of PT Gayatri Kapital Indonesia and the Independent Commissioner in several other companies, among others, PT PP London Sumatra Indonesia Tbk, PT Wisnilak Inti Makmur Tbk dan PT Trimegah Sekuritas Indonesia Tbk. Previously, he served as the Director of Company Valuation of PT Bursa Efek Indonesia (2000-2005), Director of PT Kliring Penjaminan Efek Indonesia (2000-2005) and Director of PT Kustodian Sentral Efek Indonesia (1998-2000). He earned his Bachelor of Economics degree in Accounting from University of Trisakti, Jakarta, in 1991.



Friso Palilingan
Member of the Audit Committee

Indonesian citizen, born in 1983, aged 33 (as of 31 December 2016), domiciled in Jakarta. He has been serving as the Member of the Audit Committee since April 2015 pursuant to the Board of Commissioners' Decision Letter No.BOC/SK/IV/2015-0081 dated 13 April 2015 and was reconfirmed by the Board of Commissioners' Decision Letter No.BOC/SK/VI/2016-05 dated 21 June 2016 for the period of 2016-2021. He also serves as a Partner at PKF Indonesia, Vice Chairman at NBP Capital, member of the Financial Accounting Standards Board of the Indonesian Institute of Accountants ("IAI"), member of Audit Committees at PT Intiland Development Tbk and PT Duta Intidaya Tbk. Previously, he was a Partner of a global top five accounting firm. He earned his Bachelor of Economics degree in Accounting in 2005 and Master's degree in Accounting in 2008, both from the Kwik Kian Gie School of Business (formerly known as the Indonesian Institute of Business and Informatics) in Jakarta. He also received the Certified Public Accountant (CPA) in 2008 and Chartered Accountant (CA) in 2013, both from IAI, as well as the Certified Audit Committee Practitioner from the Indonesian Institute of Audit Committee (IKAI) in 2016.

RISK MANAGEMENT COMMITTEE



Johanes Sutrisno
Chairman of the
Risk Management Committee

Indonesian citizen, born in 1951, aged 65. He was appointed as the Chairman of the Audit Committee pursuant to the Board of Commissioners' Decision Letter No.BOC/SK/VI/2016-05 dated 21 June 2016 for the period of 2016-2021. Currently, Johannes Sutrisno also serves as the Independent Commissioner reappointed under the Deed of Minutes of EGMS No.43 dated 25 April 2016 for the period of 2016-2021. His profile has been presented in the Board of Commissioners' Profile section (page 58).



Jono Effendy
Member of the
Risk Management Committee

Indonesian citizen, born in 1974, aged 42 (as of 31 December 2016), domiciled in Jakarta. He has been serving as the Member of the Risk Management Committee since April 2015 pursuant to the Board of Commissioners' Decision Letter No. BOC/SK/IV/2015-0081 dated 13 April 2015 and was reconfirmed by the Board of Commissioners' Decision Letter No. BOC/SK/VI/2016-05 dated 21 June 2016 for the period of 2016-2021. He is the Co-Founder and Managing Director of Kiran Resources Indonesia (since June 2004). Currently, he also serves as an Independent Commissioner, a member of the Audit Committee and the Risk Monitoring Committee in PT Commonwealth Life (since November 2014) and member of the Audit Committee and the Risk Monitoring Committee at PT Bank Commonwealth (since March 2013) and PT Bank BNP Paribas Indonesia (since July 2007). He has served as a member of Audit Committees and Risk Monitoring Committees in banks and other financial institutions. In the period July 2001 to February 2004, he held several positions in the Indonesian Bank Restructuring Agency (Badan Penyehatan Perbankan Nasional or BPPN), among others: Group Head of Research in the area of Banking Landscape, Group Head of

Consultant Management Unit and Coordinator of Special Staff of IBRA Chairman. He began his career in PT Tanjung Johor Wood Industry, Jakarta (December 1993 - July 1996) as an Accountant, and then as a Senior Auditor at Arthur Andersen, Jakarta (August 1996 - July 1998) and as a Senior Consultant at Deloitte Touche, Jakarta (December 1998 - July 2001). He earned his Master's degree in Finance from University of Pelita Harapan in Tangerang in 2003, Bachelor of Economics degree in Accounting from University of Tarumanagara in Jakarta in 1996, as well as earning the Risk Management Certification Level 3 from Badan Sertifikasi Manajemen Risiko (BSMR), Indonesia, and the International Certificate in Banking and Regulation from the Global Association of Risk Professionals (GARP), the Risk Management Certification Institute based in New York, USA, in 2011. He also earned the Risk Management Certification for Insurance Company Level 5 from Asosiasi Ahli Manajemen Asuransi Indonesia (AAMAI) in 2015.

NOMINATION AND REMUNERATION COMMITTEE



Alfonso Napitupulu
Chairman of the Nomination and
Remuneration Committee

Indonesian citizen, born in 1950, aged 66. His position as the Chairman of the Nomination and Remuneration Committee was confirmed by the Board of Commissioners' Decision Letter No.BOC/SK/IV/2015-0081 dated 13 April 2015 and reconfirmed by the Board of Commissioners' Decision Letter No.BOC/SK/VI/2016-05 dated 21 June 2016 for the period of 2016-2021. He also serves as the Independent Commissioner reappointed under the Deed of Minutes of EGMS No.43 dated 25 April 2016 for the period of 2016-2021. His profile has been presented in the Board of Commissioners' Profile section (page 58).



Andrew Adiwijanto
Member of the Nomination and
Remuneration Committee

Indonesian citizen, born in 1968, aged 48 (as of 31 December 2016), domiciled in Jakarta. He has been serving as the Member of the Nomination and Remuneration Committee since April 2015 pursuant to the Board of Commissioners' Decision Letter No.BOC/SK/IV/2015-0081 dated 13 April 2015 and was reconfirmed by the Board of Commissioners' Decision Letter No.BOC/SK/VI/2016-05 dated 21 June 2016 for the period of 2016-2021. He also has been serving as the Head of Operations and Control since 2012 and the Head of Compensation and Benefit since 2014. He joined BFI in 1993 as a Marketing Officer and has held various other positions, among others, Branch Manager in Makassar, Denpasar and Palembang, Regional Manager for Sumatera region, and Department Head for Quality Service, Corporate Services, Human Capital and Branch Operations. He earned his Bachelor of Electrical Engineering degree from Sekolah Tinggi Teknik Surabaya (STTS), East Java, in 1992, and Master of Business Administration (M.B.A.) from University of Gadjah Mada in Jakarta in 2013. He also earned a special certificate for joining "Human Capital Management: Making HC & Business Partnership Work", an intensive course from the Asian Institute of Management (AIM) in Manila, Philippines, in 2008.



Priyambodo
Member of the Nomination and
Remuneration Committee

Indonesian citizen, born in 1953, aged 63 (as of 31 December 2016), domiciled in Jakarta. He has been serving as the Member of the Nomination and Remuneration Committee since April 2015 pursuant to the Board of Commissioners' Decision Letter No.BOC/SK/IV/2015-0081 dated 13 April 2015 and was reconfirmed by the Board of Commissioners' Decision Letter No.BOC/SK/VI/2016-05 dated 21 June 2016 for the period of 2016-2021. He once joined BFI from 1983 until 2013 with the latest position as Senior Manager of Payroll Compensation, and had held various other positions, among others, Accounting Manager and Payroll Unit Head. He earned his Diploma in Accounting from Sekolah Akademi Akuntansi Indonesia, Jakarta, in 1980.

SENIOR MANAGEMENT PROFILE

HEAD OFFICE

The following are the Head Office Senior Management under the Board of Directors:

SENIOR MANAGEMENT – HEAD OFFICE

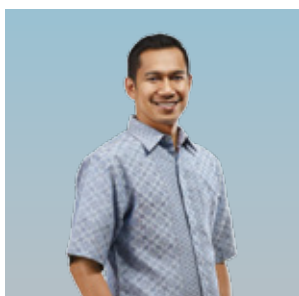
Sit, from left to right

Head of Corporate Business and Inventory Management	Djani Setiadi
Head of Operations, Control, Compensation and Benefit	Andrew Adiwijanto
Head of Finance and Treasury	Tonny Widjaja

Stand, from left to right

Head of Car Business	Tan Rudy Eddywidjaja
Head of Collection and Recovery	Herizal Welli
Head of Human Capital	Amrullah Tahad
Head of Network Development and Management	Lukman Nelam
Head of Business Strategy Development and Management	Herman Handoko





Amrullah Tahad
Head of Human Capital

Indonesian citizen, born in 1976, aged 40 (as of 31 December 2016), domiciled in Jakarta. He joined the Company on January 2015 and serves as the Head of Human Capital. Prior to joining BFI, he served as Group Head - Human Capital Business Partner at Sampoerna Financial Group from 1 September 2012 until 31 December 2014, in PT Bank Danamon Indonesia Tbk as the Regional Business Partner Manager (2011-2012), People Development (2008-2010), Branch Manager for Micro Banking (2005-2008), and Business Manager for Consumer Banking (2004-2005). He earned his Bachelor of Political Science degree (International Relations) from University of Hasanuddin in Makassar, South Sulawesi Province, in 1999. He also earned a special certificate for attending the Seminar of "Managing Talent across Generation and Workplace Diversity" by Clariden in Singapore in 2015.



Andrew Adiwijanto
Head of Operations, Control,
Compensation and Benefit

Indonesian citizen, born in 1968, aged 48. He has been serving as the Head of Operations and Control since 2012 and concurrently the Head of Compensation and Benefit since 2014. In addition, he has been serving as the Member of the Nomination and Remuneration Committee since 13 April 2015. His profile has been presented in the Profile of Committees under the Board of Commissioners section (page 68).



Djani Setiadi
Head of Corporate Business
and Inventory Management

Indonesian citizen, born in 1967, aged 49 (as of 31 December 2016), domiciled in Tangerang. He joined BFI in 1997 as Operations Officer and has held other positions, among others, Branch Manager in Tangerang, Regional Manager for the region of Jakarta, Bogor, Depok, Tangerang, Bandar Lampung and Pontianak, Head of Credit Operations and concurrently Head of Collection and Recovery since 2015. He earned his Bachelor of Economics degree in Accounting from University of Tarumanagara, Jakarta, in 1991. He also earned a special certificate for joining the 1st batch of Senior Management Development Program (SMDP) from Prasetya Mulya Business School in 2011. He has been serving as the Head of Corporate Business and Inventory Management since September 2016.



Herizal Welli
Head of Collection
and Recovery

Indonesian citizen, born in 1969, aged 47 (as of 31 December 2016), domiciled in Jakarta. He joined BFI in 1996 as Marketing Officer and has held other positions, among others, Deputy Branch Manager in Pekanbaru, Branch Manager in Bengkulu, Padang and Jakarta-Pondok Indah, Product Manager, Unit Head of Asset Management and Department Head of Credit at the Head Office, and Regional Manager for West Java 2 and Greater Jakarta. He earned his Bachelor of Commerce degree from University of Newcastle, Australia, in 1995. He has been serving as the Head of Collection and Recovery since September 2016.



Herman Handoko
Head of Business
Strategy Development
and Management

Indonesian citizen, born in 1978, aged 38 (as of 31 December 2016), domiciled in Jakarta. He joined BFI in 2003 as Head of Operations and has held other positions, among others, Marketing Officer of Leasing and Used Car, Head of Sales, Head of Car Product, Branch Manager of West Jakarta-Meruya, Area Manager of DKI Jakarta, Associate Department Head of Network and Development, Department Head of Branch Management, and Regional Manager for Jakarta, Depok and Tangerang region. He earned his Bachelor of Economics degree in Accounting from Atma Jaya Catholic University, Jakarta, in 2002. He has been serving as the Head of Business Strategy Development and Management since 2016.



Lukman Nelam
Head of Network
Development
and Management

Indonesian citizen, born in 1965, aged 51 (as of 31 December 2016), domiciled in South Tangerang. He joined BFI in 1995 as a Marketing Officer and has held other positions, among others, Branch Manager in Pekanbaru and Regional Manager for Sumatera 1 region. He earned his Bachelor of Economics degree in Management from University of Lancang Kuning in Pekanbaru, Riau Province, in 1995. He also earned a special certificate for joining the Management Development Program (MDP) from the Asian Institute of Management (AIM) in Philippines in 2011. He has been serving as the Head of Network Development and Management since 2015.



Tan Rudy Eddywidjaja
Head of Car Business

Indonesian citizen, born in 1970, aged 46 (as of 31 December 2016), domiciled in Jakarta. He joined BFI in 1997 as Branch Manager and has held other positions, among others, Branch Manager in Surabaya, Regional Manager for the region of West Java, and Department Head of Product Management. He earned his Bachelor of Economics degree in Accounting from University of Putra Bangsa in Surabaya, East Java Province, in 1996. He has been serving as the Head of Car Business since 2014.



Tonny Widjaja
Head of Finance and Treasury

Indonesian citizen, born in 1967, aged 49 (as of 31 December 2016), domiciled in Jakarta. He joined BFI in 1994 as Assistant Manager of Treasury Department. He earned his Bachelor of Economics degree in Accounting from University of Tarumanagara, Jakarta, in 1990, and joined several education and training programs; including the General Management Executive Programme at the National University of Singapore (NUS) in 2009. He has been serving as the Head of Finance and Treasury since 1996.

REGIONAL OFFICE

The following are the Senior Management with the position as Regional Managers:

SENIOR MANAGEMENT – REGIONAL OFFICE

Sit, from left to right

Regional Manager of Sumatera 3	Iwan
Regional Manager of Kalimantan 1	John Piter Sinaga
Regional Manager of Central Java	Rachmadi
Regional Manager of East Java 2	I Kadek Tirtayasa
Regional Manager of Kalimantan 2	Hernandi Kusno

Stand, from left to right

Regional Manager of Sulawesi 2	Susinto Tenggono Then
Regional Manager of Sulawesi 1	Khenriek Tjandra
Regional Manager of Sumatera 2	Sudi Hartono
Regional Manager of West Java 1	Stefanus Wibowo
Regional Manager of East Java 1	Tan Eng Han
Regional Manager of Greater Jakarta and West Java 2	Stanly Darisang





Stanly Darisang
Regional Manager of Greater
Jakarta and West Java 2

Indonesian citizen, born in 1971, aged 45 (as of 31 December 2016), domiciled in South Tangerang. He joined BFI in 1996 as Marketing Leasing Officer and has held various other positions, among others, Branch Manager in Pontianak, Jakarta-Pondok Indah and Banjarmasin, and Regional Manager for Kalimantan 1 region. He obtained his Bachelor of Electrical Engineering degree from Petra Christian University in Surabaya, East Java, in 1996. He has been serving as the Regional Manager for West Java 2 region since October 2015 and concurrently Greater Jakarta region (Jakarta, Depok and Tangerang) since September 2016.



Stefanus Wibowo
Regional Manager of
West Java 1

Indonesian citizen, born in 1981, aged 35 (as of 31 December 2016), domiciled in Bandung, West Java Province. He joined BFI in 2003 as Management Trainee and has held various other positions, among others, Branch Manager in Jakarta-Kemayoran, Jakarta-Sunter, and Area Manager for Jakarta Special Capital Region. He earned his Bachelor of Economics degree in Management from University of Bina Nusantara in Jakarta in 2003. He has been serving as the Regional Manager for West Java 1 region since January 2015.



Rachmadi
Regional Manager of
Central Java

Indonesian citizen, born in 1970, aged 46 (as of 31 December 2016), domiciled in Semarang, Central Java Province. He joined BFI in 2006 as Branch Manager, among others, for Solo and Semarang, Central Java Province. He earned his Bachelor of Economics degree in Management from University of Atma Jaya Yogyakarta (UAJY) in 1992. He has been serving as the Regional Manager for Central Java and Yogyakarta Special Region since 2011.



Tan Eng Han
Regional Manager of East
Java 1

Indonesian citizen, born in 1975, aged 41 (as of 31 December 2016), domiciled in Surabaya, East Java Province. He joined BFI in 1997 as Management Trainee and has held various other positions, among others, Branch Manager in Cirebon and Area Manager for Karawang and Bekasi areas, West Java Province. He earned his Bachelor of Economics degree in Management from Sekolah Tinggi Ilmu Ekonomi Bandung (STIEB), West Java Province, in 1993. He has been serving as the Regional Manager for East Java 1 region since June 2016.



I Kadek Tirtayasa
Regional Manager of
East Java 2

Indonesian citizen, born in 1971, aged 45 (as of 31 December 2016), domiciled in Denpasar, Bali Province. He joined BFI in 1997 as Marketing Executive and has held various other positions, among others, Branch Manager and Area Manager for Denpasar, Bali Province. He earned his Bachelor of Agricultural Technology degree from University of Udayana, Denpasar, in 1995. He has been serving as the Regional Manager for East Java 2 region (including Bali and Nusa Tenggara regions) since 2014.



Sudi Hartono
Regional Manager of
Sumatera 2

Indonesian citizen, born in 1971, aged 45 (as of 31 December 2016), domiciled in Medan, North Sumatera Province. He joined BFI in 1994 as Marketing Staff and has held various other positions, among others, Marketing Officer, Chief Representative in Pangkal Pinang, Padang, Bandar Lampung, Head of Marketing in Pekanbaru and Palembang Branch, Branch Manager in Jambi, Area Manager for Jambi and Medan areas. He obtained his Bachelor of Industrial Engineering degree from Institut Sains & Teknologi T.D. Pardede in Medan, North Sumatera, in 1996. He has been serving as the Regional Manager for Sumatera 2 region since 2014.



Iwan
Regional Manager
of Sumatera 3

Indonesian citizen, born in 1970, aged 46 (as of 31 December 2016), domiciled in Palembang, South Sumatera Province. He joined BFI in 1995 as Marketing Officer and has held various other positions, among others, Branch Manager in Banjarmasin, Palembang, Jambi and Lampung. He earned his Bachelor of Economics degree in Accounting from University of Tridinanti in Palembang, South Sumatera, in 1994. He has been serving as the Regional Manager for the regions of South Sumatera, Bangka Belitung Islands, Bengkulu, Jambi and Lampung since 2005.



John Piter Sinaga
Regional Manager of
Kalimantan 1

Indonesian citizen, born in 1969, aged 47 (as of 31 December 2016), domiciled in Banjarmasin, South Kalimantan Province. He joined BFI in 1997 as Marketing Staff and has held various other positions, among others, Head of Marketing, Deputy Branch Manager in Tangerang, Branch Manager in Pamulang and Tangerang, as well as Area Manager in Pekanbaru, Riau Province. He earned his Bachelor of Social and Political Science degree from University of Sumatera Utara in Medan, North Sumatera Province, in 1994. He has been serving as the Regional Manager for Kalimantan 1 region since 2015.



Hernandi Kusno
Regional Manager of
Kalimantan 2

Indonesian citizen, born in 1969, aged 47 (as of 31 December 2016), domiciled in Samarinda, East Kalimantan Province. He joined BFI in 1994 as the Branch Manager in Samarinda and has held various other positions, among others, Regional Coordinator for East Kalimantan in 2002. He earned his Bachelor of Economics degree in Management from University of Tarumanagara, Jakarta, in 1992. He has been serving as the Regional Manager for Kalimantan 2 region (West and North Kalimantan) since 2007.



Khenriek Tjandra
Regional Manager of
Sulawesi 1

Indonesian citizen, born in 1973, aged 43 (as of 31 December 2016), domiciled in Makassar, South Sulawesi Province. He joined BFI in 2002 as Branch Manager in Palu, Central Sulawesi Province, and has held various other positions, among others, Branch Manager in Makassar, Area Manager to Palu and Makassar. He earned his Bachelor of Economics degree in Accounting from Sekolah Tinggi Ilmu Ekonomi Yayasan Pendidikan Ujung Pandang, Makassar, in 1996. He has been serving as the Regional Manager of Sulawesi 1 since 2015.



Susinto Tenggono Then
Regional Manager of
Sulawesi 2

Indonesian citizen, born in 1973, aged 43 (as of 31 December 2016), domiciled in South Tangerang. He joined BFI in 1994 as a Marketing Executive and has held various other positions, among others, Branch Manager in various Sumatera regions (Bengkulu, Jambi, Pekanbaru, Palembang), East Java and Bali (Denpasar, Malang and Surabaya), Regional Manager for East Java, Bali and Nusa Tenggara, Department Head of Branch Development and Division Head of Collection. He earned his Bachelor of Economics degree in Management from University of Tridinanti in Palembang, South Sumatera Province, in 1995. He has been serving as the Regional Manager for Sulawesi 2 region since 2015.

SHARE OWNERSHIP COMPOSITION

Based on the Shareholder Register issued by PT Sirca Datapro Perdana as the Share Registrar, the composition of BFI shareholders as at 31 December 2016 is as follows:

Table 7 - COMPOSITION OF SHARES AND SHAREHOLDERS

DESCRIPTION	PRICE PER SHARE Rp250		
	NUMBER OF SHARES	FACE VALUE (Rp)	% SHARES
Authorised Capital	2,000,000,000	500,000,000,000	100.00
Issued and Fully Paid-up Capital	1,596,711,562	399,177,890,500	79.84
Share Capital in Portepel	403,288,438	100,822,109,500	20.16
Shareholders			
Trinugraha Capital & Co SCA	683,524,966	170,881,241,500	42.81
PT BFI Finance Indonesia Tbk*	100,273,200	25,068,300,000	6.28
Others (each below 5%)	812,913,396	203,228,349,000	50.91
Total	1,596,711,562	399,177,890,500	100.00

Share ownership of members of the Board of Commissioners and the Board of Directors as at 31 December 2016 is as follows:

Table 8 - SHARE OWNERSHIP OF MEMBERS OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS

NAME	POSITION	TOTAL SHARES	% SHARES
Francis Lay Sioe Ho	President Director	38,988,508	2.44
Cornellius Henry Kho	Director	12,171,998	0.76
Sudjono	Director	3,338,000	0.21
Sutadi	Director	2,200,000	0.14
Sigit Hendra Gunawan	Director (Independent)	1,000,000	0.06
Johanes Sutrisno	Commissioner (Independent)	248	0.00
Total		57,698,754	3.61

PT BFI Finance Indonesia Tbk's ownership structure, as of end-2016, is made up of a total of 900 individuals and institutions, of which, 81.2% are registered abroad and 18.8% locally. There are two institutions that own shares exceeding 5%. These are Trinugraha Capital & Co SCA, Luxembourg, with 42.8% ownership, and PT BFI Finance Indonesia Tbk, with 6.3%. The shares in the name of PT BFI Finance Indonesia Tbk resulted from the Company's stock buyback program.

Chart 9 - SHAREHOLDING COMPOSITION BY NATIONALITY

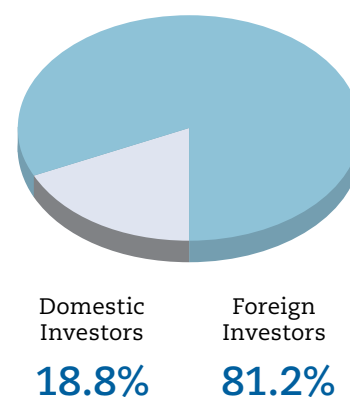
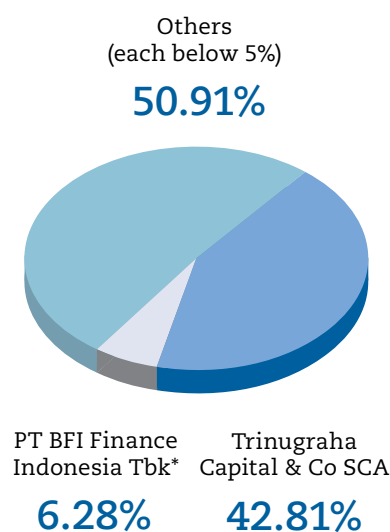


Chart 10 - BFI'S CORPORATE STRUCTURE



* Result of the Company's stock buyback program in line with the Resolution of the EGMS on 15 April 2015

PROFILE OF MAJORITY SHAREHOLDER

Trinugraha Capital & Co SCA

BRIEF HISTORY

Trinugraha Capital & Co SCA ("TC&Co") is a company incorporated under the laws of the Grand-Duchy of Luxembourg with its establishment made before Maitre Joseph Elvinger, notary in Luxembourg and was listed on The Registre de Commerce et des Sociétés in Luxembourg under number B 160504. The articles of association of TC&Co have changed several times with the latest amendment being validly effective based on the decisions of the TC&Co extraordinary general meeting of shareholders, dated 20 May 2011, made before Maitre Joseph Elvinger, notary in Luxembourg.

OBJECTIVES AND INTERESTS OF TC&CO

TC&Co's objectives and interests are in participating, in any form, in companies, partnership or other forms of business entities. TC&Co has the capability to be involved in all of the commercial, technical, financial or operational aspects, either directly or indirectly, in order to support its objectives.

MANAGERS AND SUPERVISORS OF TC&CO

In accordance with the articles of association of TC&Co, TC&Co is managed by one or more managers who are unlimited liability shareholders/ commandite (the "Manager", and together, the "Managers"). Trinugraha Capital, a societe a responsabilite limitee ("TC Sarl"), was appointed the sole manager of TC&Co. All matters related to TC&Co and their financial condition including in particular the bookkeeping and accounts are overseen by the TC&Co Supervisory Board.

Manager:

Trinugraha Capital
("TC Sarl").

Supervisory Board:

Member: Garibaldi Thohir
Member: John Viola
Member: Doug Puckett

CHRONOLOGICAL LISTING OF SHARES AND CHANGE IN NUMBER OF SHARES

CHRONOLOGICAL LISTING OF SHARES

Based on Deed No. 57 on 7 April 1982, and amended by Deed No. 40 dated 6 October 1982, both made before Kartini Muljadi, S.H., Notary in Jakarta, the authorized capital of the Company was Rp3,000,000,000 divided into 100 preferred shares and 1,900 common shares, each with a nominal value of Rp1,500,000, while the issued and fully paid-up capital amounting to Rp1,500,000,000, divided into 100 preferred shares and 900 common shares.

Based on Deed No. 80 dated 22 November 1989 and Deed No. 27 dated 8 March 1990, the authorized capital of the Company when the Company was about to conduct a public offering increased from Rp3,000,000,000 divided into 100 preferred shares and 1,900 common shares each with a nominal value of Rp1,500,000 to Rp15,000,000,000 divided into 15,000,000 ordinary shares each having a nominal value of Rp1,000, while the issued and fully paid-up capital amounting to Rp8,500,000,000, consisting of 8,500,000 shares.

1. INITIAL PUBLIC OFFERING

On 1990, the Company made an initial public offering of 2,125,000 shares with a par value of Rp1,000 per share through the stock exchanges in Indonesia at the offering price of Rp5,750 per share.

On 16 May 1990, the Company listed 2,125,000 sheets of its shares on the Jakarta Stock Exchange and the Surabaya Stock Exchange (now Indonesia Stock Exchange or the abbreviated "IDX").

2. SHARE DIVIDEND

Based on Deed No. 31 made before Sutjipto, S.H., dated 8 April 1993 the shareholders approved a stock dividend of Rp1,062,500,000 or 1,062,500 shares to registered shareholders on 11 May 1993 by issuing 1 (one) new share for every 10 (ten) shares held.

The Company listed 1,062,500 of its shares on the Jakarta Stock Exchange and Surabaya Stock Exchange on 14 June 1993 and 11 June 1993 respectively.

3. BONUS SHARE

Based on Deed No. 32, dated 8 April 1993, made before Sutjipto, S.H., Notary in Jakarta, the authorized capital was increased from Rp15,000,000,000 divided into 15,000,000 shares

with a nominal value of Rp1,000 amounting to Rp30,000,000,000 which is divided into 30,000,000 shares with a nominal value of Rp1,000. Of the authorized capital the issued and fully paid-up shares amounted to Rp10,625,000,000 consisting of 10,625,000 shares. In addition, the shareholders also approved to capitalize in capital by issuing bonus shares for 17 shares for every 20 shares owned. The total number of bonus shares distributed on 17 September 1993 was 9,934,668 shares with a nominal value of Rp9,934,668,000.

The Company listed 9,934,668 shares of its shares the Jakarta Stock Exchange and the Surabaya Stock Exchange on 22 September 1993 and 13 September 1993 respectively.

4. COMPANY LISTING

In 1993, in accordance with the approval letter No. S-303/BEJ.I.1/XI/1993 dated 30 November 1993 and No. 177/EMT/LIST/BES/XI/93 dated 19 November 1993, the Jakarta Stock Exchange and Surabaya Stock Exchange agreed to list as many as 8,500,000 additional shares with a nominal value of Rp8,500,000,000 per similar share listed the shares on the Jakarta Stock Exchange and Surabaya Stock Exchange on 6 December 1993 and 2 December 1993 respectively.

Thus the number of shares the Company had recorded was 21,622,168 in the Jakarta Stock Exchange and Surabaya Stock Exchange (Company Listing).

5. **SHARE DIVIDEND**

Based on Deed No. 107 dated 22 January 1994, made by Sutjipto, S.H., Notary in Jakarta, the stockholders approved, among others, to approve the distribution of share dividends totaling Rp7,207,390,000 or the amount of 7,207,390 shares, with a 3:1 calculation, i.e., for every 3 (three) shares owned by shareholders whose names are registered in the register of shareholders on 21 February 1994, will receive 1 (one) new share.

The Company listed 7,207,390 of its shares on the Jakarta Stock Exchange and Surabaya Stock Exchange on 22 March 1994 and 21 March 1994 respectively.

6. **RIGHTS ISSUE I (PUT I)**

Based on Deed No. 2, dated 1 December 1993, made before Sutjipto, S.H., Notary in Jakarta, the authorized capital increased from Rp30,000,000,000 divided into 30,000,000 shares with a nominal value of Rp1,000 amounting to Rp100,000,000,000 divided into 100,000,000 shares with a nominal value of Rp1,000. The authorized issued and fully paid-up capital of Rp21,622,168,000 divided into 21,622,168 shares.

On 18 April 1994, the Company obtained an effective statement from the Capital Market Supervisory Agency (later changed to the Capital Market Supervisory Agency and Financial Institution or "Bapepam-LK" and the latter now known as Otoritas Jasa Keuangan or "OJK") through letter No. S-639/PM/1994 in the framework of the First Limited Public Offering ("Rights Issue I") with Preemptive Rights ("HMETD") of the Company for 28,829,558 shares whereby for each 1 (one) share owned shareholders were entitled to 1 (one) new share.

On 9 May 1994, the Company listed 28,829,558 of its shares in the Jakarta Stock Exchange and Surabaya Stock Exchange so that the Company's outstanding shares was 57,659,116 shares.

7. **RIGHTS ISSUE II (PUT II)**

On 17 January 1997, the Company obtained an effective statement from Bapepam-LK through letter No. S-71/PM/1997 in the framework of the Company's Second Limited Public Offering ("Rights Issue II") totaling 115,318,232 shares at an offering price of Rp1,000 per share with every 1 (one) share owned entitled to 2 (two) new shares.

On 12 February 1997, the Company listed 115,318,232 of its shares on the Jakarta Stock Exchange and Surabaya Stock Exchange so that the Company's outstanding shares were 172,977,348 shares.

8. **STOCK SPLIT**

Based on Deed No. 97 dated 17 June 1997, the Company's shareholders approved a stock split from Rp1,000 per share to Rp500 per share, resulting in the number of outstanding shares of the Company's total shares rising from 172,977,348 shares to 345,954,696 shares.

On 3 November 1997, after the Stock Split, the Company listed 172,977,348 of its shares on the Jakarta Stock Exchange and Surabaya Stock Exchange so that the Company's outstanding shares were 345,954,696 shares.

9. **NEW SHARES FROM MANDATORY CONVERTIBLE BONDS**

In the framework of the debt restructuring, the Company's shareholders in the Extraordinary GMS dated 27 January 2000 approved the issuance of Mandatory Convertible Bonds ("MCB") to be converted into as many as 414,384,585 Company shares.

Based on Deed No. 67 dated 9 August 2006 the entire MCB has converted into 414,384,585 ordinary shares making the Company's total outstanding shares 760,339,281 shares.

The Company listed 414,384,585 of its shares in the Jakarta Stock Exchange and Surabaya Stock Exchange on 11 May 2006 and 5 June 2006 respectively.

CHRONOLOGICAL LISTING OF SHARES AND
CHANGE IN NUMBER OF SHARES

10. **STOCK SPLIT**
Based on Deed No. 65 dated 21 June 2012 by Fathiah Helmi, S.H., Notary in Jakarta, the shareholders approved the amendment of Article 4 paragraph 1 and 2 of the articles of association regarding the change of par value of the Company's shares (stock split) from Rp500 per share to Rp250 per share, resulting in an increase in the number of outstanding shares of the Company from 760,339,281 shares to 1,520,678,562 shares. The stock split obtained approval from IDX by letter No. S-05 439/BEI.PPJ/07-2012 dated 31 July 2012. On 10 August 2012, after the Stock Split, the Company listed 760,339,281 of its shares in IDX making the Company's outstanding shares 1,520,678,562 shares.
11. **ISSUANCE OF SHARES FOR IMPLEMENTATION OF MESOP PHASE I - GRANT DATE 1**
Based on Deed No. 65 dated 21 June 2012 by Fathiah Helmi, S.H., Notary in Jakarta, the Company issued shares for the implementation of the Management and Employee Stock Options Program ("MESOP") for Phase I in IDX for 60,826,400 shares with a nominal value of Rp250 per share for the period until 20 June 2014. IDX through letter No. S-04 847/BEI.PPJ/07-2012 dated 6 July 2012 approved the listing of the Company's shares resulting from the implementation of MESOP Phase I for pre-listing on IDX.
- On 31 May 2013, the Company issued 5,936,000 new shares for the implementation of MESOP Phase I - Grant Date 1, which was executed so the number of outstanding shares of the Company was 1,526,614,562 shares.
12. **ISSUANCE OF SHARES FOR IMPLEMENTATION OF MESOP PHASE I - GRANT DATE 2**
On 30 May 2014, the Company issued 23,320,000 new shares for the implementation of MESOP Phase I - Grant Date 2, which was executed so the number of outstanding shares of the Company was 1,549,934,562.
13. **ISSUANCE OF SHARES FOR IMPLEMENTATION OF MESOP PHASE II - GRANT DATE 1**
Based on Deed No. 18 dated 6 May 2014 by Aryanti Artisari, S.H., Notary in Jakarta, the Company issued shares for the implementation of the MESOP for Phase II in IDX. The amount of shares for MESOP Phase II would include the remaining shares that have been allocated to MESOP but not yet implemented from Phase I plus Option Rights of Phase II. IDX through letter No. S-02280/BEI.PGI/06-2014 dated 6 June 2014 approved the listing of the Company's shares as the result of the implementation of MESOP Phase II for pre-registration in IDX for 46,777,000 shares with a nominal value of Rp250 per share.
- On 29 May 2015, the Company issued 16,025,000 new shares for the implementation of MESOP Phase II - Grant Date 1, which was executed so the number of outstanding shares of the Company was 1,565,959,562.
14. **ISSUANCE OF SHARES FOR IMPLEMENTATION OF MESOP PHASE II - GRANT DATE 2**
On 31 May 2016, the Company issued 30,752,000 new shares for the implementation of MESOP Phase II - Grant Date 2, which was executed so the number of outstanding shares of the Company was 1,596,711,562.
15. **COMPANY'S STOCK BUYBACK**
On 15 April 2015, the Extraordinary General Meeting of Shareholders ("EGMS") approved the repurchase of outstanding shares of the Company up to a maximum of 10% of the total shares issued and fully paid-up of the Company or 154,993,456 shares. The funds being reserved for shares repurchase for a maximum period of 18 (eighteen) months since the EGMS are not more than Rp341,000,000,000. As of 31 December 2016, the Company had repurchased 100,273,200 shares with a purchase value of Rp252,160,169,658.

**CHRONOLOGICAL LISTING OF SHARES AND
CHANGE IN NUMBER OF SHARES**

CHANGES IN NUMBER OF SHARES

Based on the above, the chronological listing of shares and the change in the number of outstanding shares of the Company can be summarized in the following table:

Table 9 – CHRONOLOGICAL LISTING OF SHARES AND CHANGE IN THE NUMBER OF OUTSTANDING SHARES

CORPORATE ACTION	STOCK EXCHANGE	LISTING DATE	LISTED SHARES	TOTAL LISTED SHARES	TOTAL NOMINAL (Rp)
Initial Public Offering (IPO)	BEJ & BES	16 May 1990	2,125,000	2,125,000	2,125,000,000
Share Dividend	BEJ & BES	14 June 1993, 11 June 1993	1,062,500	3,187,500	3,187,500,000
Bonus Share	BEJ & BES	22 September 1993, 13 September 1993	9,934,668	13,122,168	13,122,168,000
Company Listing	BEJ & BES	6 December 1993, 2 December 1993	8,500,000	21,622,168	21,622,168,000
Share Dividend	BEJ & BES	22 March 1994, 21 March 1994	7,207,390	28,829,558	28,829,558,000
Limited Public Offering I (Right Issue I)	BEJ & BES	9 May 1994	28,829,558	57,659,116	57,659,116,000
Limited Public Offering II (Right Issue II)	BEJ & BES	12 February 1997	115,318,232	172,977,348	172,977,348,000
Stock Split	BEJ & BES	3 November 1997	172,977,348	345,954,696	172,977,348,000
New Shares from MCB Conversion	BEJ & BES	11 May 2006, 5 June 2006	414,384,585	760,339,281	380,169,640,500
Stock Split	BEI/IDX	10 August 2012	760,339,281	1,520,678,562	380,169,640,500
Issuance of Shares for Implementation of MESOP Phase I - Grant Date 1	BEI/IDX	31 May 2013	5,936,000	1,526,614,562	381,653,640,500
Issuance of Shares for Implementation of MESOP Phase I - Grant Date 2	BEI/IDX	30 May 2014	23,320,000	1,549,934,562	387,483,640,500
Issuance of Shares for Implementation of MESOP Phase II - Grant Date 1	BEI/IDX	29 May 2015	16,025,000	1,565,959,562	391,489,890,500
Issuance of Shares for Implementation of MESOP Phase II - Grant Date 2	BEI/IDX	31 May 2016	30,752,000	1,596,711,562	399,177,890,500

OTHER SECURITIES LISTING

LISTING OF BOND AND MEDIUM TERM NOTES

Table 10 –SUMMARY OF BOND LISTING (AS OF 31 DECEMBER 2016)

DEBT SECURITIES ISSUED	DATE LISTED AT BEI/IDX	EFFECTIVE DATE	BOND RATINGS	TOTAL (Rp million)	AMOUNT ISSUED (Rp million)	DUE DATE	STATUS
<i>Obligasi Berkelanjutan I BFI</i>							
<i>Finance Indonesia Tahap I Tahun 2012</i>	13 June 2012	4 June 2012 (No. S-6878/BL/2012)	A(idn)	575,000			
Series A:					195,000	17 June 2013	Paid
Series B:					110,000	12 June 2014	Paid
Series C:					270,000	12 June 2015	Paid
<i>Obligasi Berkelanjutan I BFI</i>							
<i>Finance Indonesia Tahap II Tahun 2013</i>	20 February 2013	4 June 2012 (No. S-6878/BL/2012)	A+(idn)	625,000			
Series A:					100,000	1 March 2014	Paid
Series B:					370,000	19 February 2015	Paid
Series C:					155,000	19 February 2016	Paid
<i>Obligasi Berkelanjutan II BFI</i>							
<i>Finance Indonesia Tahap I Tahun 2014</i>	10 March 2014	28 February 2014 (No. S-121/D.04/2014)	AA-(idn)	500,000			
Series A:					225,000	17 March 2015	Paid
Series B:					55,000	7 March 2016	Paid
Series C:					220,000	7 March 2017	Not yet paid
<i>Obligasi Berkelanjutan II BFI</i>							
<i>Finance Indonesia Tahap II Tahun 2015</i>	20 March 2015	28 February 2014 (No. S-121/D.04/2014)	AA-(idn)	1,000,000			
Series A:					345,000	29 March 2016	Paid
Series B:					105,000	19 March 2017	Not yet paid
Series C:					550,000	19 March 2018	Not yet paid
<i>Obligasi Berkelanjutan II BFI</i>							
<i>Finance Indonesia Tahap III Tahun 2016</i>	26 February 2016	28 February 2014 (No. S-121/D.04/2014)	AA-(idn)	1,000,000			
Series A:					200,000	5 March 2017	Not yet paid
Series B:					142,000	25 February 2018	Not yet paid
Series C:					658,000	25 February 2019	Not yet paid
<i>Obligasi Berkelanjutan III BFI</i>							
<i>Finance Indonesia Tahap I Tahun 2016</i>	26 October 2016	17 October 2016 (No. S-588/D.04/2016)	AA-(idn)	1,000,000			
Series A:					317,000	25 October 2017	Not yet paid
Series B:					550,000	25 October 2019	Not yet paid
Series C:					133,000	25 October 2021	Not yet paid

Bond Listing History

2012

Obligasi Berkelanjutan I BFI Finance Indonesia Tahap I Tahun 2012 Series A, Series B and Series C, at a nominal value of Rp575 billion, was listed on Indonesia Stock Exchange on 13 June 2012. These bonds were rated at A(idn). Later, based on the rating results on long-term debentures according to Letter No. RC125/DIR/XII/2014 dated 4 December 2014 of PT Fitch Ratings Indonesia, these bonds were rated at A+(idn). The Continuous Public Offering of *Obligasi Berkelanjutan I BFI Finance Indonesia Tahap I Tahun 2012* was supported by the following institutions and capital market professionals:

Underwriter

PT Danareksa Sekuritas

Gedung Danareksa, 1st Floor
Jl. Medan Merdeka Selatan No. 14
Jakarta 10110 - Indonesia
Phone: (62-21) 350 9777, 350 9888
Fax: (62-21) 350 0989, 350 1817

PT Indo Premier Securities

Wisma GKBI, 7th Floor, Suite 718
Jl. Jend. Sudirman No. 28
Jakarta 10210 - Indonesia
Phone: (62-21) 5793 1168, 2806 1168
Fax: (62-21) 5793 2076, 5793 1220

PT Kim Eng Securities

Plaza Bapindo - Citibank Tower,
17th Floor
Jl. Jend. Sudirman Kav. 54-55
Jakarta 12190 - Indonesia
Phone: (62-21) 526 3445
Fax: (62-21) 526 3507, 526 3603

PT Kresna Graha Sekurindo Tbk.

Kresna Tower, 6th Floor
Parc 18 Sudirman Central
Business District (SCBD)
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190 - Indonesia
Phone: (62-21) 2555 7000
Fax: (62-21) 2939 1950, 2939 1951

Trustee

PT Bank Mega Tbk.

Menara Bank Mega
Jl. Kapten Tendean Kav. 12-14A
Jakarta 12790 - Indonesia
Phone: (62-21) 7917 5000
Fax: (62-21) 799 0720

Public Accountant

Tanubrata Sutanto Fahmi & Partners

Prudential Tower, 17th Floor
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Phone: (62-21) 5795 7300
Fax: (62-21) 5795 7301

Law Firm

Jusuf Indradewa & Partners

Jl. Arteri Kedoya No. 8
Kedoya Selatan, Kebon Jeruk
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Phone: (62-21) 2254 4117 ext. 107
Fax: (62-21) 2254 4367

Notary

Fathiah Helmi, S.H.

Graha Irama, 6th Floor, Suite 6C
Jl. HR Rasuna Said Blok X-1 Kav. 1-2
Jakarta Selatan 12950 - Indonesia
Phone: (62-21) 5290 7304-06
Fax: (62-21) 526 1136

Bond Rating Agency

PT Fitch Ratings Indonesia

Prudential Tower, 20th Floor
Jl. Jend. Sudirman Kav. 79
Jakarta Selatan 12910 - Indonesia
Phone : (62-21) 5795 7755
Fax : (62-21) 5795 7750

As of 17 June 2013, the Company had fully repaid the entire outstanding principal of *Obligasi Berkelanjutan I BFI Finance Indonesia Tahap I Tahun 2012 Series A*.

As of 12 June 2014, the Company had fully repaid the entire outstanding principal of *Obligasi Berkelanjutan I BFI Finance Indonesia Tahap I Tahun 2012 Series B*.

As of 12 June 2015, the Company had fully repaid the entire outstanding principal of *Obligasi Berkelanjutan I BFI Finance Indonesia Tahap I Tahun 2012 Series C*.

As of 31 December 2015, the Company had fully repaid the entire outstanding principal of *Obligasi Berkelanjutan I BFI Finance Indonesia Tahap I Tahun 2012 Series A, Series B and Series C*.

2013

Obligasi Berkelanjutan I BFI Finance Indonesia Tahap II Tahun 2013 Series A, Series B and Series C, at a nominal value of Rp625 billion, was listed on Indonesia Stock Exchange on 20 February 2013. These bonds were rated A+(idn). The Continuous Public Offering of *Obligasi Berkelanjutan I BFI Finance Indonesia Tahap II Tahun 2013* was supported by the following institutions and capital market professionals:

Underwriter**PT Danareksa Sekuritas**

Gedung Danareksa, 1st Floor
 Jl. Medan Merdeka Selatan No. 14
 Jakarta 10110 - Indonesia
 Phone: (62-21) 350 9777, 350 9888
 Fax: (62-21) 350 0989, 350 1817

PT Indo Premier Securities

Wisma GKBI, 7th Floor, Suite 718
 Jl. Jend. Sudirman No. 28
 Jakarta 10210 - Indonesia
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 Fax: (62-21) 5793 2076, 5793 1220

PT Kim Eng Securities

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 17th Floor
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 Jakarta 12190 - Indonesia
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Trustee**PT Bank Mega Tbk.**

Menara Bank Mega
 Jl. Kapten Tendean Kav. 12-14A
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 Fax: (62-21) 799 0720

Public Accountant**Tanubrata Sutanto Fahmi & Partners**

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Law Firm**Jusuf Indradewa & Partners**

Rukan Arjuna Square
 Jl. Arjuna Utara No. 7D & 7E
 Jakarta 11510 - Indonesia
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 Fax: (62-21) 5694 3701

Notary**Fathiah Helmi, S.H.**

Graha Irama, 6th Floor, Suite 6C
 Jl. HR Rasuna Said Blok X-1 Kav. 1-2
 Jakarta Selatan 12950 - Indonesia
 Phone: (62-21) 5290 7304-06
 Fax: (62-21) 526 1136

Bond Rating Agency**PT Fitch Ratings Indonesia**

Prudential Tower, 20th Floor
 Jl. Jend. Sudirman Kav. 79
 Jakarta Selatan 12910 - Indonesia
 Phone : (62-21) 5795 7755
 Fax : (62-21) 5795 7750

As of 1 March 2014, the Company had fully repaid the entire outstanding principal of *Obligasi Berkelanjutan I BFI Finance Indonesia Tahap II Tahun 2013 Series A*.

As of 19 February 2015, the Company had fully repaid the entire outstanding principal of *Obligasi Berkelanjutan I BFI Finance Indonesia Tahap II Tahun 2013 Series B*.

As of 19 February 2016, the Company had fully repaid the entire outstanding principal of *Obligasi Berkelanjutan I BFI Finance Indonesia Tahap II Tahun 2013 Series C*.

As of 31 December 2016, the Company had fully repaid the entire outstanding principal of *Obligasi Berkelanjutan I BFI Finance Indonesia Tahap II Tahun 2013 Series A, Series B and Series C*.

2014

Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014 Series A, Series B and Series C, at a nominal value of Rp500 billion, was listed on Indonesia Stock Exchange on 10 March 2014. These bonds were rated A+(idn). The Continuous Public Offering of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014* was supported by the following institutions and capital market professionals:

Underwriter**PT Danareksa Sekuritas**

Gedung Danareksa, 1st Floor
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Business District (SCBD)
Jl. Jend. Sudirman Kav. 52-53
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Phone: (62-21) 2555 7000
Fax: (62-21) 2939 1950, 2939 1951

PT Trimegah Securities, Tbk.

Gedung Artha Graha,
18th & 19th Floor
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190 - Indonesia
Phone: (62-21) 2924 9088
Fax: (62-21) 2924 9168

Trustee

PT Bank Mega Tbk.

Menara Bank Mega
Jl. Kapten Tendean Kav. 12-14A
Jakarta 12790 - Indonesia
Phone: (62-21) 7917 5000
Fax: (62-21) 799 0720

Public Accountant

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Notary

Fathiah Helmi, S.H.

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Phone: (62-21) 5290 7304-06
Fax: (62-21) 526 1136

Bond Rating Agency

PT Fitch Ratings Indonesia

Prudential Tower, 20th Floor
Jl. Jend. Sudirman Kav. 79
Jakarta Selatan 12910 - Indonesia
Phone: (62-21) 5795 7755
Fax: (62-21) 5795 7750

As of 17 March 2015, the Company had fully repaid the entire outstanding principal of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014 Series A*.

As of 17 March 2016, the Company had fully repaid the entire outstanding principal of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014 Series B*.

As of 31 December 2016 and 31 December 2015, the outstanding principal of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014* amounted to Rp220 billion and Rp275 billion respectively.

2015

Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015 Series A, Series B and Series C, at a nominal value of Rp1 trillion, was listed on Indonesia Stock Exchange on 20 March 2015. These bonds were rated AA-(idn). The Continuous Public Offering of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015* was supported by the following institutions and capital market professionals:

Underwriter

PT Danareksa Sekuritas

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PT Indo Premier Securities

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Fax: (62-21) 5793 2076, 5793 1220

PT Kresna Graha Sekurindo Tbk.

Kresna Tower, 6th Floor
Parc 18 Sudirman Central
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Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190 - Indonesia
Phone: (62-21) 2555 7000
Fax: (62-21) 2939 1950, 2939 1951

PT Trimegah Securities, Tbk.

Gedung Artha Graha,
18th & 19th Floor
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190 - Indonesia
Phone: (62-21) 2924 9088
Fax: (62-21) 2924 9168

Trustee

PT Bank Mega Tbk.

Menara Bank Mega
Jl. Kapten Tendean Kav. 12-14A
Jakarta 12790 - Indonesia
Phone: (62-21) 7917 5000
Fax: (62-21) 799 0720

Public Accountant

Tanubrata Sutanto Fahmi & Partners

Prudential Tower, 17th Floor
Jl. Jend. Sudirman Kav. 79
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Phone: (62-21) 5795 7300
Fax: (62-21) 5795 7301

Law Firm**Jusuf Indradewa & Partners**

Rukan Arjuna Square
 Jl. Arjuna Utara No. 7D & 7E
 Jakarta 11510 - Indonesia
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Graha Irama, 6th Floor, Suite 6C
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 Jakarta Selatan 12950 - Indonesia
 Phone: (62-21) 5290 7304-06
 Fax: (62-21) 526 1136

Bond Rating Agency**PT Fitch Ratings Indonesia**

Prudential Tower, 20th Floor
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 Jakarta Selatan 12910 - Indonesia
 Phone : (62-21) 5795 7755
 Fax : (62-21) 5795 7750

As of 29 March 2016, the Company had fully repaid the entire outstanding principal of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015 Series A*.

As of 31 December 2016 and 31 December 2015, the outstanding principal of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015* amounted to each Rp655 billion and Rp1 trillion.

2016

Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016 Series A, Series B and Series C, at a nominal value of Rp1 trillion, was listed on Indonesia Stock Exchange on 26 February 2016. These bonds were rated AA-(idn). The Continuous Public Offering of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016* was supported by the following institutions and capital market professionals:

Underwriter**PT Danareksa Sekuritas**

Gedung Danareksa, 1st Floor
 Jl. Medan Merdeka Selatan No. 14
 Jakarta 10110 - Indonesia
 Phone: (62-21) 350 9777, 350 9888
 Fax: (62-21) 350 0989, 350 1817

PT Indo Premier Securities

Wisma GKBI, 7th Floor, Suite 718
 Jl. Jend. Sudirman No. 28
 Jakarta 10210 - Indonesia
 Phone: (62-21) 5793 1168, 2806 1168
 Fax: (62-21) 5793 2076, 5793 1220

PT Mandiri Sekuritas

Plaza Mandiri 28th Floor
 Jl. Jend. Gatot Subroto Kav. 36-38
 Jakarta 12190 - Indonesia
 Phone: (62-21) 526 3445
 Fax: (62-21) 526 3603, 526 3507

PT Trimegah Securities, Tbk.

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 18th & 19th Floor
 Jl. Jend. Sudirman Kav. 52-53
 Jakarta 12190 - Indonesia
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 Fax: (62-21) 2924 9168

Trustee**PT Bank Tabungan Negara (Persero) Tbk**

Menara BTN 18th Floor
 Jl. Gajah Mada No. 1
 Jakarta 10130 - Indonesia
 Phone: (62-21) 633 6789
 Fax: (62-21) 634 6873

Public Accountant**Tanubrata Sutanto Fahmi Bambang & Partners**

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 Jakarta 12910 - Indonesia
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 Fax: (62-21) 5795 7301

Law Firm**Jusuf Indradewa & Partners**

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 Jakarta Barat 11520 - Indonesia
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 Fax: (62-21) 2254 4367

Notary**Ir. Nanette Cahyanie Handari Adi Warsito, S.H.**

Jl. Panglima Polim V/11
 Kebayoran Baru
 Jakarta 12160 - Indonesia
 Phone: (62-21) 739 2801
 Fax: (62-21) 726 5090

Bond Rating Agency**PT Fitch Ratings Indonesia**

Prudential Tower, 20th Floor
 Jl. Jend. Sudirman Kav. 79
 Jakarta Selatan 12910 - Indonesia
 Phone: (62-21) 5795 7755
 Fax: (62-21) 5795 7750

As of 31 December 2016, the outstanding principal of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016* amounted to Rp1 trillion.

2016

Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016 Series A, Series B and Series C, at a nominal value of Rp1 trillion, was listed on Indonesia Stock Exchange on 26 October 2016. These bonds were rated AA-(idn). The Continuous Public Offering of *Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016* was supported by the following institutions and capital market professionals:

Underwriter

PT Danareksa Sekuritas

Gedung Danareksa, 1st Floor
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Fax: (62-21) 350 0989, 350 1817

PT DBS Vickers Securities Indonesia

DBS Bank Tower 32nd Floor
Ciputra World Jakarta 1
Jl. Prof. Dr. Satrio Kav. 3-5
Jakarta 12940 - Indonesia
Phone: (62-21) 3003 4900
Fax: (62-21) 3003 4944

PT Mandiri Sekuritas

Plaza Mandiri 28th Floor
Jl. Jend. Gatot Subroto Kav. 36-38
Jakarta 12190 - Indonesia
Phone: (62-21) 526 3445
Fax: (62-21) 526 3603, 526 3507

PT Trimegah Securities, Tbk.

Gedung Artha Graha,
18th & 19th Floor
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190 - Indonesia
Phone: (62-21) 2924 9088
Fax: (62-21) 2924 9168

Trustee

PT Bank Tabungan Negara (Persero) Tbk

Menara BTN 18th Floor
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Jakarta 10130 - Indonesia
Phone: (62-21) 633 6789
Fax: (62-21) 634 6873

Public Accountant

Tanubrata Sutanto Fahmi Bambang & Partners

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Jakarta 12910 - Indonesia
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Fax: (62-21) 5795 7301

Law Firm

Jusuf Indradewa & Partners

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Notary

Ir. Nanette Cahyanie Handari Adi Warsito, S.H.

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Fax: (62-21) 726 5090

Bond Rating Agency

PT Fitch Ratings Indonesia

Prudential Tower, 20th Floor
Jl. Jend. Sudirman Kav. 79
Jakarta Selatan 12910 - Indonesia
Phone : (62-21) 5795 7755
Fax : (62-21) 5795 7750

As of 31 December 2016, the
outstanding principal of *Obligasi
Berkelanjutan III BFI Finance
Indonesia Tahap 1 Tahun 2016*
amounted to Rp1 trillion.

Table 11 – MEDIUM TERM NOTES

DEBT SECURITIES ISSUED	DATE LISTED AT IDX	MTN RATINGS	TOTAL (Rp million)	AMOUNT ISSUED (Rp million)	DUE DATE	STATUS
Medium Term Notes BFI Finance Indonesia I Tahun 2012	Not listed on stock exchange	A+(idn)	225,000			
Series A:				25,000	25 January 2014	Paid
Series B:				200,000	25 January 2015	Paid
Medium Term Notes BFI Finance Indonesia II Tahun 2014	Not listed on stock exchange	-	130,000	130,000	14 June 2015	Paid
Medium Term Notes BFI Finance Indonesia III Tahun 2015	Not listed on stock exchange	AA-(idn)	100,000			
Series A:				50,000	13 April 2017	Not yet paid
Series B:				50,000	13 May 2018	Not yet paid
Medium Term Notes BFI Finance Indonesia IV Tahun 2015	Not listed on stock exchange	-	155,000	155,000	15 August 2016	Paid

Issuance of Medium Term Notes

2012

Medium Term Notes BFI Finance Indonesia I Tahun 2012

On 25 January 2012, the Company issued Medium Term Notes BFI Finance Indonesia I Tahun 2012 ("MTN I") with a nominal value of Rp225 billion divided into Series A and Series B.

MTN I paid quarterly in accordance with the MTN interest payment date. Payment of MTN I interest was last performed in conjunction with the repayment of the principal of each series of MTN I.

Arranger and/or Placement Agent

PT NISP Sekuritas

OCBC NISP Tower, 21st Floor
Jl. Prof. Dr. Satrio Kav. 25
Jakarta 12940 - Indonesia
Phone: (62-21) 2935 2788
Fax: (62-21) 5794 4095

PT Danareksa Sekuritas

Gedung Danareksa 1st Floor
Jl. Medan Merdeka Selatan No. 14
Jakarta 10110 - Indonesia
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Fax: (62-21) 350 0989, 350 1817

Monitoring Agent and Security Agent

PT Bank Sinarmas Tbk.

Wisma Bank Sinarmas,
Tower 3, 1st and 2nd Floor
Jl. MH Thamrin No. 51
Jakarta 10350 - Indonesia
Phone: (62-21) 3199 0101
Fax: (62-21) 3192 4009

Legal Consultant

Jusuf Indradewa & Partners

Jl. Arteri Kedoya No. 8
Kedoya Selatan, Kebon Jeruk
Jakarta Barat 11520 - Indonesia
Phone: (62-21) 2254 4117 ext. 107
Fax: (62-21) 2254 4367

Notary

Fathiah Helmi, S.H.

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Phone: (62-21) 5290 7304-06
Fax: (62-21) 526 1136

The Company repaid the entire principal balance for MTN I Series A and Series B respectively on 25 January 2014 and 25 January 2015.

2014

Medium Term Notes BFI Finance Indonesia II Tahun 2014

On 4 June 2014, the Company issued Medium Term Notes BFI Finance Indonesia II Tahun 2014 ("MTN II") with a nominal value of Rp130 billion with a fixed interest rate of 10.50% per year.

MTN II paid quarterly in accordance with the MTN interest payment date. MTN II interest payments were last performed when it matured on 14 June 2015.

Arranger and/or Placement Agent

**Trimegah Sekuritas
PT Trimegah Securities, Tbk.**
Gedung Artha Graha,
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Monitoring Agent and Security Agent

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Bank Bukopin Building 8th Floor
Jl. M.T. Haryono Kav. 50-51
Jakarta 12770 - Indonesia
Phone: (62-21) 798 8266, 798 9837
Fax: (62-21) 798 0705

Legal Consultant

Aprilda Fiona & Partners
Grand Wijaya Center H 34
Jl. Wijaya II, Kebayoran Baru
Jakarta 12160 - Indonesia
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Fax: (62-21) 726 1676

Notary

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Warsito, S.H.**
Jl. Panglima Polim V/11
Kebayoran Baru
Jakarta 12160 - Indonesia
Phone: (62-21) 739 2801
Fax: (62-21) 726 5090

The Company repaid the entire MTN II principal balance on 14 June 2015.

2015 Medium Term Notes BFI Finance Indonesia III Tahun 2015

The Company issued Medium Term Notes BFI Finance Indonesia III Tahun 2015 Medium Term Notes ("MTN III") with a total principal amount of Rp100 billion consisting of Rp50 billion Series A and Rp50 billion Series B to be distributed electronically by KSEI on 13 April 2015.

The MTN III paid quarterly in accordance with the MTN interest payment date. Payment of MTN III interest was last performed in conjunction with the repayment of the principal of each series of MTN III.

MTN III assisted by professional and capital market institutions, as follows:

Arranger

PT Ciptadana Securities
Plaza ASIA Office Park Unit 2
Jl. Jend. Sudirman Kav. 59
Jakarta 10210 - Indonesia
Phone: (62-21) 2557 4800
Fax: (62-21) 2557 4900

Monitoring Agent

**PT Bank Rakyat Indonesia
(Persero) Tbk.**
Gedung BRI II 30th Floor
Jl. Jend. Sudirman Kav. 44-46
Jakarta 10210 - Indonesia
Phone: (62-21) 575 8130, 575 2362
Fax: (62-21) 575 2444

Legal Consultant

Wiyono Partnership
Attorneys at Law
Cyber 2 Tower, 7th Floor
Jl. H.R. Rasuna Said Blok X-5,
Kav. 13
Jakarta 12950 - Indonesia
Phone: (62-21) 2902 1288
Fax: (62-21) 2902 1277

Notary

**Ir. Nanette Cahyanie Handari Adi
Warsito, S.H.**
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Jakarta 12160 - Indonesia
Phone: (62-21) 739 2801
Fax: (62-21) 726 5090

On 31 December 2016, the outstanding principal of MTN III amounted to Rp100 billion.

Medium Term Notes BFI Finance Indonesia IV Tahun 2015

On 5 August 2015, the Company issued Medium Term Notes BFI Finance Indonesia IV Tahun 2015 Medium Term Notes ("MTN IV") with a nominal value of Rp155 billion with a fixed interest rate of 10.50% per year.

MTN IV interest is paid quarterly in accordance with the MTN interest payment date. The last MTN IV interest payment will also mature on 15 August 2016.

Arranger

PT Ciptadana Securities
Plaza ASIA Office Park Unit 2
Jl. Jend. Sudirman Kav. 59
Jakarta 10210 - Indonesia
Phone: (62-21) 2557 4800
Fax: (62-21) 2557 4900

Monitoring Agent

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Legal Consultant

Wiyono Partnership
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Kav. 13
Jakarta 12950 - Indonesia
Phone: (62-21) 2902 1288
Fax: (62-21) 2902 1277

Notary

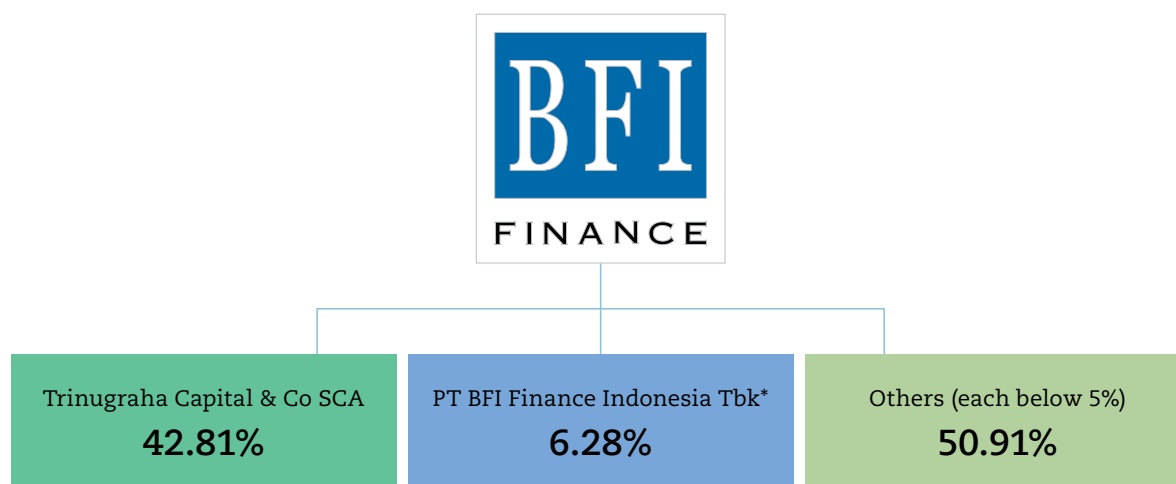
Mardiana, S.H., Sp.N.
Jl. K.H. Atim I No. 25, RT 02/RW 04
Sunan Kalijaga,
Pasar Rangkasbitung
Kp. Kebon Kelapa - Rangkasbitung
Lebak 42314 - Indonesia
Phone: (62-252) 206126

The Company repaid the entire MTN IV principal balance on 15 August 2016.

CORPORATE STRUCTURE

BFI's Corporate Structure as at 31 December 2016 was as follows:

Chart 11 – BFI'S CORPORATE STRUCTURE



* Result of the Company's stock buyback program in line with the Resolution of the EGMS on 15 April 2015

SUBSIDIARY AND ASSOCIATED COMPANY INFORMATION

The Company has no subsidiaries and associated companies.

CAPITAL MARKET SUPPORTING INSTITUTIONS AND PROFESSIONS

Trustee

PT Bank Mega Tbk.
Menara Bank Mega
Jl. Kapten Tendean Kav. 12-14A
Jakarta 12790 - Indonesia
Phone: (62-21) 7917 5000 ext. 16210
Fax: (62-21) 799 0720

Monitoring Agent

PT Bank Rakyat Indonesia (Persero) Tbk.
Divisi Investment Services
Bagian Trust & Corporate Services
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Fax: (62-21) 2254 4367

Public Accountant

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Jl. Jend. Sudirman Kav. 79
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Phone: (62-21) 5795 7300
Fax: (62-21) 5795 7301

Share Registrar

PT Sirca Datapro Perdana
Wisma Sirca
Jl. Johar No. 18, Menteng
Jakarta 10340 - Indonesia
Phone: (62-21) 314 0032, 390 0645
Fax: (62-21) 314 0185, 390 0652, 390 0671



KUDA PUSTAKA - PURBALINGGA
LILIK DARMAWAN

Children queue to borrow books brought by
Ridwan Sururi on the back of a horse

HUMAN CAPITAL

Human Capital

96



HUMAN CAPITAL

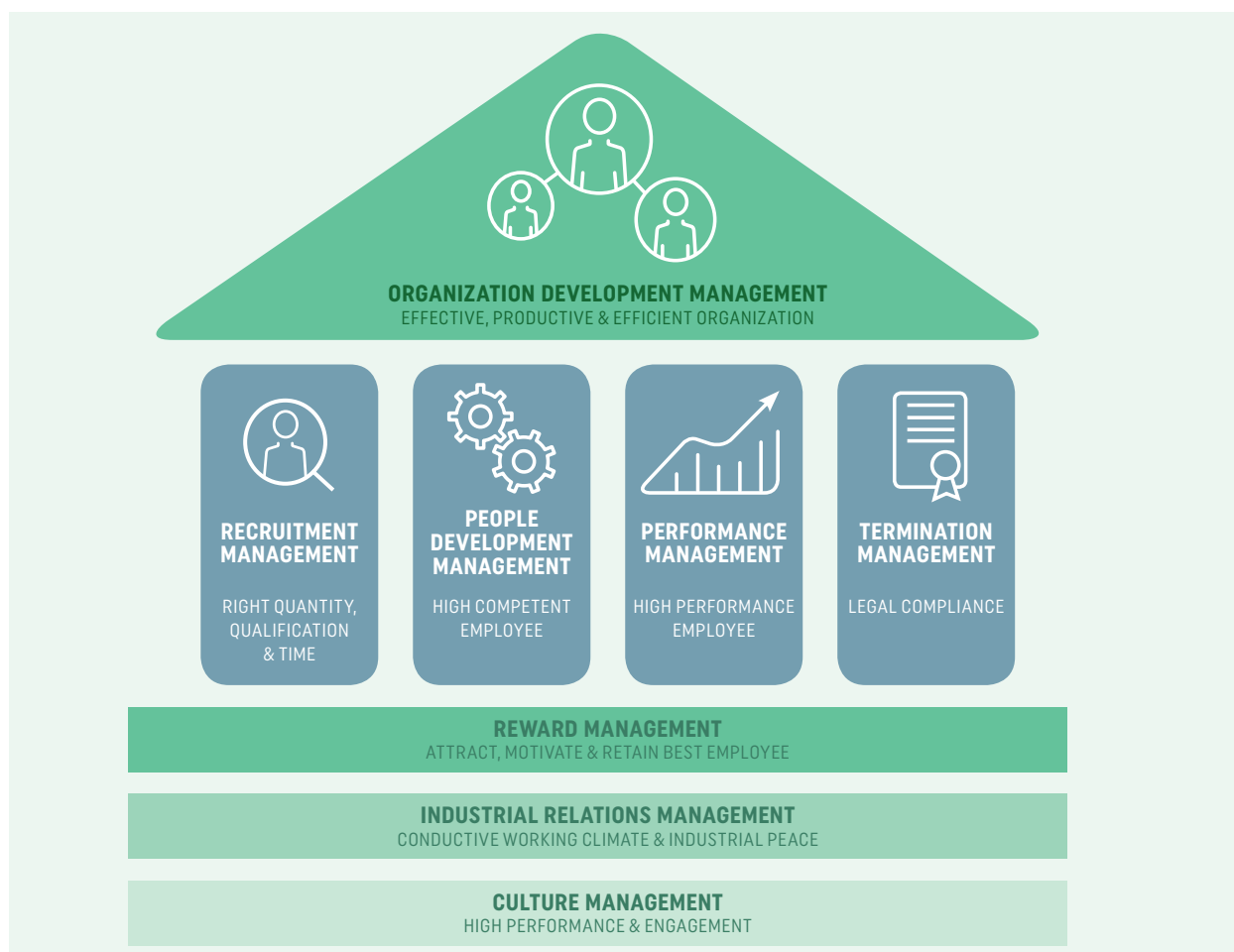
Human Capital (“HC”) is the Company’s most valuable asset. It is partnering with the Company in ensuring endurance toward external condition as well as capability to offer opportunities for development. BFI consistently executes HC development programs and adapts them with the latest industry development and the Company’s target. As the Company’s most valuable asset, HC competency and productivity is continuously improved through a structurized implementation of training. As the main partner, all employees (called the GREAT People) from various organization levels commit and dedicate themselves to implementing the Company’s business development plan. BFI realizes that the key success factor to grow continuously and excellently is determined by good management of organization design as well as competency and performance-based human capital. The organization’s capability to attract, develop and maintain its best talents becomes one of the main priorities in business strategy.



HC MANAGEMENT

In HC management, Human Capital (“HC”) Department serves as the Company’s business partner. In order to embody this role, the Company harmonizes its business needs with HC strategy so that an effective, productive, and efficient organization can be achieved. Organization development serves as an umbrella in HC strategy development and operates by implementing pillars of Recruitment Management, People Development Management, Performance Management and Termination Management processes. In order to support the effectiveness of process pillar implementation, the strategy of Reward Management and Industrial Relations Management has been developed. In addition, the Company makes Culture Management as the foundation for creating a solid and excellent organization.

Chart 12 – BFI'S HUMAN CAPITAL MANAGEMENT FRAMEWORK



COMPANY CULTURE

In December 2016, the Company launched its new vision and mission, to be implemented in January 2017.

Vision

“To become a trusted partner in financial solutions that contributes to the enhancement of people’s standard of living.”

Mission

1. To provide reliable and effective financial solutions to our customers
2. To deliver superior return-on-investment and sustain our reputation as a trusted public company
3. To provide an ecosystem that nurtures future leaders of the organization

4. To build a long-term collaboration with business partners, based on mutual trust and benefit
5. To contribute positively to society

Moreover, HC Department has also renewed the organization’s culture, which is known as **GREAT**, as well as prepared the behavior guidelines as a behavior commitment for all employees during their service in BFI. In order to support this new culture, all employees are referred to as the **GREAT** People.

The internalization of the Company's values has been conducted gradually since end of 2016 through campaigns to executive level and extended to all employees in 2017.

RECRUITMENT MANAGEMENT

In order to fulfill the continuing growth needs of HC, with the addition of 1,022 employees (or 12.9%) to 2015 figure, BFI conducts several strategies in recruitment process, such as differentiation of work characteristics, expansion of recruitment partners, utilization of social media, and implementation of technologies to expedite the selection process.

Based on work characteristics in BFI, HC recruitment is differentiated into three positions, i.e strategic, trainee, and non-strategic positions. Recruitment process for strategic position (managerial level) is centralized at the head office.

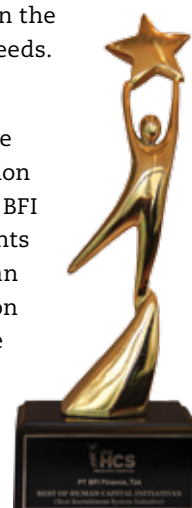
Trainee positions consist of external trainees, coming from new employees, while the source of internal trainees are from within the Company. Recruitment process for trainee positions is also centralized at the head office, while that for non-strategic positions is conducted in each branch office.

In order to support the recruitment process, BFI expands its partner sourcing through partnership with internal and external parties. The Company uses the HC from internal source, namely BFI employees, through the employee-get-employee program by giving various rewards for employees successfully obtaining new workforce from outside of BFI, with at least 6 months of service. This employee-get-employee program has been relatively successful, as the joining rate reached 95% at the highest. BFI also builds better relations with various universities throughout Indonesia by giving scholarships, conducting apprentice programs, campus hiring and campus

awareness through seminars given by representatives of BFI's Board of Directors and Management.

In line with the latest developments, BFI also utilizes social media such as Facebook, Twitter, Instagram, Career.com, LinkedIn, and Jobstreet, and its website in the sourcing process. In addition to partner and social media, quite often the sourcing process is also conducted directly at the places where non-strategic candidates – such as sales force, collection, etc. – often visit. This activity is aimed at obtaining as many candidates as possible based on the organization's needs.

BFI also utilizes technology in the employee selection process, namely BFI Jobs. Job applicants can directly fill an online application form and engage in an online psychology test



BFI is fully aware that the key to success for the Company to continue to enjoy a quality growth lies in the management of the organization's design and human capital based on competence and performance. The Company's ability to attract, develop and retain the best talents in the field is one of the main priorities in the Company's business strategy.



In 2016, BFI was awarded "Best Employer Awards 2016" for the Financial Institution category from Telkom University Bandung.

at JFA (Job Fit Assessment) System as one of the requirements in the Company's selection process. Besides that, job applicants can track their recruitment process directly at ATS (Applicant Tracking System). This system has resulted in BFI receiving an award from Indonesia Human Capital Study (IHCS) in 2016 by Dunamis Human Capital and BusinessNews Indonesia magazine, for the category of "The Best of Human Capital Initiatives (The Best Recruitment System Initiative)" in September 2016.

HUMAN CAPITAL DEVELOPMENT

As the business grew in 2016, BFI faced a challenge related to fulfilling its need for excellent Human Capital. With 8,941 employees deployed

throughout Indonesia in 209 branches and 96 outlets, BFI continuously strives to ensure that all employees are provided equally with competency development programs.

In order to fulfill its organizational needs, BFI invests in competency development as required by the organization, both currently and in the future, through internal and external training programs, as well as training with BFI's business partners.

BFI Learning Center

With a focus on building a Learning Organization, HC management programs are comprehensively arranged and continuously improved in accordance with the organization's need. BFI Learning Center initiatives in 2016 were focused on reorganizing, restrategizing, and utilizing

Knowledge Management as well as building the organization learning infrastructure. These initiatives were brought into action through:

1. Implementation of partnerships with several universities, both in Indonesia and overseas, aimed at developing competency for employees in managerial level or above.
2. Initiation of HC Learning in Area level. HC Learning has the duties and responsibilities to implement the training strategy of Learning Center in all BFI branch offices throughout Indonesia as a form of an equitable implementation of HC management programs.

3. Implementation of Knowledge Management as the process of knowledge asset utilization within the organization. The implementation of Knowledge Management was embodied in various activities, as follows:
 - a. Sharing Session
 - i. Leader's Talk
 - ii. Inspire
 - b. Knowledge Mapping
 - c. Change Advocate Forum
4. Implementation of HC learning and development strategies in the organization across three general training categories, i.e:
 - a. **Mandatory Training**
This training must be followed by all BFI employees and also required for employees who will be promoted to the next level.

- b. **Certification Training**
This training is aimed at giving certification to employee's skill according to their position. In 2016, Learning Center conducted six kinds of certification training. This training was conducted in collaboration with various parties (including OJK) to award certifications to all stakeholders and related employees.
- c. **Enhancement and Refreshment Training**
This training is aimed at increasing employee's functional knowledge in conducting their duties and responsibilities. In 2016, the Learning Center and business partners held 207 training sessions in the head office, regional offices, and branch offices throughout Indonesia.

In 2016, BFI Learning Center also developed new learning strategy aimed at improving the quality of HC training program in the organization through a strategy named BFI Corporate Institute (CI). BFI CI is a transformation of BFI Learning Center. Through BFI CI development, BFI Learning Center became an integrated HC development center in the organization.

HC Development Expenditures

In 2016, for HC development purposes the Company spent a total of Rp19.1 billion. This amount increased by 40.1% compared with the 2015's figure of Rp13.6 billion. HC development's expenditures included implementation of programs, accommodations, and other supporting expenses.

Table 12 – 2016 TRAINING PROGRAM

Training Category	Number of Training	Number of Participants
Mandatory Training	5	4,478
Certification Training	6	7,135
Enhancement and Refreshment Training	207	835
Total	218	12,448

Table 13 – 2016 TRAINING PARTICIPANT BY POSITION LEVEL

Position Level	Mandatory Training	Certification Training	Enhancement and Refreshment Training	Number of Training
Board of Commissioners and Board of Directors	0	2	5	7
Senior Manager	2	111	456	569
Junior Manager	5	94	170	269
Officer	380	182	1,938	2,500
Staff	4,091	446	4,566	9,103
Total Participant	4,478	835	7,135	12,448

NI WAYAN SRIWANTI

Customer Relationship Executive, Mataram Branch Office

“The working environment at BFI is highly supportive to my job, especially the spirit of togetherness, which boosts and maintains my motivation to work here. My first impression of BFI when I first joined the Company was this is a company that maintains discipline on a high standard.



PERFORMANCE MANAGEMENT

Company Performance Assessment

The year 2016 was rife with challenges. The employees played a key role in mitigating various risks and issues encountered by the Company in that year. The Company's capability to direct, develop, and foster the best competencies possessed by the employees was key to responding to every challenge as well as continuously adapting with the dynamic demands of the market.

In order to assess HC performance, the Company conducted two types of productivity index assessment, i.e:

- a. Financial Productivity, comparing the Company's revenue with the total number of employees; and
- b. Workload Productivity, comparing number of bookings managed by the Company with the total number of employees.

In order to increase productivity, in the middle of 2016 the Company conducted business process reengineering for its partners' employees, aimed at re-evaluating several positions in core and non-core processes so that the Company would be better equipped to achieve optimal productivity.

Individual Performance Assessment

In order to assess each employee's performance, HC Department has arranged a systematic and automatic performance management system in its Human Capital Information System ("HCIS").

In this performance assessment system, there are three sections, i.e.:

- a. Employee-goal Setting ("EGS")

In this section, each employee and their superior are obliged to formulate KPIs (Key Performance Indicators), which serves as an indicator in assessing their performance. The KPI system used in BFI is a sharing system so that the KPIs of all sections are

connected with each other. Currently the EGS arrangement process is consolidated into the Human Capital Business Partner ("HCBP") in each area, and subsequently uploaded to the HCIS system.

- b. Performance Review

In this section, all employees and their superiors assess the KPIs that have been previously approved. This process is conducted every July as a mid-year performance assessment and will be used as data in the employee promotion system.

- c. Performance Appraisal

In this appraisal, employees and their superiors are assessed for their performance during one full year period. The assessment result will be used by the Company as reference in giving incentive and profit sharing for the employees that have demonstrated excellent performance. The Company also gives sanctions to employees, aimed at teaching and admonishing them so their performance will be further improved and become more aligned with the Company's Foundational Values.

CAREER DEVELOPMENT

The Company believes that the main factor determining its competitive excellence is its HC's capability. The Company is committed to directing, developing, optimizing the employees' capabilities and harmonize their interests with HC needs as well as the Company's growth and development. In order to support this commitment, the Company has formulated a People Management program that serves as a framework for employee development management. In this program, the Company has formulated the competency standards (core competency, leadership, functional, and technical), mapped employee potentials (Human Asset Value/HAV Map), and arranged their career paths as well as the associated development programs. Two activities in BFI's talent management framework are as follows:

1. **People Mapping.** The Company maps all employees based on their performance and potentials. The performance data is taken from performance assessment results, while employee potentials are observed through assessment process based on each position's competency and potentials. People mapping is conducted once every six months and is aimed to prepare leadership regeneration in branch and head offices. The result of People Mapping process is also used as input for the promotion process.



2. **People Development.** The Company develops competency in order to increase employee performance and eventually to ensure that the whole organization's performance is excellent. This development program is conducted internally and externally on a needs basis. In 2016, BFI executed various internal training programs through BFI CI, Breakfast Meeting, Executive Coaching for managerial level, university scholarships for managerial level, BFI Leader Inspiring – a meeting program between all employees and BFI management representatives to share knowledge in all BFI branches, and many other programs aimed at developing all employees and business partners.

EMPLOYEE WELFARE PROGRAM

The Company regards employee loyalty and productivity as the main assets in achieving higher targets in the future. The Company thus conducts various efforts in order to increase employee welfare, such as:

1. **Salary and Performance Bonus**

The structure of salary and performance bonus given to employees is based on each employee's level or position plus achievement and their contribution to the Company. Performance achievement is reviewed based on various factors, i.e. individual, group or team, and corporation. The Company sees the need to adjust employee salary with the prevailing economic condition and the proper living

standards. The Company also always observes the standard minimum wage determined by the government.

2. Facility and Allowance

Besides basic salary and transportation allowance, the Company also provides various facilities and allowances, such as:

- Motorcycle Ownership Program (MOP) and Car Ownership Program (COP);
- Ownership Program for supporting facilities, i.e. digital camera, notebook, financial calculator, and smartphone;
- Employment Social Security (BPJS Ketenagakerjaan) Facilities, that since 2015 has served as the replacement of Jaminan Sosial Tenaga Kerja/Jamsostek. BPJS Ketenagakerjaan consists of Work Accident Security (Jaminan Kecelakaan Kerja/JKK), Old Age Security (Jaminan Hari Tua/JHT) and Death Security (Jaminan Kematian/JKM);

- Employee Insurance, consisting of Personal Accident and Life Insurance;
- Various allowances, such as housing, homecoming to original domicile, and placement for employees positioned in other towns outside their original domicile;
- Hardship allowance, which is given to employees assigned to work in places categorized as challenging or remote areas;
- Religious Holiday Allowance/Tunjangan Hari Raya (THR) is given once a year; and
- Reimbursement of outpatient and inpatient medication expenses for employees and their family members.

HUMAN CAPITAL INFORMATION SYSTEM

The Company realizes that information technology plays a huge role in fulfilling

various business needs of BFI, both operational and non-operational. Moreover, BFI's geographical condition shows there are many branches spread throughout Indonesia with the need of information technology assistance to increase its work effectiveness and efficiency.

Since the mid-year of 2015, BFI has been implementing the HCIS system to supplant the previous system. This new system covers all employees and partners of BFI. Modules in the HCIS system are continuously developed based on the organization's needs, with the ones already developed include:

1. Employee Self Service (ESS) Module, has been especially designed for BFI's partners' employees and developed from the ESS system for all BFI's partners, in order to ensure the validity database. This module also provides the supporting data for remuneration system for all partners of BFI.



ASIH LUWIDARTI UTAMI

Branch Operations & Services Supervisor, Tangerang Branch Office

I have joined BFI for 25 years and I have experienced both the challenges and the fun. What has made me so loyal to BFI? There are many things that have kept me in high spirits for working here at the Company. Clearly the first thing that comes to mind is the spirit of togetherness. There is almost no gap perceived when working day by day here. In addition, the facilities and benefits I receive have been adequate and there is a clear career path lying in the future for me.

2. Job Fit Assessment (JFA) Module, an online psychology test that can be accessed directly by job applicants. The result of the psychology test also can be received immediately by the recruiter within one hour. This system greatly saves time and improves the quality of the psychology test results.
3. Applicant Tracking System (ATS) Module, a tracking system for BFI's job applicants to track the progress of recruitment process directly.
4. Learning Management System (LMS) Module, a development of the current ESS system to support training registration with the data centralized in BFI Corporate Institute.
5. Performance Management System (PMS) Module, aimed at developing Employee Goal Setting (EGS). Each employee can directly input and update their KPIs in the performance planning process.

EMPLOYEE PROGRAM AND ACTIVITY

In order to foster the spirit of togetherness and eliminate structural boundaries in communication, the Company provides various facilities to its employees manifesting in several programs, such as:

1. Health and Fitness Programs, i.e.:
 - Basketball
 - Badminton
 - Futsal
 - Jujitsu
 - Yoga
 - Zumba
 - Table Tennis
 - Running
2. Outing, followed by branch office and head office employees; and
3. Breaking of the fast (iftar) together during the Islamic month of Ramadan.

Through these activities, all employees are expected to cultivate a sharing culture, because this culture will serve as a foundation in implementing Knowledge Management initiatives.



SPORTS ACTIVITIES AIM TO FOSTER THE HABIT OF MUTUAL RESPECT AMONG EMPLOYEES

HUMAN CAPITAL PERFORMANCE IN 2016

In 2016, BFI successfully experienced a productivity increase of 6.4%. The reference used to measure productivity is the number of new contracts divided by total employees.

Table 14 – EMPLOYEE PRODUCTIVITY

Description	2015	2016	Comparison with Last Year	
			Total	Percentage
Employee	7,924	8,941	1,017	12.8%
Total Outlets	267	305	38	14.2%
Employee / Network	29.7	29.3	(0.4)	-1.3%
Number of New Contract / Total Employee	29.7	31.6	1.9	6.4%

INDUSTRIAL RELATIONS

BFI understands that a sound industrial relation is key to the sustainability of the Company and therefore BFI strives to accomplish various programs to fulfill the rights and obligations of the employees in accordance with the prevailing laws and the regulations of the Company.

The labor practices taking place in the Company include labor relations, working conditions and social security, labor dialogue, as well as human capital development and improved training.

A sincere attention and a strong commitment to employment policies are manifested in BFI's upholding of the principles of equality and fairness for all employees.

Within this framework, BFI provides protection to employees in accordance with the provisions of the regulations. The rights and

obligations of the management and employees of the Company are stipulated in the Corporate Regulations, which was approved by the Ministry of Manpower of the Republic of Indonesia. A total of 5,322 permanent employees, or 59.5% of 8,941 employees registered in the Company as 31 December 2016 have their interests protected by the Company Regulations, whereas other employees, who are employed under contract, are protected by the Cooperation Agreement.

In each of its operational activities, BFI always provides various channels of communication so that employees can access all relevant information and express their aspirations directly; through the Hotline HC Care channel in the form of email and telephone call or via direct communication; to the management of the Company who regularly pays a visit to the branches through the "BFI Leaders Inspire" activity. With

such conditions as explained above, BFI employees have not considered any initiative to form a workers union as an effective communication channel.

HANDLING OF EMPLOYMENT-RELATED GRIEVANCES

We consider employees as a stakeholder whose interests are aligned with the Company's. Given this understanding, BFI always examines employee grievances or complaints related to labor relations, employment practices and human rights violations, in order to find a solution for them that satisfies all concerned parties.

The Company receives complaints that can be delivered in oral and in writing and resolves them in stages in accordance with the corporate hierarchy. With this approach of equality, at BFI industrial relations can be managed well.

A conducive working atmosphere has been maintained and there were no violations by the Company in relation to its industrial relations conduct throughout 2016.

OCCUPATIONAL HEALTH AND SAFETY

For BFI, Occupational Health and Safety ("OHS") is a top priority as well as part of the implementation of good employment practices. With an excellent OHS performance, as well as safe and convenient working environment, a positive atmosphere that is formed is expected to improve performance.

In the implementation of OHS in the workplace, BFI implements OHS Management System (SMK3) and policies to protect all employees from the occupational risks they face. This includes the application of the Standard Operating Procedures (SOP) that are aligned with the risks and efforts to increase OHS awareness in each employee.

Implementation of all OHS policies and procedures is coordinated by the Operations and Control Division where several employees are involved in a formal OHS management structure.

Employee Protection Arrangement

Rules on OHS have been adopted by the Company through the Cooperation Agreement which lists safety requirements as stipulated in Article 39 on Prevention and Mitigation. In it, the following have been determined:

1. Each employee must actively prevent and avoid work accidents, fire, theft and other circumstances that endanger the safety of employees, or create damage to the Company's assets and the environment.
2. Each employee must actively mitigate any event of workplace accident, fire, flood, theft and other incidents that endanger and/or destroy the Company's assets.
3. Employees on duty outside of the office with motorcycle are required to wear helmets as a safety precaution.

In addition to the OHS policies, SOPs, and regulations, the Company protects its employees with health and accident insurance so that employees may feel content and comfortable in carrying out their daily work. Protection of employees for occupational accidents takes the following forms:

1. BPJS Ketenagakerjaan through the JKK (Employment Accident Insurance) program;

2. Personal Accident Insurance provided by the Company in cooperation with insurance companies; and
3. Health Insurance provided by the Company in cooperation with insurance companies.

Implementation of Building OHS

The nature and scale of BFI's business activities is one that is based on office administration activities and activities conducted outside of the office. BFI strives to create a work environment that is comfortable and safe for its employees, customers, and assets, both in the branch offices and the head office.

As part of the implementation of compliance measures, BFI ensures that all permissions related to the safety of the buildings used as offices have been obtained. All permissions and licenses such as those related to electrical systems; both for the power grid connection and power generation (generators); transport systems (lifts and gondolas), lightning protection systems, fire systems, and waste treatment systems or Sewage Treatment Plant (STP), have been obtained and updated in accordance with the applicable regulations.

BFI Tower's head office is the largest building operated by the Company with an area 20,000 m² and so it bears a relatively high level of building safety risk. The OHS programs that were carried out in 2016, at the head office of BFI Tower, include:

1. Provision of first aid kit box on each floor, and provision of rescue means against fire;
2. Establishment of the Firefighting Brigade, which involves Security parties, Building Maintenance, Cleaning Service, employees and building tenants;
3. Regular emergency evacuation drills involving all parties;
4. Test of firefighting equipment to make sure everything (sprinklers, hydrants and alarm systems) functions properly;
5. Routine maintenance of building facilities such as lifts, diesel pumps, generators, gondolas and fire systems; and
6. Checking of the electrical system.

The emergency response team that has been formed conduct periodic emergency response drills. Emergency response drills are carried out based on the identification of potential hazards at the head office, namely the risk of fire in high-rise buildings.

Occupational Health And Safety Practice for Field Employees

Field employees bearing the tasks and responsibilities to work outside of the office are at an increased risk of workplace accidents. They include those who work in marketing, billing, and certain elements of operations. They perform their daily duties and responsibilities outside of the office.

In relation to that, traffic accidents are a fairly common risk. The number of traffic accidents and other related issues that occurred to employees while performing their duties in the field has decreased, as in 2016, there were 20 cases recorded, down from 29 cases in 2015.

Health Promotion

BFI conducts activities related to the prevention of occupational diseases to improve employees' awareness of the potential occupational diseases from the routine activities they perform daily. Included in this program is the provision of regular medical check-up for employees in certain levels.

Specific health promotion programs are also conducted in areas experiencing outbreaks of endemic diseases such as dengue fever and malaria, or where adverse environmental conditions occur, such as smoke from forest fire.

Disease prevention activities are also facilitated by the Company with the provision of sports facilities for employees, such as for badminton, basketball, table tennis, jujitsu, gymnastics, zumba, and yoga.

BFI communicates OHS issues to all employees through various media. Safety and health campaigns are carried out by putting up posters and banners and via electronic communications and BFI Learning Center's intranet.

Assets Security

In addition to employee safety, BFI protects and secures its assets, particularly the security of documents belonging to customers stored in the Custodian Centre.

For protection and security purposes, BFI has built an earthquake- and fire-proof storage room at the Head Office in BFI Tower with 24-hour security protection.

BFI EMPLOYEE DEMOGRAPHICS

In line with the development of BFI's business, total employee count also increased. As at 31 December 2016, total BFI employees stood at 8,941 personnel, up by 12.8% compared to the total employee count in 2015. More than half (59.5%) of them are permanent employees. The increase in employee count occurred in almost all directorates within BFI, in line with the respective needs of each directorate.

There is an excellent employee demographic based on level of education, with the increase of employees from Diploma, Undergraduate, Postgraduate, and Doctoral levels. Employee count from those levels of education rose by 831 personnel compared to the previous year. They made up 70.5% of total employees of BFI in 2016, with the remainder being those with high school level of education, or lower.

Based on age group, 70.7% of total employees of BFI are aged below 30 years, i.e. from 25 to 30 years old, and thus the employee age demographic is shaped like a pyramid. This composition indicates that employee regeneration has been relatively successful. Out of all employees, 8,941 employees 93.6% are staff and officers, who directly interact with customers and therefore they are the spearhead for BFI's business growth.

Chart 13 – TOTAL EMPLOYEES



Table 15 – COMPARISON OF TOTAL EMPLOYEES

Year		Comparison with Last Year	
2015	2016	Total	Percentage
7,924	8,941	1,017	12.8%



Table 16 – NUMBER OF EMPLOYEES BY DIRECTORATE

Description	2015		2016		Total 2015	Total 2016	Comparison with Last Year	
	Male	Female	Male	Female			Total	Percentage
Board of Commissioners	5	1	5	1	6	6	0	0.0%
Board of Directors	4	0	5	0	4	5	1	25.0%
CEO Directorate (President Director)	276	76	376	112	352	488	136	38.6%
Retail Business Directorate	2,528	345	3,205	641	2,873	3,846	973	33.9%
Operations and Corporate Business Directorate	989	1,274	983	1,187	2,263	2,170	-93	-4.1%
Enterprise Risk Directorate	2,066	250	2,035	264	2,316	2,299	-17	-0.7%
Finance and Information Technology Directorate	64	46	82	45	110	127	17	15.5%
Total	5,932	1,992	6,691	2,250	7,924	8,941	1,017	12.8%

Chart 14 – PERCENTAGE OF EMPLOYEES BY DIRECTORATE

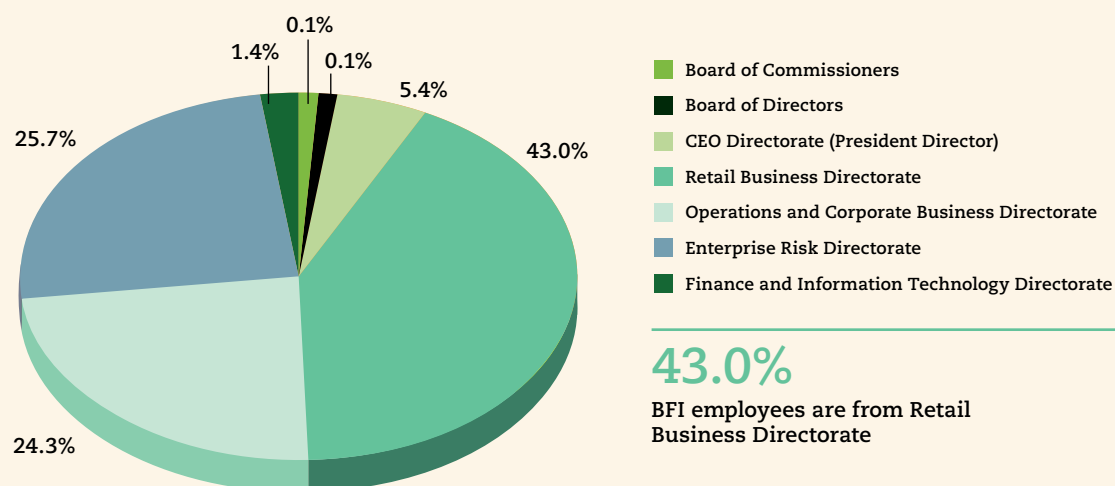


Table 17 – NUMBER OF EMPLOYEES BY EMPLOYMENT STATUS

Description	2015		2016		Total 2015	Total 2016	Comparison with Last Year	
	Male	Female	Male	Female			Total	Percentage
Permanent Employee	3,410	1,376	3,825	1,497	4,786	5,322	536	11.2%
Contract Employee	1,803	463	1,229	310	2,266	1,539	-727	-32.1%
Mitra BFI	719	153	1,637	443	872	2,080	1,208	138.5%
Total	5,932	1,992	6,691	2,250	7,924	8,941	1,017	12.8%

Table 18 – NUMBER OF EMPLOYEES BY EDUCATION

Description	2015		2016		Total 2015	Total 2016	Comparison with Last Year	
	Male	Female	Male	Female			Total	Percentage
Master's and Doctorate Degree	30	9	33	9	39	42	3	7.7%
Bachelor's Degree	3,061	1,366	3,628	1,523	4,427	5,151	724	16.4%
Diploma	675	330	753	356	1,005	1,109	104	10.3%
High School and below	2,166	287	2,277	362	2,453	2,639	186	7.6%
Total	5,932	1,992	6,691	2,250	7,924	8,941	1,017	12.8%

Table 19 – NUMBER OF EMPLOYEES BY POSITION LEVEL

Description	2015		2016		Total 2015	Total 2016	Comparison with Last Year	
	Male	Female	Male	Female			Total	Percentage
BOC and BOD	9	1	10	1	10	11	1	10.0%
Senior Manager	91	23	105	22	114	127	13	11.4%
Junior Manager	302	67	356	79	369	435	66	17.9%
Officer	1,433	564	1,565	599	1,997	2,164	167	8.4%
Staff	4,097	1,337	4,655	1,549	5,434	6,204	770	14.2%
Total	5,932	1,992	6,691	2,250	7,924	8,941	1,017	12.8%

Chart 15 – PERCENTAGE OF EMPLOYEES BY EMPLOYMENT STATUS

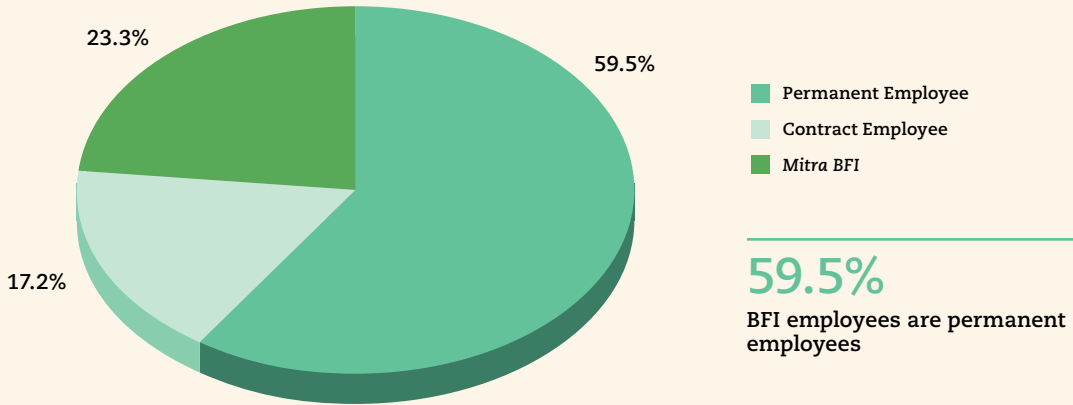


Chart 16 – PERCENTAGE OF EMPLOYEES BY EDUCATION

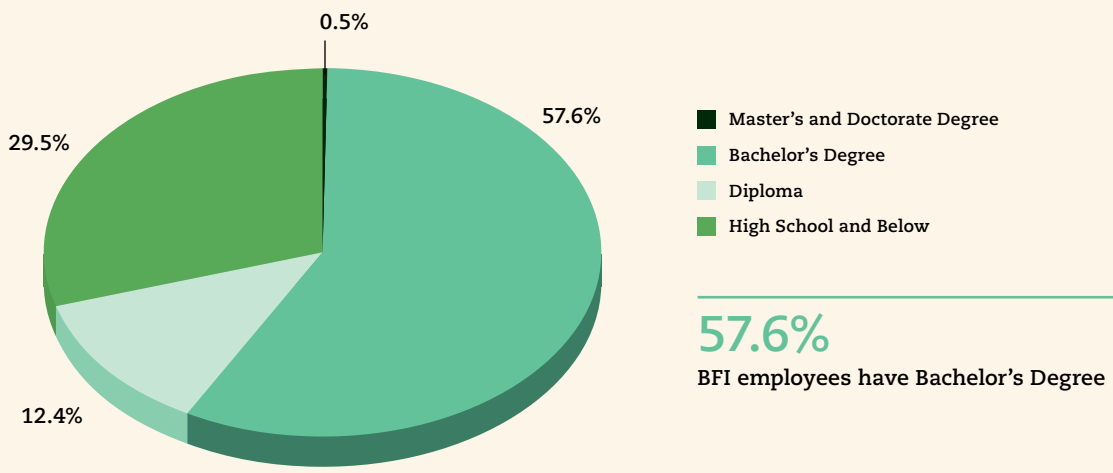


Chart 17 – PERCENTAGE OF EMPLOYEES BY POSITION LEVEL

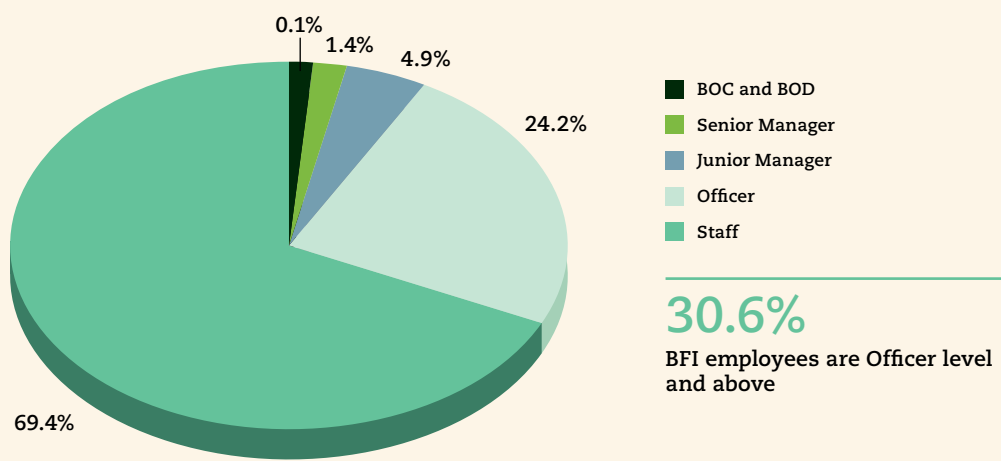


Table 20 – NUMBER OF EMPLOYEES BY AGE

Description	2015		2016		Total 2015	Total 2016	Comparison with Last Year	
	Male	Female	Male	Female			Total	Percentage
25 years old	1,035	631	1,193	679	1,666	1,872	206	12.4%
25 - 30 years old	2,968	985	3,316	1,132	3,953	4,448	495	12.5%
31 - 40 years old	1,718	321	1,942	377	2,039	2,319	280	13.7%
41 - 50 years old	194	50	219	55	244	274	30	12.3%
> 50 years old	17	5	21	7	22	28	6	27.3%
Total	5,932	1,992	6,691	2,250	7,924	8,941	1,017	12.8%

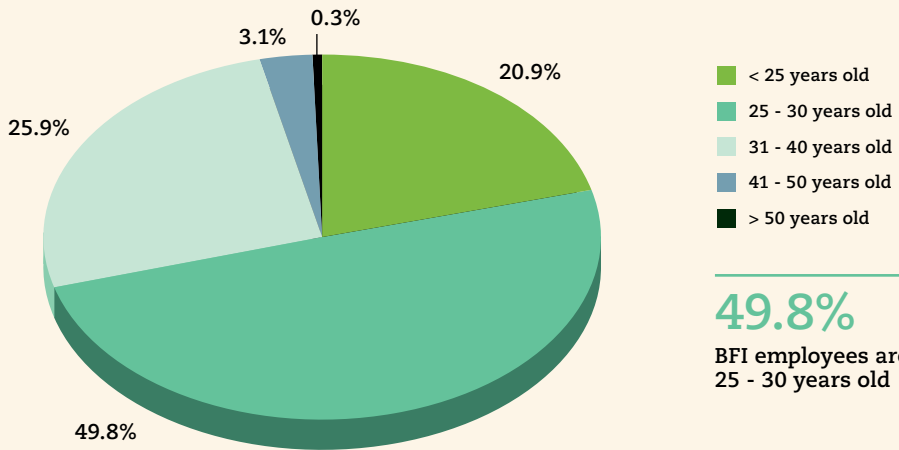
Table 21 – NUMBER OF EMPLOYEES BY YEARS OF SERVICE

Description	2015		2016		Total 2015	Total 2016	Comparison with Last Year	
	Male	Female	Male	Female			Total	Percentage
< 3 years	3,857	1,120	4,374	1,279	4,977	5,653	676	13.6%
3 - 5 years	1,347	547	1,339	516	1,894	1,855	-39	-2.1%
6 - 10 years	517	227	728	342	744	1,070	326	43.8%
11 - above 20 years	211	98	250	113	309	363	54	17.5%
Total	5,932	1,992	6,691	2,250	7,924	8,941	1,017	12.8%

Table 22 – PARTICIPANT OF TALENT MANAGEMENT AND SUCCESSION

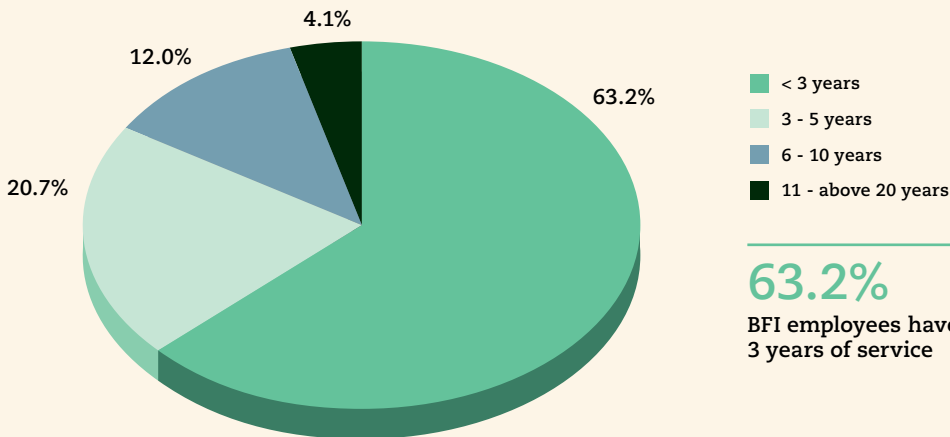
Description	2015	2016	Comparison with Last Year	
			Total	Percentage
Managerial Up Level	38	102	64	168.4%
Supervisor	546	609	63	11.5%
Total	584	711	127	21.7%

Chart 18 – PERCENTAGE OF EMPLOYEES BY AGE



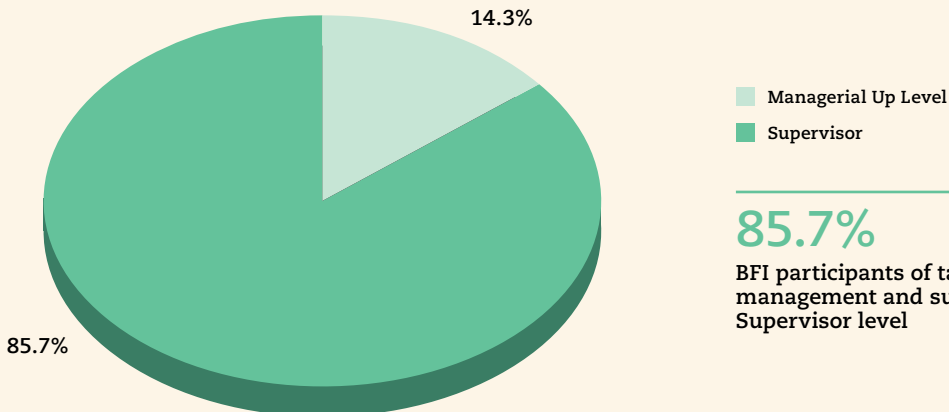
49.8%
BFI employees are 25 - 30 years old

Chart 19 – PERCENTAGE OF EMPLOYEES BY YEARS OF SERVICE

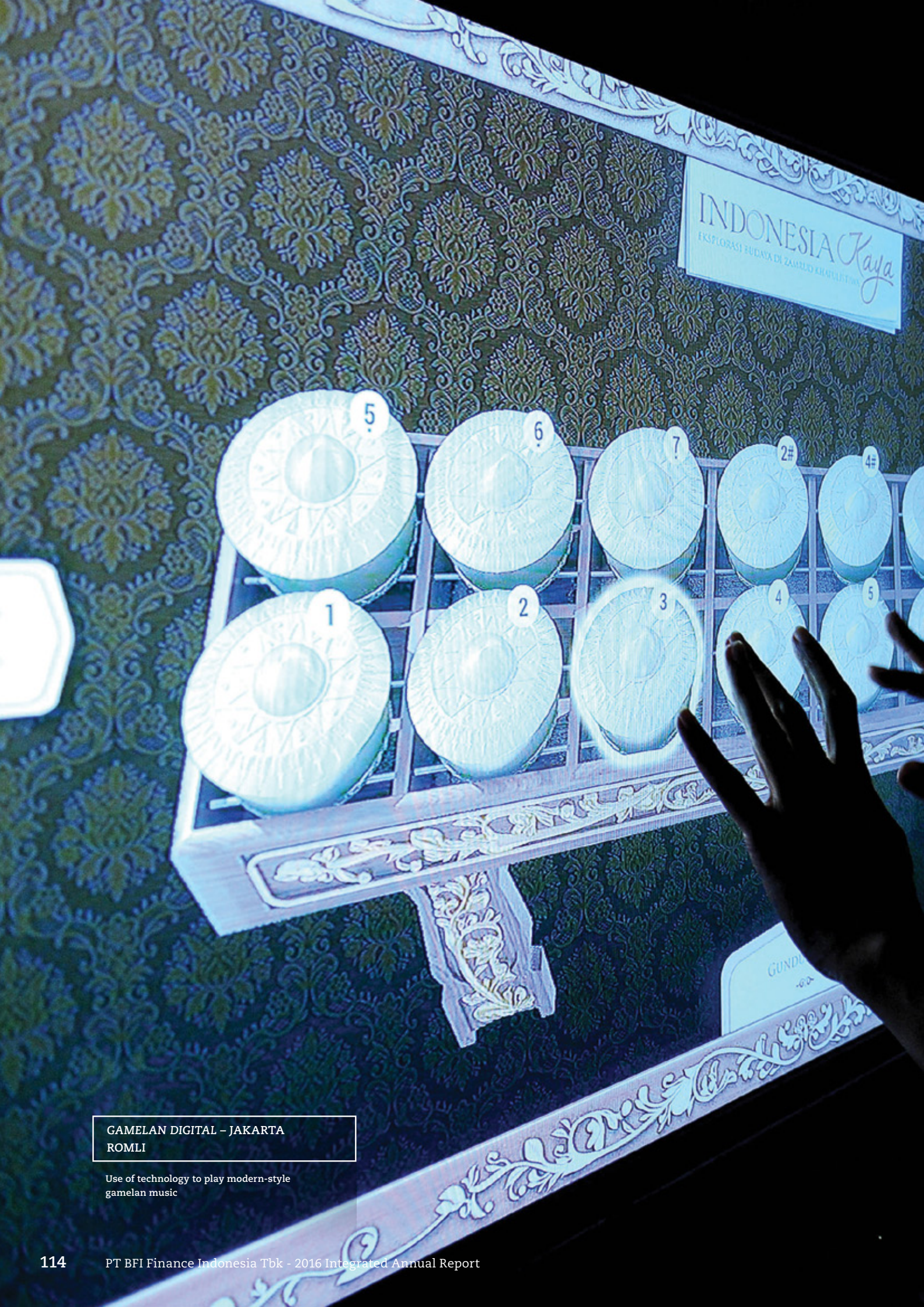


63.2%
BFI employees have less than 3 years of service

Chart 20 – PARTICIPANT OF TALENT MANAGEMENT AND SUCCESSION



85.7%
BFI participants of talent management and succession are on Supervisor level



GAMELAN DIGITAL – JAKARTA
ROMLI

Use of technology to play modern-style
gamelan music

BUSINESS SUPPORT UNITS

Network and Operational

116

Information Technology

120



NETWORK AND OPERATIONAL

NETWORK EXPANSION

Looking to grow the business in 2017, the Company opened 38 new branches and kiosks, bringing the total outlets to 305 by the end of 2016.

Our network expansion aims to:

- Optimize market penetration by securing strategic office locations for greater consumer accessibility; and
- Provide faster application process and better services to consumers.



Other steps we have taken to expand the network include:

a. **More effective management of branches and kiosks**

Optimizing existing branches and kiosks through more effective sales, collection and operations management.

b. **Greater oversight of branches and kiosks**

Exercising continuous supervision of branches and kiosks through area and regional systems, as well as optimizing the role of the head office in managing information on and quickly dealing with underperforming branches.

OPERATIONAL DEVELOPMENT AND PRODUCTIVITY

BFI has undertaken various operational development projects aimed at improving productivity, customer service and operational efficiency, both in branches and head office.

Project Golden Bamboo

In 2016, the Company launched project Golden Bamboo as the continuation of project RACE (Revenue Acceleration and Cost Efficiency), with focus on improving productivity, customer service, and operational efficiency through automation

Chart 21 – TOTAL OUTLETS



and digital technology. The project has entered the national implementation stage and focuses on three main points:

- Effective and efficient overall sales;
- Effective consumer contract management and collection; and
- Better management control system for credit analysis process.

The objectives of the project are as follows:

- Maximizing revenues and minimizing costs in every branch by optimizing work process and surveyor team assignment control system; and
- Improving the quality of consumer services through an integrated supporting system for early stage feasibility analysis assessment, to obtain faster decisions on credit approval.

The initiatives undertaken under this project include:

- Developing an application to support automated surveyor assignment from a branch located nearest to the consumer;
- Building the capacity of surveyor teams to cope with the increasing number of assignments; and
- Developing a supporting application for feasibility analysis assessment.

In addition, the collection structure in branches is improved by assigning collection teams to more structured work areas and consumer groups, to boost productivity.

The objectives and benefits of such restructuring are as follows:

- Providing more accessible and faster service delivery;
- Building better relationships with customers and business partners or suppliers;

- Building branch capacity; and
- Improving performance and productivity.

The project was executed in several stages. As of Q4 2016, the project completed its pilot project in two regions, yielding satisfactory results and garnering positive responses from all employees of the branches. The project implementation will continue in stages in other regions starting from early 2017, until achieving a full national rollout.

The project has achieved the following outcomes:

Simplified Process

Project Golden Bamboo simplifies the operational process by consolidating certain operational activities in the area and regional levels that were previously performed on the branches to the area and regional levels. As a result, the Company is able to provide better services to its consumers/customers and business partners.



Greater Internal Control

Modifying the process also aims to improve communication, effectiveness of operational teams, and efficiency of task and responsibility distribution at every level (regional, area, and branch) within the organizational structure. A simpler process in branches results in better internal control quality at the branch and area levels.

Optimal Operational Productivity

Simplifying the operational process manages to optimize the productivity of operational employees. Comparing the data from 2015 and 2016, the number of operational employees decreases from 928 to 826 (12.3%) thanks to the simplified process. The number signifies higher productivity from the operational employees despite the Company's more expansive network in 2016.



MUJIYANA

Used Car Financing Customer, Sleman, Yogyakarta

In 2008 I began to obtain information about BFI from my friends and relatives. After being involved in the partnership, I find it suit my needs even up to now. In my opinion, BFI's service has been excellent, especially thanks to its clear procedures and highly responsive officers. When I need more financing I will certainly choose BFI again.

KERRY MONDONG JONG

Truck & Excavator Financing Customer – Ternate, North Maluku

BFI's service has been satisfactory. Procedures for applying for financing have been clear and simple, the officers are always contactable, and BFI also provides knowledge and adequate attention for us as the customers. When a similar need arises again in the future, I will again pick BFI to obtain financing.



FOCUS TO CUSTOMER SERVICE

BFI continues to make improvements to its quality of customer service, which is an important factor amid the strong competition in the financing industry, by refining its systems, procedures and network reliability.

Implementation of the Company's Core Values for Improved Service Quality

BFI's core values are consistently implemented across the board to achieve customer satisfaction and gain public trust through Excellent Services or Extra Services to Internal and External Customers.

Looking to grow the business in 2017, the Company opened 38 new branches and kiosks, bringing the total outlets to 305 by the end of 2016.



BFI implements a prime and sustainable service strategy, with a theme of "Smile from the HEART." HEART (in Indonesian language) stands for:

- **H**-Heart that cares for customers.
- **E**-Express with cordiality and sincerity.
- **A**-Rely on speed and accuracy.
- **R**-Be responsive and proactive in addressing customer needs.
- **T**-Speak positively.

Service Quality Improvement

In an effort to improve service quality and maintain a consistent service culture, BFI always strives to develop the competency of its employees, especially frontliners, to deliver better services to customers.

The following are activities implemented in 2016 to improve service quality:

1. Service Training, a training program for customer service officers to enhance their communication skills, responsiveness and integrity that reflect the Company's core values, as well as to be consistent in taking customer-friendly attitude;
2. Providing extra value and convenience to BFI Prioritas customers; and
3. Special Treatment Program for Motorcycle Customer to commemorate the National Customer Day, by gifting free vouchers and other special gifts to motorcycle customers.

INFORMATION TECHNOLOGY

INFORMATION TECHNOLOGY IMPLEMENTATION

The Company continues to improve its Information Technology ("IT") to achieve optimal performance and integrate all existing business lines to gain a stronger foothold and advantages in the increasingly competitive financing business.

The purpose of IT development in BFI is to meet both the Company's short-term and long-term plans. In the long run, IT infrastructure and application platform are prepared to support the Company's business expansion for the next 5-10 years. Meanwhile, in the short run, IT is expected to support the Company's business strategy within the next 1-2 years. This includes developing the Core System application and other supporting applications.

To support The Company's future growth, BFI has built a data center that can support business scalability for the next ten years and meet the Tier-2+ Standards (redundant power source, redundant network, and redundant cooling system). To ensure reliable services, the Company has put into operation virtualization server and High Availability system. The virtualization server will allow for IT investment optimization and the High Availability system will minimize system damage risk due to hardware failure.

To support business growth, the Company continuously develops its IT applications, adds business features and ensures compliance with the applicable regulations. Furthermore, the Management Information System ("MIS") continues to be developed, enabling the Company to make objective decisions based on actual data.

INTEGRATED CORE SYSTEM

In line with the Company's plan for business expansion through opening several branches outside Java, the role of IT becomes more pivotal in operations, control, and database utilization for the Company's business planning and decision-making purposes.

Since 2008, the Company has developed an integrated, web-based main application system (Core System) to support its business growth, at least for the next ten years. Moreover, the integration process with the supporting system has been developed continuously so that core business processes can be monitored and measured against the Service Level Agreement ("SLA") target.

The system integration includes Telesales system application, Salestrax, Mobile Survey and the Core System itself.

Today, all of the Company's systems have been integrated and monitored in real-time basis, and also cover most of its day-to-day business processes, such as:

- Customer-acquisition process and marketing simulation, including credit simulation, negative-list checking, and credit-status checking for existing customers;
- Account acquisition, including survey report, financial structuring, credit management and approval, credit appeal, etc. to enable all credit processes to be recorded in the system and to be traced back if necessary;
- Disbursement and finance, an integrated system that allows centralized online payments to suppliers, as well as all financial activities at all branches to be recorded in the system; and
- Account maintenance, a system that monitors all customer transactions, including payments, billings, issuance of written warning, as well as repossession of assets and management of repossessed assets until sold.

Currently, most business activities are conducted using the Core System, including third party transactions (e.g. host-to-host insurance coverage with partner companies). Any financial transaction made will be directly recorded in the General Ledger ("GL") module inside the Core System.

The Core System results in a more controlled business activity, readily available information at all times, and faster and

Information technology is one of the Company's competitive advantages in increasing consumer and customer satisfaction through prompt, accurate, and transparent business processes.

more accurate decision-making process. Each module is developed so that the system is kept up-to-date according to the Company's needs. The Company's IT development has encouraged a data- and information-based decision-making culture.

HIGH AVAILABILITY AND DISASTER RECOVERY PLAN ("DRP")

The High Availability System and DRP are implemented to ensure information availability to support the Company's business.

The High Availability System copes with any potential disruption to BFI's data center operational system (caused by hardware failure, power outage, data communication interference, force majeure, or commotion) through an instant failover process into the backup system in the event of disruption.

DRP is implemented through online and offline data replication. BFI's data is backed-up online through continuous data replication (real-time mirroring), which ensures the latest data backup where any modification or update to the master database will automatically be registered

in the Data Recovery Center ("DRC") site database in real-time. The DRC site is managed by an independent vendor—one of the largest data center providers in Indonesia—and has met the DRC

Tier-3 standards, which include redundant infrastructure capacity, dual power source and concurrently maintainable site. Meanwhile, an offline backup process is executed through regular backup to CDs and tapes to be stored in an offsite location.

In the event of disruption, such as damage to the data center infrastructures, the High Availability System will automatically switch the Core System operations to the DRC site. Therefore, any potential operational disruption and data loss can be minimized to be able to resume with normal operational activities both at branches and head office.

Every year, BFI conducts a series of tests and simulations to ensure the smooth running of the DRP mechanism according to the Company's expectations.

EFFECTIVENESS, WORK PRODUCTIVITY, AND OPERATIONAL EFFICIENCY IMPROVEMENT THROUGH IT SYSTEM IMPLEMENTATION

BFI continues to develop its information systems to boost efficiency, effectiveness, and work productivity. The integrated

information systems, which are supported by Data Warehouse and Business Intelligence, help the management with a faster and more effective decision-making process.

Throughout 2016, BFI has also successfully introduced a mobile survey and collection application to increase the speed and effectiveness of field employees. Readily available spatial data has been proven especially helpful in the decision-making process.

Operational development are also carried out with IT support, including:

1. Customer Payment Point

Payment Point aims to provide ease and convenience for customers by enabling non-cash transactions and installment payments at a location closest to them, through cooperation with BCA, Mandiri, Permata, ATM Bersama network, Alfa network (Alfamart, Alfa Midi, Alfa Express, and Lawson), Indomaret, and Pos Indonesia.

2. Electronic Data Capture ("EDC")

EDC is used by field collection staff to improve security and effectiveness of the collection process to customers.

3. E-filing dan Document Management System ("DMS")

E-filing and DMS are centralized document management applications accessible to the relevant users. With these systems, the

Company can save time and cost as well as run a custodian system at several branch locations to improve control, accountability, and orderly document administration. The customer collateral asset storage locations are merged by building four custodian centers at BSD City (South Tangerang), Bandung, Surabaya, and Pekanbaru branches.

IT SECURITY

The Company regularly reviews and evaluates its information system security in accordance with ISO 27001 security standards. Based on the review, the Company determines its direction and priorities in information system security development and refines procedures and control measures.

IT DEVELOPMENT IN 2016

IT development for the Company's business in 2016 includes:

1. Rebranding of the Company's Website

In response to progressing internet and digital technology as well as increasing use of smartphones, the Company rebrands and transforms its website using the latest technology and a Responsive Website concept.

2. Business Process Re-engineering

The increasingly competitive business climate requires the

Company to carry out Business Process Re-engineering, especially Lead Capture and Loan Origination, to achieve more effective, efficient, and transparent credit application processes.

3. Data Center Infrastructure Development

To provide systematic, stable, and secure IT services, the Company continues to maintain, improve, and rejuvenate its IT infrastructures. One of the Company's efforts is through storage and server rejuvenation. The storage is rejuvenated by replacing the storage server and using Solid State Disk ("SSD") media, which is as of now the fastest and most current technology. The SSD media will significantly improve the overall system performance. The server rejuvenation is carried out on the Core System server, which includes production server, standby server, and DRP server, to support business growth for the next few years.

4. Data Warehouse and Business Intelligence ("DW/BI")

BFI never stops developing the DW/BI system alongside its Core System, to keep up with the Company's business dynamics. The new system is easier to use and much more sophisticated, allowing users to gather information from cellular applications, thus expediting the decision-making process.

OTHER IT SYSTEM AND APPLICATION

To improve IT in facilitating employee work, BFI continues to work out IT solutions that are integrated to the Core System application, including:

1. Teleoperation and Telesales System

The Teleoperation and Telesales systems aim to improve the efficiency and effectiveness of the Company's marketing strategies and operations. Both systems are developed separately, yet integrated to the Core System application. This way, data integrity and monitoring of business activities, such as sales, marketing, booking, and collection can be well-maintained. The current Teleoperation and Telesales systems include:

TELEOPERATION COLLECTION

A friendly reminder phone call to customers with 1-3 day overdue payments and to follow-up on customers who promise to pay within seven days from the initial due date.

TELEOPERATION SURVEY

A part of the Customer Relationship Management ("CRM") program tasked with conducting customer satisfaction surveys and collecting input on services delivered by BFI branches across Indonesia.

TELEOPERATION AUDIT

A phone call to update customer data and audit its validity.

TELESALES

Sales and approval via a phone call with coverage across Indonesia, and the effectiveness of which is always measured and monitored.

2. Fixed Assets Management ("FAM")

A system designed to be integrated with the Company's accounting module to manage the Company's total assets effectively.

3. Mobile Survey & Approval Application

A cellular application integrated to the Core System with an aim to increase the effectiveness of field surveyor staff by making it possible for them to input consumer application data into the computer system onsite, without having to return to the office.

4. Human Capital Information System ("HCIS") Development

The development of a network-based application that can be accessed online from all the Company's outlets and is equipped with employee self-service features, such as employee personal data update, inpatient and outpatient claim input, as well as employee leave application.

The mid-year and end-of-year employee performance are also evaluated online from all outlets across Indonesia.

5. Loan Management System

An integrated system that connects banks and BFI. The system integrates the recording or accounting of Joint Financing and Fund Borrowings transactions into the Core System application. These transactions include Joint Financing, Asset Purchase and Term Loan facilities from the banks. The system can also monitor disbursement, installment payment, daily accelerated repayment, and daily cash flow, as well as produce comprehensive reports for analysis and decision-making purposes.

6. Host-to-Host System

Collaboration with insurance companies to minimize the insurance coverage failure risk for financed assets, which is carried out in integration with the current Core System.

IT DEVELOPMENT PLAN IN 2017

The development plan in 2017 includes continuing with the development in 2016 as well as implementing capacity building and streamlining the Company's business through various initiatives, such as:

1. Enhancement of Loan Origination system and Credit Engine based on BPM (Business Process Management) and Rule Engine;
2. Developing Mobile Applications for BFI consumers, customers, and business partners;
3. Renewal of Telesales applications with CRM-based;
4. Sustainably developing IT infrastructures, especially those related to security, availability, and system performance;
5. Building a business underwriting capacity that is capable of reaching a massive number of potential consumers and processing their database instantly and digitally through user-friendly applications;
6. Building capacity to serve new consumer segments, including e-commerce, and taking up on business opportunities overlooked by the traditional financial system;
7. Developing the Procurement System to accommodate the Company's procurement processes; and
8. Developing other business support applications aligned with the Company's development.

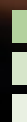


**KREDIT USAHA BERSAMA BFI - INDRAMAYU
SOFYAN EFENDI**

Use of financial facilities to cultivate Small to
Medium Enterprises

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OVERVIEW OF THE ECONOMY AND INDUSTRY

While the growth in loans booked by banks and non-bank financial institutions only reached 7.9% in 2016 compared to 10.5% in the year before, BFI grew its total net receivables by 17.0% in 2016.



The year 2016 was a challenging one for the Indonesian economy. Externally, the global economy remained sluggish, which didn't help Indonesian exports. Going forward, there are positive trends that show a slow global economic recovery, however, a number of challenges remain, especially the continued economic slowdown in Europe, Japan and China, and global financial market post a US Federal Funds Rate hike.

In line with the global economic slowdown, Indonesia's GDP growth also remained low in 2016 at 5.0%, slightly improving over the 4.8% growth a year ago. Inflation, at 3.0%, was kept at the lower band of Bank Indonesia's inflation target range of 3-5%. Meanwhile, administered energy prices dropped, due to a decrease in world energy prices in the midst of government subsidy reform. The Rupiah's exchange rate movement was highly erratic throughout the year, opening the year at Rp13,898 per USD and closing it at Rp13,436 per USD.

The multifinance industry in Indonesia is highly fragmented with approximately 200 players. These companies are licensed to provide financing products that include Finance Lease, Consumer Finance, Factoring and others. Over the years we have seen strong growth in the multifinance industry, averaging 6.4% Compounded Average Growth Rate from 2012-2016. In 2016, Total Financing Receivables increased by 6.7% to Rp387,505 billion, following a phase of contraction in 2015.

Table 23 – FINANCING INDUSTRY RECEIVABLES POSITION (2012–2016)

In Rp billion	2012	2013	2014	2015	2016
Receivables Position	302,052	348,027	366,138	363,273	387,505

Source: Bank Indonesia

The financing industry was driven mostly by Consumer Financing, with a contribution of 70.3% of total financing receivables. This sector underwent an increase of 5.5% in value in the period of January until August 2016 to reach Rp263,034 billion. Consumer financing was dominated by financing of motor vehicles, both cars and motorcycles.

The government had boosted domestic spending by relaxing the requirements for advance payment for car and motorcycle financing beginning from June 2015, and this positively boosted new car sales but not new motorcycle sales, which continued its downward slide after peaking in 2011 at more than 8 million units sold that year.

Throughout 2016, motorcycle sales contracted by 8.5% from 2015, with 5,931,285 units sold. On the other hand, new car sales went up by 4.9% with a total of 1,062,729 units sold in 2016.

Table 24 – NATIONAL CARS AND MOTORCYCLES SALES

In Units	2012	2013	2014	2015	2016
Cars	1,116,230	1,229,901	1,208,019	1,013,291	1,062,729
Motorcycles	7,064,457	7,743,879	7,867,285	6,480,155	5,931,285

Source: Gaikindo, AISI

There was a 5.1% contraction valued at Rp5,372 billion in Finance Lease down to Rp99,480 billion for the period of January until August 2016 (according to the industrial data published by OJK). This sector contributed 26.6% to the total financing receivables as at August 2016. This showed that the impact from commodity prices' weakening was still ongoing, with the finance lease being affected the most. However, in the end of 2016 certain commodities' prices increased and showed a brighter prospect.

BUSINESS OVERVIEW

In line with OJK Regulation No. 29/POJK.05/2014 on the Business of Financing Companies dated 19 November 2014, the Company's scope of business include investment financing, working capital financing, multipurpose financing, and other financing as approved by OJK. Moreover the Company able to do operating lease and/or other fee-based activities as long as they do not violate the prevailing laws in the financial services sector.

Currently BFI focuses its business on the financing of new and used cars and used motorcycles, as well as financing of heavy equipment, machinery, and other equipment. Starting from 2015, the Company has begun entering into the property sector, booked as Consumer Financing and Finance Lease.

Table 25 – NEW FINANCING AND MANAGED RECEIVABLES BY BUSINESS ACTIVITIES

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	%
New Financing				
Finance Lease	5,148	6,824	1,676	32.6%
Consumer Financing	4,910	3,919	(991)	-20.2%
Total New Financing	10,058	10,743	685	6.8%
Managed Receivables				
Finance Lease	5,293	7,182	1,889	35.7%
Consumer Financing	6,936	5,844	(1,092)	-15.7%
Total Managed Receivables	12,229	13,026	797	6.5%
Description (unit)				
New Financing				
Finance Lease	47,495	65,989	18,494	38.9%
Consumer Financing	188,218	216,841	28,623	15.2%
Total New Financing	235,713	282,830	47,117	20.0%
Managed Receivables				
Finance Lease	58,943	91,113	32,170	54.6%
Consumer Financing	256,192	271,796	15,604	6.1%
Total Managed Receivables	315,135	362,909	47,774	15.2%

In accordance with the methodology for recording financing receivables, where, based on OJK Regulation No. 29/POJK.05/2014, it is possible that a type of financing with the same asset has different financing purposes and thus requires separate booking such as in Consumer Financing and in Finance Lease, for the purpose of the discussions in this business review section, the Company focuses on the classification of financing by asset type.

Table 26 – NEW FINANCING AND MANAGED RECEIVABLES BY ASSET TYPE

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	%
New Financing				
Used Cars Financing	6,792	7,805	1,013	14.9%
New Cars Financing	1,246	359	-887	-71.2%
Cars Financing	8,038	8,164	126	1.6%
Heavy Equipment Financing*	949	1,186	237	25.0%
Used Motorcycles Financing	928	1,204	276	29.7%
Property Financing	143	189	46	32.2%
Total New Financing	10,058	10,743	685	6.8%
Managed Receivables				
Used Cars Financing	7,877	8,980	1,103	14.0%
New Cars Financing	2,269	1,380	-889	-39.2%
Cars Financing	10,146	10,360	214	2.1%
Heavy Equipment Financing*	1,287	1,544	257	20.0%
Used Motorcycles Financing	654	868	214	32.7%
Property Financing	142	254	112	78.9%
Total Managed Receivables	12,229	13,026	797	6.5%
Description (unit)				
New Financing				
Used Cars Financing	76,243	88,512	12,269	16.1%
New Cars Financing	8,968	1,978	(6,990)	-77.9%
Cars Financing	85,211	90,490	5,279	6.2%
Heavy Equipment Financing*	1,422	2,372	950	66.8%
Used Motorcycles Financing	148,717	189,174	40,457	27.2%
Property Financing	363	794	431	118.7%
Total New Financing	235,713	282,830	47,117	20.0%
Managed Receivables				
Used Cars Financing	128,391	145,506	17,115	13.3%
New Cars Financing	25,403	18,311	(7,092)	-27.9%
Cars Financing	153,794	163,817	10,023	6.5%
Heavy Equipment Financing*	2,515	4,077	1,562	62.1%
Used Motorcycles Financing	158,403	193,933	35,530	22.4%
Property Financing	423	1,082	659	155.8%
Total Managed Receivables	315,135	362,909	47,774	15.2%

* Includes machinery and other equipment.

The Company's business performance, based on asset type, in 2015 and 2016, is presented in the next paragraphs.

NEW FINANCING

The Company booked new financing of Rp10,743 billion in 2016, up from Rp10,058 billion or 6.8%. The largest increase occurred in Finance Lease by Rp1,676 billion or 32.6% from the previous year's figure, followed by an increase in used car financing recorded as Finance Lease. Meanwhile, consumer financing contracted by Rp991 billion or 20.2% mainly due to the decline in the new financing of new cars.

By asset type, the increase in new financing was boosted by the 14.9% or Rp1,013 billion increase in used car financing, reaching Rp7,805 billion. This offset the impact of the decline of Rp887 billion or a drop of 71.2% from new car financing. This decline was in alignment with the Company's strategy to reduce its focus on the financing of new cars in the future. All other asset types in New Financing showed a healthy level of growth.

Car Financing

In the last few years, sale of new cars in Indonesia has been stagnant, from its peak in 2013 of 1,229,901 units sold it has gone down to 1,013,291 units sold in 2015. In 2016, there was a slight increase of 4.9% to 1,062,729 units sold (Table 24).

At the end of 2014, the Company started expanding its financing business to new cars, in particular to the commercial segment in Java, and subsequently the financing of new cars rose significantly. However, over time, the Company evaluated the developments in financing receivables from this segment and discovered that the receivables' quality was below expectation and thus in mid 2015 the Company decided to reduce its exposure in this sector. As a result, in 2016 there was a significant drop in the value of new car financing by Rp887 billion or 71.2% compared to the previous year's figure.

The Company's market share in new car financing was not significant, i.e. under 1% of the total, and the Company does not have any plan to focus in this sector in the coming years.

The Company is currently focused on the financing of used cars, making up 72.7% of the total new financing booked in 2016. Throughout 2016, total financing from this sector grew 14.9% from the previous year's figure, equivalent to Rp1,013 billion. This growth resulted from the Company's focused marketing efforts and a strong consumer retention program execution.

The types of cars (new and used) varied, with the largest portion being multipurpose vans (MPV/minibus), followed by jeeps and trucks.

Table 27 – DIVERSIFICATION OF CARS NEW FINANCING BY TYPE OF CAR

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Minibus/MPV	3,548	3,926	378	10.7%
Jeep	1,266	1,422	156	12.3%
Truck	1,328	1,280	-48	-3.6%
Pick-up	1,418	993	-425	-30.0%
Passenger Car	429	488	59	13.8%
Bus	49	55	6	12.2%
Total	8,038	8,164	126	1.6%
Percentage of Total				
Minibus/MPV	44.1%	48.1%	n/a	4.0%
Jeep	15.8%	17.4%	n/a	1.6%
Truck	16.5%	15.6%	n/a	-0.9%
Pick-up	17.6%	12.2%	n/a	-5.4%
Passenger Car	5.4%	6.0%	n/a	0.6%
Bus	0.6%	0.7%	n/a	0.1%
Total	100.0%	100.0%		

Table 28 – DIVERSIFICATION OF CARS NEW FINANCING BY BRAND

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Toyota	2,622	2,885	263	10.0%
Mitsubishi	1,560	1,416	-144	-9.2%
Daihatsu	981	994	13	1.3%
Honda	783	915	132	16.9%
Suzuki	1,034	801	-233	-22.5%
Isuzu	171	180	9	5.3%
Other Japanese Brand	644	684	40	6.2%
Non-Japanese Brand	243	289	46	18.9%
Total	8,038	8,164	126	1.6%
Percentage of Total				
Toyota	33.0%	35.3%	n/a	2.3%
Mitsubishi	19.1%	17.4%	n/a	-1.7%
Daihatsu	12.7%	12.2%	n/a	-0.5%
Honda	8.8%	11.2%	n/a	2.4%
Suzuki	13.5%	9.8%	n/a	-3.7%
Isuzu	2.0%	2.2%	n/a	0.2%
Other Japanese Brand	8.2%	8.4%	n/a	0.2%
Non-Japanese Brand	2.7%	3.5%	n/a	0.8%
Total	100.0%	100.0%		

In 2016, the largest (>95%) proportion of cars financed by the Company were Japanese brands with higher second-hand or resale value compared to other brands. Toyota brand contributed 35.3% to the Company's total new financing in 2016.

As there was no data regarding total nationwide sales of used cars, the Company's market share in the financing of used cars could not be calculated accurately.

Motorcycle Financing

As with sale of new cars, sale of new motorcycles in Indonesia has also contracted for the past few years.

The highest sales volume was recorded in 2011 with a total of more than 8,012,540 units sold, and subsequently sales fluctuated but never reached that peak level again. Furthermore, only 5,931,285 units were sold in 2016, down by 8.5% from 2015's figure of 6,480,155 units (Table 24).

The Company does not finance new motorcycles, focusing solely on used motorcycles. This strategy is pursued considering that the market for new motorcycles has been heavily saturated with multifinance companies that have long been focusing on this market, while the Company has no competitive advantage in this segment and sees that the growth prospect for the sale of new motorcycles remains bleak, as shown in the above table.

The Company's financing of used motorcycles based on the consideration that the number of used motorcycles in circulation currently remains very large and has not been harnessed optimally. Hence, there is ample room for the Company to engage this segment. In 2016, total used motorcycle financing amount reached Rp1,204 billion, contributing 11.2% to total new financing booked by the Company, and up by 29.7% from the previous year's figure.

The two largest brands of motorcycles that were financed by the Company were Honda and Yamaha.

Table 29 – DIVERSIFICATION OF USED MOTORCYCLES NEW FINANCING BY BRAND

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Honda	443	595	152	34.3%
Yamaha	402	498	96	23.9%
Suzuki	60	78	18	30.0%
Others	23	33	10	43.5%
Total	928	1,204	276	29.7%
Percentage of Total				
Honda	47.7%	49.4%	n/a	1.7%
Yamaha	43.3%	41.4%	n/a	-1.9%
Suzuki	6.5%	6.5%	n/a	0.0%
Others	2.5%	2.7%	n/a	0.2%
Total	100.0%	100.0%		

Financing of Heavy Equipment, Machinery and Other Equipment

Since its establishment, the Company has been engaged in the financing of heavy equipment, comprising many types, brands and uses, and used by many types of industries including the

commodities sector. Since 2013, the commodities that had been Indonesia's economic booster showed signs of contraction, in line with the weakening demand especially from China as the largest buyer.

To anticipate such a situation, since 2014 the Company has gradually diversified its

portfolio to other industries including manufacturing and infrastructure.

As a result, in 2016 the Company booked financing of heavy equipment, machinery and other equipment of Rp1,186 billion, up by Rp237 billion or 25.0% from 2015's figure.

Table 30 – DIVERSIFICATION OF HEAVY EQUIPMENT, MACHINERY AND OTHERS NEW FINANCING BY INDUSTRY

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Construction	271	324	53	19.6%
Services	148	248	100	67.6%
Mining	101	167	66	65.3%
Industrial and Manufacturing	145	166	21	14.5%
Forestry	126	129	3	2.4%
Plantation	84	67	-17	-20.2%
Trade and Distribution	41	40	-1	-2.4%
Others	33	45	12	36.4%
Total	949	1,186	237	25.0%
Percentage of Total				
Construction	28.6%	27.3%	n/a	-1.3%
Services	15.6%	20.9%	n/a	5.3%
Mining	10.6%	14.1%	n/a	3.5%
Industrial and Manufacturing	15.3%	14.0%	n/a	-1.3%
Forestry	13.3%	10.9%	n/a	-2.4%
Plantation	8.8%	5.6%	n/a	-3.2%
Trade and Distribution	4.3%	3.4%	n/a	-0.9%
Others	3.5%	3.8%	n/a	0.3%
Total	100.0%	100.0%		

The construction industry grew significantly in line with a more stable growth prospect of said industry, as opposed to the more fluctuating commodities sector.

In addition, in keeping with the Company's repositioning of focus on industries related to the commodities sector, the types of machinery and equipment that the Company financed also changed, whereby previously the financing was mainly for heavy equipment, currently the portion of machinery has increased, in particular small-scale machinery that make up an independent part of a production process (instead of integrated machinery installed in large-scale factories or plants).

Table 31 – DIVERSIFICATION OF HEAVY EQUIPMENT, MACHINERY AND OTHERS NEW FINANCING BY EQUIPMENT TYPE

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Bulldozer	96	73	(23)	-24.0%
Excavator	315	452	137	43.5%
Forklift	58	49	(9)	-15.5%
Other Heavy Equipment	208	202	(6)	-2.9%
Total Heavy Equipment	677	776	99	14.6%
Machinery	261	388	127	48.7%
Others	11	22	11	100.0%
Total	949	1,186	237	25.0%
Percentage of Total				
Bulldozer	10.1%	6.2%	n/a	-3.9%
Excavator	33.2%	38.1%	n/a	4.9%
Forklift	6.1%	4.1%	n/a	-2.0%
Other Heavy Equipment	21.9%	17.0%	n/a	-4.9%
Total Heavy Equipment	71.3%	65.4%	n/a	-5.9%
Machinery	27.5%	32.7%	n/a	5.2%
Others	1.2%	1.9%	n/a	0.7%
Total	100.0%	100.0%		

Property Financing

In line with OJK's expectation for multifinance companies to expand their focus beyond the financing of motor vehicles, starting in 2015 the Company has begun to develop property financing business. In its initial phase, property financing had been focused on existing customers of the Company, and currently it has been also marketed to other customers.

Total property new financing value reached Rp189 billion in 2016, or 32.2% higher than in the previous year. The objects of property financing include houses and shophouses.

Table 32 – DIVERSIFICATION OF PROPERTY NEW FINANCING BY PROPERTY TYPE

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
House	115	172	57	49.6%
Shop House	28	17	-11	-39.3%
Total	143	189	46	32.2%
Percentage of Total				
House	80.4%	91.0%	n/a	10.6%
Shop House	19.6%	9.0%	n/a	-10.6%
Total	100.0%	100.0%		

MARKETING ASPECTS

Marketing plays a very important role for BFI to extend the reach of its business, enter new markets, anticipate competition and changes in business trends, as well as offering innovative new products. BFI offers a variety of products in order to continue to compete in an increasingly dynamic market.

TARGET MARKET AND MARKETING STRATEGY

In general, the target market for car and motorcycle financing is the low-to-middle income segment. BFI is committed to continue building its non-dealer business in order to diversify business sources. BFI competes in the marketplace through a number of innovative product marketing packages as well as quick processing times and strong operational support. The Company also targets corporate customers, users of heavy equipment, public transportation and machinery. BFI's corporate customers come from various business sectors, such as mining, trading and services, general contracting, agriculture, manufacturing, infrastructure, transportation, food and beverage as well as healthcare.

The Company's marketing strategy in 2016 was to continue to expand its branch network, database management and telemarketing, as well as strengthen relationships with dealers, agencies, and corporations. Distribution is one of the most critical drivers of BFI's business success. The business needs close and strong relationships with dealers, agents, and telemarketing personnel, in addition to well-trained staff and an extensive branch network. BFI is also dependent on a number of marketing strategies to generate revenue in each product segment. The main channel for generating business and distribution is through its branches and outlets as well as dealers. This is done through a sales force and a marketing unit that specializes in each product segment, using telemarketing and third-party agents.

Marketing activities are conducted through 305 outlets throughout Indonesia. Java and Bali produce the largest business contribution, in line with its population density, development of business, transport, tourism, agriculture, and, in particular, the construction industry, which is expanding rapidly. Other potential areas to develop business and expand the customer base are in Sumatra, Kalimantan and Sulawesi, due to the need for heavy equipment and other capital goods. These areas, however, tend to be more cyclical and are currently affected by the commodities downturn.

Marketing plays a very important role to extend the reach of its business, enter new markets, anticipate competition, and changes in business trends, as well as offering new and innovative products. BFI offers a variety of products to better compete in an increasingly dynamic market. BFI uses a variety of sources and marketing networks to build a strong business and gain market share.

EXPANSION OF BRANCH NETWORK, DATABASE MANAGEMENT AND TELEMARKETING

By the end of 2016, the Company had 305 outlets consisting of 209 branches and 96 kiosks spread throughout Indonesia. By area, 19% of the outlets are in Sumatera, 16% in Greater Jakarta, 34% in Java and Bali, 11% in Kalimantan and 20% in Sulawesi and East Indonesia. BFI is committed to continue expanding its network to reach Indonesian markets that have not yet been penetrated.

BFI employs an in-house telemarketing team located in several areas across the country, to promote the Company's products and services to potential customers via telephone, short message service (SMS) and the hotline number 1500018. Prospects are identified through the BFI database of existing customers,

and also through a database compiled by BFI's internal sales team. Database management is an important part of the Company's marketing strategy as it helps BFI reach a broader customer base across different locations, so that it saves time and effort and keeps overhead costs low. BFI's telemarketing team also provides "one stop solutions" as well as accurate information to customers in a timely and appropriate manner, in accordance to their needs.

Existing customers with BFI are also provided with Outbound Telemarketing services providing them more convenience and ease when seeking refinancing. With BFI's 1500018 Call Centre services, customers are able to access information on the financing process as well as file complaints should they not be satisfied with the Company's services.

DEALER RELATIONSHIPS

BFI has been doing business through dealers for 22 years and has built strong relationships with new and used car dealers. BFI maintains relationships through a number of programs that provide incentives for dealers and programs that strengthens existing long-term relationships. BFI treats dealers as partners and provides training programs for dealers, with the aim to further hone their skills in marketing their products to potential customers.

Growth in the Company's Dealer network in the last three years (2014-2016) is as follows:

Table 33 – COMPANY'S DEALER NETWORK GROWTH			
Description	2014	2015	2016
Dealer network (cars)	2,415	3,718	4,490

As of end 2016, the Company has a network of 4,490 car dealers across Indonesia. BFI continues to be committed to expand its network to areas not yet penetrated.

BFI Partnership Loyalty Program is an incentive program for car dealers to foster long term relationships with them as well as to incentivize them to continue working together with the Company to achieve our targets.

Some of the BFI Partnership Loyalty Programs conducted in 2016 were as follows:

1. Incentive Tour & Gathering

The Company's tour and gathering incentive is given as an appreciation of the Company to dealers who have achieved the minimum target and contribution set within a period of six months. In 2016, dealers were rewarded with "BFI Tour F1 Sepang Kuala Lumpur, Malaysia" which took place from 1-3 October 2016, and attended by nearly 60 dealers and showrooms throughout Indonesia. The tour was followed by a Dealer Gathering with the highlight of the event being an awards ceremony for "The Best Dealers 2016".

2. Marketing Rewards

BFI also provides a marketing rewards program to dealers to increase dealer loyalty and motivation in the midst of the competitive business environment.

AGENCY NETWORK RELATIONSHIPS (BUSINESS ASSOCIATES AS MARKETING AGENTS)

BFI is also dependent on agent referrals for its retail business, especially for the financing of used cars and motorcycles. Agents, or Business Associates, are independent parties engaged by the Company to help market BFI products into their customer network or acquaintances, and they earn commissions and bonuses on successful referrals. To date, BFI has approximately 4,000 active agents. These agents are focused on multipurpose financing using used cars and motorcycles as collateral.

Agency management in BFI includes loyalty management programs supported by a strong and robust business operational process for speed and transparency for all parties. Some of the Company's Loyalty Program include Reward Points and Star Club Programs for agents with the highest sales achievement. The Company also provides training programs for agents, such as training sessions in communications skills and product knowledge.

Each year, BFI organizes national gatherings for Business Associates where the best Business Associates will be awarded "Best BA" and reward those with the highest contribution as a form of incentive and motivation to all Business Associates.

CORPORATE RELATIONSHIPS

BFI also strives to foster and maintain relationships with suppliers of heavy equipment, machinery, trucks and other commercial vehicles. Existing customer relationships are managed by BFI's marketing and branch managers. The Company prides itself in providing service with high level of professionalism as well as integrity, both to suppliers and end users.

To support this marketing strategy, the Company has also taken several marketing steps as follows:

- Continuously provide good service quality to customers and dealers;

- Conduct mass media campaigns and work with suppliers and dealers to create attractive financing package for prospective customers;
- Add new branches to support growth;
- Expand product offerings;
- Build an infrastructure that supports Company's performance; and
- Improve the quality of its human capital through continuous training to remain competitive in the market.

BFI's Corporate Business has also won several awards:

- **2013:** Corporate Image Award 2013 from Frontier Consulting Group and Bloomberg Businessweek as "The Best in Building and Managing Corporate Image" Heavy Equipment Leasing category, based on Indonesia's Most Admired Companies (IMAC) 2013 survey;
- **2014:** Corporate Image Award 2014 from Frontier Consulting Group, TEMPO and MARKETING publications as "The Best in Building and Managing Corporate Image" Heavy Equipment Leasing category, based on Indonesia's Most Admired Companies (IMAC) 2014 survey;

- **2015:** Corporate Image Award 2015 from Frontier Consulting Group and TEMPO publication as "The Best in Building and Managing Corporate Image" Heavy Equipment Leasing category, based on Indonesia's Most Admired Companies (IMAC) 2015 survey; and
- **2016:** Corporate Image Award 2016 from Frontier Consulting Group in collaboration with TEMPO and MARKETING publications as "The Best in Building and Managing Corporate Image" Heavy Equipment Leasing category based on Indonesia's Most Admired Companies (IMAC) 2016 survey.

SMALL AND MEDIUM ENTERPRISES

Financing of Small and Medium Enterprises ("SME") was launched in mid-2016 targeting small and medium enterprises engaged in creative industries. Data estimates that Indonesian SMEs currently employs around 60 million people, the majority of which are not yet exposed to banks and other financial institutions. BFI aims to assist and contribute to the development of this sector by helping encourage the production of better quality and higher quantity of SME products which is in line with the government's initiatives to empower a more creative economy.

The target for SME financing is low-medium income level population. BFI is committed to continue to develop its non-dealer business to include a wider range of customers. Various packages with innovative product marketing as well as quick processing times allow BFI to continue to compete in this aggressive market. SMEs typically require financing for capital investment as well as working capital requirements. The industries that BFI typically finance include food and beverage, fashion, crafts and printing.

Marketing activities are carried out in the cities with high potential for development of SME products in a number of areas of Java and Bali. The creative industry is currently growing very rapidly, especially in the areas strong in tourism, such as Jakarta, Bandung, Yogyakarta and Denpasar.

To support this strategy, the Company has set the following marketing initiatives:

1. Establish a community network;
2. Educate and upgrade skills and knowledge of SMEs;
3. Cooperate with suppliers that support creative industries; and
4. Facilitate the match between suppliers, debtors and BFI

CORPORATE BRANDING AND PRODUCT PROMOTION

In coordinating its various activities, the Company understands the importance of corporate branding to efficiently and effectively create a strong positive image to the public and other external stakeholders. The main function of corporate branding is to set standards or basic principles regarding the use of the Company's identity and effective ways to communicate to internal and external stakeholders.

Corporate branding and product promotion functions are as follows:

- Coordinate, monitor, and analyze the national marketing strategy for a certain period of time according to the Company's policies;
- Draw up a national promotion strategy based on an analysis of results and prepare the promotion unit accordingly;
- Direct and coordinate events attended by the Company as a means of promoting the Company;
- Implement other related duties to achieve promotion targets; and
- Ensure that all designs and promotion materials are in accordance with the guidelines on the Company trademark.

Activities conducted to support corporate branding in 2016, among others:

- Monitored the standardization of the Company's branding and identity;
- Provided consultation and assistance to working units in the Company to support activities and official programs involving the Company, or sponsors of the Company, so that the corporate identity standards were consistent and in harmony;
- Provided consultation and assistance to promote the Company's financing product campaign; and
- Ensured that all attributes of the Company used in local and national events initiated by the Company's branches are in accordance with the corporate identity standards.

The Product Promotion Unit focuses on promoting the Company's products and services. These products are promoted through various activities, both at local and national level, and are held by each branch. The main function of this unit is to coordinate promotion activities and marketing strategies that the Company's branches should undertake, both at local and national level. The aim is to support sales targets determined by each product management unit.

Attractive promotional programs are conducted with the support of publication media in an effort to promote the Company's products and also as a form of appreciation to customers and the public. Each Company activity is based on four aspects, namely: branding, sales, entertainment and Corporate Social Responsibility ("CSR"). The Company's Event Management Unit and CSR Unit specifically manage the last two aspects.

CUSTOMER RELATIONSHIPS

As a sign of appreciation to end customers, the Company runs a lucky draw program yearly, called "Uber Milyaran".

"Uber Milyaran 2016"

To maintain customer loyalty, BFI organized "Uber Milyaran 2016." This event lasted for a full year and was a lottery aimed at customers of the Company. This promotion activity is very well received with over 188,126 participants in 2016. The Company provided hundreds of prizes for lucky customers, i.e. 175 smartphones, 25 units of Honda Beat, and the grand prizes consist of four units of Toyota Agya and an All New Kijang Innova. To participate, customers received BFI credits during the

lottery, and then, customers received a coupon that was drawn every three months.

The drawing of "Uber Milyaran 2016" took place four times, as follows:

- For the period of January-March 2016, the draw was held in April 2016.
- For the period of April-June 2016, the draw was held in July 2016.
- For the period of July-September 2016, the draw was held in October 2016.
- For the period of October-December 2016, the draw will be held in February 2017 as well as a draw for the ultimate winner.

The Company hopes that this kind of loyalty program will increase its customer base and achieve sustainable growth for the Company. This event maintains customer loyalty at the same time acquire new customers.

NEW BUSINESS DEVELOPMENT CHANNELS

Indonesia continues to experience extraordinary growth of Internet users with current figures reaching over 130 million users. This figure has grown

significantly since 2014 which recorded only 88 million users, and has surpassed 50% of the total population of Indonesia, giving a penetration rate of 51.8%. With our large population, there is critical need for product information to be more accessible to the public through digital media, which makes marketing through digital media a great opportunity for BFI.

In 2016, BFI developed a strategy of marketing through digital media and worked with sixteen startups in fintech and automotive portals in Indonesia to provide speed and ease of service to customers. The number of customers in 2016 who applied for online financing was 25,000 and is increasing. With this digital strategy, BFI strives to continuously improve its services and delivery to customers.

2017 FOCUS

BFI will continue to adapt to developments and dynamics of the financial and automotive industry. As such, the main focus in 2017 will be:

- To continue to expand its physical distribution network in the form of branches and outlets;
- To increase used car financing transactions from the end user (C2C);
- Development of loyalty programs to improve the quality of relationships with partner dealers, showrooms and customers; and
- To continue to explore new channels such as digitisation.



FINANCIAL PERFORMANCE REVIEW

The financial review should be read in conjunction with the financial statements of PT BFI Finance Indonesia Tbk (“BFI” or “the Company”) for the year ended 31 December 2016 as audited by the Public Accounting Firm Tanubrata Sutanto Fahmi Bambang & Partners (member of BDO International), an independent public accountant, and for the year ended 31 December 2015 as audited by Public Accounting Firm Tanubrata Sutanto Fahmi & Partners (member of BDO International), an independent public accountant, based on the audit standards determined by the Indonesian Public Accountants Institute in the reports respectively dated 17 February 2017 and 15 February 2016, with an unqualified opinion.

STATEMENTS OF FINANCIAL POSITIONS

Assets

The Company’s Asset position is shown in Table 34 below:

Table 34 - TOTAL ASSETS

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Cash and Cash Equivalents	777	165	-612	-78.8%
Net Investments in Finance Lease	5,210	7,121	1,911	36.7%
Net Consumer Financing Receivables	4,688	4,462	-226	-4.8%
Total Net Receivables	9,898	11,583	1,685	17.0%
Prepaid Expenses	40	42	2	5.0%
Other Receivables - Net	141	164	23	16.3%
Fixed Assets - Net	428	414	-14	-3.3%
Intangible Assets - Net	22	20	-2	-9.1%
Derivative Assets	441	41	-400	-90.7%
Deferred Tax Assets	14	37	23	164.3%
Other Assets	9	10	1	11.1%
Total Assets	11,770	12,476	706	6.0%
Percentage of Total:				
Cash and Cash Equivalents	6.6%	1.3%	n/a	-5.3%
Net Investments in Finance Lease	44.3%	57.1%	n/a	12.8%
Net Consumer Financing Receivables	39.8%	35.8%	n/a	-4.0%
Total Net Receivables	84.1%	92.9%	n/a	8.8%
Prepaid Expenses	0.3%	0.3%	n/a	0.0%
Other Receivables - Net	1.2%	1.3%	n/a	0.1%
Fixed Assets - Net	3.6%	3.3%	n/a	-0.3%
Intangible Assets - Net	0.2%	0.2%	n/a	0.0%
Derivative Assets	3.8%	0.3%	n/a	-3.5%
Deferred Tax Assets	0.1%	0.3%	n/a	0.2%
Other Assets	0.1%	0.1%	n/a	0.0%
Total Assets	100.0%	100.0%		

Total Assets, as at 31 December 2016, was Rp12,476 billion, a 6.0% increase from the year before. The largest contributor comes from Net Investments in Finance Lease, followed by Net Consumer Financing. Further

details will be divided into two categories, namely Key Asset Items, i.e. assets related to the Company's main business activities, namely Financing Receivables; and other Supporting Assets.

KEY ASSET ITEMS

Total Net Receivables

Total Net Receivables comprised of Net Investments in Finance Lease and Net Consumer Financing Receivables. In 2016 there was a 17.0% growth in Net Receivables or Rp1,685 billion to Rp11,583 billion as at end of 2016. This represents 92.9% of Total Assets in 2016.

Table 35 - NET RECEIVABLES

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Net Investment in Finance Lease	5,210	7,121	1,911	36.7%
Net Consumer Financing Receivables	4,688	4,462	-226	-4.8%
Total	9,898	11,583	1,685	17.0%

Total Net Receivables comprised Rp7,121 billion of Net Investments in Finance Lease, an increase of 36.7% or Rp1,911 billion from Rp5,210 billion in 2015. The large increase in Net Investments in Finance Lease in 2016 was driven mainly by heavy equipment, machinery and other equipment financing and used car financing booked as part of the Net Investments in Finance Lease segment. Meanwhile there was a decline of Rp226 billion (4.8%) on Consumer Financing Receivables - Net, to Rp4,462 billion, from 2015's figure. This was mainly owing to

contraction in the financing of new cars.

In providing financing facility, especially consumer financing, in addition to using independent funds and loans from external parties, bank loans as well as from issued securities, the Company is also working with several banks to perform joint financing without recourse. Therefore, only the portion of receivables financed by the Company is recorded in the statements of financial positions as consumer financing receivables,

while the rest is recorded in the Bank's book.

To give a clearer picture of the Company's receivables, we will explain the relationship between the receivables stated in the statements of financial positions with the Company's Total Managed Receivables, and subsequently the discussion will be focused on Total Managed Receivables, based on asset type and financing purpose in line with OJK classifications, so as to provide a clearer picture of the Company's receivables and strategic focus.

Table 36 - MANAGED RECEIVABLES VS NET RECEIVABLES

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Investment in Finance Lease	5,293	7,182	1,889	35.7%
Consumer Financing Receivables	6,936	5,844	-1,092	-15.7%
Total Managed Receivables	12,229	13,026	797	6.5%
Less Joint Financing	2,151	1,260	-891	-41.4%
Total Receivables Before Allowance (on-Balance Sheet)	10,078	11,766	1,688	16.7%
Allowance for Impairment Losses	180	183	3	1.7%
Total Receivables - Net (on-Balance Sheet)	9,898	11,583	1,685	17.0%

Total receivables-net increase by Rp1,685 billion or 17.0% compared to 2015, whilst total managed receivables increased by Rp797 billion or 6.5%. This is because there was a decline in joint financing recorded off-balance sheet amounting to Rp891 billion. The net financing receivables has been deducted with Allowance for Impairment Losses amounting to Rp183 billion, an increase of Rp3 billion or 1.7% compared to 2015.

Table 37 - DIVERSIFICATION OF FINANCING PORTFOLIO BY ASSET TYPE

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Used Cars Financing	7,877	8,980	1,102	14.0%
Heavy Equipment Financing*	1,287	1,544	257	20.0%
New Cars Financing	2,269	1,380	-889	-39.2%
Used Motorcycles Financing	654	868	214	32.7%
Property Financing	142	254	113	78.9%
Total	12,229	13,026	797	6.5%

Percentage of Total:				
Used Cars Financing	64.4%	68.9%	n/a	4.5%
Heavy Equipment Financing*	10.5%	11.9%	n/a	1.4%
New Cars Financing	18.6%	10.6%	n/a	-8.0%
Used Motorcycles Financing	5.3%	6.7%	n/a	1.4%
Property Financing	1.2%	1.9%	n/a	0.7%
Total	100.0%	100.0%		

* Includes machinery and other equipment

In 2016, the Company recorded Total Managed Receivables of Rp13,026 billion or an increase of 6.5%. The biggest type of asset was used car financing which represented 68.9% of Total Managed Receivables, while receivables in the form of Heavy Equipment, New Cars, Used Motorcycles, and Property covered 31.1% of Total Managed Receivables.

Total Managed Receivables – Cars

BFI finances new and used cars through the mechanisms of Consumer Financing and Finance

Lease. Car Financing is the largest segment in the Company's portfolio, contributing 79.5% of Total Managed Receivables in 2016, and 83.0% of the Total Managed Receivables in 2015 (Table 37).

The total portfolio of car receivables in 2016 increased by 2.1% to Rp10,360 billion from Rp10,146 billion in 2015. This growth was due to the growing portfolio of used cars by 14.0% despite the decline in new cars by 39.2%. The decline in the number of new cars was in line with the Company's strategy to reduce the concentration in this sector.

Based on vehicle type, car financing by BFI is diversified into different types of cars, including multi-purpose vehicles (MPV)/ minibuses, pick-ups, trucks, and others, used for various purposes, either for personal or business purposes. The MPV/minibus financing contributed 47.2% to the total, followed by other car types, as shown in Table 38 below:

Table 38 - DIVERSIFICATION OF CARS FINANCING PORTFOLIO BY TYPE OF CAR

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Minibus/MPV	4,528	4,888	360	8.0%
Truck	1,787	1,710	-77	-4.3%
Pick-up	1,885	1,572	-313	-16.6%
Jeep	1,376	1,553	177	12.9%
Passenger Car	515	578	63	12.2%
Bus	56	59	3	5.4%
Total	10,147	10,360	213	2.1%
Percentage of Total:				
Minibus/MPV	44.6%	47.2%	n/a	2.6%
Truck	17.6%	16.5%	n/a	-1.1%
Pick-up	18.6%	15.2%	n/a	-3.4%
Jeep	13.6%	15.0%	n/a	1.4%
Passenger Car	5.1%	5.6%	n/a	0.5%
Bus	0.5%	0.5%	n/a	0.0%
Total	100.0%	100.0%		

The Company's car financing covers various brands, with Japanese brands dominating 97.1% of the total, as presented in Table 39 below:

Table 39 - DIVERSIFICATION OF CARS FINANCING PORTFOLIO BY BRAND

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Toyota	3,352	3,525	173	5.2%
Mitsubishi	1,937	1,868	-69	-3.6%
Daihatsu	1,285	1,356	71	5.5%
Suzuki	1,368	1,219	-149	-10.9%
Honda	896	1,036	140	15.6%
Isuzu	208	205	-3	-1.4%
Other Japanese Brand	829	848	19	2.3%
Non-Japanese Brand	272	303	31	11.4%
Total	10,147	10,360	213	2.1%
Percentage of Total:				
Toyota	33.0%	34.0%	n/a	1.0%
Mitsubishi	19.1%	18.0%	n/a	-1.1%
Daihatsu	12.7%	13.1%	n/a	0.4%
Suzuki	13.5%	11.8%	n/a	-1.7%
Honda	8.8%	10.0%	n/a	1.2%
Isuzu	2.0%	2.0%	n/a	0.0%
Other Japanese Brand	8.2%	8.2%	n/a	0.0%
Non-Japanese Brand	2.7%	2.9%	n/a	0.2%
Total	100.0%	100.0%		

We are focusing on the most popular brands in the Indonesian market with a good secondhand value. The time period or tenure for BFI's car financing ranges from 6 to 48 months.

Total Managed Receivables – Used Motorcycles

BFI provides financing for used motorcycles through consumer financing. Motorcycle financing contributed to the Company's portfolio by 6.7% of the Total Managed Receivables in 2016 and 5.3% in 2015 (Table 37). BFI motorcycle financing portfolio includes various brands, as shown in table 40 below:

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Honda	314	430	116	36.9%
Yamaha	282	358	76	27.0%
Suzuki	42	56	14	33.3%
Others	16	24	8	50.0%
Total	654	868	214	32.7%
Percentage of Total:				
Honda	48.0%	49.5%	n/a	1.5%
Yamaha	43.1%	41.2%	n/a	-1.9%
Suzuki	6.4%	6.5%	n/a	0.1%
Others	2.5%	2.8%	n/a	0.3%
Total	100.0%	100.0%		

The biggest brands financed by BFI were Honda and Yamaha, both the most popular brands in Indonesia, contributing 90.7% to the total portfolio of used motorcycle financing, and both brands have good secondhand value. The time period or tenure for BFI's motorcycle financing ranges from 6 (six) to 36 (thirty six) months.

Total Managed Receivables – Heavy Equipment, Machinery, and Others

The financing of heavy equipment, machinery, and others represented 11.9% of the Total Managed Receivables in 2016 and 10.5% of the Total Managed Receivables in 2015.

During 2016, there was an increase of 20.0% over financing receivables of heavy equipment,

machinery, and others, from Rp1,287 billion to Rp1,544 billion, or grew by Rp257 billion during 2016.

This increase was in line with the Company's success in performing product diversification and the growth in the industrial sector that was not affected by the decline in commodity prices.

Receivables in the mining sector could be reduced to 15.1% of total receivables of heavy equipment,

machinery, and others in 2016, from the previous figure of 18.0% in 2015. Meanwhile, the construction industry is currently a major contributor to BFI's overall portfolio, in line with the stable outlook of the construction industry which is not as negatively affected as the commodity sector.

Following is the financing for heavy equipment, machinery, and others based on the type and industry:

Table 41 - DIVERSIFICATION OF HEAVY EQUIPMENT, MACHINERY AND OTHERS FINANCING PORTFOLIO BY ASSET TYPE

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Buldozer	125	117	(8)	-6.4%
Excavator	409	555	146	35.7%
Forklift	64	66	2	3.1%
Other Heavy Equipment	307	301	(6)	-2.0%
Total Heavy Equipment	905	1,039	134	14.8%
Machinery	303	447	144	47.5%
Others	79	58	(21)	-26.6%
Total	1,287	1,544	257	20.0%
Percentage of Total:				
Buldozer	9.7%	7.6%	n/a	-2.1%
Excavator	31.8%	35.9%	n/a	4.1%
Forklift	5.0%	4.3%	n/a	-0.7%
Other Heavy Equipment	23.9%	19.5%	n/a	-4.4%
Total Heavy Equipment	70.4%	67.3%	n/a	-3.1%
Machinery	23.5%	28.9%	n/a	5.4%
Others	6.1%	3.8%	n/a	-2.3%
Total	100.0%	100.0%		

Table 42 - DIVERSIFICATION OF HEAVY EQUIPMENT, MACHINERY AND OTHERS FINANCING PORTFOLIO BY INDUSTRY

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Construction	368	408	40	10.9%
Services	149	265	116	77.9%
Industrial and Manufacturing	217	261	44	20.3%
Mining	232	233	1	0.4%
Forestry	142	177	35	24.6%
Plantation	103	96	-7	-6.8%
Trade and Distribution	29	45	16	55.2%
Others	47	59	12	25.5%
Total	1,287	1,544	257	20.0%
Percentage of Total:				
Construction	28.6%	26.4%	n/a	-2.2%
Services	11.6%	17.2%	n/a	5.6%
Industrial and Manufacturing	16.9%	16.9%	n/a	0.0%
Mining	18.0%	15.1%	n/a	-2.9%
Forestry	11.0%	11.5%	n/a	0.5%
Plantation	8.0%	6.2%	n/a	-1.8%
Trade and Distribution	2.2%	2.9%	n/a	0.7%
Others	3.7%	3.8%	n/a	0.1%
Total	100.0%	100.0%		

Total Managed Receivables – Property

Starting 2015, property financing has shown a positive growth where in 2016 it booked a growth rate of 78.9% or Rp112 billion to reach Rp254 billion by end of 2016. This contributed 1.9% to total managed receivables (Table 37).

Joint Financing

The Company also maintains relationships with various banks to conduct joint financing. Generally, the Company's portion of joint financing is between 5%-10%, with the rest financed by the banks. The task of the Company is as a servicer, i.e. to receive payments from customers and to forward the payments to the lending banks, and to serve as a custodian for the documents of assets that are used as collateral. The banks joint financing portion for 2015 and 2016 was Rp2,144 billion and Rp1,261 billion respectively, which is stated in the Significant Agreements and Commitment section of the Company's audited report.

Table 43 - JOINT FINANCING

Description (Rp billion)	2015	2016	BFI Portion
Receivables Sales and Purchase			
PT Bank Rakyat Indonesia (Persero) Tbk	51	3	0%
Joint Financing			
PT Bank Mandiri (Persero) Tbk	1,318	666	5%
PT Bank Maybank Indonesia Tbk	263	277	5%
PT Bank Tabungan Pensiunan Nasional Tbk	512	175	10%
PT Bank Rakyat Indonesia (Persero) Tbk	-	140	5%
Total	2,144	1,261	

There was a decrease Rp883 billion due to higher customer repayments compared to new facility draw-down.

Allowance for Impairment Losses

Allowance for impairment losses, is a value set aside from the total managed receivables to anticipate the potential of losses of receivables in the future, and is collectively calculated using statistical methods as well as calculated individually for exposure values and for specific types of asset.

The increase in allowance for impairment losses by Rp3 billion was largely due to the increase in total managed receivables, while seen from the standpoint of the potential decrease of asset quality, improvements were seen so that the allowance for impairment losses formed was not as large as the percentage of the increase in total managed receivables.

OTHER ASSET ITEMS

Cash and Cash Equivalents

As at 31 December 2016, Cash and Cash Equivalents amounted to Rp165 billion, decreasing by 78.8% compared to Rp777 billion on 31 December 2015 (Table 34). The high balance of cash and cash equivalents at the end of 2015 was due to bank funds that could not be disbursed according to the initial target, resulting in liquidity at the end of 2015. A more detailed explanation is provided in the Cash Flow Analysis section.

Derivative Assets

One of the Company's funding sources was loans in foreign currency, particularly from offshore loans. To anticipate the interest rate risk and currency exchange risk, the Company has implemented a hedging policy for the loans it received in foreign currency and floating interest rates. The hedging policy is generally performed through derivative instruments, namely

cross currency swap agreements with banks with good reputation. The purpose of hedging is part of risk management in order to minimize the risk of fluctuations in cash flows generated by the foreign exchange rate and floating interest rate.

At the end of 2016, the balance of Derivative Assets decreased by 90.7% to Rp41 billion in 2016. This decline occurred as a result of the impact of the implementation of accounting standard on hedging,

in which the value of derivative assets are measured based on market value (mark-to-market value). This decline is in line with the strengthening of Rupiah over foreign currencies as at 31 December 2016 compared to the previous year, as well as the decrease in the number of loans in foreign currency, from USD360,596,865 at the end of 2015 to USD182,260,270 at the end of 2016.

Table 44 - DERIVATIVE ASSET

Keterangan	2015		2016	
	USD Notional Amount (Full Amount)	Derivative Asset (Rp billion)	USD Notional Amount (Full Amount)	Derivative Asset (Rp billion)
PT Bank Permata Tbk	107,500,000	45	79,500,000	(31)
Standard Chartered Bank, Jakarta Branch	203,096,865	345	62,760,270	66
PT Bank ANZ Indonesia	50,000,000	51	30,000,000	7
The Bank of Tokyo Mitsubishi UFJ, Ltd, Jakarta Branch	-	-	10,000,000	(1)
Total	360,596,865	441	182,260,270	41

Other Receivables – Net

Other Receivables consist of accounts, among others, the receivables in the settlement process, which is the financial guarantees that are returned by consumers because they are not able to continue completing their obligations, employee receivables, and consumer installment receivables.

Total Other Receivables – Net increased by 16.3% or Rp23 billion in 2016. This increase was mainly due to the increased receivables due to the MESOP shares purchase by employees for which the payment is

gradually fulfilled. In addition, there was an increase in the temporary differences in the recording of consumer receipts installment which is paid through the Payment Point Online Bank, in which the payment funds are received in the payment point account yet only credited to the Company's account on the next working day.

Table 45 - OTHER RECEIVABLES (Rp billion)

Description	2015	2016	Comparison with Last Year	
			Total	Percentage
Receivables in the Settlement Process	123	84	(39)	-31.7%
Less Allowance for Impairment Losses	36	26	(10)	-27.8%
Receivables in the Settlement Process - Net	87	58	(29)	-33.3%
Share Option Employee (MESOP) Receivables	-	50	50	n/a
Employee Receivables	31	27	(4)	-12.9%
Customer Installment Receipt Receivables	19	25	6	31.6%
Insurance Premium	4	3	(1)	-25.0%
Other Receivables	-	1	1	n/a
Total	141	164	23	16.3%

Deferred Tax Assets

Deferred Tax Assets are restatements due to temporary timing differences between the accounting and recognition of

revenues and expenses according to the financial accounting standards's fiscal method. There was an increase of 164.3% or Rp23 billion in 2016, mainly owing to other comprehensive income

from changes in fair value of derivative instruments in order to hedge cash flow (Table 34). There is no impact of this changes to the Company's taxes payable, fiscally.

LIABILITIES

The Company's Liabilities position is shown in Table 46 below:

Table 46 - LIABILITIES (Rp billion)

Description	2015	2016	Comparison with Last Year	
			Total	Percentage
Fund Borrowings	5,637	4,691	-946	-16.8%
Securities Issued - Net	1,681	2,965	1,284	76.4%
Accrued Expenses	141	190	49	34.8%
Post-employment Benefits	112	140	28	25.0%
Taxes Payable	70	94	24	34.3%
Other Payables	110	141	31	28.2%
Total	7,751	8,221	470	6.1%

Total Liabilities as at 31 December 2016 were Rp8,221 billion, which represents a 6.1% growth from the year before, primarily owing to the increase in Securities Issued – Net.

Details of the Company Liabilities for 2015 and 2016 are shown in the following table:

Key Liability Items

The Company's Key Liability Items, and main sources of debt funding, is shown in table 47 below:

Table 47 - SOURCE OF FUNDS

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Fund Borrowings				
Foreign Currency Borrowings	4,927	2,426	-2,501	-50.8%
Rupiah Borrowings	710	2,265	1,555	219.0%
Total Fund Borrowings	5,637	4,691	-946	-16.8%
Securities Issued				
Bond Payable	1,427	2,865	1,438	100.8%
Medium Term Notes	254	100	-154	-60.6%
Total Securities Issued - Net	1,681	2,965	1,284	76.4%
Total Source of Funds	7,318	7,656	338	4.6%

Fund Borrowings

Total Fund Borrowings in 2016 declined 16.8% or Rp946 billion to Rp4,691 billion which represents 57.1% of total Liabilities. Of Total Fund Borrowings in 2016, Rp2,426 billion or 51.7% were foreign currency borrowings and Rp2,265 billion or 48.3% were rupiah borrowings.

Table 48 - DETAIL OF FUND BORROWINGS

Description (Rp billion)	2015	2016	Comparison with Last Year
Borrowings (US Dollar)			
Standard Chartered Bank (Facility Agent)	2,649	1,372	-1,277
Qatar National Bank SAQ, Singapore Branch	684	400	-284
The Korea Development Bank (Facility Agent)	497	243	-254
Standard Chartered Bank, Singapore Branch	381	200	-181
The Bank of Tokyo Mitsubishi UFJ, Ltd, Jakarta Branch	-	134	134
Emirates NBD Bank PJSC (Facility Agent)	682	77	-605
JA Mitsui Leasing, Ltd.	34	-	-34
Total Borrowings (US Dollar)	4,927	2,426	-2,501
Borrowings (Rupiah)			
PT Bank Mandiri (Persero) Tbk	-	754	754
PT Bank Pembangunan Daerah Jawa Barat & Banten Tbk	141	295	154
PT Bank Negara Indonesia (Persero) Tbk	221	269	48
PT Bank Permata Tbk	3	225	222
PT United Tractors Tbk	-	217	217
PT Bank KEB Hana Indonesia	-	184	184
Bank of China Limited, Jakarta Branch	-	137	137
PT Bank Danamon Indonesia Tbk	-	82	82
PT Bank CTBC Indonesia	104	52	-52
PT Bank CIMB Niaga Tbk	-	50	50
PT Bank DKI	206	-	-206
PT Bank Commonwealth	35	-	-35
Total Borrowings (Rupiah)	710	2,265	1,555
Borrowings - net	5,637	4,691	-946

The proportion of loans in foreign currency that experienced a substantial drop in 2016 is in line with the Company's strategy to diversify its funding sources, and to balance the funding from within and outside the country. BFI is currently one of the few multifinance companies in Indonesia that are able to obtain funding from abroad competitively. In addition, the Company continues to foster strong relationship with banks in Indonesia to support the Company's funding needs in line with the business growth over the years.

Regarding the foreign loans, all loans are denominated in USD and with floating interest rate. However, the Company has performed risk mitigation in the form of hedging on such transaction through cross-currency swap contract with reputable banks, so that the risk of foreign currency fluctuations and changes in floating interest rate can be eliminated.

Securities Issued – Net

In addition to funding from banks, the Company has been diversifying its funding sources by issuing bonds and Medium Term Notes since 2007.

As at 31 December 2016, total Securities Issued - Net grew 76.4% to Rp2,965 billion, consisting of Bond Payable of Rp2,865 billion or 96.6%, and Medium Term Notes - Net ("MTN") of Rp100 billion or 3.4%.

This increase is driven largely by the issuance of two Shelf Registrations each valued at Rp1 trillion throughout 2016, and the repayment of maturing bonds with a nominal value of Rp555 billion.

Details of securities issued in 2016 are as follows:

Table 49 - SECURITIES ISSUED		
Description (Rp billion)	2015	2016
Bonds		
Obligasi Berkelanjutan I BFI Finance Indonesia Tahap II Tahun 2013	155	-
Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014	275	220
Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015	1,000	655
Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016	-	1,000
Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016	-	1,000
Total Nominal Value	1,430	2,875
Less Unamortized Bond Issuance Cost	-3	-10
Total - Net	1,427	2,865
Medium Term Notes		
Medium Term Notes BFI Finance Indonesia III Tahun 2015	100	100
Medium Term Notes BFI Finance Indonesia IV Tahun 2015	155	-
Total Nominal Value	255	100
Less Unamortized MTN Issuance Cost	1	-
Total - Net	256	100
Total - Securities Issued	1,681	2,965

The full chronology of securities issuance by the Company is presented in the Share and Other Securities Highlights in this Integrated Annual Report.

OTHER LIABILITY ITEMS

Taxes Payable

Taxes Payable increased by 34.3% or Rp24 billion to Rp94 billion or 1.1% of Total Liabilities in 2016 (Table 46). The increase comes from an increase in estimated income tax payable for the cash payment of interim dividend for year 2016 on 16 December 2016, where the tax payable was due on 10 January 2017 and the increase in the estimated income tax payable at the financial position of 31 December 2016 compared with that of 31 December 2015.

Accrued Expenses

Accrued Expenses consists of operating expenses and interest expenses calculated on an accrual basis up to the balance sheet date.

Accrued Expenses increased by 34.8% to Rp190 billion or 2.3% of Total Liabilities in 2016 (Table 46). The increase comes mainly from

accrued interest on loans and employee benefit.

Post-employment Benefits

Post-employment Benefits are obligations to be served by the Company in order to fulfill its employees' rights that have worked up to their retirement age or sooner, in adherence with the prevailing labor regulations.

Post-employment Benefits increased 25.0% to Rp140 billion or 1.7% of Total Liabilities in 2016 (Table 46). Increased Post-employment Benefits were due to the increase in the number of permanent employees. The number of employees entitled to Post-employment Benefits on 31 December 2016 were 5,316 employees, an increase of 12.1%. Only permanent employees are entitled to Post-employment Benefits.

Dividend Payable

Dividend Payable recorded in the statement of financial position is

the residue of all dividends issued by the Company and has been paid but not yet disbursed by the shareholders (especially with shares listed by script).

The dividend payable in 2016 was Rp1 billion, unchanged from 2015 (Table 46). The dividend payable was due to the distribution of Interim Dividend and the Final Cash Dividend for Fiscal Year 2015 by the Board of Directors' Meeting Minutes on 19 November 2016 and 25 April 2016, while the Interim Cash Dividend for Fiscal Year 2016 was based on the Board of Directors' Meeting Minutes on 21 November 2016, as much as Rp150 per share or equivalent to Rp224 billion, paid in cash on 16 December 2016.

Equity

The Company's Statements of Equity for the years 2015 and 2016 are shown below:

Table 50 - EQUITY (Rp billion)

Description	2015	2016	Comparison with Last Year	
			Total	Percentage
Share Capital	392	399	7	1.8%
Additional Paid-up Capital - Net	475	553	78	16.4%
Treasury Stock	(4)	(252)	(248)	6200.0%
Management and Employee Stock Options Program Share Reserve	6	-	(6)	n/a
Other Comprehensive Income				
Gain (Loss) on Derivative Instrument for Cash Flows Hedges - Net	25	(33)	(58)	-232.0%
Loss on Defined Benefit Actuarial Program	(44)	(49)	(5)	11.4%
Retained Earnings				
Appropriated	22	32	10	45.5%
Unappropriated	3,147	3,605	458	14.6%
Total	4,019	4,255	236	5.9%

Total Equity as at 31 December 2016 was Rp4,255 billion, a 5.9% increase from last year. This was due to the Unappropriated Retained Earnings from Profit for the Year in 2016 amounting to Rp798 billion, less 2016 interim dividend of Rp224 billion.

Issued and Paid-Up Capital

The Company's Issued and Paid-Up Capital as at 31 December 2016 was 1,596,711,562 shares or Rp399 billion including additional shares of 30,752,000 shares from the execution of MESOP in 2016.

Additional Paid-Up Capital

On 31 December 2016 the Additional Paid-Up Capital amount stood at Rp553 billion, resulting from the difference between the gains from the nominal value of the paid-up capital, initial public offering of shares, and conversion of convertible bonds. There was an addition of Rp78 billion resulting from share-based payment through MESOP.

Treasury Stock

The Company has bought back its shares publicly traded on the Indonesia Stock Exchange, based

on the Resolution of the General Meeting of Shareholders of the Company dated 15 April 2015, with a maximum value of 10% or 154,993,456 shares from the total shares outstanding at that time.

The purpose of this stock buyback was to maintain the market liquidity and to provide opportunity for shareholders to sell the shares they held when the share price was not liquid. In addition, this stock buyback was also intended to improve the value of the Company's earning per share.

As at 15 October 2016 the stock buyback program was officially ended.

All of the shares bought back were registered as Treasury Stock in Equity with the amount equivalent to the amount of shares bought back.

The total shares bought back in 2015 and 2016 were as follows:

Table 51 - TREASURY STOCK

Description	2015		2016	
	Number of Shares	Rp billion	Number of Shares	Rp billion
Treasury Stock	1,572,800	4	100,273,200	252

Management and/or Employee Stock Options Program

Based on the decision of the Extraordinary General Meeting of Shareholders ("EGMS") on 21 June 2012, the shareholders approved the implementation of a Shareholding Program for Management and Employees of the Company through a Management and/or Employee Stock Options Program ("MESOP"), with the issuance of an option to purchase shares (stock option) up to a maximum of 5% of the total Company's issued and fully paid-up shares, and this was approved by the EGMS on 6 May 2014 for the period up to 30 June 2016.

As at 31 December 2016, the entire MESOP program had ended and all shares that had been allocated had been exercised by the management and employees of the Company.

Other Comprehensive Income

Other comprehensive income is a pooling account for net impacts from cumulative gains/losses on derivative instruments for the hedging of cash flows and actuarial gains/losses from the defined benefit program that is not recorded as part of the statements of income.

In 2016, there was a decline in equity resulting from other comprehensive loss in 2016 amounting to Rp63 billion, and thus at the end of 2016 the balance stood at a loss of Rp82 billion (Table 50).

Return on Average Assets and Return on Average Equity (ROAA & ROAE)

The measurement of return can use two approaches, i.e. return on average assets (ROAA) and return on average equity (ROAE), each calculated based on the average value of total assets and total equity, respectively.

In 2016, the Company recorded a positive figure in both ROAA and ROAE.

ROAA and ROAE in 2015 and 2016:

Table 52 - ROAA AND ROAE IN 2015 AND 2016

Ratio	2015	2016	Industry Average*
ROAA	7.8%	8.5%	3.9%
ROAE	17.1%	19.3%	12.0%

*Source: Data Statistik Lembaga Pembiayaan Indonesia issued by OJK

INCOME STATEMENTS & OTHER COMPREHENSIVE INCOME

In 2015 and 2016 the Company recorded Profit for the Year of Rp650 billion and Rp798 billion, respectively, with the details as follows:

Table 53 - STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Rp billion)

Description	2015	2016	Comparison with Last Year	
			Total	Percentage
Total Income	2,831	3,227	396	14.0%
Total Expenses	1,995	2,202	207	10.4%
Profit Before Income Tax	836	1,025	189	22.6%
Income Tax Expense	186	227	41	22.0%
Profit for the Year	650	798	148	22.8%
Other Comprehensive Income Net of Tax	63	-63	-126	-200.0%
Total Comprehensive Income for The Year	713	735	22	3.1%

There was an increase in Profit for the Year of Rp148 billion, up by 22.8% from the previous year's figure. This was mainly contributed by the increase in revenue of Rp396 billion less the increase in expenses by Rp207 billion. Revenue increased by 14.0% in 2016 while total expenses only rose by 10.4% within the same period of time.

Income

The Company's income was derived from financing income mainly consists of income from consumer financing and finance lease, and other income that can be detailed as follows:

Total Income grew by 14.0% to Rp3,227 billion in 2016. This growth was due to an increase in Total Net Receivables of 17.0%, in line with the Company's success in expanding the marketing network as well as funding diversification to the areas that are not affected by the decline of the commodity prices in the recent years.

To describe the Company's income, we will provide the details of the revenue, and furthermore, we will classify and perform an analysis of income by type of asset managed, as follows:

1. Classification based on audit report
2. Particularly for income of consumer financing and finance lease, classified by assets and subtracted with Joint Financing portions.

Financing Income

Financing Income consists of consumer financing income and Finance lease income. Throughout 2016, financing income (net of Joint Financing transactions) was Rp2,401 billion, increasing Rp277 billion or 13.0% compared to the previous year (Table 54). This increase mainly came from finance lease, derived from vehicle financing for working capital and investment purposes which are recorded as finance lease receivables.

Furthermore, by asset (see Table 55), used cars contributed 67.0% to total financing income (before Joint Financing) or Rp1,746 billion, increasing by Rp183 billion or 11.7% compared to the previous year. The income increase also occurred in used motorcycle, heavy equipment and machinery and property sectors. The only sector that experienced a contraction was that of new cars, in line with the decrease of financing receivables due to the Company's management's strategic decision to be highly selective in this sector.

Finance Income

Finance Income was mainly derived from revenue of banking giro service revenue or interest on placements of time deposits from the Company's cash surplus that had not been distributed via financing activities.

Finance income contracted by Rp14 billion or 39.3% from the previous year's figure, owing to the lack of significant excess funding throughout 2016 compared to in 2015 (Table 54). This demonstrates a more effective fund management throughout 2016.

Other Income

Other Income represents non-interests income coming from the Company's financing main activities as well as other activities consisting of administration income, late charges, penalties of early payment, recovery of receivables which have been written-off, income on the sale of fixed assets, and others.

Other income in 2016 reached Rp805 billion and increased by 20.0% from the previous year (Table 54). The increase in Other Income was mainly due to other income related to Financing, which is in line with the increase in the Company's business volume in 2016.

Table 54 - INCOME

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Income (including Joint Financing)				
Financing Income	2,479	2,608	129	5.2%
Finance Income	35	21	-14	-39.3%
Other Income	669	809	140	20.9%
Total Income (including Joint Financing)	3,183	3,438	255	8.0%
Less Joint Financing	352	211	-141	-40.1%
Total Income	2,831	3,227	396	14.0%
Income (Less Joint Financing)				
Consumer Financing	1,239	1,069	-170	-13.8%
Finance Lease	885	1,332	447	50.5%
Total Financing Income	2,124	2,401	277	13.0%
Finance	36	21	-15	-41.0%
Others	671	805	134	20.0%
Total Income	2,831	3,227	396	14.0%

Table 55 - FINANCING INCOME BY ASSET TYPE

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Breakdown by Asset Type:				
Used Cars Financing	1,563	1,746	183	11.7%
Used Motorcycles Financing	266	308	42	15.8%
New Cars Financing	413	288	-125	-30.3%
Heavy Equipment Financing*	220	232	12	5.5%
Others	17	34	17	100.0%
Total Financing Income (including Joint Financing)	2,479	2,608	129	5.2%
Asset Type in Percentage				
Used Cars Financing	63.0%	67.0%	n/a	4.0%
Used Motorcycles Financing	10.7%	11.8%	n/a	1.1%
New Cars Financing	16.7%	11.0%	n/a	-5.7%
Heavy Equipment Financing*	8.9%	8.9%	n/a	0.0%
Others	0.7%	1.3%	n/a	0.6%
Total	100.0%	100.0%		

* Includes machinery and other equipment

Expenses

To obtain a clearer picture, expenses are classified into a number of major groups, as follows:

Table 56 - EXPENSE

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Interest and Financing Charges	712	792	80	11.2%
Salaries and Benefits	627	716	89	14.2%
General and Administrative	341	392	51	15.0%
Provision for Impairment Losses	230	273	43	18.7%
Others	85	29	-56	-65.9%
Total	1,995	2,202	207	10.4%

Throughout 2016, total expenses amounted to Rp2,202 billion, mainly in the form of Interest and Financing Charges of Rp792 billion or 36.0% of total expenses, and Salaries and Benefits of Rp716 billion or 32.5% of total expenses in that year.

There was an increase in expenses of Rp207 billion or 10.4% in 2016. This was mainly owing to the increase in Interest and Financing Charges of Rp80 billion or 11.2%, increase in Salaries and Benefits of Rp89 billion or 14.2%, and increase in General and Administrative Expenses by Rp51 billion or 15.0%.

Interest and Financing Charges

Interest and Financing Charges are derived from the Company's funding activities, both from borrowings and issued securities, outside of the funding activities in the form of joint financing (expenses will be presented in net amount on the interest income from financing section).

Table 57 - BORROWINGS, INTEREST AND FINANCING CHARGES, AND COST OF FUND

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Fund Borrowings	5,637	4,691	-946	-16.8%
Securities Issued - Net	1,681	2,965	1,284	76.4%
Total Borrowings	7,318	7,656	338	4.6%
Interest and Financing Charges	712	792	80	11.2%
Average Cost of Fund	11.48%	11.25%	-0.23%	11.2%

Interest and Financing Charges in 2016 amounted to Rp792 billion or 36.0% of total 2016 Expenses, a Rp80 billion or 11.2% increase from the previous year. This increase was in line with a Rp338 billion or 4.6% increase in total financing as at end of 2016. Meanwhile, average cost of funds decreased by 23 basis points from 11.48% in 2015 to 11.25% in 2016.

Salaries and Benefits

Salaries and Benefits comprised all salaries and benefits paid throughout the current year including all benefits related to position and retirement compensation that have been provisioned in accordance with the prevailing accounting standards.

The details of the Company's salaries and benefits are as follows:

Table 58 - SALARIES AND BENEFIT EXPENSES

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Salaries and Employee benefits	589	668	79	13.4%
Post-employment benefits	29	36	7	24.1%
Share options reserve	8	12	4	50.0%
Total	626	716	90	14.4%

Salaries and Benefits in 2016 were Rp716 billion or 32.5% of total 2016 Expenses, a 14.4% increase from the previous year.

This increase was a result of the growth in total employees of 12.8% from 7,924 to 8,941 people in 2016. In addition, there were also adjustments in salaries due to the increase in the minimum wage nationwide, ranging from 6.5%-17.2% depending on the province.

General and Administrative Expenses

General and Administrative Expenses are derived from expenses that support the Company's operational activities and business growth, and these expenses consist of:

Table 59 - GENERAL AND ADMINISTRATIVE EXPENSES

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Depreciation of Fixed Assets	60	63	3	5.0%
Installment Collection Fees	39	41	2	5.1%
Repairs and Maintenance	39	40	1	2.6%
Insurance	25	29	4	16.0%
Travel and Transportation	26	26	0	0.0%
Professional Fees	6	23	17	283.3%
Training and Education	14	19	5	35.7%
Office and Warehouse Rental	16	17	1	6.3%
Office Supplies	15	16	1	6.7%
Communications	15	16	1	6.7%
Courier, Postage Stamp and Stamp Duty	14	14	0	0.0%
Electricity and Water	12	12	0	0.0%
Amortization of Intangible Assets	8	8	0	0.0%
Marketing	4	4	0	0.0%
Others	48	64	16	33.3%
Total	341	392	51	15.0%

General and Administrative Expenses in 2016 amounted to Rp392 billion or an increase of 15.0% from the previous year's figure. This increase in was mainly due to the 283.3% increase in Professional Fees, reaching Rp23 billion in 2016, which consisted of fees payable to consultants hired during the year.

Provision for Impairment Losses

Provision for Impairment Losses is an amount provisioned based on the evaluation of the Company's financing receivables value of both consumer financing and finance lease, both individually and collectively calculated on a monthly basis to ensure the adequacy of the provision for impairment losses in receivables stated in the statements of financial positions, which represent the fair value.

Provision for Impairment Losses in 2015 and 2016 was as follows:

Table 60 - PROVISION FOR IMPAIRMENT LOSSES

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Provision for Impairment Losses - Consumer Financing Receivables	142	190	48	33.8%
Provision for Impairment Losses - Finance Lease Receivables	88	83	(5)	-5.7%
Total	230	273	43	18.7%

Provision for Impairment Losses as at end 2016 was Rp273 billion, up by 18.7% from the previous year's figure. This was in line with a 17.0% growth in financing receivables – net in 2016, although on the other hand receivables quality improved in 2016 with doubtful financing and non-performing financing accounts dropped from 1.33% in 2015 to 0.91% in 2016 out of the total managed receivables.

Profit for the Year

Profit for the Year in 2016 was Rp798 billion, a 22.8% increase from Rp650 billion in 2015. This level of growth was the highest in the past five years.

Table 61 - PROFIT FOR THE YEAR

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Total Income	2,831	3,227	396	14.0%
Total Expenses	1,995	2,202	207	10.4%
Profit Before Income Tax	836	1,025	189	22.6%
Income Tax Expense	186	227	41	21.8%
Profit for the Year	650	798	148	22.8%

The increase in profit before income tax in 2016 amounted to Rp189 billion and was contributed by the increase in total revenue of Rp396 billion, equivalent to 14.0%, and after deducted with increased expenses by Rp207 billion, equivalent to 10.4%.

In terms of tax, the Company is currently applying the income tax rate of 20% applicable to public companies that meet the following criteria:

- At least 40% of the issued shares are publicly owned;
- The public should consist of at least 300 individuals, each holding less than 5% of the issued shares; and
- These two conditions have to be maintained for at least six months (183 days) in a tax year.

The Company has complied with this requirement for every year since 2008, except for 2013.

Table 62 - INCOME TAX EXPENSE RATIO

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Profit Before Income Tax	836	1,025	189	22.6%
Income Tax Expense	186	227	41	22.0%
Income Tax Expense Ratio	22.2%	22.1%	n/a	-0.1%

The tax ratio for 2015 and 2016 was above the normal rate of 20%, as there was a time difference between the recognition of income and expenses commercially compared to the fiscal recognition, as well as additional tax that was derived from the tax audit result.

Total Comprehensive Income for the Year

The difference between net profit and comprehensive profit is due to the accounting standard that requires the Company to perform calculations on post-employment benefits program, where losses are presented in the statements of income and other comprehensive income as an item that is not classified to profit and loss statement. In addition, the difference also comes from derivative instruments for risk management purposes that are used to hedge the currency risk and interest rate risk from loans transactions denominated in foreign currency. This difference is a form of temporary adjustment and will return to normal when the hedge contract (swaps) reaches deadline.

The table of net income and other comprehensive income as well as the total comprehensive income for the year is as follows:

Table 63 - COMPREHENSIVE INCOME FOR THE YEAR

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Profit for the Year	650	798	148	22.8%
Other Comprehensive Income Net of Tax	63	(63)	(126)	-200,0%
Total Comprehensive Income for the Year	713	735	22	3.1%

Throughout 2016, there was other comprehensive loss amounting to Rp63 billion, compared to other comprehensive income that occurred in 2015 amounting to Rp63 billion. This causes the Total Comprehensive Income for the Year to decrease by Rp126 billion, from Rp713 billion in 2015 to be Rp735 billion in 2016, or increasing by Rp22 billion.

Basic Earnings per Share

Basic Earnings per Share (Full Amount) was Rp524 per share, a 25.7% increase from Rp417 per share in 2015. This demonstrates the Company's positive financial performance in the year.

Table 64 - EARNINGS PER SHARE

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Profit for the Year	650	798	148	22.8%
Earnings per Share (Full Amount)	417	524	107	25.7%

STATEMENTS OF CASH FLOWS

The statements of cash flows have been presented using a direct method by classifying cash flows into operating, investing, and financing activities. The details are as follows:

Table 65 - STATEMENT OF CASH FLOWS

Description (Rp billion)	2015	2016	Comparison with Last Year	
			Total	Percentage
Cash and Cash Equivalents at Beginning of Year	290	777	487	167.9%
Net Cash Flows from Operating Activities	148	232	84	56.8%
Net Cash Flows from Investing Activities	-76	-51	25	-32.9%
Net Cash Flows from Financing Activities	415	-793	-1,208	-291.1%
Net Increase in Cash and Cash Equivalents	487	-612	-1,099	-225.7%
Cash and Cash Equivalents at End of Year	777	165	-612	-78.8%

As at 31 December 2016, Cash and Cash Equivalents amounted to Rp165 billion, a decrease of 78.8% compared to Rp777 billion as at 31 December 2015. This was in line with the Company's target to optimize its funding to be distributed into productive activities, mainly financing receivables and to maintain the cash and cash equivalents at an always optimal level. The large amount of cash and cash equivalents at the end of 2015 was owing to the withdrawal of funds from banks that had been scheduled and thus was not able to be distributed in accordance with the initial target, and thus there was ample liquidity at the end of 2015.

Cash Flow from Operating Activities

Cash Flow from Operating Activities is the movement of cash to fund the Company's business activities. In 2016, the net cash received from operating activities was Rp232 billion, a 56.8% increase from Rp148 billion received in 2015. Proceeds from financing transactions, interest and others increased by Rp970 billion in 2016, while total cash disbursements increased by Rp886 billion in 2016.

Cash Flow from Investing Activities

Cash Flow from Investing Activities is the gain and loss incurred by the Company from investments and expenditure on capital assets. In 2016, the net cash utilized for investing activities was Rp51 billion, which is a Rp25 billion decrease compared to the year before. This decrease is due to higher sales on fixed assets during the year, while total capex was relatively unchanged in 2016.

Cash Flow from Financing Activities

Cash Flow from Financing Activities is the movement of cash raised from borrowings, including new financing, repayment of debts, and payment of interest on these funding sources. In 2016, the net cash utilized for financing activities was Rp793 billion, compared to Rp415 billion received in 2015 from financing activities. Thus there was a decrease in net cash flow by Rp1,208 billion.

COMPARISON BETWEEN TARGET AND REALIZATION IN 2016

Throughout 2016, the Company's financial achievements demonstrate a positive performance in line with the targets set in the beginning of the year, as shown below:

Table 66 - TARGET AND REALIZATION COMPARISON

Description	Target	Realization	Notes for Budget Achievement
New Financing Growth	10%	6.8%	Slightly below budget owing to a change in product's focus
Net Receivables Growth	10%	17.0%	Above budget owing to the decrease in joint financing portion
Asset Growth	5% - 10%	6.0%	In line with the budget
Non-Performing Financing Ratio	1.2% - 2.0%	0.9%	Higher than the budget due to improvement in collection capability and accelerated writeoff cycle for car and motorcycle financing
Debt to Equity Ratio	2x	1.8x	In line with the budget
Dividend Payout Ratio	Up to 50%	49.8%	In line with the budget

DEBT REPAYMENT ABILITY

Following are some of the measurements that are often used as references in determining the ability to pay the payable of a company:

- Assets Solvency Ratio, measuring how much financed assets using liability
- Liquidity Ratio, measuring the Company's ability to meet short-term liabilities using its current assets

- Gearing Ratio, measuring the ratio of the amount of the debt to own capital (equity)
- The rating results issued by the accredited credit rating agencies

Here are the ratios of the Company's ability to service its debts for 2015 and 2016:

Table 67 - ABILITY TO REPAY DEBTS RATIO

Key Ratios	2015	2016	Explanation
Asset Solvency	0.7x	0.7x	The amount of low asset solvency indicates that only a portion of its assets are financed using liabilities, and the rest use own capital, so it concludes that the Company's ability to pay the payable is high.
Liquidity	1.6x	1.7x	Liquidity level indicates that the current assets of the Company are much greater than the current liabilities, so the ability to pay the payable is high.
Gearing	1.8x	1.8x	The Company has a relatively low gearing ratio compared to the average financing Company of 3.0x while the allowed maximum ratio according to POJK No.29/OJK/2014 is 10x.

As a Company that issues bonds in the capital markets, BFI receives a credit rating from a rating agency recognized by OJK. The last rating results were issued by PT Fitch Ratings Indonesia on 25 November 2016 to PT BFI Finance Indonesia Tbk, as follows:

- 'AA-(idn)' with Outlook Stable on the long-term national rating
- 'F1+(idn)' with Outlook Stable on the short-term national rating

Information:

- National rating in the category of 'AA' shows the expectation of a relatively very low default risk to the other issuers or bonds in Indonesia. Credit risk is only slightly different from issuers or bonds that earn the highest ratings in Indonesia.
- National rating in the category of 'F1' indicates the capacity to pay its financial commitments on a timely basis is relatively the most robust compared to other issuers or bonds in Indonesia. In the national rating scale of Fitch Ratings, this rating is awarded to the relatively lowest default risk compared to the others in Indonesia. If the liquidity profile is specifically considered strong a "+" is added on the given rating.

RECEIVABLES COLLECTIBILITY (RECEIVABLES QUALITY)

The Company classifies its receivables collectibility based on the number of days past due. The following table provides the age analysis of financing receivables under management for 2015 and 2016:

Table 68 - RECEIVABLES COLLECTIBILITY LEVEL (ASSET QUALITY)

Collectibility	Days Past Due	Amount of Receivables (Rp billion)		Percentage (%)	
		2015	2016	2015	2016
1 - Current	0-30 days	11,833	12,678	96.8	97.3
2a - Special Mention	31-60 days	156	152	1.3	1.2
2b - Special Mention	61-90 days	76	78	0.6	0.6
3a - Non-current	91-120 days	40	34	0.3	0.3
3b - Non-current	121-150 days	34	32	0.3	0.2
4 - Doubtful	151-180 days	27	24	0.2	0.2
5 - Bad	> 180 days	62	28	0.5	0.2
Total		12,229	13,026	100.0	100.0

Throughout 2016, the Company was able to maintain its collectibility ratio, as indicated by the low due ratio for each group of the due. The over 30 days due ratio decreased from 3.2% in 2015 to 2.7% in 2016. This decline occurred in almost all classifications of financed assets.

This is in line with the focus of the Company in early collection which has been applied since 2014 has shown positive results. In addition, underwriting standard is strictly applied by reducing the activity in high risk sectors regarding the commodities. Throughout the year, the Company has performed team coordination with the collection team, improved the credit control and introduced a more strict risk management methods to facilitate the decision making process.

The results of the effective risk management and collection is shown from the improvement of the NPF ratio, which is calculated from the ratio of more than 90 days overdue receivables, i.e. 0.91% in 2016 compared to 1.33% in 2015.

WRITE-OFF POLICY

The Company changed its policy on the Write-off of Receivables in December 2016 from 270 days up to 210 days or more. This change applies to the receivable portfolio of cars and motorcycles, while for the receivables of heavy equipment, machinery and property, the write-off is performed by individually analysing the account or at the latest if the due exceed 270 days, the write-off will be done automatically.

The change in the write-off policy was made upon the analysis by the management that the efficacy of collection for debts more than 210 days past due was low so earlier write-off would increase the efficacy of collection as the focus is separated between the collection of active receivables and the ones written off. This change also refers to the best practice applied in many major banks and financing company in Indonesia.

CAPITAL STRUCTURE (CAPITAL ADEQUACY)

MANAGEMENT POLICY ON CAPITAL STRUCTURE

The Company's articles of association stipulates that the Company's Authorized Capital was Rp500 billion, consisting of 2 billion shares with a nominal value of Rp250 per share. From the Authorized Capital, as many as 1,596,711,562 shares have been issued and fully paid. Furthermore, as many as 100,273,200 shares had been bought back by the Company up to 31 December 2016.

In managing its capital, the Company refers to OJK Regulation No. 29/POJK.05/2014 on the Business of Financing Companies dated 19 November 2014, which among others stipulates the required capital for financing companies, as follows:

- Equity of minimum Rp100 billion;
- Minimum equity 50% of total paid-up capital; and
- Gearing Ratio, i.e. ratio of total financing to equity less subordinated bonds with investments, of maximum 10 times, both for domestic and international financing.

The Company abides by the above requirements, as shown in the table below:

Table 69 - CAPITAL STRUCTURE (Rp billion)

Description	POJK Requirement	The Company's Realization	
		2015	2016
Equity	Minimum Rp100 billion	4,019	4,255
Ratio of Total Equity to Paid-up Capital	Minimum 50%	1.025%	1.066%
Ratio of Financing to Equity	Maximum 10x	1.8x	1.8x

MATERIAL COMMITMENTS

Throughout 2016, the Company made no material commitments.

INVESTMENTS IN CAPITAL GOODS

Details of the Company's capital expenditures in 2016 are as follows:

The Company's capital expenditure generally encompasses investment in information technology infrastructure and branch office expansion. Funding resources for these capital expenditures are largely from the Company's own generated funds. With these capital goods investment, the Company has been able to improve its service to customers in an efficient and productive way.

Total capital expenditure for 2016 was Rp62 billion. All investment in capital expenditure was used for daily operations.

SUBSEQUENT EVENTS

On the date of the publication of this Integrated Annual Report, the Company is in the process of issuing the *Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017* at a nominal value of Rp1 trillion, with the date of bond registration on the IDX set on 3 March 2017.

Based on the Information Disclosure letter submitted by the Company to OJK No. Corp/SIN/L/II/17-0024 dated 1 February 2017 that on 31 January 2017, the Company received the resignation letter from Cornelius Henry Kho as Director of the Company.

In line with the provisions in OJK Regulation No. 33/POJK.04/2014 on Directors and

Board of Commissioners of Public Companies or Issuers, and the Company's articles of association, the Company must conduct a General Meeting of Shareholders (GMS) to decide on the request for resignation at the latest 90 (ninety) days after the letter of resignation has been received.

Therefore the Company is preparing the schedule for the said AGMS in accordance with POJK No. 32/POJK.04/2014 on Planning and Execution of General Meeting of Shareholders of Public Companies and the Company's articles of association.

DIVIDEND POLICY & DIVIDEND PAYMENT

The Company's dividend policy can be briefly described as follows:

- All shares that have been issued and fully deposited have the same rights, including the rights to dividends. Dividend exceptions are for the treasury stock or other stocks that are excluded according to the regulations.
- As per the Company's articles of association, the dividend payment must be approved by the GMS with regard to the financial position of the Company, including the current year's net income, the level of liquidity as well as the need for business expansion.
- Without limiting the right of the GMS to decide otherwise, the Company intends to distribute the cash dividend with the value of up to 50% of net profit for the year.
- Distribution of dividends can be done once or more than once through an interim dividend.

In the execution, the Company performed the dividend distribution of net profit in 2015 and 2016 as follows:

Table 70 - DIVIDEND POLICY & DIVIDEND PAYOUT

Description (Rp billion)	2015	2016
Net Income for the Year	650	798
Cash Dividend		
Interim Cash Dividend for the Year	107	224
Final Dividend	216	*
Total Cash Dividend	323	224
% Cash Dividend to Previous Year Net Income	49,7%	*
Cash Dividend Payment Date		
Interim Cash Dividend for the Year	16-Dec-15	16-Dec-16
Final Dividend	25-May-16	*

* Awaiting Decision of GMS 2017

The Company has paid Rp150 (full amount) per share in interim dividends on net income of 2016, which is equivalent to a payout ratio of 28.1% of net profit. Payment of the final dividend for 2016 will require an agreement from all stakeholders in the GMS. Refer to Table 5 for detailed dividend payment history.

USE OF PUBLIC ISSUANCE PROCEEDS

In 2016, the Company conducted the Public Offerings for Rupiah Bonds, called *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016* (“*Obligasi Berkelanjutan II Tahap III*”) and *Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016* (“*Obligasi Berkelanjutan III Tahap I*”) with nominal amount of each of Rp1 trillion.

To meet OJK Regulations No. X.K.4 regarding the obligations in delivering the report of the realisation of the use of funds from the public offerings, the Company submitted the realisation of the use of funds from the public offerings of the above as follows:

Offering type, date listed on the exchange, the realisation of the deal number and the net amount, the rest of the public offering, and the reporting date.

As disclosed in the prospectus and published additional information required for the public offerings, the funds were used for the following purposes:

- About 60% is used for working capital in various activities of Consumer Financing; and
- About 40% is used for working capital in various activities of Lease Financing;

All proceeds from the public offerings have been used to finance the main activities of the Company, and thus the rest of the funds that have not been used is Nil. Furthermore, no changes in the use of funds coming from that public offerings.

INVESTMENTS, DIVESTMENT, MERGER & ACQUISITION, AND DEBT OR CAPITAL RESTRUCTURING

During 2016, the Company did not undertake any material investment, divestment, merger and acquisition, or debt/capital restructuring.

IMPACT FROM REGULATORY CHANGES

In 2016, the Government of the Republic of Indonesia implemented several policies on the implementation of business activities and operations of finance companies, among others:

1. Indonesian Government Regulation No. 34/2016 on Income Tax on Income from Rights on Land and/or Building and Sales and Purchase Contracts of Land and/or Building and Its Amendments;
2. Minister of Finance Regulation No. 27/PMK.06/2016 on Guidelines for Auctioning;
3. Minister of Finance Regulation No. 101/PMK.10/2016 on Adjustments of Non-Taxable Income Amount;
4. OJK Circular No. 1/SEOJK.5/2016 on Soundness Level of Financing Companies;
5. OJK Circular No. 3/SEOJK.5/2016 on Monthly Reports of Financing Companies;
6. OJK Circular No. 15/SEOJK.05/2016 on Good Corporate Governance Implementation Reports of Financing Companies;
7. OJK Circular No. 31/SEOJK.05/2016 on Fit and Proper Test for Key Parties in Non-Bank Financial Services Institutions; and
8. OJK Circular No. 47/SEOJK.05/2016 on Amount of Down Payment for Motorized Vehicle Financing for Financing Companies.

These policy amendments have somewhat affected business and operational activities of the Company. However, it did not significantly affect the Company's performance and revenue. The Company believes that these changes are in the right step to create a sound and high-performing business.

ACCOUNTING POLICY CHANGES

CHANGES TO STATEMENT OF FINANCIAL ACCOUNTING STANDARDS (SFAS) AND INTERPRETATIONS OF FINANCIAL ACCOUNTING STANDARDS (IFAS)

The application for the changes in interpretation of accounting standards did not have significant effect on the Company's accounting policies and did not provide a material impact on the amounts reported in the financial statements of the company.

Standards and standard adjustment effective for periods beginning on or after 1 January 2016, are as follows:

- SFAS 4 (Amendment 2015): Separate Financial Statements;
- SFAS 5 (Adjustment 2015): Operating Segments;
- SFAS 7 (Adjustment 2015): Related Party Disclosures;
- SFAS 13 (Adjustment 2015): Investment Property;
- SFAS 15 (Amendment 2015): Investment in Associates and Joint Ventures;
- SFAS 16 (Adjustment 2015): Fixed Assets;
- SFAS 19 (Adjustment 2015): Intangible Assets;
- SFAS 22 (Adjustment 2015): Business Combination;
- SFAS 24 (Amendment 2015): Employee Benefits;
- SFAS 25 (Adjustment 2015): Accounting Policies, Changes in Accounting Estimates and Errors;
- SFAS 53 (Amendment 2015): Share-based Payments;
- SFAS 65 (Amendment 2015): Consolidated Financial Statements;
- SFAS 66 (Amendment 2015): Joint Arrangement;
- SFAS 67 (Amendment 2015): Disclosure of interest in Other Entities;
- SFAS 68 (Adjustment 2015): Fair Value Measurement;
- IFAS 30: Levies.

Amendments of the following standards and interpretations which effective for periods beginning on or after 1 January 2017, with early implementation is permitted, namely amendment of SFAS 1, "Presentation of Financial Statements" on Disclosure Initiative; IFAS 31, "Interpretation of Scope", SFAS 13 "Investment Property".

A more detailed information is presented in the Audited Financial Statements that serve as an inseparable part of this Integrated Annual Report.

2017 BUSINESS PROSPECTS

ECONOMIC OUTLOOK

The improvement in economic fundamentals that occurred in the last few years is expected to give a positive boost to Indonesia's economy in 2017. Indonesia's economic growth in 2017 is projected at 5.1% or more, with the inflation rate to be around 4%, the budget deficit to be around 2.4% of GDP and the exchange rate of Rupiah to USD to be about Rp13,300/USD. Assuming this growth, the growth rate in the banking sectors and non-bank financial institutions is estimated to be around 10%, not starkly different from the rate in 2016 of 8.9%, while economic growth was recorded at 5.0%.

This describes that despite the optimism, the business in 2017 will still be challenging, particularly with respect to the following conditions:

1. The impact of the global economic risks, such as Brexit and the Eurozone future, 'Trump effect' and the increase of Fed Rate as well as the rebalancing of China's economy;
2. The value of commodities trading is expected to remain low although prices are expected to be better than in 2016;
3. Volatile Rupiah with a tendency to weaken;
4. The fairly aggressively targeted tax revenue in 2017, if missed, would affect the budget deficit and economic growth; and
5. A high income disparity (as demonstrated by a high Gini ratio of 0.4) that may create significant social and political impacts.

On the other hand, there are several other factors that can sustain economic growth in 2017, among others:

- The growth of the total population of the millennial generation, to boost the economy in the areas of consumption and production;
- Indonesia's economic policy package that has a vision of long term growth;
- The better infrastructure construction by using domestic capital will support to sustain economic growth; and
- Relatively stable political conditions.

We also see development and expansion of new potential areas in various provinces outside Java that should help sustain economic growth. This is reflected in a number of developments in areas, such as Sulawesi, Maluku, Nusa Tenggara, Papua, Aceh, North Sumatera, West Sumatera, South Sumatera, Lampung, Riau Islands, Kalimantan, and many others.

2017 BUSINESS STRATEGY

The Company will continue implementing the strategy which has been implemented in the previous year with emphasis on the following:

- Focus on the application of discreet risk management practices;
- Continue to optimize the growth of revenue from regions with a controlled level of risk, such as Java and eastern Indonesia;
- Continue to focus on the growth of the used car financing products, which gives the largest contribution to the Company's revenue, by doing expansion to enlarge the market share in Java, especially Jabodetabek, where the market share is still small while the potential is still very high;
- For the heavy equipment and machinery, the Company shall seek new business and focus on the customers who have good payment records, and focused on maintaining the quality of the portfolio;

- Generate new points of sales to improve distribution;
- The focus on productivity and cost management which is aimed to improve the growth will remain a major step for the Company. The Company strive to manage credit and operational costs, especially from commodity sectors;
- To continue the development of the infrastructure and information technology as well as human resource competency development to get ready to enter a new business which has recently permitted by OJK;
- Risk management improvement to anticipate the dynamic business challenges, in terms of the increasing cost, macroeconomic conditions, as well as the competitive business situation; and
- Continue to explore and collaborate with technology-based companies to increase the capabilities of the business origination and the process of incoming application to the Company.

2017 PROJECTION

- The distribution of new financing is expected to rise by double digits compared to the previous year;
- Total Managed Receivables to increase by double digits compared to 2016 in line with the increase in the number of new financing;
- Positive growth on the revenue and net income over the achievement in 2016;
- NPF to remain below 2.0%;
- Maintain a good level of healthy finance and gearing ratio of below 3x; and
- Continue the policy of dividend payments as long as the business conditions and the Company's liquidity allows, without limiting the right of the GMS to determine otherwise.



PEMBANGUNAN MRT JAKARTA – JAKARTA
FRANSISKUS PARULIAN SIMBOLON

MRT contributes to the improvement of public transportation capacity

GOOD CORPORATE GOVERNANCE

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GOOD CORPORATE GOVERNANCE REPORT

BFI is committed to adhering to Good Corporate Governance (“GCG”) principles in line with the business dynamics and demands of the multifinance industry in Indonesia.



Good Corporate Governance (GCG) covers the principles underlying a company’s processes and management mechanisms based on legislations and business ethics. GCG implementation in all of its activities is of great importance. Besides being a form of accountability and risk management for the Company’s business, GCG implementation also forms a roadmap for management and employees guidelines to maintain the continuity of the Company’s business in the long-term and provides added value for all stakeholders. In particular, one effort to strengthen the multifinance industry is to improve the quality of GCG implementation for multifinance companies.

GCG COMMITMENT

The challenges faced by the Company are becoming increasingly diverse and complex. Therefore, BFI is committed to adhering to GCG principles in line with the business dynamics and demands of the multifinance industry in Indonesia. Through this commitment, BFI believes it will be able to maintain a high standard of GCG.

BFI’s view is that GCG implementation in the Company is not only to fulfill the regulations and legislation in force, but also must be part of its corporate culture, by consistently

and sustainably embodying the GCG principles in its activities. BFI believes that the application of GCG in the Company will increase the confidence of shareholders and all other stakeholders towards the oversight and management of business activities, and increase the value of the Company.

BFI INTEGRITY PACT

BFI management has an Integrity Pact that contains the Company's commitment to implement the GCG principles. The BFI Integrity Pact aim is to develop openness and honesty in order to promote the implementation of high quality, effective, efficient and accountable tasks in the business environment. BFI is also committed to setting high standards for the GCG implementation in the Company. Compliance with the code of business conduct, Law Number 40 of 2007 on Limited Liability Company ("UUPT") and other applicable regulations are the basis for the management of the Company's activities. The Board of Commissioners and the Board of Directors are accountable to its shareholders for the implementation of GCG. The Board of Commissioners, the Board of Directors, and all employees are committed to always carrying out the Company's Integrity Pact to the best of their abilities along with the implementation of strategic policies, in order to achieve a sustainable growth.

CORPORATE VALUES

GROW AND IMPROVE CONTINUOUSLY

G

This value refers to the Company's commitment to grow at all times; both from the aspect of quality and quantity; in terms of business development and human capital power, of more effective and productive thinking and action, as well as of process and actual work result in supporting the growth of the organization. Commitment for this development is also followed with consistent and sustainable improvement in all aspects, to name a few, the development of organization, business, product, work processes and quality of human capital.

RESPECT AND CARE

R

Giving respect and showing care is engrained in the culture of the Company, to be put in practice always, not only to fellow employees but also throughout the organization. Respect here means to give respect to fellow employees by appreciating differences; both in terms of way of thinking and action; and finding uniformity to make the Company even stronger. Meanwhile, care here means care about the condition and situation of the Company and always take part to support the Company's accomplishment in any situation.

EXCELLENT SERVICE

E

This value is defined as a commitment to consistently deliver customer satisfaction, both internal and external customers. This thinking is essential to the Company's guidance in preparing the principles of policy and strategy, business activities, decision-making process and service provision.

ABSOLUTE INTEGRITY

A

Integrity refers to virtue and balance between the perspective, words and acts against the existing situation and condition, including honesty, sincerity and commitment to a certain condition. Integrity is also reflected on how employees balance the conformity and consistency between words and conduct (walk the talk) to make the Company efficient and stable. Integrity is visible when doing right and having the courage to admit one's mistake in order to create a transparent and positive culture.

TRUST AND TEAM SPIRIT

T

Complete and optimum cooperation can be obtained from trust built under various conditions. Mutual trust constitutes the primary capital of the organization to bind and tighten the relationship among fellow employees, between employees and the Company and vice versa. Mutual trust to good faith and positive spirit for the advancement of the organization becomes the groundwork for the establishment of long-term relationship and cooperation.

The BFI Integrity Pact governs the Code of Business Principles, which includes the following:

Code of Business Principles

INTRODUCTION

The Code of Business Principles applies to all BFI activities, both at head office and branch offices to all employees. All authorized BFI are responsible for ensuring that these principles are thoroughly disseminated to all employees and are implemented earnestly.

BFI conducts its business with honesty, integrity and

transparency, and with respect towards the interests of shareholders, employees and other stakeholders.

COMPANY CORE VALUES

The Company has advised the Board of Commissioners, the Board of Directors and all employees, regardless of their position, that they must comply with the highest-level ethical standards embedded in the Company Core Values.

Management and employees are required to understand and comply with the Core Values,

which are very important in keeping the Company's sustainable growth. The Company Core Values are the foundation for the Board of Commissioners, the Board of Directors and all employees in carrying out any business activities of the Company. The Company's Core Values are abbreviated as G.R.E.A.T.

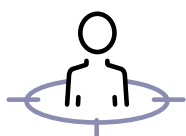
Responsibilities of the Company

BFI Finance acknowledges 5 (five) corporate responsibilities, as follows:



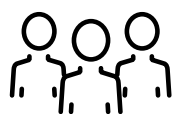
Shareholders

(a) **To Shareholders.** We conduct business with the aim to improve shareholders' values based on the principles of Good Corporate Governance. BFI intends to achieve optimum results and return value to shareholders whilst still retaining adequate capital to manage the Company's daily operations. BFI values its good relationship with shareholders and will provide detailed, accurate, timely and reliable information regarding its business, financial condition and business outcome.



Customers

(b) **To Customers.** We are committed to acquiring and retaining customers by providing value-added financing products and services which benefits and provides cost efficiency to customers.



Employees

(c) **To Employees .** We value employees as an important resource through dedicated human capital development, from initial recruitment, to hiring, providing training and promoting potential employees based on their qualifications and capabilities. Furthermore, we are responsible for creating a favourable workplace and ensuring employees' health and safety.



(d) **To All Stakeholders.** We always maintain mutually beneficial relationships with creditors, business partners, and other stakeholders; as well as embed these principles in our daily activities.



(e) **To Community.** As a member of the community, we will always conduct business in a responsible manner by abiding by prevailing rules and regulations in every location where we operate and ensure that the Company's activities do not violate any human rights.

The Company's participation, either in the form of donations or training and other social activities, is intended to improve the quality of life of the surrounding communities and to provide benefits to the people.

Business Integrity

BFI and all of its branches uphold honesty, integrity and fairness throughout all the Company's business aspects and expect the same thing from all stakeholders.

All business transactions on the Company's behalf is recorded accurately in line with standard operating procedures and subject to audit. All employees need to put aside their personal interest when conducting the Company's business.

Operational Business Commitment

Company's Asset Utilisation and Protection

BFI will ensure that every employee is responsible for the proper use, protection and preservation of assets and Company resources. Any assets and resources, as well as opportunities that arise on the basis of one's position, are used solely for the interests of Company's objectives and not for personal gain. BFI's employees must not misuse their positions to gain profit for their or other's personal gain.

Information Disclosure

BFI views that information regarding business strategy is a crucial asset to the Company that must be protected from theft, violation, misuse and inappropriate exposure.

Insider Trading

BFI enforces insider-trading regulations for all its employees. This means that insider information that could affect BFI's share price has to be kept confidential until authorization for disclosure. Furthermore, employees with access to sensitive information that could affect BFI's share price and related rights must not be involved in direct or indirect transactions of BFI's shares and other related rights.

The Board of Commissioners, the Board of Directors and all employees are committed to always carrying out the Company's Integrity Pact to the best of their abilities along with the implementation of strategic policies, in order to achieve a sustainable growth.

Legal Basis

BFI is committed to healthy and compliant business conduct related to all legislations for the financial services industry. The Company's GCG practices are based on the legislation in force, among others:

Table 71 – LEGAL BASIS FOR GCG IMPLEMENTATION

No.	Legal Basis	Theme
1.	Laws of the Republic of Indonesia, among others:	<ol style="list-style-type: none"> 1. Law of the Republic of Indonesia Number 40 Year 2007 on Limited Liability Company 2. Law of the Republic of Indonesia Number 8 Year 1995 on Capital Market 3. Law of the Republic of Indonesia Number 20 Year 2001 on Amendment to the Law of the Republic of Indonesia Number 31 Year 1999 on Eradication of Corruption 4. Law of the Republic of Indonesia Number 15 Year 2002 on Money Laundering as amended by the Law of the Republic of Indonesia Number 25 Year 2003
2.	Decree of the President of the Republic of Indonesia, among others:	<ol style="list-style-type: none"> 1. Decree of the President of the Republic of Indonesia Number 61 Year 1988 on Financial Institution
3.	Regulations of the Minister of Finance of the Republic of Indonesia, among others:	<ol style="list-style-type: none"> 1. Minister of Finance Regulation Number 84/PMK.012/2006 on Finance Company 2. Minister of Finance Regulation Number 30/PMK.010/2010 on Implementation of Principles of Knowing the Customer for Non-Bank Financial Institutions 3. Minister of Finance Regulation Number 130/PMK.010/2012 on Registration of Fiduciary Guarantee for Finance Companies that Conduct Consumer Financing for Motor Vehicles with Imposition of Fiduciary Guarantee 4. Regulation of the Minister of Finance of the Republic of Indonesia No. 101/PMK.010/2016 on Adjustments to Non-Taxable Income
4.	Otoritas Jasa Keuangan ("OJK") Regulations, among others:	<ol style="list-style-type: none"> 1. OJK Regulation Number 1/POJK.07/2013 on Consumer Protection of Financial Services Sector 2. OJK Regulation Number 2/POJK.04/2013 on Stock Buyback Issued by Issuers or Public Companies in Significantly Fluctuating Market Condition 3. OJK Regulation Number 3/POJK.05/2013 on Monthly Report of Non-Bank Financial Services Institution 4. OJK Regulation Number 4/POJK.05/2013 on Fit and Proper Test for the Primary Parties in Insurance Companies, Pension Funds, Finance Companies, and Credit Guarantee Companies 5. OJK Regulation Number 1/POJK.07/2014 on Alternative Institution for Dispute Settlement in Financial Services Sector 6. OJK Regulation Number 3/POJK.02/2014 on Procedures of Implementing Levy by Otoritas Jasa Keuangan 7. OJK Regulation Number 4/POJK.04/2014 on Biling Procedures of Administrative Sanctions in the Form of Fines in Financial Services Sector 8. OJK Regulation Number 10/POJK.05/2014 on Risk-Level Assessment of Non-Bank Financial Service Institutions 9. OJK Regulation Number 11/POJK.05/2014 on Direct Examination on Non-Bank Financial Service Institutions 10. OJK Regulation Number 28/POJK.05/2014 on Business and Institutional Licensing of Finance Companies

No. Legal Basis	Theme
	11. OJK Regulation Number 29/POJK.05/2014 on Execution of Finance Companies' Businesses
	12. OJK Regulation Number 30/POJK.05/2014 on Good Corporate Governance for Finance Companies
	13. OJK Regulation Number 32/POJK.04/2014 on Plan and Execution of General Meeting of Shareholders of Public Companies
	14. OJK Regulation Number 33/POJK.04/2014 on Board of Directors and Board of Commissioners of Issuers or Publicly-listed Companies
	15. OJK Regulation Number 34/POJK.04/2014 on Nomination and Remuneration Committee of Issuers or Publicly-listed Companies
	16. OJK Regulation Number 35/POJK.04/2014 on Corporate Secretary of Issuers or Publicly-listed Companies
	17. OJK Regulation Number 36/POJK.04/2014 on Continuous Public Offering of Debt Securities and/or Sukuk (Islamic Bonds)
	18. OJK Regulation Number 38/POJK.04/2014 on Capital Increase of Public Companies without Granting Pre-emptive Rights
	19. OJK Regulation Number 1/POJK.05/2015 on Risk Management Implementation for Non-Bank Financial Service Institutions
	20. OJK Regulation Number 8/POJK.04/2015 on Website of Issuers or Public Companies
	21. OJK Regulation Number 21/POJK.04/2015 on Implementation of Governance Guidelines of Public Companies
	22. OJK Regulation Number 22/POJK.01/2015 on Criminal Investigations in Financial Services Sector
	23. OJK Regulation Number 30/POJK.04/2015 on Realization Report of Proceeds from Public Offerings
	24. OJK Regulation Number 31/POJK.04/2015 on Disclosure of Information or Material Facts by Issuers or Publicly-listed Companies
	25. OJK Regulation Number 32/POJK.04/2015 on Capital Increase of Public Companies with Granting Pre-emptive Rights
	26. OJK Regulation Number 33/POJK.04/2015 on Form and Content of Prospectuses for Capital Increase of Public Companies by Granting Pre-emptive Rights
	27. OJK Regulation Number 41/POJK.05/2015 on Procedures of the Establishment of Statutory Manager on Financial Service Institutions
	28. OJK Regulation Number 55/POJK.04/2015 on Establishment and Guidelines on Operations of the Audit Committee
	29. OJK Regulation Number 56/POJK.04/2015 on Establishment and Guidelines on Drafting of Internal Audit Charter
	30. OJK Regulation Number 60/POJK.04/2015 on Disclosure of Information of Certain Shareholders
	31. OJK Regulation Number 27/POJK.03/2016 on Fit and Proper Test for the Primary Parties of Financial Services Institution
	32. OJK Regulation Number 29/POJK.04/2016 on Annual Report of Issuers or Publicly-Listed Companies
	33. OJK Regulation Number 76/POJK.07/2016 on Improvement on Financial Literacy and Inclusion in Financial Services Sector for Consumers and/or Communities

No. Legal Basis	Theme
5. Otoritas Jasa Keuangan (“OJK”) Circulars, among others:	<ol style="list-style-type: none"> 1. OJK Circular Number 1/SEOJK.07/2014 on Education Program in order to Improve Financial Literacy towards Consumers and/or Community 2. OJK Circular Number 2/SEOJK.07/2014 on Consumer Complaint Services and Settlement on Financial Service Businesses 3. OJK Circular Number 4/SEOJK.02/2014 on Mechanism of Payment of Levies to Otoritas Jasa Keuangan 4. OJK Circular Number 6/SEOJK.04/2014 on Procedures of Electronic Submission of Reports by Issuers or Public Companies 5. OJK Circular Number 12/SEOJK.07/2014 on Information Delivery for Marketing of Products and/or Financial Services 6. OJK Circular Number 14/SEOJK.07/2014 on Confidentiality and Security of Consumer’s Private Data and/or Information 7. OJK Circular Number 4/SEOJK.05/2015 on Risk-Level Assessment of Finance Companies 8. OJK Circular Number 17/SEOJK.05/2015 on Appointment of Public Accountant, Actuary, and/or Independent Appraiser as the Examiner of Non-Bank Financial Services Institution 9. OJK Circular Number 21/SEOJK.05/2015 on Premium-Rate Determination or Contribution in the Businesses of Property Insurance and Motor Vehicles Insurance in 2015 10. OJK Circular Number 30/SEOJK.04/2015 on Membership Fee of Custodian Bank for Investors Protection Fund 11. OJK Circular Number 32/SEOJK.04/2015 on Governance Guidelines of Public Companies 12. OJK Circular Number 47/SEOJK.05/2016 on Down-Payment Amount of Motor Vehicles Financing for Finance Companies
6. Regulations of the Capital Market and Financial Institutions Supervisory Agency (“Bapepam-LK”; now OJK) and Bapepam-LK Chairman Decisions, among others:	<ol style="list-style-type: none"> 1. Bapepam-LK Regulation Number IX.J.1, Attachment of Bapepam-LK Chairman Decision Number: KEP-179/BL/2008 dated 14 May 2008 on Summary of articles of association of Companies that Conduct Public Offerings of Equity Securities and Publicly-Listed Companies 2. Bapepam-LK Regulation Number X.K.2, Attachment of Bapepam-LK Chairman Decision Number: KEP-346/BL/2011 dated 5 July 2011 on Submission of Periodical Financial Statements of Issuers or Publicly-listed Companies 3. Bapepam-LK Regulation Number X.K.6, Attachment of Bapepam-LK Chairman Decision Number: KEP-431/BL/2012 dated 1 August 2012 on Obligation of Annual Report Submission for Issuers or Publicly-listed Companies 4. Bapepam-LK Chairman Regulation Number PER-05/BL/2011 on Guidelines of Implementation Execution of Principles of Knowing the Customer for Finance Companies
7. Decision Letter of the Board of Directors of PT Bursa Efek Indonesia (Indonesia Stock Exchange), among others:	<ol style="list-style-type: none"> 1. Decision Letter of the Board of Directors of PT Bursa Efek Indonesia (Indonesia Stock Exchange) Number Kep-00001/BEI/01-2014 concerning Amendment of Regulation Number I-A on Listing of Shares and Equity Securities Other Than Shares Issued by Listed Companies

Company also pays attention and makes reference to other guidelines, among others:

- Indonesia's General Guidelines on Good Corporate Governance ("GCG") issued by the National Committee on Corporate Governance Policy ("KNKCG") as a reference for developing the management and implementation of GCG. Indonesia's General Guidelines on GCG was first published by KNKCG in 1999 and revised twice in 2001 and 2006;
- Indonesian Corporate Governance Roadmap issued by OJK; and
- The Company's articles of association.

Key Principles

In carrying out its activities, BFI applies GCG principles in every business activity and at all levels of the organisation.

The GCG principles are:

Table 72 – GCG KEY PRINCIPLES

No.	GCG Principles	Implementation
1	<p>Transparency</p> <p>Openness in decision-making and openness in disclosure and the provision of relevant information about the Company, which is easily accessible by Stakeholders in accordance with the legislation in the field of finance as well as the standards, principles, and practices regarding business healthy financing</p>	<p>BFI continues to manage its business in a transparent manner to all stakeholders. The transparency principle is implemented through providing fair information to all shareholders and through the following aspects:</p> <ul style="list-style-type: none"> • The issuance of annual reports; • The dissemination of the Company's work programs; • Periodical financial statements, which cover quarterly and annual financial statements; • Providing reports of information disclosure on the Company's business activities; and • Using its website to convey Company information to its shareholders and other stakeholders.
2	<p>Accountability</p> <p>Clarity of functions and implementation of Company body responsibility so that the performance of the Company may be transparent, fair, effective and efficient</p>	<p>Management prepares clear job descriptions for all employees and emphasizes fundamental functions for each division. Therefore, all areas of the Company are equipped with clear descriptions on rights and obligations, functions and responsibilities, as well as authorities in each policy of the Company. The Company takes this into account when dividing the duties of each unit, detailing duties and authority of the GMS, the Board of Commissioners, the Board of Directors as well as their performance indicators.</p>
3	<p>Responsibility</p> <p>The suitability of the Company's management with the legislation in the field of financing and ethical values and standards, principles and practices regarding healthy financing business</p>	<p>BFI has committed to continuously create corporate social responsibility ("CSR") in line with public needs and business sustainability. The Company implements this principle through the following actions:</p> <ul style="list-style-type: none"> • Complying with the Company's articles of association and the prevailing legislations; • Performing taxation obligations in a good and timely manner; • Implementing CSR programs and activities; and • Performing obligations on information transparency according to regulations.

No.	GCG Principles	Implementation
4	<p>Independence</p> <p>The state of a Company that is managed independently and professionally and free of the Conflict of Interest and influence or pressure from any party that does not comply with the legislation in the field of financing and ethical values and standards, principles, and practices regarding business financing that is healthy</p>	<p>For BFI, independence is crucial in its business management and in making decision that comply with the regulations from the authorities without intervention from external parties. Independence helps the Company run its business and embrace all stakeholders to go forward achieving prosperity. The implementation of this principle encourages professionalism, creativity and independence in managing its business. The following reflects how BFI adopts the independence principle in its activities:</p> <ul style="list-style-type: none"> • Each individual respects the rights, obligations, duties, authority and responsibility of one another; • The shareholders and the Board of Commissioners do not intervene in the Company's management; • The Board of Commissioners, the Board of Directors and all employees continue to avoid conflict of interest in the decision-making process; and • The Company continues to ensure that any activity that poses a potential conflict of interest has been previously approved by the independent shareholders or their representatives, as stipulated at the GMS, and is not in contravention with the regulations on conflict of interests.
5	<p>Fairness</p> <p>Equality, balance, and fairness in meeting the rights of stakeholders arising under treaties, legislation, and ethical values and standards, principles, and practices regarding healthy financing business</p>	<p>The Company conducts its business in a fair manner and with adherence to the regulations to protect the interest of stakeholders and the business sustainability of the Company. BFI is committed to treating all employees in a fair manner and without prejudice to race, religion, background, gender and other matters not related with work performance. Such a commitment is demonstrated in the following activities:</p> <ul style="list-style-type: none"> • The Company's shareholders have the right to attend and exercise their voting rights at the GMS according to the regulations; • BFI prepares reports any information on the partners to stakeholders in fair and transparent manner; and • BFI creates a conducive and safe workplace for all employees to the best of its ability in line with legislations; with periodic performance appraisals and equal promotion opportunities for all employees.

GCG Objectives

The application of GCG principles at BFI aims to, among other things:

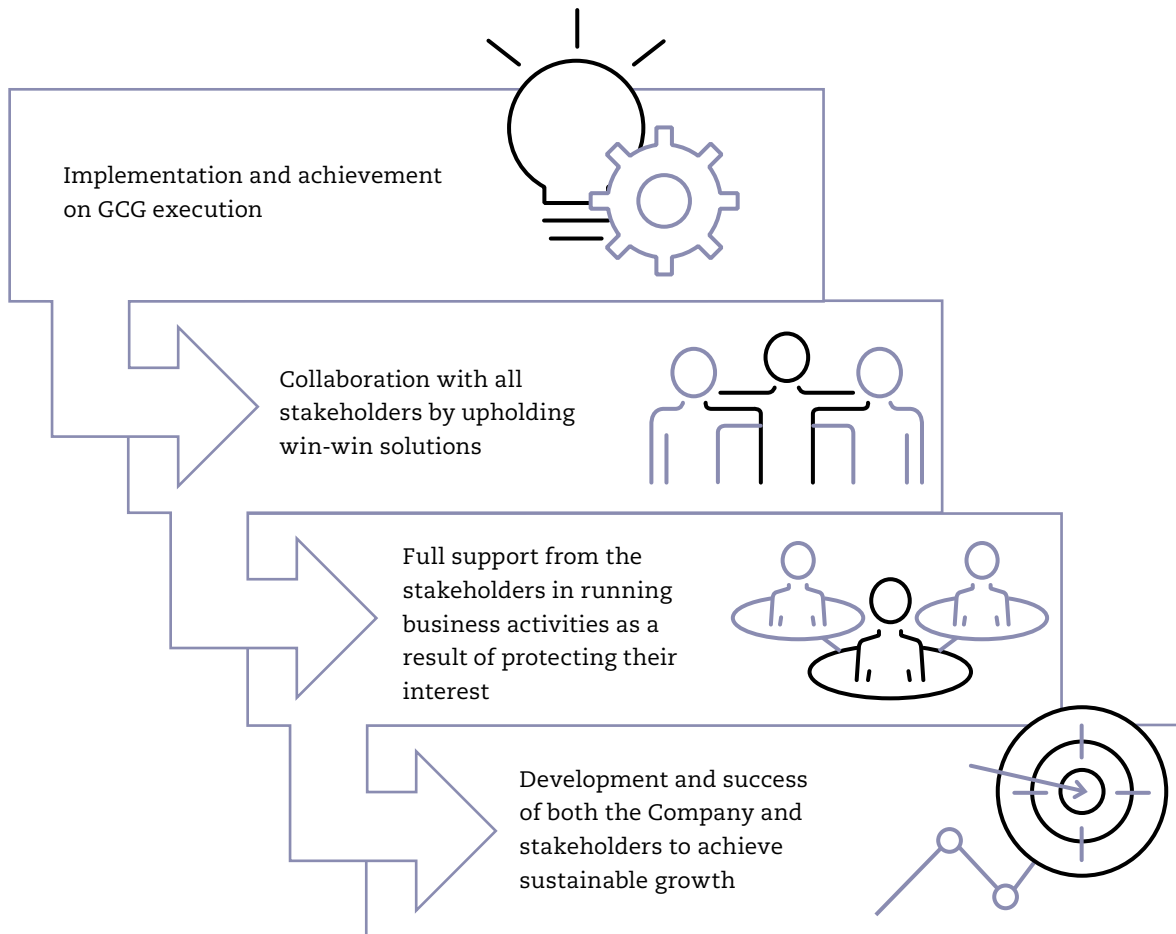
1. Optimise value for the Company's stakeholders, particularly shareholders, debtors, creditors, and/or other stakeholders;
2. Improve the management of the Company in ways of professionalism, effectiveness and efficiency;

3. Improve compliance throughout the Company body as well its subordinates to promote ethical decisionmaking and actions, compliance with legislations, and awareness of CSR towards stakeholders and environmental sustainability;
4. Create a healthier, reliable Company, with a strong competitive edge, enabling it to maintain its existence and sustainability to achieve the aims and objectives of the Company; and

5. Increase the Company's contribution to the national economy.

These objectives are illustrated in the GCG outcome scheme, as follows:

In order for these objectives to be achieved, the Company is always committed to making improvements to all GCG elements and associated future GCG implementations.



GCG Structure and Mechanism

According to UUPT, the company's GCG structure consists of the following:

1. GMS

GMS is a Company body with authorities not granted to the Board of Directors or the Board of Commissioners as referred to in UUPT and/or articles of association of the Company and is a forum of shareholders for the voting of important decisions relating to the business interests of the Company and pays attention to the articles of association and legislations.

2. Board of Commissioners

The Board of Commissioners is the body of the Company in charge of general and/or special supervision in accordance with the articles of association as well as giving advice to the Board of Directors. The Board of Commissioners represents the Company in supervising that the business is operating in accordance with the strategies, procedures and policies that have been set.

3. Board of Directors

The Board of Directors is the authorized body of the Company with full responsibility for the management of the Company

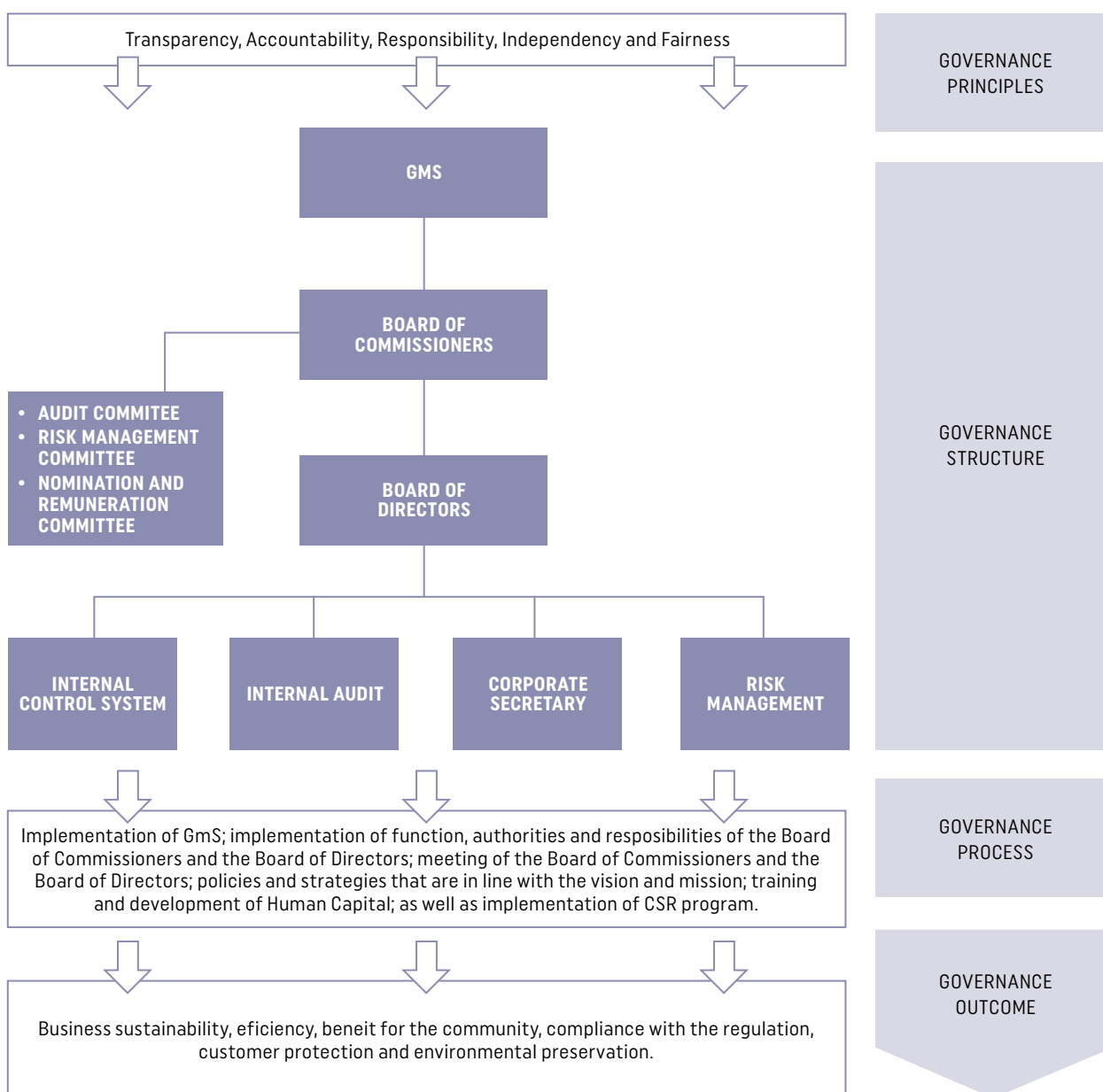
for the benefit of the Company, in accordance with the purposes and objectives of the Company and represents the Company; both in and out of court, in accordance with the provisions of the articles of association. The Board of Directors are company executives who run and manage the business in accordance with the strategies, procedures and policies that have been set.

In carrying out its supervisory duties, the Board of Commissioners has established committees where one or more of the members are chosen from the Board of Commissioners.

These committees are responsible to the Board of Commissioners. The Board of Directors, in carrying out management of the Company, is assisted by the Corporate Secretary and the Internal Audit and each of respective functional part.

GCG Structure and Mechanism

BFI's GCG Structure is as follows :



The main focus in BFI's GCG structure is as follows:

- The assurance of function mapping or business activities in order to avoid the potential of conflict of interest; and
- The assurance of effectiveness and efficiency of the check and balances mechanism.

The duties and responsibilities as well as the implementation of the activities of each body in BFI's GCG structure is further described in this Good Corporate Governance Chapter of this Integrated Annual Report.

GCG Infrastructure

BFI has a GCG infrastructure, either in the form of policies and procedures, management information systems as well as the duties and functions of throughout its organizational structure. The GCG infrastructure is evaluated periodically to conform with the latest developments and best practices on the implementation of GCG.

BFI's GCG infrastructure was enhanced in accordance with the Board of Directors' Decision Letter No. 24/SK/WK/2011 dated 24 October 2011 regarding Procedures for the Company in the field of Corporate Governance. BFI is constantly perfecting its GCG infrastructure in line with the needs of business processes as well as the Company's GCG implementation provisions.

BFI's GCG infrastructure consists of (Table 73).

Each part of the GCG infrastructure mentioned above will be described in the following sections in the Good Corporate Governance chapter of this Integrated Annual Report.

GCG Roadmap

1. The Company complies with and adheres to applicable regulations. As a publicly listed company, the Company also continues to comply with

Otoritas Jasa Keuangan ("OJK") in the implementation of its GCG Roadmap, where in 2014, OJK published an Indonesian Corporate Governance Roadmap which was prepared using the related international GCG standard practices as its main reference.

2. Recognizing the importance of the implementation of GCG for the survival of the business, the Company has made a series of attempts to harmonize the GCG implementation and outreach program with the corporate culture.
3. The Company has a complete GCG infrastructure, consisting of: Code of Conduct, The Board of Commissioners and the Board of Directors' Manual and its Committees, as well as the procedures and other supporting policies, such as, the policy of Whistleblowing System, Risk Management

Table 73 – BFI'S GCG INFRASTRUCTURE

No.	GCG Infrastructure	Form
1	Code of Conduct Principles that apply to all BFI activities, both at head office and branches, as well as for all employees.	Code of Conduct as behavioural guideline
2	The procedure for the implementation of tasks and responsibilities of the Board of Commissioners and the Board of Directors	Company Core Values
3	Completeness and procedures of the committees and work unit duties that perform the function of internal control	Operational Activity Commitment
4	Policies and procedures for the implementation of compliance, internal audit and external audit	The Board of Commissioners and the Board of Directors' Manual (Board Manual)
5	The transparency policy of financial and non-financial condition	<ul style="list-style-type: none"> • Audit Committee Charter • The Nomination and Remuneration Committee's Manual • Code of Conduct as behavioural guideline • Internal Audit Charter • Annual Financial Statements • Quarterly Financial Statements • Annual Report • Sustainability Report

policy and Compliance policy. Periodically, the GCG infrastructure is being evaluated and updated.

GCG Implementation Focus

In 2016, the focuses of the Company's GCG implementation were as follows:

1. Increased adherence to a number of external and internal regulations that are relevant to all levels of the company through a variety of media available to the Company, among others, the socialization of thr Company's new regulations to employees through the intranet facilities and other internal media.

2. Assessing that the implementation results meet the Company's stakeholders' expectations and the GCG implementation results adequately support the GCG structure and infrastructure, and include in the outcome of the qualitative and quantitative aspects, namely:
 - a. adequacy of report transparency;
 - b. compliance with laws and legislations;
 - c. handling customer protection;
 - d. independence in auditing; and
 - e. the achievement of the Company's performance; both financial and operational performances.

GCG Implementation Evaluation

GCG implementation requires assessments to determine the extent that the GCG principles have been implemented by the Company. The assessments are also useful to ensure the increased quality of GCG implementation on an ongoing basis into business processes.

In 2016, BFI's GCG assessment of internal results achievement showed that the Company's Management has achieved a good GCG implementation, as outlined in the following table:

Table 74 – GCG IMPLEMENTATION EVALUATION

Aspect	Positive Factor	Negative Factor
A Governance Structure		
1 The Number, Composition, Integrity and Competence of the Members of the Board of Commissioners, Committees under the Board of Commissioners, and the Board of Directors	Generally, in accordance with the complexity and size of the Company, as well as in compliance with applicable laws.w	-
2 Organization Structure	Generally, BFI has an organizational structure consisting of directorates, divisions and work units/functions with division of duties, responsibilities and authorities to support business activities and operations, and the implementation of internal control.	-
3 Policies and Procedures	BFI has established policies and procedures including the following for The Board of Commissioners and the Board of Directors' Manual (Board Manual), Audit Committee Charter, Nomination and Remuneration Committee's Manual, Code of Ethics, Internal Audit Charter, rules for Code of Business Principles, Operational Activity Commitment as well as Policies and Procedures for Information Technology (IT).	-
4 Management Information System ("MIS")	BFI has an MIS infrastructure that supports the business and operational activities, as well as supports the implementation of the internal control system.	-

Aspect	Positive Factor	Negative Factor
B Governance Process		
1 Implementation of Duties and Responsibilities	Generally, the implementation of duties and responsibilities of the Board of Commissioners, the Board of Directors and Committees under the Board of Commissioners have been going well.	-
2 Human Capital	BFI has improved the quality and quantity of its human capital by intensifying training and focusing on the adequacy of the available human capital.	-
3 Risk Management	In the application of risk management, BFI periodically conducts reviews of risk limits, measurement, monitoring and risk control and assessment of internal models of risk management.	-
4 Customer Complaints	BFI manages and resolves customer complaints in accordance with the Service Level Agreement (SLA).	-
5 Cultural Discipline and Compliance	BFI has been working to improve the enforcement of discipline and a compliance culture at all levels of the organization through its Integrity Pact, which enhances law enforcement, Anti-Fraud, Whistleblowing System, as well as strengthening the Internal Control System.	-
6 Corporate Social Responsibility ("CSR")	BFI conducts CSR as part of the Company's business processes.	-
C Governance Outcome		
1 Recommendations of the Board of Commissioners and Committees under the Board of Commissioners	Recommendations by the Board of Commissioners and Committees under the Board of Commissioners are documented in the minutes of meetings for the Board of Directors' input and consideration in decision making.	-
2 Conflict of Interest	There have been no indications of a conflict of interest resulting in losses to BFI.	-
3 Information of Submission to the Public	Generally, BFI has submitted financial and non-financial information to the public in a transparent way, including financial reporting, Annual Report and Sustainability Report.	-
4 Company Performance	BFI's growth and positive performance is demonstrated by the growth in assets and earnings as well as the control of Non-Performing Financing or NPF.	-

GENERAL MEETING OF SHAREHOLDERS (GMS)

GMS POSITION IN THE COMPANY

GMS is a Company body with powers not granted to the Board of Commissioners or the Board of Directors within limits prescribed by law and/or the articles of association. The GMS is a forum for shareholders to influence the Company as well as a forum for the Board of Commissioners and the Board of Directors to report and be responsible for the implementation of tasks and performance to shareholders.

The GMS consists of the Annual GMS (“AGMS”) and the Extraordinary GMS (“EGMS”), which are held in accordance with the articles of association and legislations in force.

GMS AUTHORITY

GMS has the authority, among other things:

1. To appoint and dismiss members of the Board of Commissioners and the Board of Directors based on policies/guidelines established by the shareholders;
2. To provide validation/decisions necessary to safeguard the interests of the Company in the long-term and short-term in accordance with legislations and/or the articles of association;
3. To approve the annual report including financial statements as well as approve the supervisory duties of the Board of Commissioners in accordance with legislations and/or the articles of association;
4. To set targets and assess the performance of the Board of Directors and the Board of Commissioners;
5. To determine the remuneration of the Board of Commissioners and the Board of Directors;
6. To appoint the external public accounting firm;
7. To approve or reject the budget and work plan of the Company and the Company’s long-term work plan;
8. To take decisions through a process that is open, fair and accountable; and
9. To implement GCG in accordance with authorities and responsibilities.

SHAREHOLDERS' RIGHTS

Shareholders have the right to propose agenda items in every GMS which will be held by the Company, propose the appointment of members for the Board of Commissioners and/or the Board of Directors of the Company, especially for measures that require prior approval of the shareholders in accordance with regulatory requirements and prepare notifications and calls for the implementation of the GMS, including the agenda to be discussed at the GMS.

2016 GMS IMPLEMENTATION

During 2016, BFI held 1 (one) AGMS and 1 (one) EGMS. The Company’s GMS was held in accordance with the legislations and the articles of association of the Company.

Implementation of the 2016 GMS Procedures

BFI’s 2016 GMS was conducted following the procedures for implementation in OJK Regulation No. 32/POJK.04/2014 regarding the Planning and Organization of Public Company General Meeting of Shareholders, as follows:

Table 75 – IMPLEMENTATION OF THE 2016 AGMS AND EGMS PROCEDURES – 25 APRIL 2016

No.	Activity	Implementation	Legal Basis
1	Notification plan and agenda of the GMS to OJK no later than five business days before the announcement of the GMS, excluding the date of announcement of the GMS	BFI letter to No. Corp.Sjn/L/III/16-0053 dated 8 March 2016, with copies to the Chief Executive Supervisor of Non-Bank Financial Institutions (“IKNB”), IDX, KSEI, PT Sirca Datapro Perdana, and ICaMEL	Article 8 of POJK No. 32/POJK.04/2014
2	Notice to Shareholders, at a minimum: <ul style="list-style-type: none"> One Indonesian daily newspaper of national circulation IDX website; and The Company’s website, in Indonesian and foreign languages, at a minimum in English, at least 14 days prior to the GMS, excluding the date of announcement and the date of summons 	<ul style="list-style-type: none"> Advertisement Notice for the GMS Plan to the Shareholders in <i>Investor Daily</i> on 16 March 2016 Notice of the GMS Plan on IDX website on 16 March 2016 Notice of the GMS Plan on the Company’s website in Indonesian and English on 16 March 2016 	Article 10 paragraph (1) and (4) of POJK No. 32/POJK.04/2014
3	Notice to OJK on Announcement Notice to Shareholders in the newspaper no later than two working days after the announcement of the GMS	BFI letter to OJK, Chief Executive Supervisor of IKNB, and IDX No. Corp/CH/L/III/16-0056 dated 16 March 2016, with copies to IKNB and ICaMEL accompanied by proof of Advertisement of Notice to Shareholders	Article 10 paragraph (8) of POJK No. 32/POJK.04/2014
4	The last date for the Register of Shareholders, at 16:00 pm, one day prior to the date of the GMS Summons	Requested the Registrar (PT Sirca Datapro Perdana) to recap the names of shareholders entitled to attend the GMS	Article 19 paragraph (2) of POJK No. 32/POJK.04/2014
5	GMS Summons, at a minimum: <ul style="list-style-type: none"> One Indonesian daily newspaper of national circulation; IDX website; and The Company’s website, in Indonesian and foreign languages, at a minimum in English, at least 21 days prior to the GMS excluding the date of the summons and the date of the GMS 	<ul style="list-style-type: none"> Advertisement of Summons to the Shareholders at the GMS in <i>Investor Daily</i> on 1 April 2016 Notice of Summons of the GMS on IDX website on 1 April 2016 Notice of Summons of the GMS on the Company’s website in Indonesian and English on 1 April 2016 	Article 13 paragraph (3) of POJK No. 32/POJK.04/2014
6	Notice to OJK on the Announcement of Summons to the Shareholders in the newspaper no later than two working days after the GMS summons	BFI letter to OJK with copies to the Chief Executive Supervisor of IKNB, IDX, and PT Sirca Datapro Perdana, and ICaMEL No. Corp./FL/L/IV/16-0065 dated 1 April 2016, accompanied by Proof of Advertisement of Notice to Shareholders	Article 13 paragraph (7) of POJK No. 32/POJK.04/2014
7	Implementation of the GMS	On 25 April 2016 at The Dharmawangsa Jakarta Hotel, Jl. Brawijaya Raya No. 26, Kebayoran Baru, South Jakarta, Indonesia	
8	Delivering the Minutes of the GMS to OJK no later than 30 days after the date of the GMS	BFI letter to OJK No. Corp./FL/L/IV/16-0082 dated 26 April 2016, with copies to IDX, KSEI, Sirca Datapro Perdana, and ICaMEL	Articles 32 and 33 of POJK No. 32/POJK.04/2014
9	Announcement of the Summary of Minutes of the GMS, at a minimum in: <ul style="list-style-type: none"> One Indonesian daily newspaper of national circulation; IDX website; and The Company’s website, in Indonesian and foreign languages, at a minimum in English, no later than two working days after the date of the GMS 	<ul style="list-style-type: none"> Advertisement of the Announcement of Minutes of the AGMS and the EGMS in <i>Bisnis Indonesia</i> and <i>Investor Daily</i> on 27 April 2016 Notice of the Summary of Minutes of the GMS on IDX website on 27 April 2016 Notice of the Summary of the Minutes of the GMS on the Company’s website in Indonesian and English on 27 April 2016 	Article 34 paragraph (2) of POJK No. 32/POJK.04/2014
10	Notice to OJK on the Summary of the Minutes of Meeting Announcement, no later than two working days after the announcement in the newspaper on the Summary of the Minutes of Meeting	BFI letter to OJK No. Corp/SJN/L/IV/16-0083 dated 27 April 2016, copies to IDX, KSEI, PT Sirca Datapro Perdana and ICaMEL upon receipt of the newspaper advertisement on the announcement of the Summary of the Minutes of Meeting	Article 34 paragraph (7) of POJK No. 32/POJK.04/2014

Description of the 2016 GMS

The Annual And The Extraordinary General Meetings Of Shareholders, 25 April 2016

AGMS and EGMS of the Company were convened on Wednesday, 25 April 2016, Dharmawangsa Hotel, Bimasena Room, Jalan Brawijaya Raya No. 26, South Jakarta, and the Extract of the Minutes of each meeting are as follows:

I. Attending Members of the Board of Commissioners and the Board of Directors of the Company

The AGMS and the EGMS were attended by the Company's Board of Commissioners and Board of Directors:

Board of Commissioners

1. Kusmayanto Kadiman	President Commissioner
2. Johannes Sutrisno	Independent Commissioner
3. Alfonso Napitupulu	Independent Commissioner
4. Emmy Yuhassarie	Independent Commissioner
5. Sunata Tjiterosampurno	Commissioner

Board of Directors

1. Francis Lay Sioe Ho	Independent President Director
2. Cornelius Henry Kho	Independent Director
3. Sudjono	Independent Director
4. Sutadi	Independent Director

II. Quorum of the Attending Shareholders

- AGMS was attended by shareholders and/or their proxies representing 1,303,876,733 shares or 85.43% of the total 1,526,286,762 shares which is the result of a reduction of the total number of shares issued and fully paid which at that time; in the amount of 1,565,959,562 shares reduced by the shares held by the Company itself in the amount of 39,672,800 shares;
- EGMS was attended by shareholders and/or their proxies representing of 1,303,876,733 shares or 85.43% of the total 1,526,286,762 shares which is the result of a reduction of the total number of shares issued and fully paid which at that time; in the amount of 1,565,959,562 shares reduced by the shares held by the Company itself in the amount of 39,672,800 shares.

Each was in accordance with the Company's Register of Shareholders as of 31 March 2016 at 16:00 hours West Indonesia Time.

III. Opportunity of Question and Answer

In the AGMS and EGMS, in each agenda, the shareholders who were present had been given opportunities to ask questions and/or opinion regarding the matter that was discussed (except in the fifth agenda of the AGMS, there was no question and answer sessions because it was only report), but there was no one rising questions or opinions.

IV. Mechanism of the Resolutions Adoption

The decision in each agenda of AGMS and EGMS was taken by voting except in the fifth agenda of the Annual General Meeting of Shareholders, there was no decision-making that was done because it was only a report.

V. Resolutions of the AGMS

The resolutions of the AGMS on 25 April 2016 as stipulated in the Deed of Meeting of PT BFI Finance Indonesia Tbk No. 42 dated 25 April 2016 drawn before Aryanti Artisari, S.H., Notary in Jakarta, are as follows:

Resolutions in the First Agenda:

1. To accept and approve the Company's Annual Report for the financial year ended 31 December 2015, including the Financial Statements and the Supervisory Report from the Company's Board of Commissioners;
2. To accept and ratify the Company's Financial Statements for the financial year ended 31 December 2015 as audited by the Public Accountants "Tanubrata Sutanto Fahmi & Partners" whose Report Number: 062/6. B008/SC.3/12.15 expressed "Unqualified" opinion, thus granting release and discharge (*acquies et de charge*) to the Company's Board of Directors and the Board of Commissioners in relation to their duties of management and supervision conducted during the financial year

of 2014, provided that such actions are reflected in the Company's Financial Statements for the financial year 2015.

Basis for the Resolutions Reached in the First Agenda:

- Affirmative – 1,303,876,733 (100%);
- Abstain - 0 (0%);
- Objection - 0 (0%).

Resolutions in the Second Agenda:

1. To distribute as cash dividend of Rp208,- (two hundred and eight rupiah) per share or in total amount of Rp317,467,646,496,- (three hundred and seventeen billion, four hundred sixty-seven million, six hundred and forty-six thousand four hundred and ninety twenty-six rupiah) which is 48.82% (forty-eight point eighty two percent) of the net profit of the Company. Number of final cash dividend to be distributed is Rp70,- (seventy rupiah) per share or Rp106,840,073,340,- (one hundred and six billion, eight hundred and forty million, seventy three thousand three hundred and forty rupiah), after it is calculated by interim cash dividend of Rp138,- (one hundred and thirty eight rupiah) per share which had been distributed to the shareholders on December 16, 2015. The final cash dividend will be distributed to shareholders

registered in the Register of shareholders of the Company on May 9, 2016 at 16:00 p.m. and will be paid to the shareholders of the Company on May 25, 2016;

2. To set aside the amount of Rp9,322,000,000 (nine billion three hundred and twenty two million rupiah) as mandatory reserves, pursuant to the Company's articles of association and Law No. 40 Year 2007 on Limited Liability Company;
3. The balance of 2015 net profit will be booked as Retained Earnings to strengthen the Company's capital;
4. To give power and authority to the Board of Directors of the Company with the right of substitution to execute the utilization of net profit as mentioned above, including to set up the schedule and procedures of the distribution of cash dividend to the shareholders of the Company and, in relation to such, to authorize the Board of Directors of the Company to attend and meet the authorities, one way or another without any exception.

Basis for the Resolutions Reached in the Second Agenda:

- Affirmative - 1,303,876,733 (100%);
- Abstain - 0 (0%);
- Objection - 0 (0%).

Resolution in the Third Agenda:

To authorize the Company's Board of Directors, with the approval of the Board of Commissioners, to appoint a Public Accountant registered with Otoritas Jasa Keuangan to audit the Company's Financial Statements for the financial year ended 31 December 2016 and to authorize the Company's Board of Directors to determine the amount of honorarium and other requirements relating to the appointment of the Public Accountant.

Basis for the Resolution Reached in the Third Agenda:

- Affirmative - 1,303,876,733 (100%);
- Abstain - 0 (0%);
- Objection - 0 (0%).

Resolutions in the Fourth Agenda:

1. To establish the remuneration of the Board of Commissioners at the total amount of Rp237,000,000 (two hundred and thirty seven million rupiah) after tax for 2016 or 3.5% increase from the previous year, and to give *tantiem* for 2015 amounting to Rp1,840,000,000 (one billion eight hundred and forty million rupiah);
2. To delegate the authority to the Board of Commissioners in determining the amount for each member of the Board of Commissioners and to adjust the total amount of remuneration in

the event of changes in the number of members of the Board of Commissioners in 2016;

3. To approve the provision of power and authority to the Board of Commissioners Meeting in determining the division of duties and authority to each member of the Board of Directors as well as to determine the remuneration for members of the Board of Directors.

Basis for the Resolutions Reached in the Fourth Agenda:

- Affirmative - 1,303,876,733 (100%);
- Abstain - 0 (0%);
- Objection - 0 (0%).

Resolutions in the Fifth Agenda:

Realization of proceeds use of Public Offering of Sustainable Bond II of BFI Finance Indonesia Phase II in 2015 after deducting by issuance costs have been used for working capital in accordance with the plan of fund utilization set out in the Prospectus.

Basis for the Resolution Reached in the Fifth Agenda:

Because the fifth agenda is only a report, so there will be no question and answer sessions or decision-making.

VI. Resolutions of the EGMS

The resolutions of the EGMS on 25 April 2016 as stipulated in the Deed of Meeting of PT BFI Finance Indonesia Tbk No.43 dated 25 April 2016 drawn before Aryanti Artisari, S.H., Notary in Jakarta, are as follows:

Resolutions in the First Agenda:

1. Approval to transfer and/ or pledge more than 50% of the Company's assets, in 1 (one) or more transaction(s), whether in relation to one another or separate, for the issuance of bonds, banking facilities, securitization or other form of debts needed for the normal course of business activities, where such transaction is exempted from the regulations of Bapepam-LK No. IX.E.2;
2. Approval to give power and authority to the Company's Board of Directors to perform the above actions, including the issuance of Bonds, Medium Term Notes (MTN) and other type of borrowings, banking facilities, securitization as well as to earn other form of debts from various funding sources needed for the Company's normal course of business activities, with regard to the terms and provisions of the legislation

in force, particularly the Capital Market regulations.

Basis for the Resolutions Reached in the First Agenda:

- Affirmative - 1,302,220,733 (99.87%);
- Abstain - 0 (0%);
- Objection - 1,656,000 (0.13%).

Resolutions in the Second Agenda:

1. To approve the reappointment of Kusmayanto Kadiman as President Commissioner, Johanes Sutrisno, Emmy Yuhassarie, Alfonso Napitupulu respectively as Independent Commissioner as of the conclusion of this Meeting until the conclusion of the General Meeting of Shareholders in 2021;
2. To approve the reappointment of Francis Lay Sioe Ho as President Director and Cornelliuss Henry Kho as Director as of the conclusion of this Meeting until the conclusion of the General Meeting of Shareholders in 2021;
3. To approve the appointment of Sigit Hendra Gunawan as Independent Director of the Company with effective service term since the conclusion of this Meeting until the conclusion of the General Meeting of Shareholders in 2021. Thus the composition of

the Board of Commissioners and Board of Directors since the conclusion this Meeting until the conclusion of the fifth Annual General Meeting of Shareholders since the appointment of each member, are as follows:

BOARD OF COMMISSIONERS

President of Commissioner	Kusmayanto Kadiman
Independent Commissioner	Johanes Sutrisno
Independent Commissioner	Emmy Yuhassarie
Independent Commissioner	Alfonso Napitupulu
Commissioner	Dominic John Picone
Commissioner	Sunata Tjiterosampurno

BOARD OF DIRECTORS

President Director	Francis Lay Sioe Ho
Director	Cornellius Henry Kho
Director	Sudjono
Director	Sutadi
Independent Director	Sigit Hendra Gunawan

4. To give authority to the Board of Commissioners to adjust the total remuneration of 2016 with regard the appointment of Sigit Hendra Gunawan as the member of Board of Director of the Company;
5. To give power and authority to the Company's Board of Directors with the right of substitution to declare the change of members

of the Company's Board of Commissioners in a separate deed before a Notary and manage the notification and registration to the competent authorities, as well as perform all necessary actions in accordance with the legislation in force in relation to the resolutions of the Meeting agenda.

Basis for the Resolutions Reached in the Third Agenda:

- Affirmative - 1,302,220,733 (99.87%);
- Abstain - 0 (0%);
- Objection - 1,656,000 (0.13%).

With respect to the distribution of cash dividend for the fiscal year of 2015, the distribution schedule of cash dividend for the fiscal year of 2015 is as follows:

A. Schedule of Cash Dividend Distribution

Table 76 – SCHEDULE OF CASH DIVIDEND DISTRIBUTION

No.	Description	Date
1	Annual General Meeting of Shareholders	25 April 2016
2	The report of distribution schedule of Cash Dividend to OJK and IDX	26 April 2016
3	Announcement at IDX and notification advertisement in the newspapers with regard the distribution of Cash Dividend	27 April 2016
4	Cum Cash Dividend at the Regular Market and Negotiation	2 May 2016
5	Ex-Cash Dividend at the Regular Market and Negotiation	3 May 2016
6	Cum Cash Dividend at the Cash Market	9 May 2016
7	Ex-Cash Dividend at the Cash Market	10 May 2016
8	Recording date for Cash Dividend	9 May 2016
9	Payment of Cash Dividend	25 May 2016

B. Procedures of Cash Dividend Distribution

1. Payment of Cash Dividend will be conducted to the Shareholders whose names are listed on the Register of the Company's Shareholders dated 9 May 2016, at 16:00 hours West Indonesia Time.
2. As for Shareholders whose shares are registered in the collective custody of Indonesian Central Securities Depository ("KSEI"), the Company will pay Cash Dividend through KSEI to the accounts of KSEI Account Holders and the Company's Shareholders shall receive the payment from the Account Holders.
3. Shareholders who still have their shares in letters (physical form) and wish to have the Cash Dividend payment transferred to their bank accounts, are able to inform their bank's name and address as well as the Shareholders' own account numbers, with copy of ID with the same address used for the Register of Shareholders and copy of Taxpayers Identity Number ("NPWP") by letter with stamp duty of Rp6,000, which must be received on 9 May 2016 at 16:00 hours

West Indonesia Time, addressed to the Company's Registrar ("BAE"):
PT Sirca Datapro Perdana
Jalan Johar No. 18, Menteng,
Jakarta 10340, Phone: (021)
390-0645, 390-5920

4. The payable Cash Dividend will be subject to tax in accordance with the Indonesian tax regulations.
5. As for Shareholders of Domestic Corporate Taxpayers in the form of legal entity that have not delivered the Taxpayers Identification Number ("NPWP"), they are required to deliver the NPWP to KSEI or BAE on 9 May 2016 at the latest, at 16:00 hours West Indonesia Time. In case of NPWP is non-existent, Cash Dividend paid to the Domestic Corporate Taxpayers will be subject to 30% (thirty percent) Income Tax.
6. As for foreign Shareholders who are Foreign Taxpayers, the tax deduction shall be adapted to the Tax Regulations in force. Foreign Taxpayers are required to send/submit their original Domicile Certificate as follows:

- a. Shareholders who still have their shares in letters (physical form) are required to send their original Domicile Certificate to PT Sirca Datapro Perdana.
- b. For Shareholders whose shares are registered in the collective custody of KSEI, they are required to send their Domicile Certificate to KSEI through the participant appointed by each Shareholder.
- c. Original Domicile Certificate must be received by KSEI or BAE on 9 May 2016 at the latest, at 16:00 hours West Indonesia Time or in accordance with the provisions set up by KSEI for shares in collective custody. In case of Domicile Certificate is non-existent, Cash Dividend paid to foreign Shareholders will be subject to 20% (twenty percent) tax deduction.

Realization of the AGMS 2016 and 2015

Table 77 – REALIZATION OF THE AGMS – 25 APRIL 2015

Decision	Realized (Y) Not Realized (N)	Reason for Not Realized
To accept and approve the Company's Annual Report for the financial year ended 31 December 2015, including the Financial Statements and the Supervisory Report from the Company's Board of Commissioners;	Y	-
To accept and ratify the Company's Financial Statements for the financial year ended 31 December 2015 as audited by the Public Accountants "Tanubrata Sutanto Fahmi & Partners" whose Report Number: 062/6.B008/SC.3/12.15 expressed "Unqualified" opinion, thus granting release and discharge (<i>acquit et de charge</i>) to the Company's Board of Directors and the Board of Commissioners in relation to their duties of management and supervision conducted during the financial year of 2014, provided that such actions are reflected in the Company's Financial Statements for the financial year 2015.	Y	-
To distribute as cash dividend of Rp208,- (two hundred and eight rupiah) per share or in total amount of Rp317,467,646,496,- (three hundred and seventeen billion, four hundred sixty-seven million, six hundred and forty-six thousand four hundred and ninety twenty-six rupiah) which is 48.82% (forty-eight point eighty two percent) of the net profit of the Company. Number of final cash dividend to be distributed is Rp70,- (seventy rupiah) per share or Rp106,840,073,340,- (one hundred and six billion, eight hundred and forty million, seventy three thousand three hundred and forty rupiah), after it is calculated by interim cash dividend of Rp138,- (one hundred and thirty eight rupiah) per share which had been distributed to the shareholders on December 16, 2015. The final cash dividend will be distributed to shareholders registered in the Register of shareholders of the Company on May 9, 2016 at 16:00 p.m. and will be paid to the shareholders of the Company on May 25, 2016.	Y	-
To set aside the amount of Rp9,322,000,000 (nine billion three hundred and twenty two million rupiah) as mandatory reserves, pursuant to the Company's articles of association and Law No. 40 Year 2007 on Limited Liability Company.	Y	-
The balance of 2015 net profit will be booked as Retained Earnings to strengthen the Company's capital.	Y	-
To give power and authority to the Board of Directors of the Company with the right of substitution to execute the utilization of net profit as mentioned above, including to set up the schedule and procedures of the distribution of cash dividend to the shareholders of the Company and, in relation to such, to authorize the Board of Directors of the Company to attend and meet the authorities, one way or another without any exception.	Y	-
To authorize the Company's Board of Directors, with the approval of the Board of Commissioners, to appoint a Public Accountant registered with Otoritas Jasa Keuangan to audit the Company's Financial Statements for the financial year ended 31 December 2016 and to authorize the Company's Board of Directors to determine the amount of honorarium and other requirements relating to the appointment of the Public Accountant.	Y	-

Decision	Realized (Y) Not Realized (N)	Reason for Not Realized
To establish the remuneration of the Board of Commissioners at the total amount of Rp237,000,000 (two hundred and thirty seven million rupiah) after tax for 2016 or 3.5% increase from the previous year, and to give tantiem for 2015 amounting to Rp1,840,000,000 (one billion eight-hundred and forty million rupiah).	Y	-
To delegate the authority to the Board of Commissioners in determining the amount for each member of the Board of Commissioners and to adjust the total amount of remuneration in the event of changes in the number of members of the Board of Commissioners in 2016.	Y	-
To approve the provision of power and authority to the Board of Commissioners Meeting in determining the division of duties and authority to each member of the Board of Directors as well as to determine the remuneration for members of the Board of Directors.	Y	-
Realization of proceeds use of Public Offering of Sustainable Bond II of BFI Finance Indonesia Phase II in 2015 after deducting by issuance costs have been used for working capital in accordance with the plan of fund utilization set out in the Prospectus.	Y	-

Table 78 – REALIZATION OF THE EGMS - 25 APRIL 2016

Decision	Realized (Y) Not Realized (N)	Reason for Not Realized
Approval to transfer and/or pledge more than 50% of the Company's assets, in 1 (one) or more transaction(s), whether in relation to one another or separate, for the issuance of bonds, banking facilities, securitization or other form of debts needed for the normal course of business activities, where such transaction is exempted from the regulations of Bapepam-LK No. IX.E.2.	Y	-
Approval to give power and authority to the Company's Board of Directors to perform the above actions, including the issuance of Bonds, Medium Term Notes (MTN) and other type of borrowings, banking facilities, securitization as well as to earn other form of debts from various funding sources needed for the Company's normal course of business activities, with regard to the terms and provisions of the legislation in force, particularly the Capital Market regulations.	Y	-
To approve the reappointment of Kusmayanto Kadiman as President Commissioner, Johannes Sutrisno, Emmy Yuhassarie, Alfonso Napitupulu respectively as Independent Commissioner as of the conclusion of this Meeting until the conclusion of the General Meeting of Shareholders in 2021.	Y	-
To approve the reappointment of Francis Lay Sioe Ho as President Director and Cornelius Henry Kho as Director as of the conclusion of this Meeting until the conclusion of the General Meeting of Shareholders in 2021.	Y	-

Decision	Realized (Y) Not Realized (N)	Reason for Not Realized
To approve the appointment of Sigit Hendra Gunawan as Independent Director of the Company with effective service term since the conclusion of this Meeting until the conclusion of the General Meeting of Shareholders in 2021.		
Thus the composition of the Board of Commissioners and Board of Directors since the conclusion this Meeting until the conclusion of the fifth Annual General Meeting of Shareholders since the appointment of each member, are as follows:		
BOARD OF COMMISSIONERS		
President of Commissioners		
Independent Commissioners		
Independent Commissioners		
Independent Commissioners		
Commissioner		
Commissioner		
BOARD OF DIRECTORS		
President Director		
Director		
Director		
Director		
Independent Director		
To give authority to the Board of Commissioners to adjust the total remuneration of 2016 with regard the appointment of Sigit Hendra Gunawan as the member of Board of Director of the Company.	Y	-
To give power and authority to the Company's Board of Directors with the right of substitution to declare the change of members of the Company's Board of Commissioners in a separate deed before a Notary and manage the notification and registration to the competent authorities, as well as perform all necessary actions in accordance with the legislation in force in relation to the resolutions of the Meeting agenda.	Y	-

Table 79 – REALIZATION OF THE AGMS – 15 APRIL 2015

Decision	Realized (Y) Not Realized (N)	Reason for Not Realized
To accept and approve the Company's Annual Report for the financial year ended 31 December 2014, including the Financial Statements and the Supervisory Report from the Company's Board of Commissioners.	Y	-
To accept and ratify the Company's Financial Statements for the financial year ended 31 December 2014 as audited by the Public Accountants "Tanubrata Sutanto Fahmi & Partners" whose Report Number: 071/5-B008/SC-2/12.14 expressed "Unqualified" opinion, thus granting release and discharge (<i>acquit et de charge</i>) to the Company's Board of Directors and the Board of Commissioners in relation to their duties of management and supervision conducted during the financial year of 2014, provided that such actions are reflected in the Company's Financial Statements for the financial year 2014.	Y	-

Decision	Realized (Y) Not Realized (N)	Reason for Not Realized
To distribute cash dividend of Rp192 (one hundred and ninety-two rupiah) per share or with the total amount of Rp297,587,435,904 (two hundred and ninety-seven billion five hundred and eighty-seven million four hundred and thirty-five thousand nine hundred two rupiah) representing 49.8% (forty-nine point eight percent) of the Company's net profit, after having calculated by the dividend cash interim of Rp138 (one hundred and thirty-eight rupiah) per share or with the total amount of Rp213,890,969,556 (two hundred and thirteen billion eight hundred and ninety million nine hundred and sixty-nine thousand five hundred and fifty-six rupiah) previously distributed to the Shareholders on 15 January 2015, and the balance of Rp83,696,466,348 (eighty-three billion six hundred and ninety-six million four hundred and sixty-six thousand three hundred and forty-eight rupiah) or Rp54 (fifty-four rupiah) per share will be distributed to the Company's shareholders registered in the Company's Register of Shareholders as of 27 April 2015 at 16:00 hours West Indonesia Time and will be payable to the Company's shareholders on 15 May 2015.	Y	-
To set aside the amount of Rp7,374,000,000 (seven billion three hundred and seventy-four million rupiah) as mandatory reserves, pursuant to the Company's articles of association and Law No. 40 Year 2007 on Limited Liability Company.	Y	-
The balance of 2014 net profit will be booked as Retained Earnings to strengthen the Company's capital.	Y	-
To give power and authority to the Board of Directors of the Company with the right of substitution to execute the utilization of net profit as mentioned above, including to set up the schedule and procedures of the distribution of cash dividend to the shareholders of the Company and, in relation to such, to authorize the Board of Directors of the Company to attend and meet the authorities, one way or another without any exception.	Y	-
To authorize the Company's Board of Directors, with the approval of the Board of Commissioners, to appoint a Public Accountant registered with Otoritas Jasa Keuangan to audit the Company's Financial Statements for the financial year ended 31 December 2015 and to authorize the Company's Board of Directors to determine the amount of honorarium and other requirements relating to the appointment of the Public Accountant.	Y	-
To establish the remuneration of the Board of Commissioners as follows: <ul style="list-style-type: none"> • the total amount of Rp228,790,000 (two hundred and twenty-eight million seven hundred and ninety thousand rupiah) after tax for 2015 or 4.2% increase from the previous year; • to give tantiem for 2014 amounting to Rp1,735,000,000 (one billion seven hundred and thirty-five million rupiah); • to delegate the authority to the Board of Commissioners in determining the amount for each member of the Board of Commissioners and to adjust the total amount of remuneration in the event of changes in the number of members of the Board of Commissioners in 2015. 	Y	-
To approve the provision of power and authority to the Board of Commissioners Meeting in determining the division of duties and authority to each member of the Board of Directors as well as to determine the remuneration for members of the Board of Directors.	Y	-

Table 80 – REALIZATION OF THE EGMS – 15 APRIL 2015

Decision	Realized (Y) Not Realized (N)	Reason for Not Realized
Approval to transfer and/or pledge more than 50% of the Company's assets, in 1 (one) or more transaction(s), whether in relation to one another or separate, for the issuance of bonds, banking facilities, securitization or other form of debts needed for the normal course of business activities, where such transaction is exempted from the regulations of Bapepam-LK No. IX.E.2.	Y	-
Approval to give power and authority to the Company's Board of Directors to perform the above actions, including the issuance of Bonds, Medium Term Notes (MTN) and other type of borrowings, banking facilities, securitization as well as to earn other form of debts from various funding sources needed for the Company's normal course of business activities, with regard to the terms and provisions of the legislation in force, particularly the Capital Market regulations.	Y	-
To approve the following: 1. The amendment of the Company's articles of association to be adjusted with the regulations of Otoritas Jasa Keuangan as well as other related regulations in which the material have been distributed to the shareholders in the Meeting. 2. To rewrite the whole content of the Company's articles of association in a Notarial Deed.	Y	-
To give the power and authority to the Company's Board of Directors with the right of substitution to proclaim or rewrite in a Notarial Deed (including to amend and/or add) with regard the amendment of the Company's articles of association, to convey approval request and notify the competent authorities, and therefore, are also entitled to sign letters and other documents, to put it briefly, to perform all necessary actions in accordance with the provisions in the Company's articles of association as well as the legislation in force.	Y	-

Decision	Realized (Y) Not Realized (N)	Reason for Not Realized
<p>To approve the appointment of Dominic John Picone and Sunata Tjiterosampurno each as the member of the Company's Board of Commissioners with the effective term of office starting from the date of approval of the fit and proper test as members of the Company's Board of Commissioners from Otoritas Jasa Keuangan until the closure of the AGMS in 202.</p> <p>Thus, the composition of the Company's Board of Commissioners as of the closure of this Meeting until the closure of the 5th (fifth) AGMS since the appointment of each member are as follows:</p> <p>The Board of Commissioners President Commissioner : Kusmayanto Kadiman Commissioner (Independent) : Johannes Sutrisno Commissioner (Independent) : Alfonso Napitupulu Commissioner (Independent) : Emmy Yuhassarie Commissioner : Dominic John Picone Commissioner : Sunata Tjiterosampurno</p>	Y	-
<p>To give authority to the Board of Commissioners Meeting to adjust the total remuneration of 2015 previously decided in the AGMS held today with regard the appointment of Dominic John Picone and Sunata Tjiterosampurno as members of the Company's Board of Commissioners.</p>	Y	-
<p>To give power and authority to the Company's Board of Directors with the right of substitution to declare the change of members of the Company's Board of Commissioners in a separate deed before a Notary and manage the notification and registration to the competent authorities, as well as perform all necessary actions in accordance with the legislation in force in relation to the resolutions of the Meeting agenda.</p>	Y	-
<p>To approve the Company's plan to conduct the Company's stock buyback with maximum 10% of the Company's current total outstanding shares in accordance with the legislation in force in Capital Market.</p>	Y	-
<p>To give power and authority to the Company's Board of Directors with the right of substitution to implement the plan of the Company's stock buyback, including to determine the price, schedule and procedures of such implementation with regard to the legislation in force in Capital Market field.</p>	Y	-
<p>To give authority to the Company's Board of Directors to declare and meet the authorities in relation to the implementation of the Company's stock buyback, one way or another without any exception.</p>	Y	-

Table 81 – REALIZATION OF THE EGMS – 8 SEPTEMBER 2015

Decision	Realized (Y) Not Realized (N)	Reason for Not Realized
To accept and ratify the resignation of Harry Jesus Rodriguez Palmer from his position as the Company's Director.	Y	-
To confirm the composition of the Company's Board of Directors and Board of Commissioners as of the closing of this Meeting until the closing of the 5 th (fifth) Annual General Meeting of Shareholders since the appointment of each to be as follows:		
Board of Directors		
President Director - Independent : Francis Lay Sioe Ho		
Director - Independent : Cornelius Henry Kho		
Director - Independent : Sudjono	Y	-
Director - Independent : Sutadi		
Board of Commissioners		
President Commissioner : Kusmayanto Kadiman		
Commissioner - Independent : Johannes Sutrisno		
Commissioner - Independent : Alfonso Napitupulu		
Commissioner - Independent : Emmy Yuhassarie		
Commissioner : Dominic John Picone		
Commissioner : Sunata Tjiterosampurno		
To give power and authority to the Company's Board of Directors with the substitution right to declare the change of members of the Company's Board of Directors and Board of Commissioners in a separate Notarial Deed and to take care of the notification as well as the registration to the authorized agency, and to conduct all necessary actions in accordance with the legislation in force with regard the resolutions of the Meeting.	Y	-
To extend the term of authority for the Company's Board of Commissioners to increase the issued and fully paid-up capital due to the issuance of shares resulting from the implementation of Option Right in the Management Employee Stock Options Program (MESOP) for the period of 1 (one) year from the date of this Meeting, due to the issuance of shares resulting from the implementation of MESOP Program in Phase II for the period until 30 June 2016.	Y	-

Regulations regarding Board of Directors and Board of Commissioners refer to OJK Regulation No. 33/POJK.04/2014 on the Board of Directors and the Board of Commissioners of the Issuer or Public Company ("POJK No. 33") applicable on 8 December

2014 and each of the Issuer or a Public Company is given time to comply with the provisions of this OJK Regulation no later than 1 (one) year from POJK 33 promulgation. Compliance with POJK 33 have been implemented starting in 2015.

BOARD OF COMMISSIONERS

MAIN TASKS

The Board of Commissioners is the company body whose function is to supervise the appropriate articles of association and to provide advice to the Board of Directors in carrying out the management of the Company. The Board of Commissioners also has a duty to monitor the effectiveness of the Company's implemented corporate governance practices.

There are two levels of oversight function of the Board of Commissioners:

1. Performance Level, where the Board of Commissioners monitors and advises the Board of Directors as well as delivers the agenda of the GMS
2. Conformance Level, in the form of monitoring activities at a later stage to ensure compliance with the provisions of the applicable legislations and the articles of association.

Supervision is conducted by the Board of Commissioners for the Company's management policies and to advise the Board of Directors in good faith, with responsibility and prudence.

In exercising supervision:

- The Board of Commissioners acts as the Board and can not act alone but by collective decisions of all members of the Board of Commissioners.
 - The Board of Commissioners is not allowed to implement executive tasks, which are the authority of the Board of Directors, except in certain circumstances for a certain period of time, based on the articles of association or decision of the GMS.
 - Monitoring is conducted on the decisions that have been taken (ex-post facto) and/or decisions to be taken (preventive basis).
 - Monitoring is conducted not only by receiving information from the Board of Directors or the GMS, but can also be conducted by taking other actions according to accurate and reliable information from other sources, where the action is conducted collectively.
- Monitoring is not conducted merely by approving or disapproving of the acts that require the approval of the Board of Commissioners, but the supervision is conducted by covering all business and corporate aspects of the company.
 - The Board of Commissioners shall ensure that the Company's Annual Report includes information about the identity of the members of the Board of Commissioners, its main tasks, membership by the Board of Commissioners in other companies, membership by the Board of Commissioners in the Company's Committees and Committees in other companies, including meetings conducted in one financial year (Board of Commissioners meeting and joint meetings with the Board of Directors), and the total honorarium received from the Company as well as other information as stipulated in the applicable legislation.
 - The Board of Commissioners shall ensure that the Board of Directors have followed up on audit findings and recommendations of the Company's internal audit unit, external audit, and the results of OJK and/or other authorities supervision.

BOARD OF COMMISSIONERS' APPOINTMENT AND DISMISSAL PROCEDURES

Based on the articles of association, as last amended by Amendment to the articles of association No.10 Dated 20 June 2016, which was made before Aulia Taufani, SH, Notary in Tangerang regarding Notification of articles of association Amendment, which was received and recorded in the administration database system of the Ministry of Laws and Human Rights of the Republic of Indonesia Number: AHU-AH.01.03-0061069, the members of the Board of Commissioners are appointed by the GMS for a period of five years, without prejudice to the right of the GMS to dismiss at any time before the tenure expires, if the Board of Commissioners' members are judged to be able to carry out their duties as stipulated in the articles of association and/or the decisions of the GMS.

Discharges are applicable after the close of the meeting, unless otherwise determined by the GMS. After the term of office ends, the Board of Commissioners may be reappointed by the GMS. Prior to their appointment as members of the Board of Commissioners, candidates are required to meet the requirements set by OJK Regulation No. 4/POJK.05/2013 12 November 2013 regarding the Fit and Proper Test for key personnel in Insurance Companies, Pension Funds, Financial Services,

and Insurance Companies in conjunction with POJK No. 27/POJK.03/2016 dated 22 July 2016 on Fit and Proper Test for Key Parties in Financial Services Institutions. Candidates are required to pass the fit and proper test conducted by the fit and proper test teams formed by OJK. If a candidate for the Board of Commissioners has previously passed the fit and proper test before OJK entry regulations came into force, and is still serving or has been hired by the Company at the time OJK entry regulations came into force, the results of the fit and proper test that is owned by the member of the Board of Commissioners will be declared valid.

All members of the Board of Commissioners now have to comply with applicable regulations. If the term of office of members of the Board of Commissioners has finished, a member of the Board of Commissioners may be reappointed, depending on a performance assessment overseen by the Nomination and Remuneration Committee. After assessment, the Nomination and Remuneration Committee will make a recommendation if the Committee authorizing the Board of Commissioners to reappoint those members whose tenure has finished. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Commissioners will propose the reappointment of the members of the Board of Commissioners at the GMS.

BOARD OF COMMISSIONERS' MEMBERS REQUIREMENT CRITERIA

Those who may be appointed as members of the Board of Commissioners are those who meet the requirements as specified by the applicable legislations in the capital market, and that upon appointment and during their tenure:

1. Have a good character, morals, and integrity;
2. Are legally competent;
3. Within five years prior to appointment and during their tenure:
 - a. Not been declared bankrupt;
 - b. Have never been members of a Board of Directors and/or members of a Board of Commissioners that has been found guilty for causing a company to go bankrupt;
 - c. Have never been convicted of a criminal offense that is detrimental to the country's financial sector and/or related to the financial sector; and
 - d. Have never been members of a Board of Directors and/or members of a Board of Commissioners that during their tenure:
 - Have never held an AGMS;
 - Have been members of a Board of Directors and/or members of a Board of Commissioners whose accountability were not accepted by the GMS or have not

provided accountability as members of a Board of Directors and/or members of a Board of Commissioners to the GMS; and

- Have never caused a company that obtained a license, approval, or registration of OJK to not fulfill the obligation to submit annual reports and/or financial reports to OJK;
 - e. Commitment to comply with the legislation; and
 - f. Have the required knowledge and/or expertise in the Company field.
4. An additional criteria for the Commissioner who is also an Independent Commissioner, is outlined in the section of Information on the Independent Commissioner in this chapter.

BOARD OF COMMISSIONERS' MEMBERS NUMBER, COMPOSITION AND PROFILE

Board of Commissioners' Members Number and Composition

The minimum number of the Board of Commissioners' members consists of two persons, and one of whom is appointed as President Commissioner. The Board of Commissioners consists of Commissioners and Independent Commissioners. If the Board of Commissioners has more than two members of the Board of Commissioners, the number of Independent

Commissioners should be at least 30% (thirty percent) or one-third of the total members of the Board of Commissioners.

Based on the Company's Minutes of EGMS which was notarized by Deed No.43 dated 25 April 2016 in conjunction with the Deed No.44 dated 25 April 2016 prepared before Aulia Taufani, S.H., Notary in Tangerang, which has been accepted and recorded by the Ministry of Law and Human Rights of the Republic of Indonesia in Decree No. AHU.AH.01.03-0045172 dated 28 April 2016, the Board of Commissioners' composition was as in table 85.

Board of Commissioners' Members Profile

Profiles of each member of the Board of Commissioners are presented in the Company Profile Chapter of this Integrated Annual Report (page 56-60).

BOARD OF COMMISSIONERS' GUIDELINES AND WORK RULES

In carrying out its duties and responsibilities, the Board of Commissioners refers to its guidelines and work rules prescribed in The Board of Commissioners and the Board of Directors' Manual of PT BFI Finance Indonesia Tbk, which was issued on 1 December 2015 and prepared with the following objectives:

1. As a reference and/or guidelines for the Board of Commissioners and the Board of Directors in performing the duties and functions as

the respective organs of the Company;

2. To improve the quality and effectiveness of the working relationship between the Board of Commissioners and the Board of Directors; and
3. To apply the principles of GCG.

The Manual are compiled based on the principles of Company law, the legislations in force, and the Company's articles of association governing the working procedures of the Board of Commissioners and the Board of Directors.

The Manual are the result of codification of the various regulations applicable to the Company and best practices in the application of GCG principles.

The purpose of the Manual is to provide guidance to the Board of Commissioners and the Board of Directors in implementing regulations related to their duties and functions.

Related to the Board of Commissioners, the Manual are as follows:

1. Function of the Board of Commissioners
2. Membership of the Board of Commissioners
3. General Monitoring Guidelines the Board of Commissioners
4. Ethics of Position of the Board of Commissioners
5. Duties and Authorities of the Board of Commissioners
6. The Rights of the Board of Commissioners
7. Meetings of the Board of Commissioners
8. Performance Evaluation of the Board of Commissioners

Table 82 – COMPOSITION OF THE BOARD OF COMMISSIONERS AS OF 31 DECEMBER 2016

No.	Name	Position	Country of Residence	Date of Appointment	End of Term	Number and Date of the Decree of the Fit and Proper Test*
1	Kusmayanto Kadiman	President Commissioner	Indonesia	Deed of the EGMS Minutes No. 43 dated 25 April 2016	2021 GMS	Decision of Bapepam-LK Chairman Number: KEP-473/BL/2011 dated 11 August 2011
2	Johanes Sutrisno	Commissioner (Independent)	Indonesia	Deed of the EGMS Minutes No. 43 dated 25 April 2016	2021 GMS	Decision of the Board of Commissioners of Otoritas Jasa Keuangan No. KEP-2020/NB.1/2014 dated 4 August 2014
3	Alfonso Napitupulu	Commissioner (Independent)	Indonesia	Deed of the EGMS Minutes No. 43 dated 25 April 2016	2021 GMS	Decision of the Board of Commissioners of Otoritas Jasa Keuangan No. KEP-2019/NB.1/2014 dated 4 August 2014
4	Emmy Yuhassarie	Commissioner (Independent)	Indonesia	Deed of the EGMS Minutes No. 43 dated 25 April 2016	2021 GMS	Decision of Bapepam-LK Chairman Number: KEP-474/BL/2011 dated 11 August 2011
5	Dominic John Picone	Commissioner	Singapore	Deed of the EGMS Minutes No. 44 dated 15 April 2015	2020 GMS	Decision of the Board of Commissioners of Otoritas Jasa Keuangan No. Kep-283-NB.11-2015 dated 1 June 2015
6	Sunata Tjiterosampurno	Commissioner	Indonesia	Deed of the EGMS Minutes No. 44 dated 15 April 2015	2020 GMS	Decision of the Board of Commissioners of Otoritas Jasa Keuangan No. Kep-282-NB.11-2015 dated 1 June 2015

* The appraisal results of the Fit and Proper Test apply for five years from the date set by OJK

9. Supporting Body the Board of Commissioners
10. Working Relationships between the Board of Commissioners and the Board of Directors

Positional Ethics of the Board of Commissioners

1. Ethics related to Exemplary

- a. The Board of Commissioners encourages ethical behavior and upholds the ethical standards of the Company, one way by making themselves exemplary to the Board of Directors and the employees of the Company.
- b. The Board of Commissioners meets the requirements of ability and integrity so that the implementation of the

functions of monitoring and providing advice to the Board of Directors for the benefit of the Company can be performed well.

- c. Carry out tasks with trustworthiness, dedication, and fairness as the highest values, i.e. honest in expressing their opinions, either verbally or in writing, as well as in attitude and action.
- d. Toleration in attitude and action, mannered in expression, both orally and in writing.
- e. Respectful of the decisions of the GMS.
- f. Orientated to provide added value to the Company.
- g. Constantly improving their knowledge and

understanding of the issues related to monitoring and providing advice to the Board of Directors in the management of the Company.

- h. Taking the attitudes, expressions, and acts as a person, clearly and decisively in the interests of the Company. Taking the attitudes, opinions and actions based on the element of objectivity, professionalism and independence on behalf of the Company balanced with the interests of stakeholders.
- i. Performing their duties and obligations putting the Company's interests above personal interests.

2. Ethics related to Legislations Compliance

The Board of Commissioners must comply with applicable legislations, the articles of association, and the revised GCG Code and Company policies that have been set.

3. Ethics related to Corporate Opportunities

During their tenure, the Board of Commissioners is not allowed to:

- a. Use the Company for the benefit of themselves, their family, their business groups and/or other parties that may harm or reduce the profits of the Company;
- b. Use the Company's assets, the Company's information or their position as a Member of the Board of Commissioners for personal or others interests, contrary to the provisions of legislation and Company policies.

4. Ethics related to Information Disclosure and Confidentiality

The Board of Commissioners may only disclose information in accordance with the provisions of the applicable legislations and always keep confidential company information entrusted to them under the provisions of the applicable legislations and Company policies.

5. Ethics related to Conflict of Interest

The definition of conflict of interest is a specific condition whereby the interests of Members of the Board of Commissioners are in conflict with the interests of the Company to make a profit, increase the value, to achieve the vision and mission as well as the direction of the GMS, which will ultimately harm the company. On this matter, Members of the Board of Commissioners should always:

- a. Avoid conflicts of interest;
- b. Complete the Special Register which contains theirs and or family share ownership in other companies, including that no shares are owned of the Company, as well as update each year end and notify the Company if there are changes to the data, in accordance with applicable legislations;
- c. Not to make use of their office for personal benefits or for the benefit of other persons or parties that are contrary to the interests of the Company;
- d. Avoid any activities that may affect independence in performing their tasks;
- e. Make a disclosure in the event of conflicts of interest, and the Member(s) of the Board of Commissioners in question should not be involved in company decision-making processes relating thereto;

- f. Do not respond to the request of any parties for any reason, for requests directly from certain parties related to the solicitation of funds, including those relating to procurement of goods and services from the Company; and
- g. Comply with the applicable legislations, including not engaging in insider trading for personal gain.

6. Ethics related to Personal Gain

The Board of Commissioners is prohibited from taking personal advantages of the Company's activities, apart from salaries and facilities accepted as members of the Board of Commissioners, which are determined by the shareholders.

7. Business Ethics and Anti-Corruption

- a. The Board of Commissioners will not receive, directly or indirectly, anything of value from another party that could result in impartiality or influence a business decision.
- b. Any rewards, gifts and donations received by the Members of the Board of Commissioners shall be reported to the Board of Commissioners.
- c. The Members of the Board of Commissioners are not allowed to give gifts and other forms of present to parties who could influence the decision-making process.

BOARD OF COMMISSIONERS' DUTIES AND RESPONSIBILITIES

In general, the Board of Commissioners is responsible for the following aspects:

1. Evaluate and approve the overall business strategy, annual budgets, risk management policies, as well as other Board of Directors' actions that require the approval of the Board of Commissioners as stipulated in the articles of association of the Company;
2. Ensure that decisions and capital expenditures take into account the long-term strategic goals of the Company;
3. In performing their duties, the Board of Commissioners is not allowed to intervene in making decisions on operations, except on credit approval that is under the authority of the Board of Directors;
4. Ensure that the Company maintains financial integrity according to business plans that have been approved by the Board of Commissioners and the decisions at the GMS; and
5. Ensure the good implementation of GCG in all activities of the Company at all levels and in any partnerships is in accordance with the GCG guidelines and code of conduct.

Detail of the duties and responsibilities for each Commissioner and Independent Commissioner are as follows:

1. President Commissioner:
 - Reviewing comprehensively the implementation of good corporate governance;
 - Reviewing macro-economy and financial issues;
 - Communicating with controlling shareholders related to issues involving shareholders; and
 - Presiding over the meetings of the Board of Commissioners and joint meetings with the Board of Directors.
2. Independent Commissioner:
 - Supervising and providing advice on the implementation of GCG;
 - Reviewing and submitting recommendations on any proposals from the Board of Directors that require approval from the Board of Commissioners and the Audit Committee;
 - Providing advice on legal issues;
 - Providing advice on legislations; and
 - Maintaining good relations with the regulators.
3. Commissioner:
 - Supervising the management policies of the Company;

- Advising the Board of Directors in good faith, full of responsibility and prudence; and
- Monitoring the decisions that already exist or that has not been taken by the Board of Directors of the Company.

BOARD OF COMMISSIONERS' RIGHTS

Generally, the Board of Commissioners has the following rights:

1. To have access to company information in a timely, complete and transparent manner;
2. To obtain explanations from the Board of Directors and/or Members of the Board of Directors about all things requested by the Members of the Board of Commissioners;
3. To temporarily terminate the Board of Directors in accordance with the articles of association;
4. To establish an Audit Committee and other committees (if deemed necessary) to address the needs and ability of the Company;
5. To use experts in carrying out duties for a certain period at the expense of the Company, if necessary;

6. To attend Board of Directors meetings and comment on matters discussed;
7. To receive compensation and benefits/facilities including compensation for after office activities for an amount determined by the GMS in accordance with the provisions of applicable legislations; and
8. To acquire Company tools and facilities as determined by the GMS tailored to meet the Company's financial condition, based on merit and fairness and not in conflict with applicable legislations.

BOARD OF COMMISSIONERS' COMPOSITION DIVERSITY

The composition of the Company's Board of Commissioners reflects the diversity of its members, both in terms of education, work experience, age, and skills. Each member of the Board of Commissioners is highly competent with regards to increasing the Company's performance.

BOARD OF COMMISSIONERS' INDEPENDENCE

Members of BFI's Board of Commissioners have no financial and family relationships to the second degree with fellow members of the Board of Commissioners, members of the Board of Directors, and/or controlling shareholders, or relationships with the Company, except Kusmayanto Kadiman (President Commissioner), Dominic John Picone (Commissioner) and Sunata Tjiterosampurno (Commissioner) who have financial relationships with the controlling shareholder.

Table 83 – BOARD OF COMMISSIONERS' COMPOSITION DIVERSITY

No.	Name	Position	Competency
1.	Kusmayanto Kadiman	President Commissioner	<ul style="list-style-type: none"> • Education: Doctor of Philosophy and Bachelor of Engineering Physics • Work experience: President Commissioner, Vice President Commissioner, Commissioner, Director, Rector of Institut Teknologi Bandung ("ITB"), Minister of Research and Technology of the Republic of Indonesia • Age: 62 years
2.	Johanes Sutrisno	Independent Commissioner	<ul style="list-style-type: none"> • Education: Master of Business Administration (M.B.A.) and Bachelor of Economics and management • Work experience: President Commissioner, Commissioner, Director, Audit Committee, Risk Management Committee • Age: 65 years
3.	Alfonso Napitupulu	Independent Commissioner	<ul style="list-style-type: none"> • Education: Bachelor of Law • Work experience: Lawyer, Legal Consultant, Commissioner, Independent Commissioner, President Director • Age: 66 years
4.	Emmy Yuhassarie	Independent Commissioner	<ul style="list-style-type: none"> • Education: Master of Law and Bachelor of Law • Work experience: Legal Consultant, Lecturer, Commissioner, Independent Commissioner, Risk Management Committee, Audit Committee • Age: 66 years
5.	Dominic John Picone	Commissioner	<ul style="list-style-type: none"> • Education: Bachelor's Degree in Laws and Bachelor of Commerce (Honours-Finance) • Work experience: various positions in the area of consumer finance, Investment Banking, Investment Services, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Commissioner, Managing Director, Head of Financial Services • Age: 38 years
6.	Sunata Tjiterosampurno	Commissioner	<ul style="list-style-type: none"> • Education: Master of Finance and Bachelor of Business Administration • Work experience: Consultant, Director, Managing Director, Commissioner, President Commissioner, Audit Committee, Risk Management Committee • Age: 44 years

The independence of the Board of Commissioners is shown in the table of financial relations and family relations as in Table 86.

INDEPENDENT COMMISSIONERS INFORMATION

Independent Commissioners encourage the creation of a working environment that is objective, placing fairness and equality among various interests, including the interests of minority shareholders and other stakeholders. Independent Commissioner should free of conflicts of interest.

Independent Commissioner Requirements

Independent Commissioners, based on OJK Regulation No. 33/POJK.04/2014, are member of the Board of Commissioners from outside the Issuer or Public Company who meet the requirements as Commissioner. In the event that the Board of Commissioners consists of two members, one must be an Independent Commissioner.

In addition to satisfying the requirement provisions as a member of the Board of Commissioners, the Independent Commissioner should meet the following requirements.

- Not be a person previously employed or having authority and responsibility for planning, directing, controlling, or supervising the activities of the Company within six months, except for reappointment as an Independent Commissioner of the Company in subsequent periods;
- Does not own shares; either directly or indirectly; in the Company;
- Is not affiliated with the Company, the Board of Commissioners, members of the Board of Directors or major shareholders of the Company; and
- Does not have a business relationship; either directly or indirectly; relating to the Company's business activities.
- Independent Commissioners who have served for two periods of tenure may be reappointed for the next period providing the Independent Commissioners declares to remain independent to the GMS.

The Statement of the independence of the Independent Commissioner as referred to in paragraph (1) shall be disclosed in the annual report.

Table 84 – SHARE OWNERSHIP OF THE BOARD OF COMMISSIONERS AMOUNTED TO 5% OR MORE FROM THE PAID-UP CAPITAL

Name	Position	BFI	Other Company
Kusmayanto Kadiman	President Commissioner	None	None
Johanes Sutrisno	Independent Commissioner	None	None
Alfonso Napitupulu	Independent Commissioner	None	None
Emmy Yuhassarie	Independent Commissioner	None	None
Dominic John Picone	Commissioner	None	None
Sunata Tjiterosampurno	Commissioner	None	None

In the case of Independent Commissioners serving on the Audit Committee, the Independent Commissioners concerned can only be reappointed for one period of further office of the Audit Committee.

Based on the guidelines of the Board of Commissioners and the Board of Directors, former members of the Board of Directors or executive officers of the Company or parties who have a relationship with the Company, which may affect their ability to act independently, can not be Independent Commissioners of the Company, before undergoing a waiting (cooling off) period of one year.

Number of Independent Commissioners

To support the implementation of the Company's GCG, the shareholders at the GMS appoint

the Independent Commissioners and set out the requirements, based on legislation, to carry out the task of supervision of the Company. The composition of the Board of Commissioners as of 31 December 2016 amounted to six members of which three were Independent Commissioners, which means 50% of the Commissioners, had met the requirements of OJK.

Independent Commissioners' Statement of Independence

With reference to Article 25 of OJK Regulation No. 33/POJK.04/2014 regarding the Board of Directors and Board of Commissioners of Issuers or Public Companies ("POJK 33") dated 8 December 2014, each of the Company's Independent Commissioners, namely: Johannes Sutrisno,

Alfonso Napitupulu and Emmy Yuhassarie, have met the criteria as Independent Commissioners by which each has no financial, relationship management, share ownership and/or family relationship with members of the Board of Commissioners, Board of Directors and/or Controlling Shareholders or relationships with the Company, which may affect their ability to act independently as stipulated in the implementation of GCG for finance companies.

CONCURRENT POSITIONS OF MEMBERS OF THE BOARD OF COMMISSIONERS

Information regarding concurrent positions held by BFI's Board of Commissioners is shown in the table below:

Table 85 – CONCURRENT POSITIONS OF MEMBERS OF THE BOARD OF COMMISSIONERS

No.	Name	Position	Position Outside the Company
1.	Kusmayanto Kadiman	President Commissioner	<ul style="list-style-type: none"> Deputy President Commissioner of PT Adaro Power Commissioner of PT Tamaris Hidro President Commissioner of PT iForte Solusi Infotek President Commissioner of PT Setiabudi Investment Management
2.	Johanes Sutrisno	Commissioner (Independent)	<ul style="list-style-type: none"> Audit Committee of PT Bentoel Internasional Investama Tbk (until March 2016)
3.	Alfonso Napitupulu	Commissioner (Independent)	<ul style="list-style-type: none"> Managing Partner at Alfonso Napitupulu & Partners Law Office Chief Director of PT Nana Mandiri Dwikarya Independent Commissioner of PT Asuransi Bringin Sejahtera Artamakmur (BRINS General Insurance) Chief Commissioner of PT Kredit Biro Indonesia Jaya (KBIJ) Expert Staff of Statutory Management of AJB Bumiputera 1912
4.	Emmy Yuhassarie	Commissioner (Independent)	<ul style="list-style-type: none"> Commissioner of PT Indonesia Asahan Aluminium/INALUM (Persero)
5.	Dominic John Picone	Commissioner	<ul style="list-style-type: none"> Managing Director and Head of Financial Services (Asia, excl. India) of TPG Capital (S) Pte. Ltd., Singapore
6.	Sunata Tjiterosampurno	Commissioner	<ul style="list-style-type: none"> Managing Director of Northstar Advisors Pte. Ltd. President Commissioner of PT Bukit Makmur Mandiri Utama Commissioner of PT Delta Dunia Makmur Tbk Commissioner of PT Trimegah Sekuritas Indonesia Tbk Commissioner of PT Multi Adiprakarsa Manunggal

Table 86 – BOARD OF COMMISSIONERS' INDEPENDENCE

Name	Financial Relationship with						Family Relationship with					
	Commissioners		Directors		Controlling Shareholders		Commissioners		Directors		Controlling Shareholders	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Kusmayanto Kadiman	-	√	-	√	√	-	-	√	-	√	-	√
Johanes Sutrisno	-	√	-	√	-	√	-	√	-	√	-	√
Alfonso Napitupulu	-	√	-	√	-	√	-	√	-	√	-	√
Emmy Yuhassarie	-	√	-	√	-	√	-	√	-	√	-	√
Dominic John Picone	-	√	-	√	√	-	-	√	-	√	-	√
Sunata Tjiterosampurno	-	√	-	√	√	-	-	√	-	√	-	√

Based on Article 24 POJK 33, members of the Board of Commissioners may hold concurrent positions as members of the Board of Directors at no more than two other issuers or other public companies, and members of the Board of Commissioners at two issuers or other public companies at most. In the case of none of the members of the Board of Commissioners holds a position as a member of the Board of Directors, members of the Board of Commissioners concerned may hold concurrent positions as members of the Board of Commissioners at no more than four issuers or other public companies. Members of the Board of Commissioners may serve as a member of at most five committees of public companies and also serve as a member of the Board of Directors or the Board of Commissioners.

Based on Article 18 OJK Regulation No. 30/POJK.05/2014 regarding Good Corporate Governance for Financing Companies ("POJK 30"), members of the Board of Commissioners are prohibited from concurrent positions as members

of the Board of Commissioners in more than three other companies. This excludes dual positions as referred to in paragraph (4) if the non-independent members of the Board of Commissioners running the functional tasks of the Company's shareholders, which are legal entities in the business group; and/or members of the Board of Commissioners holding positions at non-profit organizations or agencies, ensuring those concerned do not neglect their duties and responsibilities as a member of the Board of Commissioners.

Based on these explanations, all six members of BFI's Board of Commissioners have complied with the provisions of POJK 30 and POJK 33.

BOARD OF COMMISSIONERS' MEETING AND JOINT MEETING OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS

Board of Commissioners' Meeting Policy

The Board of Commissioners shall meet at least once every two months if attended by a majority or two thirds of the Board of Commissioners.

The Board of Commissioners also holds joint meeting regularly with the Board of Directors, and if required, Board of Commissioners Meeting will be held after the joint meeting, if it is considered necessary by one member of the Board of Commissioners by written request of one or more members of the Board of Directors or if requested by one or more shareholders who together own one tenth of the total shares issued by the Company with valid voting rights.

Board of Commissioners Meeting decisions are made based on a joint decision, if the decision is not reached by consensus, then decisions will be made by way of voting by more than half of the members of the Board of Commissioners present in the meeting. Each member of the Board of Commissioners who has a conflict of interest in decisions made should not vote on a decision to be made regarding it.

The Board of Commissioners also can make valid and binding decisions without convening an authorized meeting of the Board of Commissioners, provided that all the members of the Board of Commissioners have approved the proposal and signed the relevant documents. Decisions made in this way have the same power as decisions made legitimately in the official meetings of the Board of Commissioners.

Taking Minutes of the Board of Commissioners Meeting

In each meeting of the Board of Commissioners, Minutes of Meeting should be taken, which contains matters discussed, including statements of disapproval/dissenting opinion from members of the Board of Commissioners (if any) and decisions made.

The minutes of meeting should be signed by the Chairman of the Meeting and members of the Board of Commissioners present at the meeting.

Implementation of 2016 Board of Commissioners Meeting

Throughout 2016, the Board of Commissioners held 11 meetings.

The dates of the meetings and the attendance of the Board of Commissioners in the meetings were as follows:

1. Board Of Commissioners' Meeting
Based on POJK 30 Article 30 paragraph (2), Directors shall attend the Board of Directors meetings of at least 75% of the number of the Board of Commissioners' Meetings in a one-year period.
2. Joint Meeting Of The Board Of Commissioners And The Board Of Directors

In carrying out the functions of monitoring and providing advice to the Board of Directors, the Board of Commissioners hold joint meetings together with the Board of Directors to discuss the implementation of decisions made in the previous meeting, financial performance, risk management and other matters that may affect the financial performance and operations of the Company.

BOARD OF COMMISSIONERS' DUTIES EXECUTION

In 2016, the Board of Commissioners carried out various activities including, among others:

1. Held 11 meetings of the Board of Commissioners;
2. Gave approval for the appointment of public accounting firm for the 2016 fiscal year;
3. Approved the Company's 2016 operating plan; and
4. Approved the Board of Directors proposal for the 2016 budget;

During 2016, the Board of Commissioners made the following important recommendations:

1. Proposed nomination of candidates for the Board of Directors from the Company's internal officials;
2. Proposed the remuneration for the Board of Directors and the Board of Commissioners;
3. Determined the Public Accounting Firm;
4. Follow up on Public Accounting Firm recommendation;
5. Proposed the use of the 2015 fiscal year earnings;
6. Proposed matters related to the strategic business activities; and
7. Approved the actions of the Board of Directors as stipulated in the Company's articles of association.

BOARD OF COMMISSIONERS' PERFORMANCE EVALUATION

GENERAL POLICY

Generally, the performance of the Board of Commissioners is based on the duties listed in the applicable legislations and the articles of association of the Company as well as the mandate of the Shareholders.

The results of the Board of Commissioners' performance evaluation will be an inseparable part of the compensation and incentive schemes for the Board of Commissioners.

Table 87 – SCHEDULE AND ATTENDANCE OF THE BOC MEETINGS

Date	Kusmayanto Kadiman	Johanes Sutrisno	Alfonso Napitupulu	Emmy Yuhassarie	Dominic John Picone	Sunata Tjiterosampurno
26 January 2016	√	√	√	√	√	-
16 February 2016	√	√	√	-	√	√
23 March 2016	√	√	√	√	√	√
21 April 2016	√	√	√	√	-	√
25 May 2016	√	√	√	√	√	√
21 June 2016	√	√	√	√	√	√
28 July 2016	√	√	√	√	√	√
23 August 2016	√	√	√	√	√	√
27 September 2016	√	√	√	√	√	√
24 October 2016	√	√	√	√	√	√
29 November 2016	√	√	√	√	√	√
Total Attendance of Each Member	11	11	11	10	10	10
Attendance Percentage of Each Member	100%	100%	100%	91%	91%	91%

Table 88 – BOARD OF COMMISSIONERS' MEETINGS AGENDA

Date	Meeting Agenda
26 January 2016	Discussion on monthly performance, other issues
16 February 2016	Discussion on monthly performance, other issues
23 March 2016	Discussion on monthly performance, other issues
21 April 2016	Discussion on the preparation for AGMS and EGMS dated 25 April 2016, recommendations from the Nomination and Remuneration Committee, other issues
25 May 2016	Discussion on monthly performance, other issues
21 June 2016	Discussion on monthly performance, other issues
28 July 2016	Discussion on monthly performance, other issues
23 August 2016	Discussion on monthly performance, other issues
27 September 2016	Discussion on monthly performance, other issues
24 October 2016	Discussion on monthly performance, other issues
29 November 2016	Discussion on monthly performance, other issues

Table 89 – SCHEDULE AND ATTENDANCE OF THE BOC IN JOINT MEETINGS OF BOC AND BOD

Date	Kusmayanto Kadiman	Johanes Sutrisno	Alfonso Napitupulu	Emmy Yuhassarie	Dominic John Picone	Sunata Tjiterosampurno
26 January 2016	√	√	√	√	√	-
16 February 2016	√	√	√	-	√	√
23 March 2016	√	√	√	√	√	√
21 April 2016	√	√	√	√	-	√
25 May 2016	√	√	√	√	√	√
21 June 2016	√	√	√	√	√	√
28 July 2016	√	√	√	√	√	√
23 August 2016	√	√	√	√	√	√
27 September 2016	√	√	√	√	√	√
24 October 2016	√	√	√	√	√	√
29 November 2016	√	√	√	√	√	√
Total Attendance of Each Member	11	11	11	10	10	10
Attendance Percentage of Each Member	100%	100%	100%	91%	91%	91%

Table 90 – BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS' JOINT MEETINGS AGENDA

Date	Meeting Agenda
26 January 2016	Discussion on the implementation of decisions made in 24 November 2015 meeting, financial and risk management reports as of 31 December 2015, other issues
16 February 2016	Discussion on the implementation of decisions made in 26 January 2016 meeting, reports from the Chairman of the Audit Committee and Chairwoman of the Risk Management Committee, financial and risk management reports as of 31 January 2016, other issues
23 March 2016	Discussion on pending matters from the previous meeting on 16 February 2016, recommendations for changes in the composition of the Committees, review on financial and risk management performances as of 29 February 2016, other issues
21 April 2016	Discussion on the implementation of decisions made in 23 March 2016 meeting, evaluation on the preparation for AGMS and EGMS dated 25 April 2016, reports of the Audit Committee and the Risk Management Committee meetings, review on financial and risk management performances as of Q1/2016, other issues
25 May 2016	Discussion on pending matters from the previous meeting on 21 April 2016, financial and risk management performances as of 30 April 2016, other issues
21 June 2016	Discussion on pending matters from the previous meeting on 25 May 2016, financial and risk management performances as of 31 May 2016, other issues
28 July 2016	Discussion on the implementation of decisions made in 21 June 2016 meeting, reports of the Audit Committee and the Risk Management Committee meetings, review on financial and risk management performances as of Q2/2016, other issues
23 August 2016	Discussion on the implementation of decisions made in 28 July 2016 meeting, review on matters related to legal notices, discussion on financial and risk management performances as of 31 July 2016, other issues
27 September 2016	Discussion on the implementation of decisions made in 23 August 2016 meeting, financial performance as of 31 August 2016, other issues
24 October 2016	Discussion on the implementation of decisions made in 27 September 2016 meeting, reports of the Audit Committee and the Risk Management Committee meetings, financial performance as of 30 September 2016, other issues
29 November 2016	Discussion on financial and risk management performances as of 31 October 2016, other issues

CHART OF THE MECHANISM FOR THE BOARD OF COMMISSIONERS' REMUNERATION



Board of Commissioners Performance Evaluation Criteria

The Criteria for the Board of Commissioners' performance evaluation at least contains the following:

1. The level of achievement of quorum in any of the Board of Commissioners meetings, coordination meetings, and meetings with existing committees;
2. The Company's contribution in the regulatory process;
3. The involvement in specific assignments;
4. The commitment in advancing the interests of the Company; and
5. The compliance with the applicable legislation, the articles of association, the provisions of the GMS, as well as the Company's policies.

BOARD OF COMMISSIONERS REMUNERATION DETERMINATION

The Company's remuneration policy is based on Article 113 of UUPT and Article 17 paragraph (10) of the Company's articles of association. These laws

describe the amount of salary or honorarium and allowances for members of the Board of Commissioners and the Board of Directors to be determined by the GMS. However, the GMS can delegate power to the Board of Commissioners to establish and approve the amount of the proposed remuneration.

The Board of Commissioners' and the Board of Directors' remunerations are recommended by the Nomination and Remuneration Committee, based on the remuneration formula referred to in the Company's internal policies, applicable legislations, and taking into account the Company performance.

The Nomination and Remuneration Committee's recommendation is submitted to the Board of Commissioners and delivered in the GMS. The mechanism for the Board of Commissioners' remuneration is as follows:

- The Nomination and Remuneration Committee examines the remuneration proposal by the Board of Directors and the market conditions for the relevant industry and business of a comparable size.
- Taking into account the business performance of the Company and contributing members, the Nomination and Remuneration Committee will make recommendations to the Board of Commissioners to obtain their approval, in accordance with the authority granted by the GMS, approves the amount of remuneration, and determines the distribution of remuneration among the members of the Board of Commissioners. The total remuneration for the Board of Commissioners and the Board of Directors will be reported to the Shareholders in the Annual Report of the Company.
- The Board of Directors, taking into account the Company's financial condition, develops a proposal for the amount of remuneration for the Board of Commissioners to the Nomination and Remuneration Committee.

BOARD OF COMMISSIONERS' REMUNERATION STRUCTURE AND AMOUNT

The structure of remuneration for all members of the Board of Commissioners of the Company for 2016 consists of the following components:

- honorarium;
- allowances; and
- tantiem.

Based on the AGMS decisions dated 25 April 2016: "To establish the remuneration of the Board of Commissioners at the total amount of Rp237,000,000 (two hundred and thirty seven million rupiah) after tax for 2016 or 3.5% increase from the previous year, and to give tantiem for 2015 amounting to Rp1,840,000,000 (one billion eight hundred and fourty million rupiah)."

NEW BOARD OF COMMISSIONERS' MEMBERS ORIENTATION PROGRAM

BFI understands the importance of an Orientation Program for New Members of the Board of Commissioners that those concerned can carry out their duties and responsibilities as a member of the Board of Commissioners as well as possible. BFI is considering the

preparation of an orientation program that aims to enable a new member of the Board of Commissioners to determine the condition of the Company in general and get to know others, and how to collaborate as a solid, comprehensive and effective team. In practice is has taken place at BFI, with orientation of new members of the Board of Commissioners being held in the first meeting of the Board of Commissioners attended by new members.

BOARD OF COMMISSIONERS' COMPETENCY BUILDING TRAINING PROGRAM

The company allocated a budget for the Board of Commissioners to attend training programs through various seminars and training with the ultimate goal to improve the effectiveness of the Company's performance. Throughout 2016, the BOC participated in the following training (Table 91).

WORKING RELATIONSHIP BETWEEN THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS

A good working relationship between the Board of Commissioners and the Board

of Directors is very important so that each can work according to its functions effectively and efficiently. Therefore, the Company in maintaining a good working relationship between the Board of Commissioners, Directors applies the following principles:

1. The Board of Commissioners must respect the functions and roles of the Board of Directors in managing the Company as stipulated in the legislations and articles of association of the Company.
2. The Board of Directors must respect the functions and roles of the Board of Commissioners in conducting monitoring and providing policy advice to the management of the Company.
3. The working relationship between the Board of Commissioners and the Board of Directors is a formal relationship, always guided by a standard mechanism or correspondence that can be accounted for.
4. Informal working relationships can be performed by each member of the Board of Commissioners and members of the Board of Directors, but cannot be used as a formal policy before thorough mechanisms or correspondence can be accounted for.
5. The Board of Commissioners reserves the right to gain access to timely, accurate, and complete company information.

6. To obtain further information on a case, the Board may request such explanations from officials under the Board of Directors with prior coordination with the Board of Directors so as to create a working relationship between the Board of Commissioners and the Board of Directors so that the aim of corporate communication through a one-gate policy can be achieved.
7. The Board of Directors is responsible for ensuring that information about the Company is granted to the Board of Commissioners in a timely, accurate, consistent and complete manner.
8. The working relationship between the Board of Commissioners and the Board of Directors is an institutional relationship. In the sense that the Board of Commissioners and the Board of Directors are collective offices that represent all of its members, so that the working relationship between the Board of Commissioners and the Board of Directors is understood by members of the Board of Commissioners and the Board of Directors.

Table 91 – TRAINING AND SEMINAR FOR THE BOARD OF COMMISSIONERS' COMPETENCY BUILDING

Name	Position	Date	Title/Theme	Location	Organiser
Kusmayanto Kadiman	President Commissioner	22 September 2016	One-day Training ASEAN CG Scorecard 19 th Batch	Jakarta	Indonesian Institute for Corporate Directorship ("IICD")
Johanes Sutrisno	Independent Commissioner	23 June 2016 1 December 2016	One-day Training ASEAN CG Scorecard 17 th Batch International Seminar on Sustainable Finance (ISSF) "Mainstreaming Sustainable Finance through Innovation"	Jakarta Denpasar, Bali	IICD OJK and International Finance Corporation (IFC)
Alfonso Napitupulu	Independent Commissioner	23 June 2016	One-day Training ASEAN CG Scorecard 17 th Batch	Jakarta	IICD
Emmy Yuhassarie	Independent Commissioner	7 April 2016	Speaker in the 2016 Tiered Leadership Development Program of OJK (First Level) with the theme of Good Governance	Jakarta	OJK
Dominic John Picone	Commissioner	4-5 February 2016 18-19 October 2016	"Foreign Corrupt Practices Act" (FCPA) Training The 23 rd Annual Investors Meeting of TPG	Yangon, Myanmar Scottsdale, Arizona, AS	Latham and Watkins LLP TPG
Sunata Tjiterosampurno	Commissioner	23 June 2016 6 December 2016	One-day Training on ASEAN CG Scorecard, 17 th Batch National Seminar on "Opportunities and Challenges in 2017"	Jakarta Jakarta	IICD APPI

COMMITTEES UNDER THE BOARD OF COMMISSIONERS

The Board of Commissioners is assisted by three committees, namely Audit Committee, Risk Management Committee and Nomination and Remuneration Committee in performing their duties and responsibilities. Each committee has a regular and incidental meeting and is composed of one Chairman from Independent Commissioner and other committee members that are appointed by the Board of Commissioners.

The duties of the above three committees are elaborated in their own charter. The Committees report directly to the Board of Commissioners, and at the Company's expenses, each committee is entitled to ask for counseling service from external agencies if deemed necessary.

BOARD OF DIRECTORS

MAIN TASKS

The Board of Directors is the Company's body is fully responsible for the maintaining the Company's interests, objectives and represents the company, both inside and outside the court, in every way and for any event.

BOARD OF DIRECTORS' APPOINTMENT AND DISMISSAL PROCEDURES

Based on the articles of association, members of the Board of Directors are appointed by the Shareholders at the GMS for a term commencing on the date of appointment until the closing of the 5th AGMS thereafter, and members of the Board of Directors may be dismissed by the Shareholders at the GMS at any time before their term of office expires. Prior to appointment as members of the Board of Directors, candidates are required to meet the requirements set by OJK Regulation No. 4/POJK.05/2013 12 November 2013 regarding the Fit and Proper Test for key personnel in Insurance Companies, Pension Funds, Financial Services, and Insurance Companies in conjunction with POJK No. 27/POJK.03/2016 dated 22 July 2016 on Fit and Proper Test for Key Parties in Financial Services Institutions. Candidates are required to pass the fit and proper test conducted by the fit and proper test teams formed by OJK.

All members of the Board of Directors now have to comply with applicable regulations. If the term of office of members of the Board of Directors has finished, a member of the Board of Directors may be reappointed, depending on a performance assessment overseen by the Nomination and Remuneration Committee. After assessment, the Nomination and Remuneration Committee will make a recommendation if the Committee authorizes the reappointment of those members whose tenure has finished. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors will propose the reappointment of the members of the Board of Directors at the GMS.

BOARD OF DIRECTORS' MEMBERS REQUIREMENT CRITERIA

Those who may be appointed as members of BFI's Board of Directors can be Indonesian citizens and/or foreign nationals who are qualified to be appointed as Directors of the Company, in line with the articles of association, and following the provisions of the applicable legislations in the capital market, which include, among others:

1. Have a good character, morals and integrity;
2. Are legally competent;

3. Within five years prior to appointment and during their tenure:
 - a. Not been declared bankrupt
 - b. Have never been members of a Board of Directors and/or members of a Board of Commissioners that has been found guilty for causing a company to go bankrupt;
 - c. Have never been convicted of a criminal offense that is detrimental to the country's financial sector and/or related to the financial sector; and
 - d. Have never been members of a Board of Directors and/or members of a Board of Commissioners that during their tenure:
 - Have never held an AGMS;
 - Have been members of a Board of Directors and/or members of a Board of Commissioners whose accountability not accepted by the GMS or have not provided the accountability as members of the Board of Directors and/or members of the Board of Commissioners to the GMS; and
 - Have caused a company that obtained a license, approval, or registration of OJK to not fulfill the obligation to submit annual reports and/or financial reports to OJK;
 - e. Have commitment to comply with legislations;

- f. Have the required knowledge and/or expertise in the Company field; and
- g. Additional requirements for Independent Directors.

In addition, members of the Board of Directors of BFI are also obliged to meet the following requirements:

- a. Have sufficient knowledge and relevant to their positions;
- b. Have an understanding of the laws and regulations concerning finance companies as well as other laws and regulations relating to the finance companies;
- c. Have experience working in finance companies and other fields that are relevant to their positions; and
- d. Have the ability to make strategic management decisions in order to develop the Company into a healthy financial institution.

BOARD OF DIRECTORS' MEMBERS NUMBER, COMPOSITION AND PROFILE

Board of Directors' Members Number and Composition

The Board of Directors consists of a minimum of two persons, one of whom is appointed as President Director.

At least one member of the Board of Directors shall act as an Independent Director and can be selected in advance of the GMS appointment after the Company's shares are listed.

During 2016, the number of members and the composition of the Board of Directors changed, as follows:

- Based on the Company's EGMS which was notarised by Deed No. 1 dated 8 September 2015 in conjunction with Deed No. 2 dated 8 September 2015 prepared before Aulia Taufani, S.H., Notary in Tangerang, which has been accepted and recorded by the Ministry of Law and Human Rights of the Republic of Indonesia in the Decree No. AHUAH.01.03-0970960 dated 9 October 2015, the Board of Directors' composition starting 8 September 2015 (until 25 April 2016) (Table 92).

- Based on the Deed of the EGMS of the Company No. 43 dated 25 April 2016 in conjunction with Deed of Meeting Resolutions No. 44 dated 25 April 2016 drawn before Aulia Taufani, S.H., Notary in Tangerang, as received and registered in the Ministry of Law and Human Rights of the Republic of Indonesia in the Decree No. AHU-AH.01.03-0045172 dated 28 April 2016, the composition of the Board of Directors for the period of 25 April to 31 December 2016 (Table 92).

Board of Directors' Members Profile

Profiles of each member of the Board of Directors are presented in the Company Profile Chapter of this Integrated Annual Report (page 61-64).

BOARD OF DIRECTORS' GUIDELINES AND WORK RULES

In carrying out its duties and responsibilities, the Board of Directors refers to its guidelines and work rules prescribed in the Board of Commissioners and the Board of Directors' Manuals of PT BFI Finance Indonesia Tbk.

The Board Manuals apply to the working relationship between the Board of Commissioners and the Board of Directors with reference to the provisions contained in the Company's articles of association and the provisions contained in the legislations.

Related to the Board of Directors, the Guidelines include:

1. Function of the Board of Directors
2. Membership of the Board of Directors
3. Term of the Board of Directors
4. Ethics of the Board of Directors' Position
5. Duties and Authority of the Board of Directors
6. Authority of the Board of Directors
7. Rights of the Board of Directors
8. Meeting of the Board of Directors
9. Performance Evaluation of the Board of Directors
10. Organ Supporting the Board of Commissioners

Table 92 – COMPOSITION OF THE BOARD OF DIRECTORS FOR THE PERIOD OF 25 APRIL - 31 DECEMBER 2016

No.	Name	Position	Country of Residence	Date of Appointment	End of Term	Number and Date of the Decree of the Fit and Proper Test*
1	Francis Lay Sioe Ho*	President Director	Indonesia	Deed of the EGMS Minutes No. 43 dated 25 April 2016	2021 GMS	Decision of the Board of Commissioners of Otoritas Jasa Keuangan No. KEP-2021/NB.1/2014 dated 4 August 2014
2	Cornellius Henry Kho*	Director of Operations and Corporate Business	Indonesia	Deed of the EGMS Minutes No. 43 dated 25 April 2016	2021 GMS	Decision of the Board of Commissioners of Otoritas Jasa Keuangan No. KEP-2018/NB.1/2014 dated 4 August 2014
3	Sudjono*	Director of Finance and Information Technology	Indonesia	Deed of the EGMS Minutes No. 18 dated 6 May 2014	2019 GMS	Decision of the Board of Commissioners of Otoritas Jasa Keuangan No. KEP-1294/NB.1/2014 dated 3 June 2014
4	Sutadi*	Director of Retail Business	Indonesia	Deed of the EGMS Minutes No. 18 dated 6 May 2014	2019 GMS	Decision of the Board of Commissioners of Otoritas Jasa Keuangan No. KEP-1292/NB.1/2014 dated 3 June 2014
5	Sigit Hendra Gunawan**	Director of Enterprise Risk (Independent)	Indonesia	Deed of the EGMS Minutes No. 43 dated 25 April 2016	2021 GMS	Decision of the Board of Commissioners of Otoritas Jasa Keuangan No. KEP-218/NB.11/2016 dated 29 March 2016

* Period 1 January - 31 December 2016.

** Period 25 April - 31 December 2016.

Ethics of the Board of Directors' Position

1. Ethics Related To Exemplary

The Board of Directors encourages ethical behavior and upholds the ethical standards of the Company. One of the ways is by making themselves exemplary to the Board of Directors and employees of the Company.

2. Ethics related to Regulatory Compliance

The Board of Directors must comply with applicable legislations, the articles of association, and the revised GCG Code and Company policies that have been set.

3. Ethics Related To Corporate Opportunities

Directors are prohibited from:

- a. Take on business opportunities of the Company for their own benefit;
- b. Use Company assets, information or their position as members of the Company's Board of Directors for personal use outside the terms of legislations and Company policies; and
- c. Compete with the Company by using their knowledge/ inside information to benefit their interests above those of the Company.

4. Ethics Related To The Disclosure And Confidentiality Of Information

The Board of Directors may only disclose information in accordance with the provisions of the applicable legislations, and always keep confidential company information entrusted to them under the provisions of the applicable legislations and/or Company policies.

5. Ethics Related To Conflicts Of Interest

Ethics related to conflicts of interest include:

- a. The Board of Directors must always avoid conflicts of interest according to the applicable legislations.

b. The Board of Directors must not make use of their office for personal benefits or for the benefit of other persons or parties that are contrary to the interests of the Company.

c. The Board of Directors must complete the Special Register, which contains theirs and/or family share ownership in other companies, including that no shares are owned of the Company, as well as update each year-end and notify the Company if there are changes to the data, in accordance with applicable legislations.

d. In the event of a conflict of interest, members of the Board of Directors in question should not be involved in company decision-making processes relating to the case.

e. Guided not to take advantage of their positions for personal benefit or for the benefit of another persons or parties that are contrary to the interests of the Company

f. Avoid any activities that may affect independence in performing their tasks.

g. Make a disclosure in the event of conflicts of interest, and the Member(s) of the Board of Directors in question should not be involved in company decision-making processes relating thereto; and

h. Comply with the applicable legislations, including not engaging in insider trading for personal gain.

6. Ethics Related To Personal Gain

The Board of Directors are prohibited from taking personal advantages of the Company's activities, apart from salaries and facilities accepted as members of the Board of Directors, which are determined by the shareholders.

7. Business Ethics And Anti-Corruption

Members of the Board of Directors are prohibited from receiving; directly or indirectly; anything of value from another party to influence, or as a reward, for what they have done.

BOARD OF DIRECTORS' DUTIES AND RESPONSIBILITIES

Main Duties and Responsibilities

The duties and responsibilities of the Board of Directors are to maintain the Company's assets and provide appropriate returns on shareholders' investments, also taking into consideration the interests of other stakeholders. These responsibilities include the following:

1. Develop the Company's vision, mission and core values as well as the Company's strategic plans to be consolidated into the business budget;
2. Build a strong organizational structure and clearly define the functions of each unit of work and manage human capital effectively;
3. Establish a system for internal control and risk management mechanisms that ensure the implementation of the internal audit function at all levels of management, consistent with the policies and procedures that have been approved; and
4. Manage the interests of the stakeholders of the Company.

Special Duties

In detail, the duties and obligations of the Board of Directors are as follows:

1. **Related to Business and Anti-Corruption Ethics**
 - a. Members of the Board of Directors are prohibited from receiving directly or indirectly, anything of value from another party to influence, or as a reward, for what they have done.
 - b. The Board of Directors is obliged to sign the Integrity Pact for transactional actions that require the approval of the Board of Commissioners, and/or GMS.

- c. Report to the Company of shares owned by respective members of the Board of Directors and/or their families within the Company and other companies to record in the special register.

2. Related to Internal Control System and Internal Audit

- a. The Board of Directors shall establish a policy on effective internal control systems for securing Company investments, business activities and assets;
- b. Evaluate the implementation of risk management according to the criteria specified;
- c. Implement control activities, i.e. actions to be undertaken to control Company's activities at every level and unit within the organizational structure of the Company including, among others, authority, authorization, verification, reconciliation, assessment of job performance, separation of duties, and security of Company's assets;
- d. Implement information and communication systems, for preparation of reports related to operations,

- e. Implement monitoring to assess the quality of the internal control system including the internal audit function at all levels and units of the Company, so that it can be implemented optimally, so that irregularities are reported to the Board of Directors with copies submitted to the Board of Commissioners;
- f. Develop Standard Operating Procedure (SOP) for each of the areas above, adjusted to the needs of the Company;
- g. Compile/build internal control systems to direct and guide subordinates in the execution of their duties to achieve the established goals and objectives of the organization, with the ability to prevent the occurrence of financial irregularities, leakages and wastage, and with the ability to detect and prevent corruption and collusion;
- h. To ensure an effective internal control system, the President Director is structurally assisted by all officials up to the level of Department/Unit Head;
- i. Establish an Internal Audit Charter to further elaborate the duties and functions of the Internal Audit Unit in accordance with the Decision of the Board of Directors; and

- j. Promote the creation of a disciplined and structured internal control environment in the Company's, consisting of:
 - integrity, ethical values and competence of employees;
 - philosophy and management style;
 - the way in which management exercises its authority and responsibilities;
 - organizing and developing human capital; and
 - attention and referrals made by the Board of Directors.

3. Related to the Disclosure and Confidentiality of Information

- a. The Board of Directors must disclose important information in the Annual Report and Financial Statements to other parties, according the applicable legislations in a timely, accurate, clear and objective manner;
- b. Ensure that measurable and complete information about the Company can be obtained in a timely manner by the Board of Commissioners;
- c. Disclose the extent of implementation of the principles of GCG;
- d. Outline the meetings conducted in any one financial year (internal meetings and joint meetings with the Board of Commissioners);

- e. The confidential information obtained while serving as a Member of Board of Directors of the Company shall be kept confidential in accordance with applicable legislations; and
- f. In terms of maintaining the confidentiality of Company information, the Board of Directors are required to give priority to the Company's interests above the interests of other individuals or groups.

4. Related to Strategic and Work Plans

- a. The Board of Directors sets out the vision, mission, goals, strategies and Company culture;
- b. Promote and ensure the implementation of the business activities of the Company in accordance with the purposes and objectives and business activities;
- c. Prepare timely development plans of the Company, Annual Work Plans, including plans related to the implementation of the Company's business and activities for submission to the Board of Commissioners for approval;
- d. Prepare a draft of Long-term Plan as a strategic plan to include the goals and objectives to be achieved;
- e. Strive to achieve the long-term goals listed in the Long-term Plan; and
- f. Strive to achieve the short-term targets listed in the Annual Work Plan.

5. Related to Risk Management

The Board of Directors shall develop and implement a consistent risk management system. The risk management system consists of the following stages:

- a. Risk Identification, which is a process of identifying types of risks that are relevant and potentially could occur.
- b. Risk Measurement, which is a process of measuring the magnitude and probability of the risk identification.
- c. Risk Profile Preparation, which is a process of describing the magnitude and probability of each type of risk, based on risk measurement.
- d. Risk Management, which is a process of establishing measures to be taken to handle potential risks.
- e. Risk Monitoring, which is a process of monitoring the factors expected to drive the emergence of risk.
- f. Risk Evaluation, which is a process of reviewing the adequacy of the overall risk management activities conducted within the Company.
- g. Reporting and Disclosure, which is a process of reporting the Company's risk management system and disclosure to related parties in accordance with prevailing regulations

6. Related to Relationships with Stakeholders

- a. Ensure the assurance of the stakeholders' rights arising from legislation in force and/or agreements made by the Company with employees, service users, suppliers and other stakeholders; and
- b. Ensure the Company carries out its social responsibility.

7. Related to Duties and Other Obligations

Conducting other obligations in accordance with the provisions set out in the articles of association and legislations.

DIVISION OF DUTIES AND AUTHORITIES

The duties and authorities for each Director can be seen in Table 93.

BOARD OF DIRECTORS' AUTHORITIES AND RIGHTS

Authorities

The Board of Directors has the authority to carry out business activities and operations of the Company as follows:

1. Implement business development;
2. Represent the Company in and out of court;
3. Develop rules concerning employment including recruitment, transfer, succession and termination, wage freeze, post-employment benefits and retirement, as well as other income based on the legislation in force;
4. Appoint and dismiss the Corporate Secretary; and
5. Establish strategic and operational decisions that involve risks and uncertainties.

Rights

The Board of Directors has the right to carry out business activities and operations of the Company as follows:

1. Every member of the Board of Directors is entitled to resign by giving written notification to the Company of their intention at least thirty days before the date of their resignation.
2. Members of the Board of Directors reserve the right of defense at the GMS if the GMS at any time dismiss members of the Board of Directors.
3. The Board of Directors reserves the right to appoint one or more as representatives or proxies to perform certain legal actions by giving special powers set forth in the power of attorney.
4. The Board of Directors is entitled to represent the Company inside and outside

Table 93 – BOARD OF DIRECTORS' DUTIES AND AUTHORITIES

Name and Position	Duties and Authorities
Francis Lay Sioe Ho President Director	He holds the highest decision-making authority in the Company and is responsible of the achievement of the Company's business objectives and target. Together with other members of the Board of Directors, he leads the formulation and implementation of the Company's strategic objectives and BFI's business plan. He receives direct reports from all Directors, Head of Human Capital, Head of Property-Back Financing (PBF) and Head of Internal Audit. He also supervised compliance function.
Cornellius Henry Kho Director of Operations and Corporate Financing	His main responsibility is to ensure the alignment of functions within the organization thus enabling the Company's operations to run smoothly and comply with the applicable internal policies. He is also responsible to develop the Company's distribution network, monitor the performance of the network and develop corporate financing products. He receives direct reports from the Head of Operations, Control, Compensation and Benefit, Head of Network Development and Management, as well as the Head of Corporate Business and Inventory Management.

Name and Position	Duties and Authorities
<p>Sudjono Director of Finance and Information Technology</p>	<p>As the Chief Financial Officer (CFO), he is responsible to direct and monitor all of the Company's financial activities, including the presentation of financial statements in accordance to the applicable accounting standards and regulations. He also serves as a partner for the Company's business units and regional business operations in regards to reporting and analysis of financial and operational performance of the Company's business lines. Furthermore, as Chief Information Officer (CIO), he is responsible for BFI's information technology strategy and roadmap and is responsible to ensure high availability of all IT devices and applications used to support BFI's current and future businesses, as well as expand the role of IT as the business enabler in achieving the company's growth. The units under his supervision consist of Finance and Treasury, Financial Control and Reporting, Budgeting and Performance Monitoring, Information Technology (IT), Corporate Secretariat and Investor Relations.</p>
<p>Sutadi Director of Retail Financing</p>	<p>He is responsible to prepare the annual budget plan for the financing business which consists of the segment of new and used car and used motorcycle. He is also responsible to formulate the marketing strategy and action plan in order to ensure the achievement of the annual retail business target that has been determined. He also works closely with the Company's Division of Risk (Enterprise Risk) to manage the risk level of each of the Company's retail product segments in order to support the achievement of the determined profitability target. The units under his supervision, among others, consist of Product Management for Car and Motorcycle, Product Development for Car and Motorcycle, Digital Marketing, Business Acquisition and Business Strategy Development and Management.</p>
<p>Sigit Hendra Gunawan Director of Risk (Independent)</p>	<p>He is responsible to monitor risk management throughout the Company, including the credit/ financing risk, as well as the liquidity and funding risk, operational risk, legal and regulatory risk, strategy/ business risk, and reputation risk. His main task is to review and approve the proposed business risk, implementation and monitoring of risk management policies and procedures, and credit operations management in order to support the Company's business objectives and maintain a comprehensive Information Management System (MIS) and analytical infrastructure. He works closely with the business and operational units to ensure that the risks faced by the Company can be identified, measured and managed within the limits set. The units under his supervision consist of Credit Unit, Collection and Recovery, Operational Risk, Operational Policy and Procedure, Portfolio Management and Risk Analysis, and Legal and Litigation.</p>

the court on all matters and in any event as well as perform all acts and deeds, both regarding maintenance and ownership, as well as binding the Company with other parties, within the restrictions stipulated in the articles of association of the Company.

- Members of the Board of Directors are entitled to a salary and/or benefits as determined by the GMS, or the Board of Commissioners if the authority has been delegated to them.

BOARD OF DIRECTORS' MEMBERS DIVERSITY COMPOSITION

The composition of the Company's Board of Directors reflects the diversity of its members, both in terms of education, work experience, age, and skills. Each member of the Board of Directors is highly competent with regards to increasing the Company's performance.

BOARD OF DIRECTORS' INDEPENDENCE

Members of BFI's Board of Directors have no financial and family relationships to the second degree with fellow members of the Board of Directors, members of the Board of Commissioners, and/or controlling shareholders, or relationships with the Company.

Table 94 – BOARD OF DIRECTORS' COMPOSITION DIVERSITY

No.	Name	Position	Competency
1	Francis Lay Sioe Ho	President Director	<ul style="list-style-type: none"> Education: Master of Business Management (M.B.M.) and Bachelor of Business Administration (B.B.A.) Work experience: President Director, Director and Founder of the Company, Credit Manager, Treasury Officer, Executive Officer of the Ministry of Finance in Singapore Age: 68 years
2	Cornellius Henry Kho	Director of Operations and Corporate Business	<ul style="list-style-type: none"> Education: Bachelor of Economics in Accounting Work experience: Director, Corporate Secretary, Division Head, Auditor Age: 50 years
3	Sudjono	Director of Finance and Information Technology	<ul style="list-style-type: none"> Education: Enterprise Risk Manager (ERM™), Master of Business Administration (M.B.A.) and Bachelor of Economics and Accounting Work experience: Director, Corporate Secretary, Finance and Information Technology Division Head, Risk Management Committee, Senior Auditor Age: 46 years
4	Sutadi	Director of Retail Business	<ul style="list-style-type: none"> Education: Bachelor of Industrial Engineering Work experience: Division Head, Regional Manager, Branch Manager, Sales Executive, Collection & Credit Analyst Officer Age: 42 years
5	Sigit Hendra Gunawan	Director of Enterprise Risk (Independent)	<ul style="list-style-type: none"> Education: Certified Business Management, Certified Business Management-Operation and Bachelor of Industrial Engineering Work experience: Director, Head of Enterprise Risk, Credit Division Head, Deputy Director - Head of Credit & Collection, Account Management Department Head, Credit Analyst & Risk Department Head (Fleet Division) Age: 48 years

The independence of the Board of Directors is shown in the table of financial relations and family relations as follows:

Table 95 – BOARD OF DIRECTORS' INDEPENDENCE

Name	Financial Relationship with						Family Relationship with					
	Commissioners		Directors		Controlling Shareholders		Commissioners		Directors		Controlling Shareholders	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Francis Lay Sioe Ho	-	√	-	√	-	√	-	√	-	√	-	√
Cornellius Henry Kho	-	√	-	√	-	√	-	√	-	√	-	√
Sudjono	-	√	-	√	-	√	-	√	-	√	-	√
Sutadi	-	√	-	√	-	√	-	√	-	√	-	√
Sigit Hendra Gunawan	-	√	-	√	-	√	-	√	-	√	-	√

INDEPENDENT DIRECTOR INFORMATION

With reference to the decision of the Board of Directors of the Jakarta Stock Exchange No. Kep-305/BEJ/07-2004 dated 19 July 2004 Regulation Number I-A regarding Registration of Shares and Equity Securities in addition to Shares Issued by Listed Companies determined that the Company may raise Unaffiliated Directors, and in accordance with changes in the Indonesia Stock Exchange (“IDX”) Regulations No. I-A on Registration of Shares and Equity Securities in addition Shares Issued by Listed Companies (Appendix I of the Stock Exchange Board of

Directors Decree No. Kep-00001/BEI/01-2014 dated 20 January 2014) where the term “Unaffiliated Company Director” was replaced by the term “Independent Director”, the Company has appointed Independent Directors namely Sigit Hendra Gunawan (Independent Director).

Independent Director Requirements

In addition to satisfying the requirement provisions as a member of the Board of Directors, Independent Directors should meet the following requirements:

- Have not been affiliated with the Company Controller within six months prior to the appointment as Independent Directors;

- Are not affiliated with the Board of Commissioners or the Board of Directors of the Company;
- Are not working as a director in another companies; and
- Are not an Insider in a Capital Market Supporting Institution or Professional whose services is used by the Company within six months prior to the appointment as Directors.

The term of office for Independent Directors is at most two consecutive terms based on IDX Circular Letter No. SE-00001/BEI/02-2014 regarding Tenure of Company’s Independent Commissioners and Independent Directors in Listed Companies.

Table 96 – SHARE OWNERSHIP OF THE BOARD OF DIRECTORS AMOUNTED TO 5% OR MORE FROM THE PAID-UP CAPITAL

Name	Position	BFI	Other Company
Francis Lay Sioe Ho	President Director	None	None
Cornellius Henry Kho	Director of Operations and Corporate Business	None	None
Sudjono	Director of Finance and Information Technology	None	None
Sutadi	Director of Retail Business	None	None
Sigit Hendra Gunawan	Director of Enterprise Risk (Independent)	None	None

CONCURRENT POSITIONS OF THE BOARD OF DIRECTORS MEMBERS

Information related to concurrent positions of BFI’s Board of Directors’ members are described in Table 97.

Based on Article 9 of POJK 30, the Company’s Board of Directors’ members are prohibited from concurrent positions as executive directors at other companies, except as a member of the Board of Commissioners at three other companies at most, except for members of the Board of Directors who are responsible for the supervision of investments in

subsidiaries that have business in the financing area, and functional tasks as members of the Board of Commissioners in subsidiaries controlled by the Company, as long as such concurrent positions does not result in neglect of their duties and authorities as members of the Company’s Board of Directors.

With reference to Article 24 of POJK 33, members of the Board of Commissioners may hold concurrent positions as members of the Board of Directors at no more than two other issuers or other public companies, and members of the Board of Commissioners at two issuers or other public companies at most. In the case of none of the members

of the Board of Commissioners holds a position as a member of the Board of Directors, members of the Board of Commissioners concerned may hold concurrent positions as members of the Board of Commissioners at no more than four issuers or other public companies. Members of the Board of Commissioners may serve as a member of at most five

committees of public companies and also serve as a member of the Board of Directors or the Board of Commissioners.

Based on these explanations, all five members of BFI's Board of Directors have complied with the provisions of Article 9 POJK No. 30 and Article 24 POJK No. 33.

Table 97 – CONCURRENT POSITIONS OF MEMBERS OF THE BOARD OF DIRECTORS

Name	Position	Position Outside the Company
Francis Lay Sioe Ho	President Director	None
Cornellius Henry Kho	Director of Operations and Corporate Business	None
Sudjono	Director of Finance and Information Technology	None
Sutadi	Director of Retail Business	None
Sigit Hendra Gunawan	Director of Enterprise Risk (Independent)	None

BOARD OF DIRECTORS' MEETING

The Board of Directors shall meet at least one time every month. The Board of Directors are also required to hold joint meetings with the Board of Commissioners periodically at least one time every four months.

Board of Directors' Meeting Policy

The Board of Directors' Meeting held at the Company's location or place of business of the Company. Meetings of the Board of Directors may also be carried out by way of teleconferences or other similar communication systems whereby the members of the Board of Directors participating in the meeting can communicate and participate thereby being considered a direct presence in the meeting.

The Board of Directors' Meeting will be chaired by the President Director. In case the President Director is absent or unavailable for any reason, which does not need to be proved to the other members, the Board of Directors' Meeting will be chaired by an elected member of the Board of Directors selected by and the members of the Board of Directors in attendance.

Members of the Board of Directors may be represented in the Board of Directors' Meeting only by a member of the Board of Directors based on a power of attorney. In case the authorizing authority does not give special powers, then giving that power is absolute.

The Board of Directors' Meeting is valid and may adopt binding resolutions if more than half of the total members of the Board of Directors are present or represented at the meeting.

The Board of Directors' Meeting will be attended by members of the Board of Directors, and if required, officials of one level below the Board of Directors or other officials assigned by the President Director.

Minutes of the Board of Directors' Meeting will be recorded for each meeting of the Board of Directors and the minutes of the meeting shall be disclosed as well as any dissenting opinions with decisions in the Board of Directors' Meeting (if any). Minutes of the Board of Directors' Meeting will be recorded and documented by the Corporate Secretary, including filing and distributing to the meeting participants. Each member of the Board of Directors is entitled to receive a copy of the Minutes of the Board of Directors' Meeting, regardless of whether they were present or not at the meeting.

Table 98 – SCHEDULE AND ATTENDANCE OF THE BOD MEETINGS

Date	Francis Lay Sioe Ho	Cornellius Henry Kho	Sudjono	Sutadi	Sigit Hendra Gunawan*
26 January 2016	-	√	√	√	-
16 February 2016	√	√	√	√	-
23 March 2016	-	√	√	√	-
21 April 2016	√	√	√	√	-
25 May 2016	√	√	√	√	√
21 June 2016	√	√	√	√	√
28 July 2016	√	√	√	√	√
23 August 2016	√	√	√	√	√
27 September 2016	√	√	√	√	√
24 October 2016	√	√	√	√	√
29 November 2016	√	√	√	√	√
14 December 2016	√	√	√	√	√
Total Attendance of Each Member	10	12	12	12	8
Attendance Percentage of Each Member	83%	100%	100%	100%	100%

* Officially on duty as Director as of 25 April 2016

Table 99 – BOARD OF DIRECTORS' MEETINGS AGENDA

Date	Meeting Agenda
26 January 2016	Discussion on financial performance, financial and risk management reports as of 31 December 2015, other issues
16 February 2016	Discussion on financial and risk management performances as of 31 January 2016, other issues
23 March 2016	Discussion on financial and risk management performances as of 29 February 2016, other issues
21 April 2016	Discussion on the preparation evaluation for AGMS and EGMS dated 25 April 2016, financial performance, financial and risk management reports as of 31 March 2016, other issues
25 May 2016	Discussion on performances of new branches opened in 2015, performance of retail business and retail products analysis, development of property financing, financial and risk management reports as of 30 April 2016, other issues
21 June 2016	Discussion on financial and risk management performances as of 31 May 2016, other issues
28 July 2016	Discussion on financial performance, financial and risk management reports as of 30 June 2016, other issues
23 August 2016	Discussion on financial and risk management performances as of 31 Juli 2016, other issues
27 September 2016	Discussion on financial and risk management performances as of 31 August 2016, other issues
24 October 2016	Discussion on financial performance, financial and risk management reports as of 30 September 2016, other issues
29 November 2016	Discussion on the proposal to determine the distribution of Interim Cash Dividend for the fiscal year of 2016, financial and risk management performances as of 31 October 2016, other issues
14 December 2016	Discussion on financial and risk management performances as of 30 November 2016, other issues

Board of Directors' Meetings Frequency and Attendance

During 2016, the Board of Directors held 12 meetings, with the attendance of the members of the Board of Directors as in Table 98.

It can be concluded that the Company's Board of Directors have complied with POJK 30 concerning Good Corporate Governance for Finance Companies Article 16 paragraph (2), in which the Board of Directors shall attend the meeting of the Board of Directors at least 50% of the number of the Board of Directors' meetings in a period of one year.

Frequency and Attendance of the Board of Directors at the Joint Meetings

Routinely, the Board of Directors held joint meetings with the Board of Commissioners to discuss the implementation of decisions made in the previous meeting, financial performance, risk management, and other matters that may affect the financial performance and operations of the Company. During 2016, 11 Joint Meetings of the Board of Commissioners and Board of Directors were held.

The frequency and level of attendance of the Joint Meetings of the Board of Commissioners and the Board of Directors during 2016 can be seen in Table 100.

The agenda for the Joint Meetings of the Board of Commissioners and Board of Directors have been previously described in the Board of Commissioners section (page 211-212).

BOARD OF DIRECTORS' PERFORMANCE EVALUATION

General Policy

The performance of the Board of Directors and individual members of the Board of Directors will be evaluated by the Board of Commissioners. Generally, the performance of the Board of Directors is based on the duties listed in the applicable legislations and the articles of association of the Company.

Table 100 – SCHEDULE AND ATTENDANCE OF THE BOD IN JOINT MEETINGS OF BOC AND BOD

Date	Francis Lay Sioe Ho	Cornellius Henry Kho	Sudjono	Sutadi	Sigit Hendra Gunawan*
26 January 2016	√	√	√	√	-
16 February 2016	√	√	√	√	-
23 March 2016	-	√	√	√	-
21 April 2016	√	√	√	√	-
25 May 2016	√	√	√	√	√
21 June 2016	√	√	√	√	√
28 July 2016	√	√	√	√	√
23 August 2016	√	√	√	√	√
27 September 2016	√	√	√	√	√
24 October 2016	√	√	√	√	√
29 November 2016	√	√	√	√	√
Total Attendance of Each Member	10	11	11	11	7
Attendance Percentage of Each Member	91%	100%	100%	100%	100%

* Officially on duty as Director as of 25 April 2016

CHART OF THE MECHANISM FOR THE BOARD OF DIRECTORS' REMUNERATION



The results of the performance evaluation of the Board of Directors as a whole and the performance of each individual member of the Board of Directors are based on two ratings, the collective judgment of the achievement of budget enterprises, and the individual assessments based on Key Performance Indicators (“KPI”) for each Director, and forms an integral part of the compensation schemes and the provision of incentives for members of the Board of Directors.

The results of the performance evaluation of individual members of the Board of Directors is one of the basic considerations, especially for shareholders, to discharge and/or reappoint members of the Board of Directors. The results of the performance evaluation are a means of assessment and increasing the effectiveness of the Board of Directors.

Board of Directors Performance Evaluation Criteria

Performance evaluation criteria are set out in the Board of Directors’ KPI. The collective and individual performance criteria for Directors are based on the proposal of the Nomination and Remuneration Committee or other committees that have the function of the nomination

and remuneration proposed by the Board of Commissioners to shareholders for approval. The Board of Directors’ KPI include at least, among others:

1. Contribution to the Company’s business activities;
2. Involvement in specific assignments;
3. Commitment to advancing the interests of the Company;
4. Compliance with legislations, and Company policies;
5. Achievement of targets set out in the Company’s Annual Work Plan and Management Contract; and
6. Achievement of individual performance against targets set.

BOARD OF DIRECTORS REMUNERATION DETERMINATION

In line with the articles of association, the determination of salary and other benefits for members of the Board of Directors will be determined by the Board of Commissioners who is authorized by the GMS. Remuneration of Directors is determined by the Board of Commissioners every year.

The AGMS on 25 April 2016 approved the provision of power and authority to the Board of Commissioners to determine the

roles and responsibilities for each member of the Board of Directors and determine the remuneration of the members of the Board of Directors.

The remuneration for the Board of Directors is recommended by the Nomination and Remuneration Committee, based on the remuneration formula referred to in the Company’s internal policies, applicable laws and regulations, and taking into account the Company’s performance. The Nomination and Remuneration Committee’s recommendation is submitted to the Board of Commissioners and delivered in the GMS.

The mechanism for the Board of Directors’ remuneration is as follows:

- The Board of Directors, taking into account the Company’s financial condition, develops a proposal for the amount of remuneration for the Board of Directors to the Nomination and Remuneration Committee.
- The Nomination and Remuneration Committee studies the proposed remuneration of the Board of Directors based on the duties and responsibilities of each, the Company’s financial condition and comparisons with relevant industries and businesses of a comparable size.

- Furthermore, the Nomination and Remuneration Committee shall make recommendations in the Board of Commissioners' for approval and delivery in the GMS.

The remuneration structure of the Board of Directors consists of:

- salaries,
- benefits,
- facilities and
- tantiem/performance incentives.

Total remuneration paid to Board of Directors and Board of Commissioners amounted to Rp41,469 million in 2016 and Rp37,213 million in 2015.

NEW BOARD OF DIRECTORS' MEMBERS ORIENTATION PROGRAM

BFI understands the importance of an Orientation Program for New Members of the Board of Directors that those concerned can carry out their duties and responsibilities as a member of the Board of Directors as well as possible and aims to enable a new member of the Board of Directors to determine the condition of the Company in general and get to know others, and how to collaborate as a solid, comprehensive and effective team. In practice it has taken place at BFI, with orientation of new

members of the Board of Directors being held in the first meeting of the Board of Directors attended by new members.

BOARD OF DIRECTORS' COMPETENCY BUILDING TRAINING PROGRAM

The Company allocated a budget for the Board of Directors to attend training programs through various seminars and training with the ultimate goal to improve the effectiveness of the Company's performance. Throughout 2016, the Board of Directors participated as in Table 101.

Table 101 – TRAINING AND SEMINAR FOR THE BOARD OF DIRECTORS' COMPETENCY BUILDING

Name	Position	Date	Title/Theme	Location	Organizer
Francis Lay Sioe Ho	President Director	23 June 2016	One-day Training on ASEAN CG Scorecard, 17 th Batch	Jakarta	IICD
	Director of Operations and Corporate Business	6 December 2016	National Seminar on "Opportunities and Challenges in 2017"	Jakarta	APPI
Cornelius Henry Kho	Director of Finance and Information Technology	6 December 2016	National Seminar on "Opportunities and Challenges in 2017"	Jakarta	APPI
Sudjono	Director of Retail Business	29-30 August 2016	Speaker in Indonesia Fintech Festival & Conference (IFFC) 2016 "Fintech dalam Institusi Finansial Non-Perbankan" (Fintech in Non-Bank Financial Institution)	Indonesia Convention Exhibition (ICE) BSD City, South Tangerang, Banten	OJK and Indonesian Chamber of Commerce & Industry (KADIN Indonesia)
Sutadi	Director of Enterprise Risk (Independent)	23 June 2016	One-day Training on ASEAN CG Scorecard, 17 th Batch	Jakarta	IICD
		24 May 2016	Speaker in the Educational Seminar of Financial Literacy "Mengenal Lebih Dekat Perusahaan Pembiayaan" (Getting to Know a Finance Company More Closely)	Universitas Multimedia Nusantara (UMN)	UMN
Sigit Hendra Gunawan	Director of Enterprise Risk (Independent)	23 June 2016	One-day Training on ASEAN CG Scorecard, 17 th Batch	Jakarta	IICD

AUDIT COMMITTEE

MAIN TASKS

The Audit Committee gives opinions and assists the Board of Commissioners in identify matters that require their attention, and carries out other tasks related to the duties of the Board of Commissioners, or as required by the Board of Commissioners.

LEGAL BASIS

The Company's Audit Committee was first formed in 2000 to assist the Board of Commissioners in carrying out the functions of management oversight in accordance with the articles of association of the Company and the Company's GCG principles. In addition, the Audit Committee was established in compliance with the Jakarta Stock Exchange No. 1-A regarding the Registration of Shares and Equity Securities In addition Shares Issued by the Listed Company, Ref. No. 315/BEJ/06/2000 dated 30 June 2000 and OJK Regulation No. 55/POJK.04/2015 regarding the Guidance on Establishment and Implementation of the Audit Committee ("POJK 55").

AUDIT COMMITTEE CHARTER

The Company has an Audit Committee Charter, which was prepared as a guideline for the Audit Committee to carry out their duties and responsibilities in a consistent, transparent and independent manner in accordance with applicable regulations.

To fulfill the requirements of the POJK 55, the Company issued the Audit Committee Charter as set out in the Board of Commissioners Decree No. BOC/I/2016-01 dated 26 January 2016.

The Charter has been published on the Company's website, which shows among other things, the Audit Committee's duties and responsibilities, authority, number of members, composition, structure and membership requirements, ordinances and procedures for implementation of their tasks, meetings and term of office.

AUDIT COMMITTEE'S DUTIES AND RESPONSIBILITIES

The Audit Committee Charter regulates the Audit Committee's duties and responsibilities as follows:

1. Conduct reviews on financial information, which will be issued by the Company to the public and/or the other authorities, including among others, the financial statements, the projections, and other reports related to the financial information of the Company;
2. Conduct reviews on the Company's compliance with the legislations related to corporate activities, especially concerning accounting and finance;
3. Provide independent opinions in cases of discrepancy of opinions that might occur between the management and the Public Accountant on the services that it provides;
4. Give recommendations to the Board of Commissioners concerning the appointment of the Public Accountant based on its independence, scope of assignments and fees;
5. Conduct reviews on the implementation of audits by the Internal Auditor and to supervise the follow-ups by the Board of Directors based on the Internal Auditor's findings;

6. Conduct reviews on the activities of risk management implementation undertaken by the Board of Directors, by collaborating with the Company's Risk Management Committee;
7. Review complaints related to the accountancy process and the Company's financial reporting;
8. Review and provide suggestions to the Board of Commissioners related to potential conflicts of interest of the Company; and
9. Keep confidential the Company's data documents and information.

AUDIT COMMITTEE AUTHORITIES

In performing its duties, the Audit Committee has the following authorities:

1. To access the necessary documents, data and information of the Company with regard to the employees, funds, assets, and Company resources;
2. To communicate directly with the employees, including the Board of Directors and executor of the internal audit function, Risk Management Committee and Public Accountant related to the duties and responsibilities of the Audit Committee;
3. To involve independent parties outside the members of the Audit Committee that are required to assist the implementation of necessary tasks; and

4. To perform other authorities granted by the Board of Commissioners.

AUDIT COMMITTEE'S NUMBER OF MEMBERS, COMPOSITION AND MEMBERSHIP REQUIREMENTS

Audit Committee's Number of Members

The Audit Committee consists of a minimum of three members made up from Independent Commissioners and parties outside the Company.

Audit Committee Composition

The Audit Committee is chaired by an Independent Commissioner, and is responsible to the Board of Commissioners.

Audit Committee's Membership Requirements

Based on the Company's Audit Committee Charter, the requirements to become a member of the Audit Committee are as follows:

- Must possess high integrity, capability, knowledge, experience in the work field, as well as good communication skills;
- Must comprehend the financial statements, the Company's business, particularly with

regard to the services or the Company's business activities, the auditing process, risk management, and the legislations of the Capital Market as well as other related legislations;

- Must comply with the code of ethics of the Audit Committee as established by the Company;
- Willing to increase competence continuously through education and training;
- Must have at least one member with a background of education and expertise in accounting and/or finance;
- He/she is not a person who works for a Public Accounting Firm, Legal Consultant, Appraiser or other parties that has provided assurance services, non-assurance services, appraisal services and/or other consultant services to the Company within the last six months;
- He/she is not a person who has worked or possessed authorities and responsibilities for planning, directing, controlling or supervising the activities of the Company within the last six months, except for the Independent Commissioner;
- Does not own any Company's shares, both directly and indirectly;
- In the event that a member of the Audit Committee owns the Company's shares both directly or indirectly due to a legal event, those shares shall be transferred to other parties within a period of six months after obtaining the shares;

- Not having any affiliation with the members of the Board of Commissioners, the members of the Board of Directors, or the primary shareholders of the Company; and
- Not having any business relationships associated with the Company's business activities, both directly or indirectly.

AUDIT COMMITTEE SELECTION AND APPOINTMENT

The Board of Directors or the Chairman of the Audit Committee may propose candidates from outside the Company's Board of Commissioners for nomination as a member of the Audit Committee.

The Nomination and Remuneration Committee will conduct interviews and examine the qualifications and competency of the candidates. After completion of the evaluation, the Nomination and Remuneration Committee will submit recommendations to the Board of Commissioners for appointments as members of the Audit Committee.

If the recommendations from the Nomination and Remuneration Committee are approved, the Board of Commissioners will inform the Board of Directors to issue Appointment Letters for the approved candidates.

AUDIT COMMITTEE MEMBER COMPOSITION

Via its Letter of Notification to OJK No. Corp/FL/L/VII/15-0134 dated 7 July 2015, the Company submitted an information on the Composition of the Company's Audit Committee as follows:

Chairman: Johannes Sutrisno
Member:

- Stefanus Ginting
- Friso Palilingan

The composition of the Company's Audit Committee as at 22 June 2016, as referred to in the Letter of Notification to OJK No. Corp/FL/L/VI/16-0124 dated 22 June 2016 was as follows:

Chairwoman: Emmy Yuhassarie
Member:

- Friso Palilingan
- Edy Sugito

The composition of the Nomination and Remuneration Committee as mentioned above has been reaffirmed with the BOC Decree No. BOC/SK/VI/2016-05 dated 21 June 2016 effective since 22 June 2016.

AUDIT COMMITTEE MEMBERS PROFILE

Profiles of each member of the Audit Committee are presented in the Company Profile Chapter of this Integrated Annual Report (page 65-66).

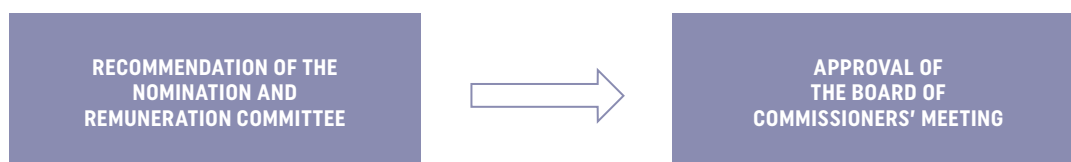
The background of expertise of each member of the Audit Committee can be seen in the Table 102.

AUDIT COMMITTEE MEMBERS' TERM OF OFFICE

The term of the Audit Committee members should not be longer than the office of the Board of Commissioners as set out in the articles of association and they may be reelected only for one additional term.

The Audit Committee members serving on 31 December 2016 can be seen in the Table 103.

CHART OF AUDIT COMMITTEE MEMBERS' SELECTION AND APPOINTMENT



AUDIT COMMITTEE INDEPENDENCE

Members of the Audit Committee are private professionals who do not have a business relationship, directly or indirectly, related to the Company's business activities, in order to maintain their independence in the execution of their duties and responsibilities. All committee members have met the criteria of independence, skill, experience and integrity required by the applicable regulations.

The independence of each member of the Audit Committee is described in Table 104.

AUDIT COMMITTEE'S REMUNERATION DETERMINATION

The policies and remuneration for the Audit Committee are as follows:

- The Nomination and Remuneration Committee makes recommendations to the Board of Commissioners on the remuneration for the members

of the Audit Committee, based on the Company's policies and considering a review of the market for the remuneration of the Audit Committee. The Audit Committee remuneration consists of an honorarium only.

- Members of the Audit Committee who hold concurrent positions as members of the Board of Commissioners of the Company or are members of senior management of the controlling shareholder are not entitled to additional remuneration as a member of the Audit Committee.

Table 102 – AUDIT COMMITTEE PROFILES

Name	Position	Background and Expertise
Emmy Yuhassarie	Independent Commissioner and Chairwoman of the Audit Committee	Law, Legal Consultant
Friso Palilingan	Member	Audit, Management, Accounting
Edy Sugito	Member	Audit, Accounting, Capital Market

Table 103 – AUDIT COMMITTEE'S TERM OF OFFICE

Name	Position	Date and Basis of Appointment	Term of Office
Emmy Yuhassarie	Independent Commissioner concurrently as the Chairwoman of the Audit Committee	Board of Commissioners' Decision Letter No. BOC/SK/VI/2016-05 dated 21 June 2016	2016-2021
Friso Palilingan	Member	Board of Commissioners' Decision Letter No. BOC/SK/IV/2015-0081 dated 13 April 2015 and was reconfirmed by Board of Commissioners' Decision Letter No. BOC/SK/VI/2016-05 dated 21 June 2016	2016-2021
Edy Sugito	Member	Board of Commissioners' Decision Letter No. BOC/SK/VI/2016-05 dated 21 June 2016	2016-2021

Table 104 – AUDIT COMMITTEE INDEPENDENCE

Name	Financial Relationship with						Family Relationship with					
	Commissioners		Directors		Controlling Shareholders		Commissioners		Directors		Controlling Shareholders	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Emmy Yuhassarie	-	√	-	√	-	√	-	√	-	√	-	√
Friso Palilingan	-	√	-	√	-	√	-	√	-	√	-	√
Edy Sugito	-	√	-	√	-	√	-	√	-	√	-	√

AUDIT COMMITTEE WORK PROCESSES AND PROCEDURES

The Audit Committee Charter regulates the Audit Committee's work processes and procedures as follows:

1. In relation to the internal control systems of the Company, the Audit Committee conducts regular meetings to discuss the planning of activities and the scope of internal audits for the future period, as well as evaluates the results of the audits that have been carried out.
2. In relation to the review of risks associated with the Company's business risks, the Audit Committee conducts

discussions with the Risk Management Committee on the management of risk that has been carried out by the Company's risk management.

3. Audit Committee provides an annual accountability of its performances to the Board of Commissioners in preparation for the Report of the Board of Commissioners on its duties and responsibilities that will be published in the Company's Annual Report. In line with that, the Board of Commissioners will evaluate the Audit Committee annually.
4. Audit Committee collaborates with the Corporate Secretary to conduct the documentation of administration of the Audit Committee as well as the execution of the meetings of the Audit Committee.

AUDIT COMMITTEE MEETINGS

Audit Committee Meeting Policy

- a. Audit Committee holds regular meetings at least once in three months.
- b. Audit Committee meeting can only be held if attended by more than half the number of members.
- c. Decisions of the Audit Committee meeting to be made based on consultation and consensus.
- d. Record the minutes of every Audit Committee meeting, including any dissenting opinions, to be signed by all Audit Committee members present and submitted to the Board of Commissioners.

Table 105 – SCHEDULE AND ATTENDANCE OF THE AUDIT COMMITTEE MEETINGS

Date of Meeting	Emmy Yuhassarie**	Friso Palilingan	Edy Sugito**	Johanes Sutrisno*	Stefanus Ginting*
16 February 2016	-	√	-	√	√
21 April 2016	-	√	-	√	-
28 July 2016	√	√	√	-	-
24 October 2016	√	√	√	-	-
Total Attendance of Each Member	2	4	2	2	1
Attendance Percentage of Each Member	100%	100%	100%	100%	50%

Notes:

* Based on the Decision Letter of the Board of Commissioners No. BOC/SK/IV/2015-0081 dated 13 April 2015, the composition of the Audit Committee, are as follows:

- Chairman: Johanes Sutrisno
- Member: Stefanus Ginting, Friso Palilingan

** Based on the Decision Letter of the Board of Commissioners No. BOC/SK/VI/2016-05 dated 21 June 2016, the composition of the Audit Committee, are as follows:

- Chairwoman: Emmy Yuhassarie
- Member: Friso Palilingan, Edy Sugito

Table 106 – AUDIT COMMITTEE MEETINGS AGENDA

Date	Meeting Agenda
16 February 2016	Discussion on the presentation from Public Accounting Firm Tanubrata Sutanto Fahmi Bambang & Partners concerning the draft of Audit Report as of 31 December 2015 and implementation report on Audit Internal activities
21 April 2016	Discussion on the review of the draft of Financial Statements as of 31 March 2016, implementation report on Audit Internal activities, and other issues
28 July 2016	Discussion on the review of the draft of Financial Statements as of 30 June 2016, implementation report on Audit Internal activities, and presentation of the annual audit plan in 2016 by BDO Tanubrata
24 October 2016	Discussion on the review of the draft of Financial Statements as of 30 September 2016, implementation report on Audit Internal activities, and other issues

Audit Committee Meeting Frequency and Attendance

Throughout 2016, the Audit Committee held four meetings. The attendance of the members of the Audit Committee can be seen in Table 105.

Audit Committee Meeting Agenda

The Audit Committee Meeting Agenda for 2015 can be seen in Table 106.

EVENT REPORTING SYSTEM

The Audit Committee shall make periodic reports to the Board of Commissioners and/or for any given assignments.

The Audit Committee shall make an annual report on their activities to be were disclosed in the Company's Annual Report.

PROVISIONS SYSTEM ON COMPLAINT HANDLING OR REPORTING OF ALLEGED VIOLATIONS RELATED TO FINANCIAL REPORTING

Based on the Board of Commissioners' Letter of Assignment, the Audit Committee may conduct reviews and examinations of any actions that harm the Company, including alleged violations related to Financial Reporting, as well as other tasks in accordance with the needs of the Board of Commissioners.

Upon approval of the Board of Commissioners, for the implementation of the investigative tasks, the Audit Committee may appoint third parties for the execution of fact-finding studies and examinations. All costs incurred for the appointment of third parties shall be borne by the Company.

AUDIT COMMITTEE'S 2016 PROGRAM REPORT

The program of the Audit Committee in 2016 was as follows:

1. Conducted Audit Committee meetings every three months;
2. Evaluated the performance of the External Auditor and made recommendations on the appointment of the external auditor to the Board of Commissioners;
3. Evaluated the implementation of compliance with rules and regulations applicable to the Company and the Public Financing Company; and
4. Evaluated the implemented internal control system and reporting activities of Internal Audit to be reported to the Board of Commissioners.

RISK MANAGEMENT COMMITTEE

MAIN TASKS

The Risk Management Committee is tasked to assist the Board of Commissioners in fulfilling their responsibilities to shareholders. Furthermore, the committee is responsible for reviewing the Company's principal risks as contained in the Company's risk register and ensure that all new or arising risks are appropriately evaluated and further action is identified.

LEGAL BASIS

Originally the BFI risk management function was the responsibility of the Audit Committee. In 2003, by the Board of Commissioners Decision Letter (SK) No. Com/JS/SK/III/2003-04 dated 18 March 2003, the Risk Management Committee became stand-alone and separated from the Audit Committee.

RISK MANAGEMENT COMMITTEE'S DUTIES AND RESPONSIBILITIES

The Risk Management Committee is formed by the Board of Commissioners to monitor and evaluate the planning and implementation of the Company's risk management and to identify matters that need the attention of the Board of Commissioners. These include the following aspects:

1. Evaluate risk management policies and practices adopted for managing risk, which relates to changes in business environment and risk parameters;
2. Review identification of risk profiles by Risk Management Division and preview the criteria of the maximum tolerable limit for market, credit, treasury and operation risk;
3. Ensure business activities are within the accepted risk parameters; and
4. Review analysis conducted by the Risk Management Division concerning external and internal factors that have potential risk for the Company in achieving the goal and objectives that have been set.

RISK MANAGEMENT COMMITTEE'S NUMBER OF MEMBERS, COMPOSITION AND MEMBERSHIP REQUIREMENTS

Risk Management Committee's Number of Members and Composition

Composition of the Risk Management Committee comprises two persons, namely one Independent Commissioner as a Chairman and one person from outside the Company as a member.

Risk Management Committee Membership Requirements

In establishing the Risk Management Committee, the Board of Commissioners refers several criteria concerning duties and responsibilities of the Committee. The criteria were as follows:

- Possess high integrity and capable of being independent in the Company's management;
- Understand the business, its products and services;
- Have adequate knowledge on macro-economy and its impact on the industry;
- Have no family relationships with members of the Board of Commissioners and the Board of Directors; and

- The Chairman of Risk Management Committee must be an independent member of the Board of Commissioners.

RISK MANAGEMENT COMMITTEE MEMBERS' SELECTION AND APPOINTMENT

After the aforementioned criteria are met, the Risk Management Committee members are selected and appointed through the following decision-making process:

- The Board of Directors or the Chairman of the Risk Management Committee may propose candidates from outside the Company's Board of Commissioners for nomination as a member of the Risk Management Committee.
- The Nomination and Remuneration Committee will conduct interviews and examine the qualifications and competency of the candidates. After completion of the evaluation, the Nomination

and Remuneration Committee will submit recommendations to the Board of Commissioners for appointments as members of the Risk Management Committee.

- If the recommendations from the Nomination and Remuneration Committee are approved, the Board of Commissioners will inform the Board of Directors to issue appointment letters for the approved candidates

RISK MANAGEMENT COMMITTEE MEMBERS STRUCTURE

Based on the Board of Commissioners Decision Letter ("SK") No. BOC/SK/IV/2015-0081 dated 13 April 2015, members composition of the Risk Management Committee were as follows:

Chairwoman: Emmy Yuhassarie
Member: Jono Effendy

Members composition of the Risk Management Committee Based on the Board of Commissioners

Decision Letter ("SK") No. BOC/SK/VI/2016-05 dated 21 June 2016, effective since 22 June 2016 were as follows:

Chairman: Johanes Sutrisno
Member: Jono Effendy

RISK MANAGEMENT COMMITTEE MEMBERS' PROFILES

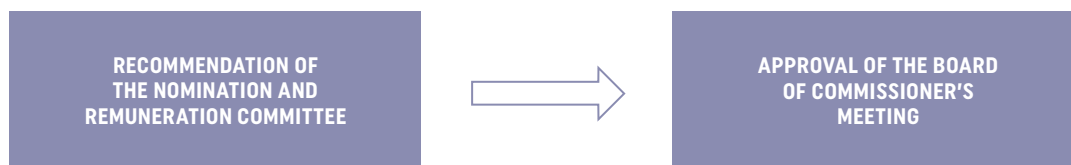
Profiles of each member of the Risk Management Committee are presented in the Company Profile Chapter of this Integrated Annual Report (page 66-67).

The background of expertise for each Risk Management Committee member are as follows (table 107).

RISK MANAGEMENT COMMITTEE MEMBERS' TERM OF OFFICE

The tenure of members of the Risk Management Committee cannot be longer than the term of office of the Board of Commissioners and may be reelected only for one further term of office.

CHART OF RISK MANAGEMENT COMMITTEE MEMBERS' SELECTION AND APPOINTMENT



The term of office for members of the Risk Management Committee as at 31 December 2016 can be seen in Table 107.

RISK MANAGEMENT COMMITTEE'S INDEPENDENCE

Members of the Risk Management Committee are private professionals who do not have a business relationship, directly or indirectly, related to the Company's business activities, in order to maintain their independence in the execution of their duties and responsibilities. All committee members have met

the criteria of independence, skill, experience and integrity required by the applicable regulations (Table 108).

RISK MANAGEMENT COMMITTEE'S REMUNERATION POLICY AND AMOUNT

The Company has established a remuneration policy that applies to the Risk Management Committee, as follows:

- The Nomination and Remuneration Committee makes recommendations to the Board of Commissioners on the remuneration for the members of the Risk

Management Committee, based on the Company's policies and considering a review of the market for the remuneration of the Risk Management Committee. The Risk Management Committee's remuneration consists of the honorarium only.

- Members of the Risk Management Committee who hold concurrent positions as members of the Board of Commissioners of the Company or are members of senior management of the controlling shareholder are not entitled to additional remuneration as a member of the Risk Management Committee.

Table 107 – PROFILE AND TERM OF OFFICE RISK MANAGEMENT COMMITTEE

Name	Position	Background and Expertise	Date and Appointment Basis	Term of Office
Johanes Sutrisno	Chairman of the Risk management Committee (as well as Independent Commissioner)	Finance, Accounting, Audit Committee, GCG	Board of Commissioners' Decision letter No. BOC/SK/VI/2016-05 dated 21 June 2016	2016-2021
Jono Effendy	Member	Audit, Management Risk	Board of Commissioners' Decision letter No. BOC/SK/IV/2015-0081 dated 13 April 2015 and reconfirmed by Board of Commissioners' Decision letter No. BOC/SK/VI/2016-05 dated 21 Juni 2016	2016-2021

Table 108 – RISK MANAGEMENT COMMITTEE

Description	Financial Relationship with						Family Relationship with					
	Board of Commissioners		Board of Directors		Controlling Shareholder		Board of Commissioners		Board of Directors		Controlling Shareholder	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Johanes Sutrisno	-	√	-	√	-	√	-	√	-	√	-	√
Jono Effendy	-	√	-	√	-	√	-	√	-	√	-	√

RISK MANAGEMENT COMMITTEE MEETINGS

Risk Management Committee Meetings Policy

The Risk Management Committee held four meetings in the year and reported all the results to the Board of Commissioners.

Risk Management Committee Meetings Frequency and Attendance

The meeting frequency and attendance of the Company's Risk Management Committee members during 2016 can be seen Table 109.

Risk Management Committee Meetings Agenda

Information about the agenda of the Risk Management Committee Meetings in 2016 can be seen Table 110.

RISK MANAGEMENT COMMITTEE'S 2016 WORK PROGRAMS IMPLEMENTATION REPORT

The Risk Management Committee's Work Program Implementation Report is aimed at ensuring that management has an early warning system on the likelihood of risks that may affect

the running of the company, to avoid the possibility of later surprises. The program includes:

1. Quarterly meetings with the Corporate Risk Management department and the Board of Directors to discuss the risk monitoring dashboard;
2. Ensuring that the measures taken in the field of Risk Management have been implemented properly;
3. Reviewing the Risk Management report on the evaluation of the Company's risk exposure, especially in the risk related activities of the finance companies:
 - Financial performance risk;
 - Operational risk;
 - Funding risk; and
 - Legal risk

Table 109 – SCHEDULE AND ATTENDANCE OF RISK MANAGEMENT COMMITTEE MEETINGS

Date	Johanes Sutrisno**	Jono Effendy	Emmy Yuhassarie*
16 February 2016	√	√	-
21 April 2016	√	√	-
28 July 2016	-	√	√
24 October 2016	-	√	√
Total attendance per member	2	4	2
Percentage attendance rate per member	100%	100%	100%

Notes:

* Based on Board of Commissioners' Decision letter No. BOC/SK/IV/2015-0081 dated 13 April 2015, the composition of Risk Management Committee, are as follows:

- Chairwoman: Emmy Yuhassarie
- Member: Jono Effendy

** Based on Board of Commissioners' Decision letter No. BOC/SK/VI/2016-05 dated 21 June 2016, the composition of Risk Management Committee, are as follows:

- Chairman: Johanes Sutrisno
- Member: Jono Effendy

Table 110 – RISK MANAGEMENT COMMITTEE MEETINGS AGENDA

Date	Agenda Rapat
16 February 2016	Discussion about Executive Summary - Risk Dashboard, Financial and Operational Risk Update
21 April 2016	Discussion about Executive Summary - Risk Dashboard, Financial and Operational Risk Update
28 July 2016	Discussion about Executive Summary - Risk Dashboard, Quality Portfolio Update
24 October 2016	Discussion about Executive Summary - Risk Dashboard, Financial and Operational Risk Update

NOMINATION AND REMUNERATION COMMITTEE

MAIN TASKS

The Nomination and Remuneration Committee is established by and responsible to the Board of Commissioners in helping carry out the functions and duties of the Board of Commissioners related to Nomination and Remuneration of members of the Board of Directors, the Board of Commissioners and Committees under the Board of Commissioners.

LEGAL BASIS

The Nomination and Remuneration Committee was first established by the Board of Commissioners Decision Letter (SK) No. Com/JS/SK/XII/2005-007 on 29 December 2005. In addition, the establishment of the Nomination and Remuneration Committee refers to OJK Regulation No. 34/POJK.04/2014 ("POJK 34") regarding Nomination and Remuneration Committee for Issuers or Public Companies which took effect on 8 December 2014. Every issuer or public company shall comply with this provision of OJK Regulation at least one year from the enactment of OJK Regulation. The implementation of OJK Regulation has been initiated since 2015.

NOMINATION AND REMUNERATION COMMITTEE GUIDELINES

With reference to POJK 34 and the Company's articles of association, on 1 December 2015 the Company published BFI's Nomination and Remuneration Committee Guidelines. These guidelines are the working guidelines for the Nomination Committee in carrying out its duties and responsibilities, and form part of the GCG system.

The Nomination and Remuneration Committee guidelines govern their duties and responsibilities, authorities, composition, structure and membership requirements, processes and procedures in the implementation of tasks, meetings as well as term of office of members of the Nomination and Remuneration Committee.

Nomination and Remuneration Committee's Duties and Responsibilities

The Nomination and Remuneration Committee's duties and responsibilities include:

1. Related to the nomination function:
 - a. Prepare and provide recommendations to the Board of Commissioners regarding:
 - The positions composition of members of the Board of Directors and/or the Board of Commissioners as well as the Committees;
 - Policies and criterias required in the nomination process; and
 - Performance-evaluation policy for members of the Board of Directors and/or the Board of Commissioners as well as the Committees;
 - b. Assist the Board of Commissioners to assess the performances of members of the Board of Directors and/or the Board of Commissioners as well as the Committees based on benchmarks that had been developed as an evaluation;
 - c. Provide recommendations to the Board of Commissioners regarding the capacity-building program for members of the Board of Directors and/or the Board of Commissioners as well as the Committees; and

- d. Propose candidates who qualify as members of the Board of Directors and/or the Board of Commissioners to the Board of Commissioners to be submitted to the GMS.
2. Related to the remuneration function:
- a. Provide recommendations to the Board of Commissioners on:
- The structure of remuneration;
 - The policy on remuneration; and
 - The amount of remuneration;
- b. Assist the Board to assess performance with suitability of the remuneration received by each member of the Board of Directors and/or the Board of Commissioners as well as the Committees.

Nomination and Remuneration Committee Authorities

In carrying out its duties and responsibilities, the Nomination and Remuneration Committee has the following authorities:

1. The Nomination and Remuneration Committee is authorised to access the Company documents, data and information as required.
2. In connection with the implementation of its tasks and responsibilities, the Nomination and Remuneration Committee is

authorised to communicate directly with employees, Directors and others..

3. If necessary, the Nomination and Remuneration Committee is authorized to engage independent parties to assist in carrying out their duties.

Nomination and Remuneration Committee's Number of Members, Composition and Membership Requirements

1. Number of Members and Composition

The Nomination and Remuneration Committee consists of at least three members, provided that:

- a. One chairman/chairwoman and concurrent member, who is an Independent Commissioners; and
- b. Other members may come from:
 - Members of the Board of Commissioners;
 - Parties from outside the Company; or
 - Parties who occupy managerial positions under the Board of Directors in charge of HC.

For other members of the Nomination and Remuneration, the majority must not come from those who occupy managerial positions under the Board of Directors in charge of Human Capital.

2. Member Requirements for Parties Outside the Company
Nomination and Remuneration Committee members who come from outside the Company must fulfill the following requirements:
 - a. Are not affiliated with the Company, members of the Board of Directors, members of the Board of Commissioners or the majority shareholder;
 - b. Have experiences related to nomination and/or remuneration; and
 - c. Do not hold concurrent positions as members of other Committees of the Company.

Nomination and Remuneration Committee Members' Selection and Appointment

Nomination and Remuneration Committee members are appointed and dismissed by the Board of Commissioners. The Company is required to document decisions of appointment and dismissal of members of the Nomination and Remuneration Committee in question.

The Nomination and Remuneration Committee members shall be appointed for a specific term and may be reappointed, provided that the term of office of the Nomination and Remuneration Committee members is not longer than the term of office of the Board of Commissioners as stipulated in the Company's articles of association.

Replacement of the Nomination and Remuneration Committee members who are not from the Board of Commissioners must be made no later than sixty days after the Nomination Committee members are unable to perform their function.

Nomination and Remuneration Committee Members Structure

The composition of the Nomination and Remuneration Committee based on the Board of Commissioners Decree (SK) No. BOC/SK/IV/2015-0081 dated 13 April 2015 are as follows:

Chairman: Alfonso Napitupulu
Member:

- Andrew Adiwijanto
- Priyambodo

The composition of the Nomination and Remuneration Committee as mentioned above has been reaffirmed with the BOC Decree No. BOC/SK/VI/2016-05 dated 21 June 2016 effective since 22 June 2016.

Nomination and Remuneration Committee Members' Profiles

Profiles of each member the Nomination and Remuneration Committee are presented in the Company Profile Chapter of this Integrated Annual Report (page 68-69).

The background of expertise of each member of the Nomination and Remuneration Committee can be seen in Table 111.

Nomination and Remuneration Committee's Term of Office

The tenure of members of the Nomination and Remuneration Committee should not be longer than the term of office of the Board of Commissioners as stipulated in the articles of association of the Company.

The term of office of the Company's Nomination and Remuneration Committee as at 31 December 2016 can be seen in Table 112.

NOMINATION AND REMUNERATION COMMITTEE'S INDEPENDENCE

The Nomination and Remuneration Committee shall act independently in carrying out its duties, and is responsible to the Board of Commissioners.

The independence of members of the Nomination and Remuneration Committee can be illustrated in Table 113.

NOMINATION AND REMUNERATION COMMITTEE'S REMUNERATION POLICY AND AMOUNT

1. The Nomination and Remuneration members are prohibited from gaining personal advantage either directly or indirectly from BFI activities other than legitimate income.
2. Members of the Board of Commissioners that are also the Chairman or members of the Nomination and Remuneration Committee are not given any additional income other than the income they receive as members of the Board of Commissioners.

Table 111 – NOMINATION AND REMUNERATION COMMITTEE MEMBERS' PROFILE

Name	Position	Background and Expertise
Alfonso Napitupulu	Chairman of the Nomination and Remuneration Committee (Independent commissioner)	Law, Law Firm
Andrew Adiwijanto	Member	Electrical Engineering, Human Capital management and Operational
Priyambodo	Member	Accounting, Human Resource Management

Table 112 – NOMINATION AND REMUNERATION COMMITTEE MEMBERS' TERM OF OFFICE

Name	Position	Appointment Date and Basis	Term of Office
Alfonso Napitupulu	Chairman of the Nomination and Remuneration Committee concurrently Independent commissioner	Board of Commissioners' Decision letter No. BOC/SK/IV/2015-0081 dated 13 April 2015 and reconfirmed by Board of Commissioners' Decision letter No. BOC/SK/VI/2016-05 dated 21 June 2016	2016-2021
Andrew Adiwijanto	Member	Board of Commissioners' Decision letter No. BOC/SK/IV/2015-0081 dated 13 April 2015 and reconfirmed by Board of Commissioners' Decision letter No. BOC/SK/VI/2016-05 dated 21 June 2016	2016-2021
Priyambodo	Member	Board of Commissioners' Decision letter No. BOC/SK/IV/2015-0081 dated 13 April 2015 and reconfirmed by Board of Commissioners' Decision letter No. BOC/SK/VI/2016-05 dated 21 June 2016	2016-2021

Table 113 – INDEPENDENCE OF THE NOMINATION AND REMUNERATION COMMITTEE

Keterangan	Financial Relationship with						Family Relationship with					
	Board of Commissioners		Board of Directors		Controlling Shareholder		Board of Commissioners		Board of Directors		Controlling Shareholder	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Alfonso Napitupulu	-	√	-	√	-	√	-	√	-	√	-	√
Andrew Adiwijanto	-	√	-	√	-	√	-	√	-	√	-	√
Priyambodo	-	√	-	√	-	√	-	√	-	√	-	√

NOMINATION AND REMUNERATION COMMITTEE'S WORK PROCESSES AND PROCEDURES

1. In performing the nomination function as referred to in item 2 paragraph a of the Nomination and Remuneration Committee Guidelines, the Committee shall perform the following procedures:

- Compile the composition and the nomination process for members of the Board of Directors and/or the Board of Commissioners;
- Develop policies and criteria required in the nomination process of candidates for the members of the Board of Directors and/or the Board of Commissioners;
- Assist the implementation of performance evaluation of members of the Board of Directors and/or the Board of Commissioners;
- Arrange a capacity building program for the members of the Board of Directors and/or the Board of Commissioners; and
- Examine and propose candidates who qualify as members of the Board of Directors and/or the Board of Commissioners to the Board of Commissioners to be submitted to the GMS.

2. In carrying out the functions of the remuneration referred to in item 2 letter b of the Nomination and Remuneration Committee Guidelines, the Committee shall perform the following procedures:
 - a. Structure the remuneration of the members of the Board of Directors and/or the Board of Commissioners;
 - b. Develop a policy on the remuneration of the members of the Board of Directors and/or the Board of Commissioners; and
 - c. Arrange the amount of remuneration for the members of the Board of Directors and/or the Board of Commissioners.
3. The Nomination and Remuneration Committee in carrying out its duties and responsibilities related to the remuneration policy must ensure that the remuneration policy in accordance with:
 - a. Remuneration applicable to the industry;
 - b. Duties, responsibilities and authority of members of the Board of Directors and/or the Board of Commissioners associated with the achievement of the Company's goals and performance;
 - c. Performance targets or performance of individual members of the Board of Directors and/or the Board of Commissioners; and
 - d. Balance for allowances of a fixed and variable nature.

The structure, policies and remuneration should be evaluated by the Nomination and Remuneration Committee at least annually.

NOMINATION AND REMUNERATION COMMITTEE MEETINGS

Nomination and Remuneration Committee Meetings Policy

The meetings policy is as follows:

- a. To hold periodic meetings at least once in four months.
- b. The meetings can only be held if:
 - Attended by the majority of the Nomination and Remuneration Committee members; and
 - One of the members is Chairman/Chairwoman of the Nomination and Remuneration Committee.
- c. Decisions of the Nomination and Remuneration Committee meetings are reached by consensus.
- d. In the case a decision cannot be reached based on consensus, then decisions are made by a majority vote.
- e. If the decision is made by way of voting, the decision taken through this mechanism is prescribed in the Nomination and Remuneration Committee Guidelines.
- f. In the event of disagreements, differences of opinion shall be published in the minutes of the meeting and the reasons for such disagreement.
- g. Results of the Nomination and Remuneration Committee meetings shall be recorded in the minutes of meetings.

- h. Minutes of the Nomination and Remuneration Committee meetings shall be submitted in writing to the Board of Commissioners.

Nomination and Remuneration Committee Meetings Frequency and Attendance

During 2016, the Nomination and Remuneration Committee held four meetings. The results of the meetings have been reported at the Board of Commissioners' meetings.

Nomination and Remuneration Committee Meetings Agenda

The agenda of the 2016 Nomination and Remuneration Committee meetings were as follows:

- Discussion on the compensation and benefits of the Board of Directors and the Board of Commissioners;
- Recommended changes in the composition of the members of the Risk Management Committee.

Table 114 – SCHEDULE AND ATTENDANCE OF THE NOMINATION AND REMUNERATION COMMITTEE MEETINGS

Date	Alfonso Napitupulu	Andrew Adiwijanto	Priyambodo
16 February 2016	√	√	√
21 April 2016	√	√	√
28 July 2016	√	√	√
29 November 2016	√	√	√
Total Attendance of Each Member	4	4	4
Attendance Percentage of Each Member	100%	100%	100%

Table 115 – THE NOMINATION AND REMUNERATION COMMITTEE MEETINGS AGENDA

Date	Meeting Agenda
16 February 2016	Discussion on the salaries, benefits and/or tantiem for the Board of Directors and Board of Commissioners
21 April 2016	Discussion on recommendations for prospective members of the committees under the Board of Commissioners and discussion on reappointment of the members of the Board of Directors and the Board of Commissioners
28 July 2016	Discussion on the remuneration policy that applies to the Board of Directors and the Board of Commissioners
29 November 2016	Discussion on budget increase in salaries and employee benefits

EVENT REPORTING SYSTEM

The Nomination and Remuneration Committee reported its implementation of nomination and remuneration tasks, responsibilities and procedures to the Board of Commissioners. It forms part of the report of the Board of Commissioners and is delivered in the GMS.

The Company must disclose the implementation of the related functions of the nomination and remuneration in:

- The Annual Report; and
- The Company's website.

NOMINATION AND REMUNERATION COMMITTEE'S 2016 WORK PROGRAMS IMPLEMENTATION REPORT

The work programs of the Nomination and Remuneration Committee in 2016 were as follows:

1. Reviewed the CVs and competence of candidates for the Board of Commissioners as well as members of the Committees to be proposed to the Board of Commissioners, which will be submitted to the GMS; and

2. Conducted an evaluation based on the proposal of the Board of Directors related to the remuneration determination for the Board of Directors, the Board of Commissioners and the Committees to be submitted to the Board of Commissioners.

CORPORATE SECRETARY

MAIN TASKS

To improve services to public investors, in accordance with OJK Regulation No.35/POJK.04/2014 on Corporate Secretary for Issuers or Public Companies, BFI as a public company has established the Corporate Secretary who acts as a liaison officer in facilitating effective communication with the shareholders, OJK and other stakeholders including investors in the implementation of GCG, the preparation of the management reports as well as activities related to secretarial, legal handling, public relations, Quality Management System, and Corporate Information Management System.

The Corporate Secretary is an individual and also in charge of the unit that runs the corporate secretary function, namely the Corporate Secretariat Department headed by a Head of Corporate Secretariat.

Any information submitted by the Corporate Secretary to the public is the official information of the issuer or a public company.

LEGAL REFERENCES

- The Corporate Secretary was initially established in accordance with the Board of Directors' Decree No. Corp/CH/L/VII/07-0115 dated 9 July 2007 with reference to Bapepam-LK Regulation No IX.1.4 in 1996 on the Establishment of the Corporate Secretary;
- OJK Regulation No. 35/POJK.04/2014 on Corporate Secretary in Listed or Public Companies (POJK 35), which replaced the Bapepam-LK Regulation No. IX.1.4 on the Establishment of the Corporate Secretary.

BFI Corporate Secretary shall be appointed and dismissed by the decision of the Board of Directors.

CORPORATE SECRETARY POSITION

1. The Corporate Secretary shall be appointed and dismissed by the Board of Directors.
2. The position of Corporate Secretary can be held concurrently by a member of the Board of Directors.
3. The Corporate Secretary is prohibited from holding any other position in other issuers or public companies.
4. In the event of a vacancy in the Corporate Secretary position, the Public Company shall appoint a replacement within a maximum period of sixty days after the occurrence of a vacancy the Corporate Secretary.
5. During the vacancy referred to in item (4) above, the Corporate Secretary position will be held by a member of the Board of Directors or an individual appointed as Company Secretary without regard to the requirements of the Corporate Secretary as provided in POJK 35.

CORPORATE SECRETARY REQUIREMENTS

The Corporate Secretary shall meet the following requirements:

- Legally competent;
- Have knowledge and understanding in the fields of law, finance, and corporate governance;
- Understand the Company's operations;
- Be able to communicate well; and
- Be domiciled in Indonesia.

CORPORATE SECRETARY PROFILE

The Corporate Secretary position as at 31 December 2016 was held by Sudjono, an Indonesian citizen, born in 1970, aged 46 years old. He was appointed based on the Company's Board of Directors' Decree No. BOD-BOC/VI/2014-0011 dated 24 June 2014. He is also a Member of the Board of Directors serving as the Director of Finance and Information Technology. His profile is presented in the Board of Directors' Profile section (page 63).

DUTIES AND RESPONSIBILITIES OF THE CORPORATE SECRETARY

In accordance with Bapepam-LK Regulation No. IX.1.4 jo POJK 35 on the Establishment of the Corporate Secretary, the duties and responsibilities of the Corporate Secretary are as follows:

1. Following the development of the capital market, especially the regulations applied in the field of capital market and socializing it to the Board of Commissioners, the Board of Directors, and the stakeholders;
 2. To provide recommendations to the Board of Directors and the Board of Commissioners to comply with the provisions of the regulations of capital market;
 3. To support the Board of Directors and the Board of Commissioners in the implementation of Corporate Governance, including:
 - a. Information transparency to the public, including the availability of information on the website of the listed or public companies;
 - b. The timely submission of reports to OJK;
 4. To provide information to the public regarding the condition of the Company.
- c. The arrangement and documentation of the General Meetings of Shareholders (GMS) including the preparation of the implementation process (GMS planning report, announcement, the invitation and the delivery of the GMS), the preparation of the GMS material (including the Company's Annual Reports) and the implementation of the GMS.
 - d. The arrangement and documentation of meetings of the Board of Directors and/or the Board of Commissioners; and
 - e. The implementation of the Company's induction program for new members of the Board of Directors and/or the Board of Commissioners as well as the Committees under the Board of Commissioners.

CORPORATE SECRETARY COMPETENCY-BUILDING TRAINING PROGRAM

During 2016, the Corporate Secretary, held by a Director, Sudjono, attended seminars and training as detailed in Table 101.

CORPORATE SECRETARY DUTIES REPORT FOR 2016

Throughout 2016, the Corporate Secretary responsibly implemented his duties and responsibilities, which included:

1. Providing input to the Board of Directors and the Board of Commissioners regarding capital market developments, including new regulations in the capital market issued by OJK and IDX;
2. Maintaining good relations with the Capital Market Authorities and being available for disclosing information about the Company as needed by the public;
3. Providing Company information in a transparent manner, which includes information covering GMS disclosure reports, periodic financial statements, annual reports, public expose, stock registration statements, incidental reports related to new development plans, as well as providing the necessary information to the shareholders;
4. Sending notices and preparing everything related to the implementation of GMS decisions and publishing the results of the meeting;
5. Coordinating and administering the registration of ownership of shares and corporate actions;
6. Preparing the Annual Report;
7. Implementing the CSR programs through the CSR Unit under the coordination of the Corporate Secretariat Department;
8. Preserving and maintaining relations with the media and other means of information;
9. Coordinating Company meetings, such as the GMS, the Board of Commissioners, the Board of Directors, Joint Meetings of the Board of Commissioners and Board of Directors, the Audit Committee, and the public exposure;
10. Recording the minutes of Company meetings, such as the GMS, Meetings the Board of Commissioners, Meetings the Board of Directors, Joint Meetings of the Board of Commissioners and the Board of Directors, Meetings of the Committees under the Board of Commissioners, and the public expose; and
11. Coordinating corporate actions, among others:
 - The repurchase of Company shares (stock buyback);
 - Management and Employee Stock Option ("MESOP") Program; and
 - Issuance of bonds.

CORRESPONDENCE WITH OJK AND IDX

During 2016, the Company filed over 48 correspondences to OJK and over 42 correspondences to IDX.

INTERNAL AUDIT

MAIN TASKS

The key task of Internal Audit is to provide assurance and independent and objectively consulting for the internal organization of the Company, with the objective to increase the value and improve the operations of the Company, through a systematic approach, by evaluating and improving the effectiveness of risk management, control and corporate governance process.

LEGAL BASIS

The establishment of the Company's Internal Audit Unit refers to OJK Regulation No. 56/POJK.04/2015 on the Establishment and Guidelines for Preparation of the Internal Audit Charter ("POJK 56")

In accordance with POJK 56, the Internal Audit function within the Company is carried out by the Internal Audit Department who is responsible directly to the President Director and has direct access to the Audit Committee to ensure that the Internal Audit Department carries out its tasks independently and consultations on planned process checks are performed.

INTERNAL AUDIT CHARTER

The Company implemented its Internal Audit Charter on 1 March 2009, which is structured as a working guideline for Internal Audit in carrying out the tasks and the mandates given by the Company's Board of Directors, in order to provide independent and objective assurance and consulting to the internal organization of the company with the aim to increase the value and improve the operations of the Company, through a systematic approach, by evaluating and improving the effectiveness of risk management, control and corporate governance.

INTERNAL AUDIT DEPARTMENT STRUCTURE AND POSITION

Internal Audit is an important part of the implementation of GCG. The company's Internal Audit is an independent body when carrying out its duties and responsibilities that give advice to improve the operational activities of the Company. The Internal Audit helps the Company to achieve its objectives by a systematic and disciplined approach to evaluate and improve the effectiveness of risk management and control.

The Company formed the Internal Audit Department on 31 March 2010 based on the Appointment of Members of the Company Internal Audit. The Internal Audit Department is a department that is independent and responsible directly to the President Director.

Internal Audit members are employees of the Company who are subject to the Company's rules and regulations, including appointment and dismissal procedures as well as evaluating the performance of members of the Internal Audit.

In carrying out its activities, the Internal Audit Department coordinates and cooperates with the Audit Committee, which is structurally responsible to the Board of Commissioners.

In carrying out its activities, the Internal Audit Department shall coordinate and cooperate with the Audit Committee of the Company, which is structurally responsible to the Board of Commissioners.

The Internal Audit Department is headed by the Department Head and consists of at least one of Department Head, and 10 members recruited from the Company's internal resources. Auditors working in the Internal Audit Department are directly responsible to the Department Head.

The Internal Audit Department Head is appointed and dismissed by the President Director with the approval of the Board of Commissioners. The President Director can dismiss the Internal Audit Department Head after getting an approval from the Board of Commissioners, if the Internal Audit Department Head does not qualify as an auditor of the Internal Audit Department and/or fails or is incompetent in performing his/her duties.

INTERNAL AUDIT QUALIFICATIONS

The qualifications needed by the Internal Audit Department in carrying out their duties and responsibilities include:

- The capability to plan, schedule and conduct an annual audit on performance and data on the systems and operations at head office and branches;
- The capability to develop work systems, procedures and service standards from each unit in the Internal Audit Department;

- The capability to analyse internal control working processes of at the head office and branches;
- The capability to keep up to date with the latest provisions and regulations in the Company related to the audit scope and its implementation;
- The capability to coordinate with the other departments and working units in the Company to obtain solutions, explanations, and input on any matters or findings;
- The capability to prepare audit-finding reports, analyze findings, provide recommendations as solutions, and impose sanctions whenever needed; and
- The capability to report important findings that need immediate follow-up to the Internal Audit Department head.

The qualifications required for the position of the Internal Audit Department Head are determined as follows:

- The capability to conduct planning and monitoring regarding productivity of the Internal Audit Department;
- The capability to analyze the evaluation results and to ensure the availability of quality audit reports to be reported to the Audit Committee and the President Director; and
- The capability to provide recommendations regarding the results of the audit findings.

HEAD OF INTERNAL AUDIT PROFILE

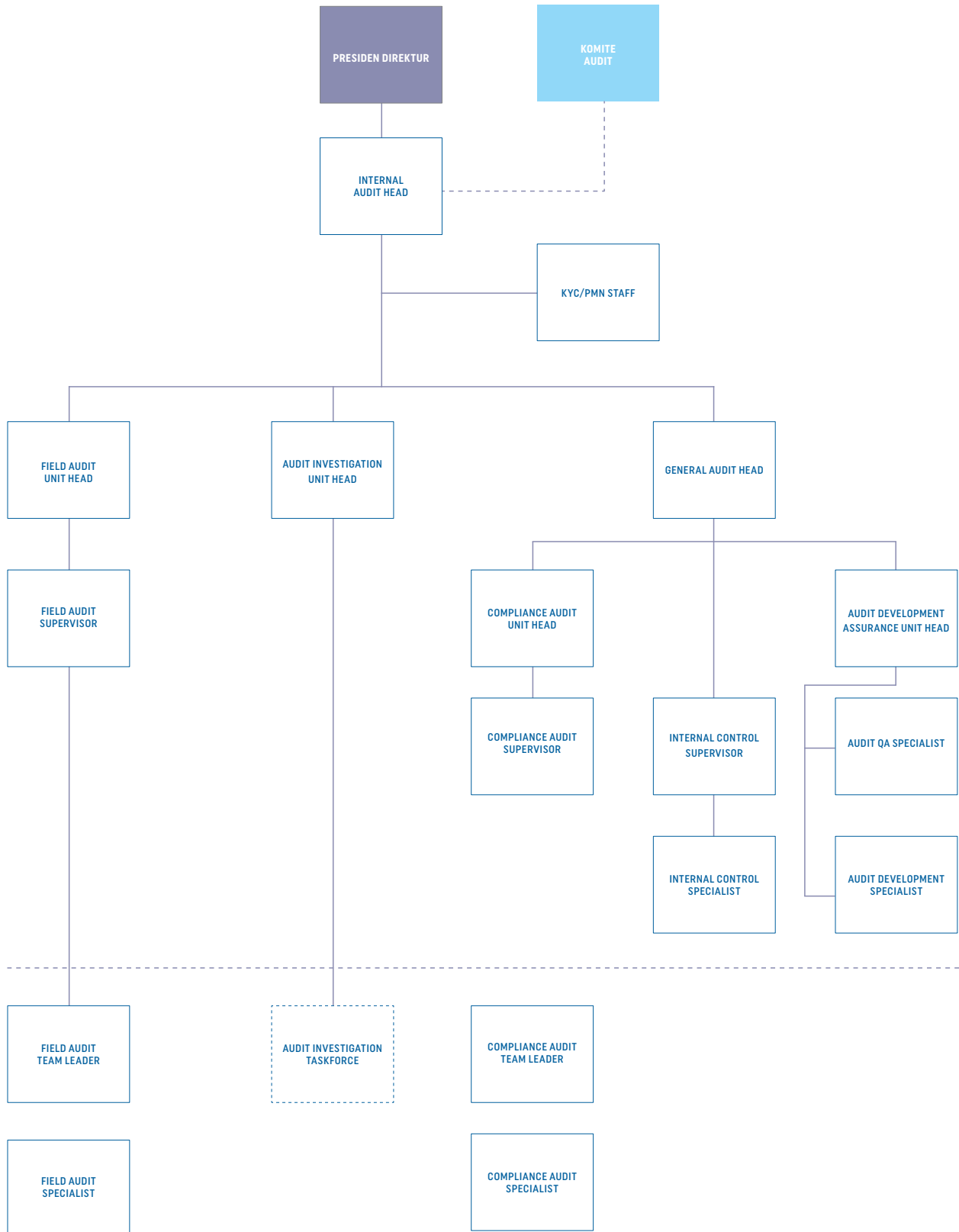


The head of the Company's Internal Audit Department as at 31 December 2016 was Fledy Rizmara, Indonesian citizen, born in 1980, aged 36 years old, domiciled in Jakarta. He has been serving as the Head of Internal Audit since 2014 pursuant to the Board of Directors' Decree No. SK/BOD/VII/14-009 dated 16 July 2014. He started his career in BFI since 2005 as Audit Staff, Team Leader of Audit in 2007, Audit Supervisor in 2010, Unit Head of General Audit in March 2011, and Unit Head of Field Audit in August 2011. He obtained his Bachelor of Economics degree in Accounting from the Indonesian Islamic University (UII) in 2004.

The training and development programs that he has participated in, among others, are:

- 2005:
 - Basic Principles of Internal Audit by the BFI (internal)
 - Interview Techniques by BFI (internal)
 - Fraud Detection by BFI (internal)

Chart 22 – AUDIT INTERNAL STRUCTURE



- 2010:
 - The Most Powerful Rules in Management by ACADEMIA Education & Training
 - Proven Techniques Build Successful Teams by ACADEMIA Education & Training
- 2011:
 - Middle Management Development Program (MMDP) Batch 1, which was organized in collaboration with the BFI and Prasetya Mulya Business School
 - Know Your Customer by the BFI (internal)

He is also active as a trainer who provides a variety of training programs for employees of the Company since 2009 until today.

INTERNAL AUDIT DEPARTMENT DUTIES AND RESPONSIBILITIES

The Internal Audit Charter regulates the Internal Audit's duties and responsibilities, as follows:

1. Prepare and implement the annual Internal Audit plan;
2. Examine and evaluate the implementation of internal controls and risk management systems in accordance with the Company's policies;

3. Examine and evaluate the efficiency and effectiveness of finance, accounting, operations, human capital, marketing, information technology and other activities;
4. Provide constructive input and objective information regarding audited activities at all management levels;
5. Prepare reports of audit results and submit the reports to the President Director and the Board of Commissioners;
6. Monitor, analyze and report the implementation of suggested follow ups;
7. Cooperate with the Audit Committee;
8. Prepare programs to evaluate the quality of the Internal Audit's activities;
9. Conduct special audits if required; and
10. Prepare scoring of audit results for each branch office in order to evaluate the level of compliance of each branch with the regulations, policies and other prevailing regulations.

INTERNAL AUDIT DEPARTMENT AUTHORITY

The Company's Internal Audit Department authorities are as follows:

1. To access all relevant information on the Company related to its tasks and functions;
2. To have direct communication with the Board of Directors, the Board of Commissioners and/or the Audit Committee as well as members of the Board of Directors and the Board of Commissioners, and/or the Audit Committee;
3. To hold periodic and incidental meetings with the Board of Directors, the Board of Commissioners, and/or the Audit Committee; and
4. To coordinate its activities and the activities of the external auditor.

INTERNAL AUDIT ACTIVITY STANDARDS

In fulfilling the role and responsibilities of the above, BFI's Internal Audit Department independently conducts audit activity in all branches, as well as in the head office. In addition to the audit of the financial aspects, Internal Audit monitors compliance with policies and Standard Operating Procedures ("SOP") and the Company continues to evaluate the effectiveness of the Company's internal control system.

The audit process adopts the concept of Risk-Based Audit focusing on areas with the greatest risk as determined by the Risk Management Committee and the Audit Committee. Any findings of irregular events are reported to the Risk Management Committee and the Audit Committee.

INTERNAL AUDIT DEPARTMENT'S CODE OF ETHICS

1. Integrity

Trust is obtained from Internal Auditors who possess integrity. Thus, this quality may bring trust in each decision that the Internal Auditor makes.

2. Objectivity

Internal Auditors must exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not influenced by their personal interests or by others in making judgments.

3. Confidentiality

Internal Auditors must respect the value and ownership of information and data they receive and must not disclose such information and data without approval from the authorities.

4. Competency

Internal Auditors must apply the knowledge, skills, and experience needed in the performance of their internal audit duties.

INTERNAL AUDIT DEPARTMENT INDEPENDENCE AND OBJECTIVITY

In performing its duties and responsibilities, Internal Audit continuously upholds independence and objectivity. The Internal Audit Department should be able to plan, implement and report on audit assignments freely and independently without the influence of any interest in accordance with the consideration of the professionalism and auditing standards and regulations, and based on the evidence and facts.

The Company's Internal Audit continuously avoids exposure to events that may hinder its independence and objectivity. Therefore, the Internal Audit does not accept assignments and take responsibility in the working unit or business function. In cases that potentially could harm the independence and objectivity of the Internal Audit Unit, the Internal Audit Department is required to report such events to the President Director.

NUMBER OF AUDITORS IN THE INTERNAL AUDIT DEPARTMENT

The Internal Audit Department has two units consisting of:

- General Audit; and
- Field Audit.

The number of employees (internal auditor) in the of Internal Audit Department as at 31 December 2016 was 181, consisting of:

- General Auditors: 37 people
- Field Auditors : 128 people; and
- Head Office Auditors : 16 people.

BRIEF REPORT OF 2016 INTERNAL AUDIT ACTIVITIES AND FOLLOW-UP ON AUDIT FINDINGS

In fulfilling its duties and responsibilities, the Internal Audit independently conducts audit activities in the head office or branches. In addition to the audit of the financial aspects, the department monitors compliance with Company policies and SOPs and continues to evaluate the effectiveness of the Company's internal control system. The Risk-Based Audit focuses on areas with the greatest risk as determined by the Risk Management Committee and the Audit Committee. Any findings of irregular events are reported to the Risk Management Committee and the Audit Committee.

Implementation of Internal Audit activities in 2016 include:

- Drafting the annual audit work programs in 2016 and evaluating the implementation of the 2015 work programs;
- Conducting audits of the units at the head office and branches;
- Monitoring the implementation of audit recommendations that have been agreed; and
- Conducting regular meetings with the Audit Committee to discuss the work program of the Internal Audit, and discuss matters relating to important findings that require management's attention in accordance with the oversight function of the Audit Committee.

During 2016, Internal Audit carried out 152 audits in 151 branches, and 1 audit at the central office. Management consistently responds to the audit findings and in the event of fraud, the Company enforces sequential penalties ranging from reimbursement of losses to the Company through to termination of employment. During 2016, Company losses were below 1% of our revenues.

EXTERNAL AUDIT

To ensure that the financial statements of the Company have been prepared properly and correctly in accordance with the articles of association of the Company, Bapepam-LK Regulation No. VIII.G.7 regarding the Guidance of the Financial Statements Presentation, and the Head of Bapepam-LK Decree No. KEP-347/BL/2012 on the Presentation and Disclosure of Financial Reports of Listed or Public Companies, hence the Company appointed the External Auditor.

Based on the decision of the Company's AGMS dated 25 April 2016, the Company has appointed Public Accounting Firm Tanubrata Sutanto Fahmi & Partner, a member firm of the global network of BDO International Limited, as an External Auditor, to audit the financial statements of the Company for Fiscal Year 2016 and authorized the Board of Directors of the Company to determine the honorarium and requirements for the designated Public Accounting Firm.

The determination of the Public Accounting Firm to be used was carried out in accordance with provisions, where the Audit Committee conducted a review and assessment of Public Accounting Firm candidates, and made a recommendation to the Board of Directors, after being authorized by the General Meeting of Shareholders to appoint the Public Accounting Firm to be used.

The Public Accountant appointed by the Company has no affiliations with members of the Board of Directors, the Board of Commissioners and the Company's controlling shareholders, which may pose a potential conflict of interest and affect the independence of the Public Accountant and its auditors. The Public Accountant performed their duties according to the professional standards of independent public accountants, employment agreements and the scope of the audit determined.

AUDIT COST

The professional audit fee for auditing the Company's Annual Financial Statements for the fiscal year 2016 amounted to Rp385,000,000.

COMMUNICATION BETWEEN EXTERNAL AUDITOR AND AUDIT COMMITTEE

In order to carry out its duties, the External Auditor maintains communication with the Audit Committee through meetings attended by both parties, and the result of the meetings are reported to the Board of Commissioners by the Audit Committee. During 2016, meetings between the Audit Committee and the External Auditor were conducted two times on 16 February 2016 and 24 October 2016. The highlights of the discussions between the Audit Committee and External Auditors and the matters that required approval by the Board of Commissioners had been presented in the next meeting between the Audit Committee and the Board of Commissioners.

The discussions conducted in the Audit Committee's meeting with the External Auditor on 16 February 2016 include the result of the audit findings, auditor's recommendations, and draft of the audited financial statements for the fiscal year ended on 31 December 2015 as well as the

statement of opinion from the External Auditor concerning the audit result. Thereafter, the audit report would be submitted to the Board of Commissioners in the GMS of 2016. The agenda of Audit Committee's meeting with the External Auditor on 24 October 2016 was to discuss the audit plan,

among others, the composition of the External Auditor team, approach procedures and audit policies, implementation table, and the presentation of the audit result report, as well as certain assumptions for the audit requirements for the Company's fiscal year ended on 31 December 2016.

PUBLIC ACCOUNTANT INFORMATION

Table 116 – PUBLIC ACCOUNTANT INFORMATION

Period	Public Accountant	Name of Accountant	Opinion
2012	Tanubrata Sutanto Fahmi & Partners	Friso Palilingan	Unqualified
2013	Tanubrata Sutanto Fahmi & Partners	Santanu Chandra	Unqualified
2014	Tanubrata Sutanto Fahmi & Partners	Santanu Chandra	Unqualified
2015	Tanubrata Sutanto Fahmi & Partners	Santanu Chandra	Unqualified
2016	Tanubrata Sutanto Fahmi Bambang & Partners	Asep Ugi Sugianto	Unqualified

Public Accounting Firm Tanubrata Sutanto Fahmi Bambang & Partners did not provide other services beyond the services which have been described above.

COMPLIANCE FUNCTION

The compliance function in the Company aims to monitor policies, regulations, systems, procedures, and activities of the Company, as well as ensure compliance with applicable regulations. Through a compliance program that is planned and integrated, the Company is committed to developing a culture of compliance, and continues to maintain the effectiveness of risk management efforts.

The compliance function at BFI is managed by the Board of Directors and monitored every month at the Board of Directors' Meeting, where every head of divisions, departments and units of the Company must understand and abide by the rules and regulations.

The compliance function in the Company is under the President Director.

In order to manage compliance risk, during 2016 the Company conducted training in the areas of compliance, assessing and disseminating new regulations as well as some law-related programs.

RISK MANAGEMENT

Risk Management is an important part in establishing GCG. The implementation of GCG principles is expected to bolster the accuracy of risk mapping, to reduce the possibility of risks actually occurring, and to facilitate the proper and efficient risk mitigation so that the activities of the Company management may run smoothly and be able to improve its operational and financial performance.

RISK MANAGEMENT APPLICATION

External and internal conditions can affect the development of the Company's operations and increase the complexity of the level of risk faced by the Company. The increasing complexity of these risks need to be balanced by the application of risk management including the identification, measurement, monitoring, and controlling of risks. With increasingly complex challenges and dynamic industry transformations, indicated by the increasing intensity of the competitiveness, the constantly evolving customer demographics, the dynamic regulatory situations, and the macroeconomic climate that continues to be more challenging. This demands a proper, measurable, and well documented risk management practice as the main pillar in any decision-making process.

The implementation of a comprehensive risk management system enables the Company to effectively manage risk exposures in order to predict risk management portfolio and perform the preventive actions and maximize profits.

The Company continues to comply with the applicable regulations, among others, OJK Regulation No. 1/POJK.05/2015 on Risk Management Implementation for Non-Bank Financial Services Institutions, OJK Circular ("SEOJK") No. 15/SEOJK.05/2016 on Implementation of the Good Corporate Governance, and SEOJK No. 1/SEOJK.05/2016 on Financial Soundness of Financing Companies.

In accordance with the POJK and SEOJK mentioned above, the application of risk management system in the Company includes:

1. Active supervision of the Board of Directors and Board of Commissioners of the Company;
2. The adequacy of policies, procedures and risk limits;
3. The adequacy of the identification, measurement, monitoring and risk control;
4. The risk management information system; and
5. The comprehensive system of internal control.

Active Supervision of the Company's Board of Directors and Board of Commissioners

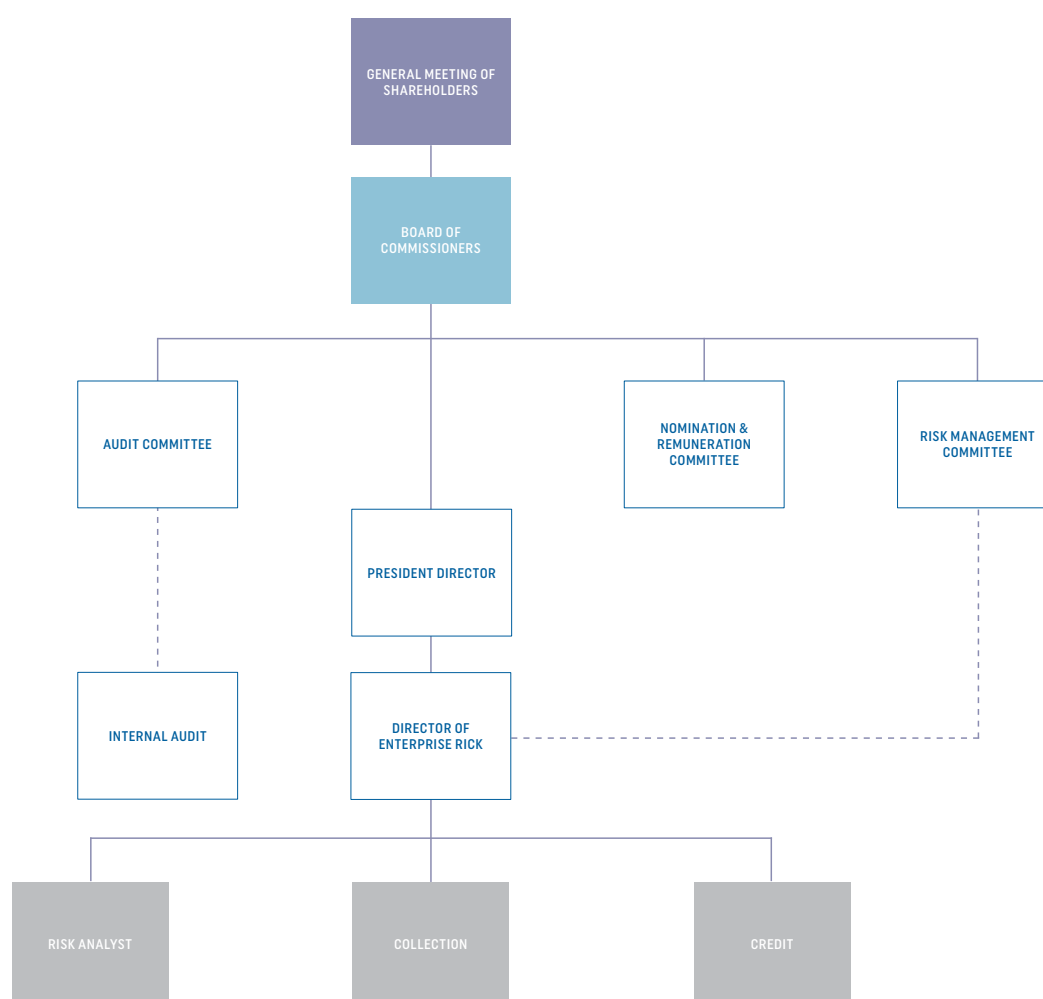
BFI's Board of Directors and Board of Commissioners play an active role in the implementation and monitoring of risk management in the Company. In performing risk management, the Board of Directors strives to maximize the Risk Management function as well as to monitor and control each type of risk. The Board of Commissioners is responsible for overseeing the Board of Directors, including to check the Company's risk profile report regularly and to perform the Board of Directors' tasks in controlling risks. In performing its supervision function, the Board of Commissioners is supported by the Risk Management Committee, the Audit Committee, and the Nomination and Remuneration Committee.

The Risk Management Committee is the highest organ at the Board of Commissioners' level in terms of risk management authority. This committee is responsible for approving the framework and risk management policy as well as ensuring its implementation throughout the Company. The Risk Management Committee gives authority to the Board of Directors, including Risk Management Director, in carrying out the duties and responsibilities of risk management. The Risk Management Committee also gives authority to the President Director and the Directors to approve or recommend any business activities.

The Risk Management Committee regularly conducts a meeting every three months to coordinate, evaluate, analyze the portfolio (credit risk), operational risk, business strategy risk, financing risk, governance risk, Company's asset and liability management risk, and management risk.

The general description of the supervisory structure of the Company (in which risk management is one of the key parts of the supervision activity performed in the Company) is presented on the chart and explanation below:

Chart 23 – RISK MANAGEMENT STRUCTURE



RISK MANAGEMENT STRUCTURE

The Director of Enterprise Risk Management (ERM) is responsible for developing

policies, strategies and the comprehensive risk management framework in accordance with the Company's business strategy, setting the procedures of the risk management activity implementation and ensuring the realization of the organizational

structure that supports the implementation of effective risk management activities. In addition, the Director of ERM is responsible for monitoring risks related to credit, operations, finance, regulatory compliance, and reputation.

Adequacy of Policies, Procedures and Limit Setting

The Company has established policies related to risk management which is examined and adjusted regularly with the business condition, business strategy, and the latest regulations. The policy is translated into SOP and internal decrees which are disseminated to all employees. The Company also has policies regarding the limitation of approval/ authorization for credit/not credit transactions in which this policy is also to be reviewed regularly to ensure that the Company's operations will not inflict any potential losses which exceed the ability or disrupt the continuity of the Company's operations. The loss provisioning policy is also in line with the Company's receivables provisioning based on the prevailing accounting principles and OJK policies.

Adequacy of Identification Process, Measurement, Monitoring and Risk Control

The Company have tools to identify, measure, and monitor risks, especially the credit risk. From the beginning the Company believes that risk control is a crucial issue in running the business. Therefore, various well-targeted mechanisms continue to be developed so that risk control would cover the whole process, from the beginning to end, from the determination

of the consumer segment profiles to the settlement of the consumers' obligation.

Risk Management Information System

The Company has an integrated and centralized Management Information System (MIS) to support the risk management implementation, especially to provide portfolio performance information in various levels and segments regarding credit risk management. A solid MIS with the Data Warehouse platform provides detailed information on portfolio concentration, customer behavior and performance, which are enabling the detection of the development of worsening matters at an early stage as an anticipation of corrective action that can be implemented at the right time. MIS performed by the Company are as follows:

1. The collection of the information until the report system (dashboard);
2. Integration of Early Warning System (EWS); and
3. Risk-management-based KPI.

Comprehensive Internal Control System

The framework used in the Internal Risk Control of Risk Management System is based on the Three Lines of Defense approach, consisting of monitoring, control, and management functions.

1. **First Line Of Defense**
Business and operating units serve as the first line of defense and are responsible for identifying, evaluating,

overseeing, and mitigating risks. Its primary responsibility is to manage risk exposure on a daily basis in accordance with the approved target market, policies, and procedures.

2. Second Line Of Defense

The Risk Management Directorate, the Financial Control Department, as well as the Legal and Litigation Department, constitute the second line of defense by performing an independent oversight function. The Risk Management Directorate is responsible for reviewing and approving risk appetite and strategy, as well as cooperating with business and operating units of the Company to ensure that risks can be identified, measured, and managed within the established limits. The Legal and Litigation Department manages compliance risk and is responsible for ensuring that all prevailing regulations have been disseminated and adhered to by all units.

3. Third Line Of Defense

The Internal Audit Department independently performs audits and assessments of the processes executed by the business and the operating units. These reviews aim to ensure that the units carry out their duties and responsibilities in accordance with the determined policies and procedures.

Another key component of the Company's risk management framework is the establishment of a strong risk awareness culture at all levels of the business.

These risk management values and principles are embraced at the Board of Commissioners and the Board of Directors level, and cascade down to all staff in each unit and department in the organization. It is expected that each employee understands risks associated with his/her respective duties and the importance of following policies and procedures designed to mitigate those risks.

The Company conducts a continuous review on the regulatory, economic, competitive, and market conditions and ensures that the policies, systems and process are aligned with the best practices and regulatory requirements.

RISK MANAGEMENT GOVERNANCE

BFI has implemented a risk management governance across all levels of the organization, covering all business activities and processes. In its implementation, BFI referred to:

1. The direction and supervision of the Board of Commissioners and the Board of Directors;
2. Introduction of risk management as an integral part of the Company business;
3. Establishing an effective risk management structure to address the risks faced by the Company;

4. Adequate policies, procedures and limits in place;
5. Deploying a comprehensive data capture, analysis and reporting infrastructure to monitor the effectiveness of all risk management processes; and
6. Establishment of an Internal Control System.

RISK PROFILES AND RELATED MITIGATIONS

The Company continually evaluates its business environment to be able to identify and measure the level of potential risk. As a financing company engaged in the retail business and productive sectors across the country, in accordance with POJK No. 1/POJK.05/2015 (POJK 1) on Risk Management Implementation for Non-Bank Financial Services Institutions, the Company classifies the potential risks as follows:

1. Strategy Risk;
2. Operational Risk;
3. Assets and Liabilities Risk;
4. Management Risk;
5. Governance Risk;
6. Funding Risk; and
7. Financing Risk.

1. Strategic/Business Risk

Definition

Strategic/business risk is defined as the risk arising from the failure of the strategy setting in order to achieve the objectives and the main target of the Company.

Risk Mitigation

Strategic/business risk management is conducted through active supervision from the Board of Commissioners and the Board of Directors. The Board of Directors is responsible for preparing the Company's business plan, which is then reviewed and approved by the Board of Commissioners. The following must be considered in preparing the strategic plan:

1. The economic, political, market, and competition condition and situation faced by the Company in the operational area;
2. Evaluating the impact of applicable regulations to be filed;
3. Ensuring the plan complies with the vision, mission and corporate culture, as well as tolerance to risk and the direction of business development; and
4. Reviewing that the human capital sector, the competencies and the Company's infrastructure are adequate to sustain the business strategy.

The Company's strategic plans are regularly evaluated and the associated developments are reported to the Board of Commissioners. Should there be a change in the assumptions that require a revision to the work plan, the change will

be submitted to the Board of Commissioners to be reviewed and reapproved for addition to the annual work plan.

2. Operational Risk

Definition

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, human capital and systems, or from external events, which affect the Company's operations. Operational risk is inherent in every Company's product and service, business processes, operational activities, and infrastructure system. Failure in properly managing operational risks could lead to financial losses, disruption to the operational activities, regulatory issues, and could affect the reputation of the Company.

Risk Mitigation

Operational risk management is a shared responsibility of all parts the Company, starting from the Board of Commissioners and the Board of Directors, until the BFI operational units, branches and employees. SOPs have been prepared for every work process to ensure adequate internal control for all work process thus reducing the potential for errors or violations.

The Company has a separate working unit to perform Operational Risk Management (ORM). The main purpose of this unit is to act as a facilitator of ORM practices. This unit is responsible for the development and maintenance of ORM policies, monitors the implementation of ORM policies across work units, and ensures adequate inspection of the policies and procedures. Other responsibilities are monitoring and measuring operational risk indicators, internal audit findings on the performance of branches and corrective actions, as well as the identification and resolution of core issues.

The Company also has a Disaster Recovery Plan (DRP) that protects and prevents operational disruptions and ensures continuity of operational activities in the event that certain things cause the Company's main system to not be able to function normally. These plans are tested periodically to ensure preparedness when disasters or operational disruptions occur. Data backup, servers and telecom infrastructures are in DRC (Disaster Recovery Center) location outside the Company.

The Audit team is responsible for carrying out supervision of the Company's working process continuously (in the field or remotely) for compliance with company policies and procedures. This group is independent of the work units who take risks and are part of the Internal Audit organization. After review of the audit is completed, the results of these studies and plans to perfect them are reported to the Board of Directors and the Audit Committee once every three months.

Fraud Risk

Fraud risk is one of the operational risks embedded in the Company's activities and significantly affect the benefits received. In addition, this risk also affects the reputation of the Company and the Company engages in thorough examinations by regulators.

The Company is always concerned about the rise of fraud risk; both internally and externally; when managing the Company's human capital, processes, systems and in dealings with consumers and other stakeholders. The existing risk control policies and procedures cover a range of activities, including provisions for loan collection, recruitment, safeguarding assets and information.

The Company has established measures to monitor and mitigate the risk of fraud, among others:

1. Fraud awareness and comprehensive prevention program, including comprehensive violations reporting system so that the employees can safely report the occurrence of acts that could lead to fraud and/or other inappropriate actions.
2. The early warning fraud indicators are constantly monitored by the Operational Audit Unit. The violation towards these indicators will trigger a direct assessment of the transaction, including an unscheduled visit.
3. The risk control framework at the branches measures its credit performance of new and existing financing. If the branch transactions exceed a predetermined threshold, then the branch credit authority will be frozen until the cause of the deviation is identified and the correction is made.

Policies and Procedures

The Company continues to make updates and socialisation of the SOP to ensure accountability and responsibility are clear for any function within the

organization. The SOPs are independently reviewed and published by the Operational Policy and Procedure (OPP) Unit, which is part of the Operational Risk Management Unit. Reviews are conducted in coordination with the Legal and Litigation Department to ensure compliance with applicable regulations.

3. Assets and Liabilities Risk

Definition

Assets and Liabilities Risk is defined as the risks arising as a result of the failure of the Company's assets and liabilities management. The main focus of the assets and liabilities management is to coordinate an assets portfolio in order to maximize profits for the Company and the results distributed to the shareholders in the long term by taking into account liquidity needs and the principle of prudence. Failure in managing this risk adequately may cause financial losses, regulatory issues, as well as affecting the Company's reputation.

Risk Mitigation

The management of asset and liabilities risk includes:

1. Establishment of policies and strategies related to the Company's assets and liabilities by the Finance and Treasury Departement;

2. Collection and analysis of data on key indicators of assets and liabilities that change, as well as accurate decision making;
3. Liquidity management that is able to manage funding properly and placing excess fund in liquid instruments with desirable return;;
4. Gap management that aims to maximize revenue and minimize liability risk;
5. Pricing management that ensures that the interest setting strategy can support the gap management implementation process, liquidity, and foreign exchange management to optimize revenue.

4. Management Risk

Definition

Management risk is defined as the risk arising from the Company's failure to maintain the best composition of its management, namely the Board of Directors and Board of Commissioners, or their equivalent, to possess a strong competence and integrity.

Risk Mitigation

Management risk is managed through the establishment of the management composition (Directors, Commissioners, and Management) by competent professionals in the management of financing companies.

5. Governance Risk

Definition

Governance risk is the risk that arises from the potential failure in the implementation of the Company's good corporate governance, improper management style, control environment, and the behavior of each of the parties involved directly or indirectly with the Company.

Risk Mitigation

The corporate governance risk is managed by applying the five principles, namely:

1. Transparency, that the Company has adequate and relevant information that is accessible to the authorized parties in accordance with the duties and responsibilities;
2. Accountability, that each party will be accountable for its performance in a transparent, fair, and measurable manner;
3. Responsibility, that every employee is obliged to perform their functions in accordance with the rules applicable in the Company;
4. Independency, that every employee of the Company has independent functions and is not domineering;

5. Equality and fairness, that the Company must keep on paying attention to the interests of the shareholder and other parties related to the Company under the agreement, regulations, ethical values, as well as the standards, principles, and practices of a healthy financing business.

6. Funding Risk

Definition

Funding risk is defined as the risks arising because of the insufficient fund/capital in the Company, including the lack of access to additional fund/capital in facing the loss or unexpected needs.

The growth of the Company fully depends on the availability of bank loan facilities and other financial sources to provide the funding for new bookings. The Company uses various funding sources including term loans in local currency and US Dollars, bonds and MTN denominated in local currency, joint financing arrangements and own equity to support its business growth.

Risk Mitigation

The Risk Management Committee, the Board of Directors and the Department of Finance and Treasury are responsible for managing liquidity risk.

Liquidity risk is measured, analyzed and monitored daily, weekly, and monthly. Liquidity gap analysis provides insight into the discrepancy between the expected inflows with the outflows. It is managed centrally by the Treasury, which has direct access and is authorized to access the banks and the money market.

The Company maintains diversified sources of funds consisting of loans in local and foreign currency, bonds and medium-term securities in Rupiah and joint financing with financial institutions in Indonesia, as well as internally generated cash flows.

Risks to the exchange rate comes solely from the Company's exposure to foreign currency loans, which are fully covered by hedging through swap transactions with leading banks in Indonesia.

Interest rate risk arises because of the Company's exposure to floating rate funding. Restrictions have been set on the amount of floating rate proportion of funding that can be owned by the Company at any given time. The entire loan in a foreign currency and interest rate risk are entirely hedged using swap contracts with leading banks in Indonesia. For domestic lending performed by the Company, the majority of transactions use a fixed interest rate in Rupiah.

As at 31 December 2016, all the receivables in the Company's loan portfolio were recorded in Rupiah fixed interest rates, meanwhile less than 2.1% of the Company's debt is also recorded in floating interest rates. Furthermore, all loans in foreign currency are hedged without any discrepancies on tenor, currency and interest rate risk.

7. Credit Risk (Financing Risk)

Definition

Credit risk is defined as the risk of losses on loan repayment as a result of the failure of the debtor to fulfill the obligations of loan or fails to fulfill obligations under the financing contract. Credit risk is the most significant risk because the Company is engaged in business lending.

Credit risk may also increase due to geographic, product, consumer, collateral and industry concentrations. Credit risk can also be impacted by external events, such as increasing inflation, declining commodity prices, and a raise in interest rates.

Risk Mitigation

Credit risk is managed through strict policies and thorough process including target markets, credit approvals, determination of the interest rates, rate limits and exposure, problem recognition, billing management and settlement of loans, as well as the recognition of losses. In addition, the Company has a Management Information System (MIS), which is able to provide portfolio performance information at various levels and segments.

The Board of Commissioners gives authority for credit approval to the Board of Directors who will then be responsible for forming the Credit Committee required in carrying out its activities. Risk exposures that exceed the authority of the Board of Directors will be presented to the Board of Commissioners for evaluation and recommendation.

The Company has a policy governing the delegation of authority for credit approval authority. Credit Committee members who are authorized may approve all credit decisions. Credit Committee members are selected based on professional qualifications, experience, competence in decision-making and responsibility for his position.

A solid MIS is in place and provides detailed information on the concentration of the portfolio, customer behavior and performance. This allows the detection of worsening developmental matters at an early stage, which allows for improvement to be implemented at the right time. The Company is constantly reviewing policies and procedures, and makes adjustments based on past conditions.

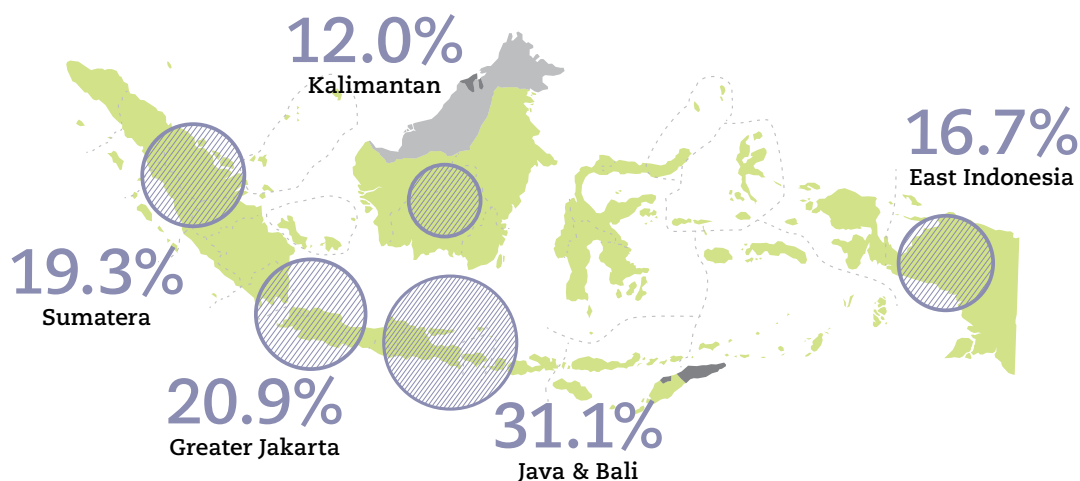
Diversification Policy

A concentration of the credit risk may arise if consumers run similar business activities, or business activities in the same area. This concentration can also increase if the consumer has a product or similar characteristics that could affect their ability to repay the loan on time or other deteriorating economic conditions.

Therefore the Company implements the portfolio diversification policy as a business strategy.

The Company's portfolio is spread evenly across Indonesia. Approximately 5.2% of the receivables are concentrated in Java and Bali, including Jakarta the metropolitan area. Geographical diversification is driven by the weakening of commodity prices in Sumatera and Kalimantan.

Chart 24 – DIVERSIFICATION MAP BASED ON TOTAL MANAGED RECEIVABLES



In addition, the Company also diversifies its financing to cover the financing of cars, motorcycles, heavy equipment, machinery, and other equipment as well as property, targeting a vast range of customer

segments, as explained in the Management Discussion and Analysis section.

Loan Loss Provision

The Company accounts for Loan Loss Provisions (LLP) in accordance with the Statement of Financial Accounting Standards 55 (PSAK 55).

For the retail segment, the Company uses Probability of Default (PD) Model based on Roll Rates (Net) methodology, by adjusting the collection value based on the estimated collateral value.

For the commercial segment, the recognition of losses is calculated as follows:

1. For debtors with less than Rp10 billion facility and debtors with exposures above Rp10 billion and without any objective evidence of impairment, the provisions of the

identification are calculated collectively using a Probability of Default Model based on Migration Loss.

2. Borrowers with over Rp10 billion exposure are evaluated individually.

EVALUATION ON THE EFFECTIVENESS OF RISK MANAGEMENT SYSTEM

The Company periodically conduct evaluation on the effectiveness of the risk management system it performs, and carry out the necessary mitigation of risks on issues that are deemed to require further improvement and development.

The ERM Directorate together with related parties within the Company perform the supervision of the Company's risk management activities, and the result is reported periodically to

the Board of Commissioners via the Risk Management Committee and the Audit Committee.

The Risk Management Committee has the duty and responsibility to evaluate the Company's risk management policy, supervise its implementation, and provide recommendations to the Board of Commissioners, while the Audit Committee has the duty and responsibility to evaluate the Company's internal control policy, supervise its implementation via the reports submitted by the Company's Internal Audit, and provide recommendations to the Board of Commissioners.

In accordance with POJK No. 10/POJK.05/2016 on the Guidelines for Implementation of Risk Management and Risk.

Management Self-Assessment Reports for Non-Bank Financial Services Institutions, BFI has carried out the evaluation and report the Company's risk management self-assessment result on the reporting cut-off date of 31 December 2016, with the summary as follows:

Table 117 – TYPE OF RISK

No.	Type of Risk	Assessment Result
1.	Financing Risk	Low
2.	Operational Risk	Low to Medium
3.	Management Risk	Low
4.	Strategic Risk	Low
5.	Governance Risk	Low
6.	Assets & Liabilities Risk	Low to Medium
7.	Funding Risk	Low
	Total	Low

This report has been prepared according to the criteria and guidelines set out by OJK as regulator. The result shows that the Company's risks in total is considered to be in the Low Risk category, testament to the excellent risk management system's effectiveness throughout 2016.

RISK MANAGEMENT KEY ACHIEVEMENTS IN 2016

The Company's achievements in 2016 in risk management are as follows:

1. Improvement to the segmentation of new financing and the quality of financing receivables;
2. Improvement to collection management; and
3. Improvement to expenses related to allowance for potential losses.

The continuing financial performance of the Company has resulted in a positive rating from independent credit rating agency, Fitch Ratings.

Based on Fitch Ratings' assessment, BFI had its rating adjusted from A+(idn) to AA-(idn) at the end of 2016. The increase of BFI National Rating reflects the financial performance and balance sheet in the midst of the macro economic challenges in Indonesia, as shown in the increase in profitability and capitalization ratio. The rating also reflects the strong stand-alone profile as one of the largest independent financing companies in Indonesia. The NPL ratio remains below the average of the industry of 2.2%, although the target market is the low-end segment. Fitch Ratings believes that the Company's strategy to refocus on the refinancing business, which is the core competency and the exposure reduction over automobile and heavy equipment financing, would be beneficial for the asset quality in the short to medium term.

2017 RISK MANAGEMENT FOCUS

The Company has set its focus for risk management implementation in 2017, as follows:

1. Strengthening prospective debtor targeting by referring to a healthy risk appetite and estimation as well as the systematic risk mitigation;
2. Risk mitigation development based on the rating of operational risk and financing risk; and
3. Improving collection effectiveness and efficiency based on risk profile and collection infrastructure development.

INTERNAL CONTROL SYSTEM

BRIEF DESCRIPTION ON FINANCIAL AND OPERATIONAL INTERNAL CONTROL SYSTEM

The internal control system at BFI is part of an integrated business process between activities and the prevailing regulations, as a measure towards achieving the Company's goals. Through the internal control system, the Company's business activities are conducted effectively and efficiently, the financial reporting is reliable, and the Company's assets are safeguarded. The implementation of internal control system at BFI reflects that the Company has an administration of business operations and finances that is aligned with the articles of association and the prevailing regulations.

In financial control, the Company has established the separation of functions of recording and expending of cash. Likewise, the process of approval of budget expenditures has been done in stages through the process of check and re-check. In operational control, the Company assesses that the degree of its compliance with policies and procedures is good.

Implementation of Internal Control System includes the following components:

1. CONTROL ENVIRONMENT

The Board of Directors and all employees must create and maintain an environment in which the Company encourages the positive behaviors and support the internal controls and sound management.

2. RISK ASSESSMENT

Each unit should identify, analyze and assess the management of relevant risks and operational activities related to the implementation, both within and outside the Company.

3. CONTROL ACTIVITIES

In the implementation of the Company's activities, control processes are continuously performed at every level and unit within the organizational structure of the Company, among others, through arrangements regarding authority, authorization, verification, reconciliation, assessment of job performance, job description, and assets safety.

4. INFORMATION AND COMMUNICATION SYSTEM

The Company maintains the reporting process on the operations, financial, and adherence to and compliance with the provisions of the regulations in a timely, accurate, clear, and objective manner.

5. MONITORING

Monitoring activities are carried out in the process of assessment of the quality of the internal control system, including the Internal Audit functions on all levels and units within the Company's organizational structure, so that it can be implemented optimally.

The Board of Directors and all employees play an active role in the running of the internal control system so as to support the achievement of the Company as a whole.

The Internal Control Systems of the Company is implemented, among others, in the Code of Business Principles, operational guidelines, procedures, implementation instructions, work instructions, and other reference documents of the Company.

Overall, the Company runs a tiered control system that includes the following governance organs within the Company:

- Board of Commissioners: supervises and provides guidance related to the Company's management, financial reporting, and risk management by applying the precautionary principle;
- Board of Directors: implements policies and procedures to ensure compliance with applicable regulations consistently, among other things, with risk management, the

determination of the Company's strategic plan, as well as the roles and responsibilities of each member of the Board of Directors;

- Internal Audit: responsible for carrying out the audit of the Company, and is required to constantly make improvements to internal control in various operational and financial activities;
- The Board of Directors follows up on all the audit findings based on the report of the Internal Audit; and
- Audit Committee: assesses the implementation of activities and the results of audits conducted by the Internal Audit to provide recommendations for improvement to the Internal Control System. The Audit Committee also ensures there has been a review procedure on all information released by the Company to the public, and identifies matters that require the attention of the Board of Commissioners.

EVALUATION ON THE EFFECTIVENESS OF THE COMPANY'S INTERNAL CONTROL SYSTEM

The Company has conducted evaluation on the effectiveness of the Company's Internal Control System on the Company's financial statements on 31 December 2016. The evaluation was carried out by the Internal Audit Department. In conducting the evaluation, the Internal Audit Department used the criteria established previously by the Audit Committee.

The evaluation on the effectiveness of the Company's Internal Control System resulted in recommendations for internal and external audit results to be used as an input for the management in making decisions to improve the Internal Control System as well as to improve other existing policies (change of procedures, work guidelines, etc.) so as to ensure effectiveness and efficiency of operations and assets safety of the Company.

The implementation of Internal Control System has been deemed adequate, as concluded by the Board of Commissioners and the Board of Directors on 31 December 2016 that the Company's Internal Control System for the financial reporting has been effective. The evaluation serves as one of the foundations for the Company to continue improve its control system, in order to further amplify its growth.

2016 LEGAL CASES

Throughout 2016, the Company faced the following legal cases:

No.	Case Number	Legal Subject	Status
1.	<ul style="list-style-type: none"> Case No. 226PK/Pdt/2010 in the Reexamination phase at the Supreme Court of Republic Indonesia, Case No. 613K/Pdt/2008 in the Cassation phase at the Supreme Court of Republic Indonesia, Case No. 143/Pdt/2007/PT.Mdn at the High Court of Medan, Case No. 383/Pdt.G/2005/PN.Medan at the District Court of Medan. 	<ul style="list-style-type: none"> Hendy Ong as Reexamination Appellant I/ Cassation Appellant I/ Petitioner I/ Defendant I, Jennifer as Reexamination Appellant II/ Cassation Appellant II/ Petitioner II/ Defendant II, <p>against:</p> <p>PT BFI Finance Indonesia Tbk as Reexamination Appellee/ Cassation Appellee/ Terbanding/ Plaintiff.</p>	Based on the website of the Administration Office of Supreme Court of Republic Indonesia, Reexamination application submitted by Hendy Ong and Jennifer has been rejected by the Supreme Court of Republic Indonesia.
2.	<ul style="list-style-type: none"> Case No. 41PK/Pdt/2015 in the Reexamination phase at the Supreme Court of Republic Indonesia, Case No. 1923K/Pdt/2012 in the Cassation phase at the Supreme Court of Republic Indonesia, Case No. 434/Pdt/2011/PT.DKI at the High Court of Daerah Khusus Ibukota (DKI) Jakarta, Case No. 382/Pdt.G/2010/PN.Jkt.Pst at the District Court of Jakarta Pusat. 	<ul style="list-style-type: none"> PT. Abdi Sarana Nusa as Reexamination Appellant I/ Cassation Appellant I/ Petitioner I/ Defendant I, Agus Himawan as Reexamination Appellant II/ Cassation Appellant II/ Petitioner II/ Defendant II, Purnawati Samsurya as Reexamination Appellant III/ Cassation Appellant III/ Petitioner III/ Defendant III, <p>against:</p> <p>PT BFI Finance Indonesia Tbk as Reexamination Appellee/ Cassation Appellee/ Plaintiff.</p>	Based on the website of the Administration Office of Supreme Court of Republic Indonesia, Reexamination application submitted by PT. Abdi Sarana Nusa, Agus Himawan and Purnawati Samsurya has been rejected by the Supreme Court of Republic Indonesia.
3.	<ul style="list-style-type: none"> Case No. 77PK/Pdt/2014 in the Reexamination phase at the Supreme Court of Republic Indonesia, Case No. 45/Pdt.G/2004/PN.Bpp at the District Court of Balikpapan. 	PT BFI Finance Indonesia Tbk as Reexamination Appellant/Defendant against Drs. B. Maruli Situmorang as Reexamination Appellee/ Plaintiff.	Based on the website of the Administration Office of Supreme Court of Republic Indonesia, Reexamination application submitted by PT BFI Finance Indonesia Tbk has been granted by the Supreme Court of Republic Indonesia.
4.	<ul style="list-style-type: none"> Case No. 1085K/Pdt/2012 in the Cassation phase at the Supreme Court of Republic Indonesia, Case No. 369/Pdt/2011/PT.Smg at the High Court of Semarang, Case No. 18/Pdt.G/2011/PN.Ska at the District Court of Surakarta. 	Djoko Tri Warno as Cassation Appellant/ Petitioner/ Plaintiff against PT BFI Finance Indonesia Tbk as Cassation Appellee/ Defendant.	Based on the website of the Administration Office of Supreme Court of Republic Indonesia, Cassation application submitted by Djoko Tri Warno has been rejected by the Supreme Court of Republic Indonesia.
5.	<ul style="list-style-type: none"> Case No. 3186K/Pdt/2013 in the Cassation phase at the Supreme Court of Republic Indonesia, Case No. 214/Pdt/2013/PT.Bdg at the High Court of Bandung, Case No. 46/Pdt.G/2012/PN.Sbr at the District Court of Sumber. 	Hj. Enok Rubiah as Cassation Appellant/ Petitioner/ Plaintiff against PT BFI Finance Indonesia Tbk as Cassation Appellee/ Defendant.	Based on the website of the Administration Office of Supreme Court of Republic Indonesia, Cassation application submitted by Hj. Enok Rubiah has been rejected by the Supreme Court of Republic Indonesia.

No.	Case Number	Legal Subject	Status
6.	<ul style="list-style-type: none"> Case No. 415/Pdt/2012/PT.Sby at the High Court of Surabaya, Case No. 35/Pdt.G/2011/PN.Mkt at the District Court of Mojokerto. 	Edy Setiawan as Petitioner/ Plaintiff against PT BFI Finance Indonesia Tbk as Defendant.	Edy Setiawan applied for Cassation to the Supreme Court of Republic Indonesia through the District Court of Mojokerto, but has not submitted the Cassation Memory up to this day.
7.	<ul style="list-style-type: none"> Case No. 3249 K/PDT/2016 in the Cassation phase at the Supreme Court of Republic Indonesia, Case No. 144/Pdt/2014/PT.DKI at the High Court of Daerah Khusus Ibukota Jakarta, Case No. 374/Pdt.G/2012/PN.Jkt.Pst at the District Court of Jakarta Pusat. 	<p>Gusnawati Ayank as Cassation Appellant/ Petitioner/ Defendant, against:</p> <ul style="list-style-type: none"> PT BFI Finance Indonesia Tbk as Cassation Appellee/ Plaintiff, PT. Karya Bungo Pantai Ceria Group as Cassation Co-Appellee/ Co-Defendant. 	Currently under investigation by the Supreme Court of Republic Indonesia.
8.	Case No. 304/Pdt.G/2012/PN.Jkt.Pst at the District Court of Jakarta Pusat.	<p>PT BFI Finance Indonesia Tbk as Plaintiff, against:</p> <ul style="list-style-type: none"> Fransiskus Borgias as Defendant I, Novy Sumadi as Defendant II. 	Fransiskus Borgias submitted an Appeal to the High Court of DKI Jakarta through the District Court of Jakarta Pusat.
9.	<ul style="list-style-type: none"> Case No. 3375 K/PDT/2016 in the Cassation phase at the Supreme Court of Republic Indonesia, Case No. 78/Pdt/2014/PT.DKI at the High Court of Jakarta, Case No. 398/Pdt.G/2011/PN.Jkt.Sel at the District Court of Jakarta Selatan. 	<ul style="list-style-type: none"> PT. Pengelola Investama Mandiri (dahulu PT. Salindo Perdana Finance) as Cassation Appellant I/ Petitioner I/ Defendant I, PT. Koexim Mandiri Finance as Cassation Appellant II/ Petitioner II/ Defendant II, PT BFI Finance Indonesia Tbk as Cassation Appellant III/ Petitioner III/ Defendant III, PT. Equity Development Finance as Cassation Appellant IV/ Petitioner IV/ Defendant IV, PT. Clipan Finance Indonesia, Tbk as Cassation Appellant V/ Petitioner V/ Defendant V, PT. Capitalinc Finance as Cassation Appellant VI/ Petitioner VI/ Defendant VI, PT. CIMB Niaga Finance Indonesia (previously PT. Saseka Gelora Finance) as Cassation Appellant VII/ Petitioner VII/ Defendant VII, 	Currently under investigation by the Supreme Court of Republic Indonesia.

No. Case Number	Legal Subject	Status
	against: <ul style="list-style-type: none"> • Dr. Tommy Sihotang, SH., LLM as Cassation Appellee I/ Plaintiff I, • Dr. Juniver Girsang, SH.,MH as Cassation Appellee II/ Plaintiff II, • Bursa Efek Indonesia (IDX) as Cassation Co-Appellee I/ Co-Defendant I, • Badan Pengawas Pasar Modal (Bapepam) as Cassation Co-Appellee II/ Co-Defendant II. 	
10. Case No. 509/Pdt.G/2009/PN.Jkt.Pst at the District Court of Jakarta Pusat.	PT BFI Finance Indonesia Tbk as Plaintiff, against: <ul style="list-style-type: none"> • Ahesa Panji Buana as Defendant, • Lalu Eka as Co-Defendant. 	Lalu Eka submitted an Appeal to the High Court of DKI Jakarta through the District Court of Jakarta Pusat.
11. Case No. 205/Pdt.G/2012/PN.Jkt.Pst at the District Court of Jakarta Pusat.	PT BFI Finance Indonesia Tbk as Plaintiff against: <ul style="list-style-type: none"> • Hermanto as Defendant I, • Artina Yuni Dhartuty as Defendant II. 	District Court of Jakarta Pusat has granted the case submitted by PT BFI Finance Indonesia Tbk by verstek. Currently under the process of notification of content of verdict by the District Court of Jakarta Pusat to Hermanto and Artina Yuni Dhartuty.
12. <ul style="list-style-type: none"> • Case No. 195K/PDT/2015, in the Cassation phase at the Supreme Court of Republic Indonesia, • Case No. 78/Pdt/2014/PT.PLK at the High Court of Palangkaraya, • Case No. 06/Pdt.G/2014/PN.Spt at the District Court of Sampit. 	Andy Harun as Cassation Appellant/ Petitioner/ Plaintiff against PT BFI Finance Indonesia Tbk as Cassation Appellee/ Defendant.	Based on the website of the Administration Office of Supreme Court of Republic Indonesia, Cassation application submitted by Andy Harun has been deemed Niet Ontvankelijk (NO) by the Supreme Court of Republic Indonesia.
13. Complaint filed at Consumer Dispute Settlement Agency of the District Office of Batu Bara.	Selamat Suyanto as Complainant against PT BFI Finance Indonesia Tbk as Respondent.	Currently under investigation by the Consumer Dispute Settlement Agency of the District Office of Batu Bara.
14. Complaint filed at Consumer Dispute Settlement Agency of the District Office of Batu Bara.	Ngatiwan as Complainant against PT BFI Finance Indonesia Tbk as Respondent.	Currently under investigation by the Consumer Dispute Settlement Agency of the District Office of Batu Bara.
15. Complaint filed at Consumer Dispute Settlement Agency of the District Office of Tasikmalaya.	Andri Rustiaji as Complainant against PT BFI Finance Indonesia Tbk as Respondent.	Currently under investigation by the Consumer Dispute Settlement Agency of the District Office of Tasikmalaya.
16. Complaint filed at Consumer Dispute Settlement Agency of the District Office of Batu Bara.	Sunarmen as Complainant against PT BFI Finance Indonesia Tbk as Respondent.	Currently under investigation by the Consumer Dispute Settlement Agency of the District Office of Batu Bara.
17. Complaint filed at Consumer Dispute Settlement Agency of the District Office of Batu Bara.	Titik Murda Ningsih as Complainant against PT BFI Finance Indonesia Tbk as Respondent.	Currently under investigation by the Consumer Dispute Settlement Agency of the District Office of Batu Bara.
18. Complaint filed at Consumer Dispute Settlement Agency of the District Office of Batu Bara.	Trimo as Complainant against PT BFI Finance Indonesia Tbk as Respondent.	Currently under investigation by the Consumer Dispute Settlement Agency of the District Office of Batu Bara.

No.	Case Number	Legal Subject	Status
19.	<p>Case No. 822 K/PDT.SUS-BPSK/2016 in the Cassation phase at the Supreme Court of Republic Indonesia,</p> <p>Case No. 24/PDT.Sus/2016/PN-Tbt at the District Court of Tebing Tinggi.</p> <p>Complaint filed at Consumer Dispute Settlement Agency of the District Office of Tebing Tinggi.</p>	<p>Jhon Saputra as Cassation Appellant/ Complainant against PT BFI Finance Indonesia Tbk as Cassation Appellee/ Respondent.</p>	<p>Currently under investigation by the Supreme Court of Republic Indonesia.</p>
20.	<ul style="list-style-type: none"> • Case No. 507 K/PDT.Sus-BPSK/2016 in the Cassation phase at the Supreme Court of Republic Indonesia, • Case No. 2/Pdt.Sus/2016/PN.Tbt at the District Court of Tebing Tinggi, • Complaint filed at Consumer Dispute Settlement Agency of the District Office of Tebing Tinggi. 	<p>Siti Khairani Nasution (partner and heir of Junaidi Pramana Windu) as Cassation Appellant/ Complainant against PT BFI Finance Indonesia Tbk as Cassation Appellee/ Respondent.</p>	<p>Currently under investigation by the Supreme Court of Republic Indonesia.</p>
21.	<ul style="list-style-type: none"> • Case No. 11 K/Pdt.Sus-BPSK/2016 in the Cassation phase at the Supreme Court of Republic Indonesia, • Case No. 19/Pdt/2015/PN.Dum at the District Court of Dumai, • Perkara Complainantan Consumer Dispute Settlement Agency of the District Office of Pekanbaru. 	<ul style="list-style-type: none"> • PT Asuransi Wahana Tata as Cassation Appellant/ Respondent I, • PT BFI Finance Indonesia Tbk as Cassation Co-Appellee/ Respondent II <p>against:</p> <p>Sukatni as Cassation Appellee/ Complainant.</p>	<p>Based on the website of the Administration Office of Supreme Court of Republic Indonesia, Cassation application submitted by PT Asuransi Wahana Tata has been granted by the Supreme Court of Republic Indonesia.</p>
22.	<p>Case No. 29/Pdt.G/2015/PN.Spt at the District Court of Sampit.</p>	<p>Miftahul Muntaha as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant.</p>	<p>Currently under investigation by the District Court of Sampit.</p>
23.	<ul style="list-style-type: none"> • Case No. 10/PDT/2016/PT.Bbl at the High Court of Bangka Belitung. • Case No. 10/Pdt.G/2015/PN.Pgp at the District Court of Pangkal Pinang. 	<p>Tom Donnie as Cassation Appellant/ Petitioner/ Plaintiff against:</p> <ul style="list-style-type: none"> • Sunkie alias Asen as Cassation Appellee I/ Defendant I, • PT BFI Finance Indonesia Tbk as Cassation Appellee II/ Defendant II, • Dewi as Cassation Co-Appellee/ Co-Defendant. 	<p>Tom Donnie submitted a Cassation application to the Supreme Court of Republic Indonesia through the District Court of Pangkalpinang.</p>

No. Case Number	Legal Subject	Status
24. • Case No. 418/PDT/2016/PT SBY • Case No. 53/Pdt.G/2015/PN.Blt at the District Court of Blitar.	<ul style="list-style-type: none"> • Mahesa Yoga Sunardi alias Gandi as Cassation Appellant I/ Petitioner I/ Defendant I, • Sunardi as Cassation Appellant II/ Petitioner II/Co-Defendant I, • PT BFI Finance Indonesia Tbk as Cassation Appellant / Petitioner/Co-Defendant II, <p>against:</p> <ul style="list-style-type: none"> • Cucuk Yuwono as Cassation Appellee I/ Plaintiff I, • Tina Sugiarti as Cassation Appellee II/ Plaintiff II. 	Mahesa Yoga Sunardi, Sunardi, and PT BFI Finance Indonesia Tbk applied for Cassation to the Supreme Court of Republic Indonesia through the District Court of Blitar.
25. Case No. 16/Pdt.G/2015/PN.Tbn at the District Court of Tuban.	Sugianang as Petitioner/Plaintiff against PT BFI Finance Indonesia Tbk as Terbanding/Defendant.	Sugianang submitted an Appeal to the High Court of Surabaya for the Verdict of the District Court of Tuban which declared that it had no authority to preside over the case (Niet Ontvankelijke).
26. • Case No. 229/PDT/2016/PT.Smg at the High Court of Semarang. • Case No. 68/Pdt.G/2015/PN.Kds at the District Court of Kudus.	Nuryanto as Cassation Appellant / Petitioner/ Plaintiff against PT BFI Finance Indonesia Tbk as Cassation Appellee / Defendant.	Nuryanto submitted a Cassation application to the Supreme Court of Republic Indonesia through the District Court of Kudus.
27. Case No. 207/Pdt.G/2015/PN.Amb at the District Court of Ambon.	Julius Noya as Plaintiff against: <ul style="list-style-type: none"> • Drs. Iksan Iskandar (head of PT. Rianti Rezeki Abadi) as Defendant I, • PT BFI Finance Indonesia Tbk as Defendant II, • Dit Lantas Polda Maluku as Defendant III, • Dinas Pendapatan Daerah (Dispenda) as Defendant IV. 	Currently under investigation by the District Court of Ambon.
28. • Case No. 58/PDT.SUS-BPSK/2016/PN.Rap at the District Court of Rantau Prapat, • Complaint filed at Consumer Dispute Settlement Agency of the District Office of Batu Bara.	Bokar Harahap as Cassation Appellant/ Complainant against PT BFI Finance Indonesia Tbk as Cassation Appellee/ Respondent.	Bokar Harahap submitted a Cassation application to the Supreme Court of Republic Indonesia.
29. Complaint filed at Consumer Dispute Settlement Agency of the District Office of Batu Bara.	Samali as Complainant against PT BFI Finance Indonesia Tbk as Respondent.	Currently under investigation by the Consumer Dispute Settlement Agency of the District Office of Batu Bara.

No.	Case Number	Legal Subject	Status
30.	<ul style="list-style-type: none"> Case No. 508 K/PDT.Sus-BPSK/2016 in the Cassation phase at the Supreme Court of Republic Indonesia, Case No. 19/Pdt.sus-BPSK/2016/PN-RAP at the District Court of Rantauprapat, Complaint filed at Consumer Dispute Settlement Agency of the District Office of Batu Bara. 	Mulyono as Cassation Appellant/ Complainant against PT BFI Finance Indonesia Tbk as Cassation Appellee/ Pemohon/ Respondent.	Currently under investigation by the Supreme Court of Republic Indonesia.
31.	<ul style="list-style-type: none"> Case No. 1055 K/PDT.Sus-BPSK/2016 in the Cassation phase at the Supreme Court of Republic Indonesia, Case No. 59/Pdt.Sus-BPSK/2016/PN-RAP at the District Court of Rantauprapat, Complaint filed at Consumer Dispute Settlement Agency of the District Office of Batu Bara. 	Maulud Harahap as Cassation Appellant/ Complainant against PT BFI Finance Indonesia Tbk as Cassation Appellee/ Respondent.	Based on the website of the Administration Office of Supreme Court of Republic Indonesia, Cassation application submitted by Maulud Harahap has been rejected for correction by the Supreme Court of Republic Indonesia.
32.	Complaint filed at Consumer Dispute Settlement Agency of the District Office of Batu Bara.	Abdul Rozak as Complainant against PT. BFI Finance Indonesia Tbk as Respondent.	Currently under investigation by the Consumer Dispute Settlement Agency of the District Office of Batu Bara.
33.	Complaint filed at Consumer Dispute Settlement Agency of the District Office of Batu Bara.	Maruli Tua Sinurat as Complainant against PT. BFI Finance Indonesia Tbk as Respondent.	Currently under investigation by the Consumer Dispute Settlement Agency of the District Office of Batu Bara.
34.	Complaint filed at Consumer Dispute Settlement Agency of the District Office of Batu Bara.	Berlin Siahaan as Complainant against PT. BFI Finance Indonesia Tbk as Respondent.	Currently under investigation by the Consumer Dispute Settlement Agency of the District Office of Batu Bara.
35.	Complaint filed at Consumer Dispute Settlement Agency of the District Office of Batu Bara.	Hasan Basri Ginting as Complainant against PT. BFI Finance Indonesia Tbk as Respondent.	Currently under investigation by the Consumer Dispute Settlement Agency of the District Office of Batu Bara.
36.	Complaint filed at Consumer Dispute Settlement Agency of the District Office of Batu Bara.	Sulaiman as Complainant against PT. BFI Finance Indonesia Tbk as Respondent.	Currently under investigation by the Consumer Dispute Settlement Agency of the District Office of Batu Bara.
37.	<ul style="list-style-type: none"> Case No. 270/Pdt.Sus.BPSK/2016/PN-Cbi at the District Court of Cibinong, Complaint filed at Consumer Dispute Settlement Agency of the District Office of Bogor. 	Ciarli as Termohon/ Complainant against PT. BFI Finance Indonesia Tbk as Pemohon/ Respondent.	Currently under investigation by the District Court of Cibinong.
38.	<ul style="list-style-type: none"> Case No. 86/Pdt.Sus-BPSK/2016/PN-Plk at the District Court of Palangkaraya, Perkara Complainantan nomor 34/Pdt.G/BPSK-PKY-PTS/V/2016 di Consumer Dispute Settlement Agency of the District Office of Palangkaraya. 	Christian Sancho as Cassation Appellee I/ Termohon I/ Complainant against: <ul style="list-style-type: none"> PT. BFI Finance Indonesia Tbk as Cassation Appellant/ Pemohon/ Respondent PT. Asuransi Sinar Mas as Cassation Co-Appellee/ Co-Termohon/ Respondent II. 	Christian Sancho submitted a Cassation application to the Supreme Court of Republic Indonesia through the District Court of Palangkaraya.

No. Case Number	Legal Subject	Status
39. Case No. 163/PDT.G/2016/PN.Dpk at the District Court of Depok.	<p>Fia Farida Damayanti, Mieke Banaatmadja, H. R Perry Achmad Fuqron, R Barin Rizal Al Amin, M Iqbal Danaatmadja, RD A Umarlufti Danaatmadja and Tino Akhmat Syafrudin as Plaintiffs against:</p> <ul style="list-style-type: none"> • PT. Balai Lelang Indonesia as Defendant I, • PT BFI Finance Indonesia Tbk as Defendant II, • Edi Supriadi as Defendant III, • Dyah Petty as Defendant IV, • Notary RMS Soenarto as Defendant V, • Wikanto Panca Atmanto as Defendant VI, • Notary Isa Meilia as Defendant VII, • State Assets & Auction Services Office of Bogor as Co-Defendant I and • National Land Agency of Depok as Co-Defendant II. 	Currently under investigation by the District Court of Depok.
40. Complaint filed at Consumer Dispute Settlement Agency of the District Office of Batu Bara.	Hotmatua Sitompul as Complainant against PT. BFI Finance Indonesia Tbk as Respondent.	Currently under investigation by the Consumer Dispute Settlement Agency of the District Office of Batu Bara.
41. Complaint filed at Consumer Dispute Settlement Agency of the District Office of Batu Bara.	Herry (as heir of Bambang Yamin) as Complainant against PT. BFI Finance Indonesia Tbk as Respondent.	Currently under investigation by the Consumer Dispute Settlement Agency of the District Office of Batu Bara.
42. Case No. 82/PDT.G/2016/PN.Ktg at the District Court of Kotamobagu.	<p>Muhdar Potabuga as Plaintiff against:</p> <ul style="list-style-type: none"> • PT. BFI Finance Indonesia Tbk as Defendant • Attorney General's Office of Republic Indonesia cq District Prosecutor's Office of Kotamobagu as Co-Defendant. 	Currently under investigation by the District Court of Kotamobagu.

No. Case Number	Legal Subject	Status
43. Case No. 7/PDT.G/2016/PN.Srl at the District Court of Sarolangun.	Relawati as Plaintiff against PT. BFI Finance Indonesia Tbk as Defendant.	District Court of Sarolangun has rejected the lawsuit by Relawati. Currently under the grace period for the appeal application by Relawati to the High Court of Jambi.
44. Complaint filed at Consumer Dispute Settlement Agency of the District Office of Tomohon.	Nova Naomi Wajongkere as Complainant against PT. BFI Finance Indonesia Tbk as Respondent.	Currently under investigation by the Consumer Dispute Settlement Agency of the District Office of Tomohon.
45. • Case No. 145/Pdt.Sus-BPSK/2016/PN-Bkn at the District Court of Bangkinang, • Complaint filed at Consumer Dispute Settlement Agency of the District Office of Batu Bara.	Badal Gultom as Complainant against PT. BFI Finance Indonesia Tbk as Respondent.	Currently under investigation by the District Court of Bangkinang.
46. • Case No. 150/Pdt.Sus-BPSK/2016/PN-Bkn at the District Court of Bangkinang, • Complaint filed at Consumer Dispute Settlement Agency of the District Office of Batu Bara.	Supriyadi as Complainant against PT. BFI Finance Indonesia Tbk as Respondent.	Currently under investigation by the District Court of Bangkinang.
47. Complaint filed at Consumer Dispute Settlement Agency of the District Office of Medan.	Nova Zein as Complainant against PT. BFI Finance Indonesia Tbk as Respondent.	Currently under investigation by the Consumer Dispute Settlement Agency of the District Office of Medan.
48. Case No. 39/PDT.Sus/PKPU/2016/PN.Niaga.Jkt.Pst at the Court of Commerce of the District Court of Jakarta Pusat.	PT DWI ANEKA JAYA KEMASINDO Tbk as Loan Payment Extension Appellee.	Currently under the process of detailing the settlement plan by PT DWI ANEKA JAYA KEMASINDO Tbk at the Court of Commerce of the District Court of Jakarta Pusat.
49. Complaint filed at Consumer Dispute Settlement Agency of the District Office of Batu Bara.	Jumiin as Complainant against PT BFI Finance Indonesia Tbk as Respondent.	Currently under investigation by the Consumer Dispute Settlement Agency of the District Office of Batu Bara.

ADMINISTRATIVE SANCTIONS IMPOSED ON THE COMPANY, MEMBERS OF THE BOARD OF COMMISSIONERS AND/OR MEMBERS OF THE BOARD OF DIRECTORS WHO SERVED IN 2016

During 2016, no administrative sanctions were imposed on the Company, the Board of Commissioners or the Board of Directors by OJK, the capital market authorities or other authorities.

THE COMPANY'S ACCESS TO INFORMATION AND COMMUNICATION

THE AVAILABILITY OF ACCESS TO COMPANY INFORMATION AND DATA

The company provides corporate information and data transparently to the stakeholders with reference to the principles of openness and compliance with the prevailing legislations and capital market regulations. The dissemination of information to all stakeholders is significant to improve the principle of transparency of information, both internally and externally. The dissemination of corporate information intends to assist, maintain and improve the knowledge, understanding and positive perception of all stakeholders of the Company's policies and activities.

BFI provides access to corporate information and data for all stakeholders and investors through the Company's website www.bfi.co.id. The website contains various information on the Company's profile, product and services, performance, financial statements, and others.

In addition, the Company also provides the following centres of information:

1. *Customer Care Hotline*: 1500018
2. *Email Customer Care*: customercare@bfi.co.id
3. *SMS Customer Care*: 08158 767 234
4. *Various social media*: Facebook, Twitter, Instagram and LinkedIn:
 - www.facebook.com/BFIFinanceID
 - www.twitter.com/bfifinance
 - www.instagram.com/bfifinance
 - www.linkedin.com/company/pt-bfi-finance-indonesia-tbk

Other information can be obtained by directly contacting BFI's Head office at the following address:

PT BFI Finance Indonesia Tbk
 u.p. Corporate Secretariat Department
 BFI Tower, Sunburst CBD Lot 1.2
 Jl. Kapt. Soebijanto Djojohadikusumo
 BSD City, Tangerang Selatan 15322, Indonesia
 Phone: (62-21) 2965 0300, 2965 0500
 Fax: (62-21) 2966 0757, 2966 0758
 E-mail: corsec@bfi.co.id
 Website: www.bfi.co.id

CORPORATE COMMUNICATION

The provision of company information and data, as well as communication with stakeholders are performed in three ways, namely:

- External Communication (Public)
- Internal Communication
- Corporate Branding and Product Promotion

External Communication (Public)

In general, corporate communication is a means of management and dissemination of company information to the mass media and other third parties in order to fulfill the obligation to disclose information and build harmonious relationship with all stakeholders and the public. The Company conveys the necessary information in a timely and accurate way in order to provide positive information on the conditions that occur within the Company's business. This also aims to embody the principle of good corporate governance firmly upheld by BFI.

The following describes the function of external communication:

1. Develop and implement communication strategy in all of the Company's communication media;
2. Create publicity material to raise the Company profile and the Company's marketing activities;
3. Ensure up-to-date and appropriate content, repair function, apply and expand social media strategy to raise the profile of the Company;
4. Ensure that the Company's communication and brand guidelines is running going well and monitor all matters related to the Company brand;
5. Responsible for the content and information in all of the communication media and promotional materials, both above-the-line and below-the-line, internal and external;
6. Work closely with other related units to ensure an integrated and complementary communication function; and
7. Supports all of the Company's activities or events, both internal and external.

The Communication & Event Unit together with the Department of Corporate Secretariat handles the Company's external communications, with duties and responsibilities as follows:

- **Managing the Company's Website**

The Company's website, www.bfi.co.id, is an external facility that provides the latest information related to the financial performance of the Company on a quarterly basis, the disclosure of information related to corporate actions, as well as easy access to current information about the Company. The site is always updated thus enabling consumers and the public to learn about the latest promotional programs, customer testimonials, and the financing services offered by the Company. Website visitors can also communicate with the Customer Care staff on the products of financing services, file a complaint or suggestion, as well as inquire about jobs and scholarships. In 2016, the BFI website comes with a new face equipped with easier communication function and data access for the public, customers, investors and potential investors, as well as the regulators and conveys the latest news about the Company's performance, activity and achievements.

BFI develops and updates the Company's website in accordance to OJK Regulation No. 8/POJK.04/2015 on the Website of Issuer or Public Company.

- **The Company's Social Media**

BFI always pays attention to the development of social media in order to facilitate interactive communication with all stakeholders, the Company opens online communication channels via Facebook, Twitter, Instagram and LinkedIn as specified in detail in the section Marketing Aspect in Chapter: Management Discussion of this Integrated Annual Report (page 135-139).

- **Press Conference**

BFI published press release in order disclose information to the public. BFI delivered the information in various media or means of communication, both in print and online throughout Indonesia.

- **Other Line of Communication**

The Company also provides communication channels to facilitate interaction with customers and prospective customers, namely:

1. SMS Customer Care: 08158 767 234
2. Customer Care Hotline: 1500018
3. Email Customer Care: customercare@bfi.co.id
4. Social Media: Facebook, Twitter, Instagram and LinkedIn:
 - www.facebook.com/BFIFinanceID
 - www.twitter.com/bfifinance
 - www.instagram.com/bfifinance
 - www.linkedin.com/company/pt-bfi-finance-indonesia-tbk

Internal Communication

The Company believes that the employees is an essential element in maintaining and improving business performance. Therefore, BFI strives to promote internal communication to ensure the availability and circulation of information on the latest corporate developments as well as general information relevant to a wide range of business activities, with the aim to establish togetherness, openness and uniformity of information, and improve the quality of interaction between the Company's Management with the internal stakeholders, especially employees. The Company's internal communication is organized and managed by several work units namely the Communication & Event Unit, the Department of Human Capital and the Corporate Secretariat Department. Those units work together forming a special team of editors to organize activities related to printed and electronic media.

Forms of internal communication among others:

- **Electronic Media**

The Internal Portal, namely BFI Learning Center (abbreviated to "BLC"), as well as email blast are the electronic means of information specifically prepared for the employees which conveys a variety of the latest information related to Company's business activities, the activities of employees,

a means of information sharing from employee to employee, general information on the useful tips for daily life, healthy living campaign as well as care for the environment.

- **Meeting**

The Company holds a meeting where dialogues and sharing between BFI's senior management, external speakers and the employees occur on the latest topics, both related to the Company's business activities and personality development.

The Company no longer prepares printed communication media (such as newsletter) as a means of internal communication and prefer the concept of paperless in order to preserve the environment. This is intended to support environmental hygiene of the offices (free of paper waste), improve cost efficiency by maximizing electronic means as the media of communication (such as intensive communication through electronic mail (email) and the Company's website), and encourage positive contribution to the global warming issue.

Corporate Branding and Product Promotion

The company understands the importance of the role of corporate branding in coordinating the various activities that can reflect the Company's good name and image to the public; especially the external stakeholders; effectively and

efficiently. The main function of corporate branding is to prepare the standards and limitations on all matters related to the company's identity and the effective ways to communicate them to the external and internal stakeholders.

The functions of corporate branding and product promotion are:

- Coordinate, monitor and analyze marketing strategies nationally every certain period in accordance to the Company policies;
- Prepare suggestions on strategies related nationwide promotion through the analysis of the Promotion Unit;
- Direct and coordinate activities performed by the Company as the means of promotion;
- Carry out other related tasks in the effort to achieve the targets of promotion;
- Responsible for the design and the availability of promotional materials, both above-the-line (ATL) and below-the-line (BTL), internal and external; and
- Ensure that the design and promotional material which includes the Company brand has complied with the Company's brand guidelines.

Various activities undertaken to support corporate branding in 2016, among others include:

- Monitor the standardization of the various attributes associated with the Company identity;

- Provide advice and support to various work units in the Company in order to support various Company activities and official events or those involving the participation of the Company's sponsors in order to be align with the Corporate identity standards;
- Provide consultation and assistance to support the campaign of the Company's financing products; and
- Ensure that all attributes used and those carrying the Company name, both for national and local activities in the branch offices, complies with the company identity standards.

The Company through the Promotion Unit prioritizes its activities on various types of promotional activities of the Company's financing products, whether conducted nationally and locally by each branch. The main function of this unit is to coordinate the form and type of promotion that needs to be executed by the Company nationally and locally in each region of the branch offices in order to support the achievement of sales targets set by each product management unit optimally.

Promotional programs and interesting activities are organized with the support of various publication media as an attempt to communicate the benefits and advantages of the Company's financing services, which is a form of appreciation to customers and the community. Basically all activities organized by the Company are based on four aspects, namely: branding, sales, entertainment and CSR. The two aspects lastly mentioned are handled specifically and with cooperation, namely by the Communication & Event Unit and the Company's CSR Unit.

PAYMENT OF OJK FEE

To comply with the Government Regulation No. 11 of 2014 on the Fees Charged by Otoritas Jasa Keuangan and the OJK Regulation No. 3/POJK.02/2014 on the Procedures to Collect Fees by Otoritas Jasa Keuangan, during 2016, the Company has conducted fee payment to OJK as many as five times, with the following data:

Table 118 – PAYMENT OF OJK FEE

No.	Type of Payment	Date of Payment	Total (Rp)
1.	Adjustment 2015	12 April 2016	236,217,515
2.	Phase I	12 April 2016	1,087,954,088
3.	Phase II	13 July 2016	1,324,171,603
4.	Phase III	14 October 2016	1,324,171,575
5.	Phase IV	27 December 2016	1,324,171,575

CORRESPONDENCE WITH OJK AND IDX

During 2016, the Company performed correspondence with OJK 48 times and with IDX 42 times.

INVESTOR RELATIONS

The main function of Investor Relations is to maintain relationship and communication with investors, analysts, creditors and other stakeholders. Communications take place among others with the delivery of analyst meetings (including public exposes), conferences and investor visits.

DUTIES AND RESPONSIBILITIES

Duties and responsibilities of this unit are as follows:

- To serve as a liaison between the Company and external stakeholders, especially the shareholders, potential investors and government institutions related to capital market and investments;
- To act as a coordinator in preparing the Company's Annual Report in the form of book and interactive CD, and manage the online publication process on the Company's website, www.bfi.co.id, and
- To act as the committee, main coordinator and supervisor of various activities of the Company, such as GMS and Public Expose.

HEAD OF INVESTOR RELATIONS



Koon Pek, Ng
Head of Investor Relations

Malaysian citizen, born in 1977, aged 39 years old (as at 31 December 2016), domiciled in Jakarta. She has been serving as the Head of Investor Relations since January 2011. Prior to joining BFI, she was an Analyst for a boutique corporate finance firm in Kuala Lumpur (Nikkei Pacific Corporate

Advisors) in 2001, then joined General Electric's Financial Management Program from 2002-2004, and became Vice President of Equity Capital Markets at CIMB Investment Bank in Malaysia and Indonesia until 2009. She obtained her Bachelor of Arts or B.A. (Hons) degree in Industrial Economics from the University of Nottingham, UK, in 1999, and Master of Science or M.Sc. in International Securities, Investment and Banking from ISMA Centre of the University of Reading, UK, in 2000.

Table 119 – ACTIVITIES IN 2016

Activity	Total Activities in 2016
Analyst Meetings (including Public Expose)	4 (2 analyst meetings, 2 public expose)
Conference	2 (Jakarta, Indonesia)
Investor Visits	41 times

INVESTOR RELATIONS ACTIVITIES IN 2016

The Investor Relations work program in 2016 can be seen in Table 119.

THE SHAREHOLDERS LIST AND THE SPECIAL LIST

To fulfill the requirements of the Article 50 of UUPT, the Company maintains the Shareholders List and the Special List, whose existence may help the management of the Company to identify possible insider trading and conflict of interest. The Shareholders List and the Special List are kept by the Corporate Secretary. The Company obtains the Shareholders List from the KSEI every month. Meanwhile, the Special List is developed by the Company itself and contains information on the shares owned by every member of the Board of Commissioners and the Board of Directors of the Company as well as their family members, including the shares of the Company as well as the shares of other companies and the date on which such shares were obtained. The list is updated whenever change occurs.

CODE OF CONDUCT AND CORPORATE CULTURE

THE EXISTENCE OF THE COMPANY'S CODE OF CONDUCT

In developing the concept of GCG, BFI has formulated various policies related to the Company's Code of Conduct. BFI seeks to apply the best ethical standards in conducting all of its business activities to fit the Company's vision, mission, and culture.

The GCG principles used as a reference in developing the Company's Code of Conduct are:

- Transparency is applied by ensuring every step and process to establish policies as well as the decisions taken by the Board of Commissioners, Board of Directors and all levels within the Company are transparent and measurable;
- Independence is applied through the independency when carrying out its activities with professionalism and in accordance to the existing Code of Conduct, free from the influence of other parties;
- Accountability is applied through clearly defining the responsibilities and authorities of the Board of Commissioners, Board of Directors and all levels of the Company in the organizational structure and respective job description;
- Compliance is applied by adjusting the Company's management with the applicable legislations and the principles of healthy company; and
- Fairness is applied by providing a sense of justice and equality in fulfilling the rights of stakeholders arising under treaties as well as the applicable regulations and legislations.

CODE OF CONDUCT

The Company's Code of Conduct consists of Business Ethics and Ethical Conduct.

Business ethics describes how the company as a business entity is ethical, and act in an effort to balance the Company's interests and the interests of all stakeholders in accordance to the principles of GCG and the Corporate Values to maintain a healthy while profitability Company.

Ethical conduct is a set of rules which reflects the value of an attitude and commitment to comply with the behavior determined by the Company to maintain good name, confidentiality, and other important matters that affect the Company's reputation.

APPLICATION OF THE CODE OF CONDUCT FOR THE MANAGEMENT AND ALL EMPLOYEES

BFI strives to achieve sustainable business success built based on our corporate culture and human capital characters in accordance with the principles of good corporate governance and the spirit of Corporate Code of Conduct.

IMPLEMENTATION AND ENFORCEMENT OF THE CODE OF CONDUCT

To support the implementation of the Code of Conduct, the Company requires the following:

- The Code of Conduct determined by the Company shall be applied by all employees;
- The Code of Conduct shall be disseminated and understood by all employees; and
- The Management shall provide example to the subordinates on the application of the Code of Conduct.

DISCLOSURE OF CORPORATE CULTURE

The fundamental Corporate Values shall be understood and obeyed as the Corporate Culture. The fundamental Corporate Values, shortened as G.R.E.A.T. have the following meaning:

- Continuously Improve Yourself;
- Apply Mutual Respect and Care;
- Extra Services to Internal and External Customers;
- Absolut in Integrity; and
- Solid Team Work and Mutual Trust.

Understanding and compliance towards Corporate Culture is very important in the effort to maintain business growth and sustainability.

ENFORCEMENT OF THE CODE OF CONDUCT

By following the provisions of the Whistleblowing System that has been set, the whistleblower shall submit the report on violations with liable evidence to the Company's management.

EXAMINING A REPORT ON VIOLATION

Based on the report received on a violation performed by a BFI employee, the Board of Directors assigns the Internal Audit Department to conduct an examination on the employee reported, and the result of examination shall be reported to the President Director.

DISCIPLINARY SANCTIONS

Based on the examination report, the Board of Directors may decide on the imposition of disciplinary sanctions to the employee, and the decision is bind to be followed by the competent authorities. Heavy and moderate disciplinary sanctions are executed by the Board of Directors while the lighter disciplinary sanctions are given by the heads of the related units.

HANDLING OF THE VIOLATIONS TO THE CODE OF CONDUCT

On an ongoing basis, BFI monitors the enforcement of business ethics and facilitates complaints related to the violations of the Code of Conduct. Employees who are convicted of disciplinary offenses have been examined by the Employees Disciplinary Violations Investigation Team consisting of representatives from the Internal Audit Department and Human Capital and the employees have been sanctioned according to the type and level of violations they performed in accordance to the provisions applied within the Company.

ANTI-CORRUPTION POLICIES

The Board of Commissioners, Board of Directors, and all employees of BFI strive to uphold fair business competition, the value of sportsmanship and professionalism, as well as the principles of corporate governance. The company is also committed to create a healthy business climate, avoid actions or behaviors that could lead to corruption, collusion and nepotism (KKN), conflict of interests, placing the Company's interests above personal interests, as well as the interests of family or group.

BFI also pays attention to anti-corruption policies as prescribed in Law Num. 20 of 2001 on the Amendments to the Law No. 31 of 1999 on Corruption Eradication and reports to the Center for Financial Transaction Reporting and Analysis (PPATK) consistently on troubled customers with recommendations from the Legal and Litigation Department.

TRANSPARENCY OF GOODS AND SERVICES PROCUREMENT SYSTEM

Principles and Policies

The Company's procedure for the procurement of goods and services is fast and transparent, and applies the principles of good corporate governance with the absence of conflict of interests within the process. In doing so, the Company strives to respect the principles of honesty and independence to the parties involved directly and indirectly in the process of goods and services procurement. The procedure also promotes Corporate Values, namely upholding performance, character and work spirit.

The following policies associated to goods and services procurement as well as supplier relations are applied:

1. Apply Internal Memo and Operational Procedures for the procurement of goods and services in the Company.
2. The process of procurement is based on nominal and level of authority, particularly at the branch offices in order to accelerate the process to fulfill goods and services in the Company. Both the approval and procurement of goods and services above a certain nominal are performed centralized at the head office.
3. For major suppliers, both suppliers of goods and services, are required to submit the complete legal documents in order to ensure the rights and obligations of the Company and the suppliers.
4. The Company's Code of Conduct and Regulations set restrictions for employees to receive gifts of any kind from the suppliers.

5. The Company will conduct periodic evaluations on all suppliers to ensure that the suppliers are supporting the activities of the Company.

Procurement System

The Company's procurement process consists of the following stages:

1. Planning: formulating the procurement plan;
2. Preparation: Terms of Reference (TOR), the pre-qualification requirements, procurement documents, strategy related to the method of selecting the providers of goods and services;
3. The selection of goods and services: announce or invite vendors with certifications and pre-qualification, evaluate bids and perform negotiations, determine the winner, contracting process; and
4. The use and management of Corporate assets.

The system is run in a transparent and competitive way by including prospective goods and services suppliers whose ability and performance meet the competencies required by the Company. In addition to going through the stages of goods and services procurement previously described, the Company also uses other methods, such as auction, direct appointment and immediate purchase.

Table 120 – COMPANY'S TOTAL EXPENDITURE FOR GOODS AND SERVICES IN 2016

Location	Value (Rp)	%	Number of Procurement	%
Head Office	32,859,116,666	53%	1,372	25%
Branch Office	29,412,305,017	47%	4,091	75%

The policy and system ensure that:

1. The procurement of goods and services is carried based on the required quantity and quality, with the best competitive price, timely delivery and excellent after-sales service.
2. The procurement of goods, both at the branch and head offices can be monitored through the Fixed Assets Management system.

In 2016, the Company's total expenditure for goods and services procurement was:

Fixed Assets Insurance

To reduce the risk of damage or loss of fixed assets, the Company insures its fixed assets in an insurance company.

The Company insures its movables and immovable fixed assets, with details as follows:

1. **Insurance Policy on Property**
To ensure the risks that may occur on buildings, furniture, hardware, machinery equipment, motor vehicle certificates (BPKB) stored, in the event of fire, flood, earthquake or lose.

2. Loss Insurance Policy on Moving Objects

To ensure the risk of loss on the various moving objects owned by the Company.

3. Motor Vehicle Insurance Policy

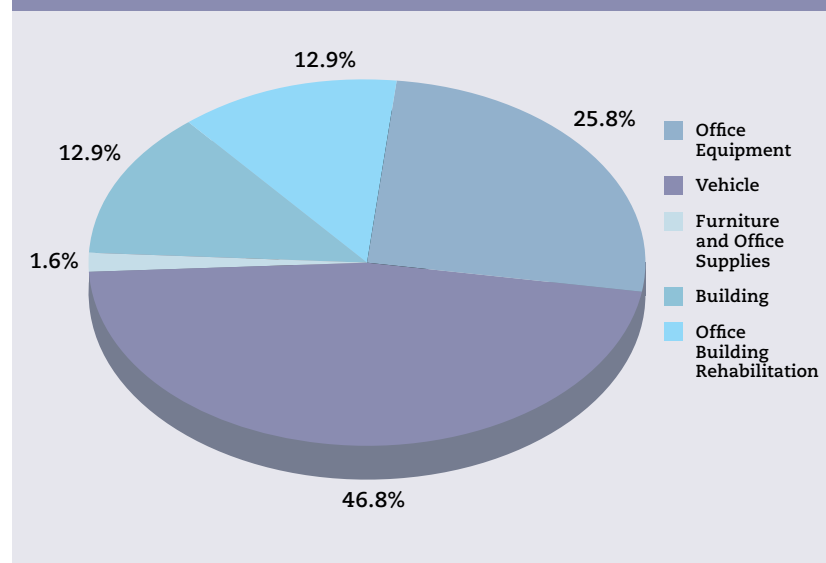
To ensure the risk of damage or loss of motorcycle or car owned and/or controlled by

the Company and in the case of the emergence of lawsuit from a third party that may arise if an accident occur.

4. Public Liabilities Insurance Policy

To ensure the legal responsibility for losses suffered by third parties.

Chart 25 – PROCUREMENT DATA BASED ON THE TYPES OF GOODS IN 2016



GIVING AND ACCEPTING GIFTS

Presenting a gift is defined as all forms of reward given by all ranks within the Company to certain parties with the intention of influencing those parties so as to benefit the Company beyond the bounds of reasonableness. Acceptance of gift is defined as all forms of acceptance by all ranks within the Company from related parties with the intention to influence the Company's decisions so as to become favorable to the giver of the gift.

The Company regulates the delivery of gifts, bribes and others alike, gifts to other parties as a token of gratitude, religious holiday gifts, souvenirs and mementos in the form of goods or services.

In terms of the acceptance of gifts, each employee who receives a gift at whatever price and in whatever form, shall report to the direct supervisor. Acceptance of gifts from other parties to promote the Company, or as a token of gratitude, as religious holiday gifts, as souvenirs and mementos may be accepted and considered appropriate with the following provisions:

- Includes the company logo/ name of the giver as part of the promotional activity of the giving company; and
- Not carried out continuously by the same giver, with a maximum of three times a year. All individuals in the Company shall not provide the Company's internal information that may pose conflict of interests or a negative image for the Company.

THE WHISTLEBLOWING SYSTEM

REPORT MECHANISM AND PERSONNEL MANAGING THE VIOLATION REPORT

The Company has established and implemented the Whistleblowing System based on the Company's Regulation Num. SOP/031 dated March 22, 2013. Under this regulation, every individual within the Company may file a complaint and/ or report of fraud and/ or violation of the order of the Company, GCG Principles, by sending an electronic mail (e-mail) to: fraud_investigator@bfi.co.id or through other means of communication such as short message service (SMS) to the number 081212135755, or by mail to the following address:

PT BFI Finance Indonesia Tbk Head Office
BFI Tower
Sunburst CBD Lot 1.2
Jalan Kapt. Soebijanto Djojohadikusumo
BSD City
Tangerang Selatan 15322
Attn. Internal Audit Department

Table 121 – NUMBER OF WHISTLEBLOWING REPORT AND ITS HANDLING

Type of Report/ Complaint	In Progress	Solved	Total
Alleged fraud	0	34	34
Others	0	3	3
Total	0	37	37

Grafik 26 – FOLLOW-UP ON VIOLATION REPORT



All complaints and/ or reports received will be analyzed and necessary follow-ups will be made by involving the Department of Internal Audit and Risk Management Division.

PROTECTION FOR THE WHISTLEBLOWER AND THE HANDLING OF VIOLATION REPORT

In the delivery of complaint/ disclosure, the whistleblowing system is protected by Act Num. 13 of 2006 on the Protection of Witnesses. In addition, the Company is also morally responsible for the protection of the witnesses.

All reports of violations will be guaranteed of confidentiality and security by the Company and the whistleblower is guaranteed the right to obtain information on the follow-up of his/ her report. By 2016, the number of violation reports received with its follow-up process is as Graphic 25.

FOLLOW-UP ON VIOLATION REPORT

If the the report is valid based on the examination performed according to the determined procedures, the Company shall impose sanctions against the perpetrators of fraud based on the decrees applicable in the Company.

STOCK OPTIONS

In 2016, the Company applied the Management and Employee Stock-Based Compensation Program (“MESOP”), a continuation of the MESOP Program implemented since 2012 based on the Decree of the EGMS, notarized through Deed No. 65 dated 21 June 2012 by Fathiah Helmi, S.H., Notary in Jakarta.

Detailed information on MESOP is presented in the Financial Review and Analysis section in the Management Discussion and Analysis Chapter of this Integrated Annual Report (pages 140-161).

CORPORATE ACTION: STOCK BUYBACK

One of the Company’s corporate actions is conducting stock buyback, as determined by the EGMS held on 15 April 2015, which approved the repurchase of Company shares up to a maximum of 10% of the total shares issued and fully paid or as much as 154,993,456 shares. The funds reserved for the repurchase of shares for a maximum period of 18 (eighteen) months since the EGMS is not more than Rp341 billion.

Stock buyback is one of the Company’s effort to improve the Company’s capital management where its implementation is expected to increase the value of Earnings per Share or “EPS”.

As of 31 December 2016, the Company repurchased shares as much as 100,273,200 shares with a purchase value of Rp252 billion.

Information on corporate actions is also presented in the Chronology of Registration of Shares section in the Company Profile Chapter of this Integrated Annual Report (page 79).

TRANSPARENCY OF FINANCIAL AND NON-FINANCIAL CONDITIONS NOT DISCLOSED IN THE REPORT

BFI has compiled a number of reports that present financial and non-financial information transparently for the stakeholders, and other related institutions, in a timely, complete, accurate, current and complete way.

Information on the Company's financial and non-financial condition have been set forth clearly and transparently in several reports, including the following:

1. Annual Report, which among others includes:
 - a. Overview of key financial data including stock overview, the report of the Board of Commissioners and Board of Directors, company profile, management analysis and discussion on financial and business performance, corporate governance and CSR.
 - b. Annual Financial Statements audited by Public Accountant and Public Accountant Office registered at OJK. The Annual Financial Report is prepared for one financial year and presented in comparison with the previous fiscal year.
 - c. Statement of responsibility by the Board of Commissioners and Board of Directors for the accuracy of the contents of the Annual Report.
2. Financial Statements published per six months in the mass media.
3. Quarterly Financial Report to be published in the BFI web site and IDX website.
4. Sustainability Report

In addition to regulating the Obligation to Submit Annual Report for the Issuer or Public Company, the Regulation of Bapepam-LK Num. X.K.6 also stipulates that the Issuer or Public Company may disclose information on CSR activities in the Annual Report or a separate report submitted concurrently with the Annual Report to OJK as a Sustainability Report or CSR Report. In this case, BFI presents the information on its CSR activities in a Sustainability Report which is an integral part of the Annual Report.

5. Transparency of Non-Financial Condition

BFI has provided information regarding the Company's products in a clear, accurate and updated manner. Such information can be obtained easily by customers, among others in the form of leaflets, brochures or other written forms at the BFI's branch offices located in locations that are easily accessible by customers; and/ or through electronic forms, among others provided through the BFI web site, an online portal that provides information on the characteristics of financial and insurance products in Indonesia as well as the comparison between each products.



ASLI PALSU – BANDUNG
ADE BAYU

Prosthetic aluminum legs and arms developed by
Bengkel Kreatifitas Kelompok Kreatifitas Difabel

A smiling man with dark hair, wearing a grey batik-patterned shirt and green shorts, is kneeling on a colorful striped carpet. He is working on a tan-colored mannequin, holding a piece of the mannequin's leg. The background shows a workshop or studio with various items on tables.

CORPORATE SOCIAL RESPONSIBILITY

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Contribution to Development	314

THE EXISTENCE OF CORPORATE SOCIAL RESPONSIBILITY (CSR) PROGRAMS

We believe that the Company's sustainable growth will be attainable within a prosperous and thriving society.

The society is an important stakeholder for us at BFI. We believe that the Company's sustainable growth will be attainable within a prosperous and thriving society. Therefore, improving the quality of the society is an integral part of our business.



BFI is committed to actively participating as a public company in developing society's well-being with a great impact on national economy's growth in addition to simultaneously maintaining the welfare of employees, job security and environmental sustainability in the entire operation.

One manifestation to this commitment is through the implementation of corporate social and environmental responsibility including social, environmental and community development, such as Education, Health, Religious Activities and Public Donation.

CSR STRATEGIC POLICY

Vision

To become a partner in significantly improving the society's wellbeing and welfare by maintaining a balanced 3P (Profit, People, Planet) and to build a harmonious relationship between the Government, the Company and the Society.

Mission

- To eradicate socio-economic underdevelopment in accordance with the Company's ability and capability
- To participate in advancing the quality of basic and higher education
- To empower families from lower socio-economic status through micro-financing
- To provide distribution channels for small enterprises
- To implement energy conservation methods in daily business routine

CSR PROGRAM POLICY



Think

Everyone both inside and outside the Company visualizes and perceives social issues that may occur both inside and outside the Company. It is a form of self mindset to be aware of what is happening in our surroundings and start to think how to be actively involved in it.

Act

The entire Company acts to help provide solutions to these issues and apply them. It is a clear demonstration of oneself as the result of thinking and active engagement in the surrounding society.

Preserve

Maintaining the implementation results and concrete action and all of the Company's bodies commit to continuing its sustainability. If a concrete action is managed to perform continuously and sustainably, it will demonstrate positive end results.

OUR CSR PROGRAMS

The Think - Act - Preserve philosophy has become a strong foundation for our policy in implementing the entire BFI CSR program. BFI CSR program is a synergy of ongoing efforts to inform and put our corporate social and environmental responsibility programs into practice.

Through this program, BFI also partners with distinctive parties associated with community and environmental fields to work altogether on development, environmental preservation and management.

Why We Do CSR?

- CSR has become one of principal pillars in supporting the Company's business
- CSR is one of significant efforts in achieving a sustainable business
- CSR is an integral part of our corporate culture and our main concept in applying Good Corporate Governance (GCG)
- CSR acts as an instrument of Public Relations (PR) in promoting the Company's social brand image
- CSR acts to balance the welfare between people inside the Company (internal) and the surrounding communities (external)

Environment and Infrastructure

BFI's commitment is brought into action through a variety of environmental and nature conservation programs and through infrastructure improvement. We also provides support and assistance to the society, especially in those areas financially funded by BFI.

In practice, the program prioritizes lower and middle class societies. Ours aims to educate them through training or education, as well as give assistance as a foundation for integrated program developments.

BFI for Kalialang Baru

BFI started working with Habitat for Humanity ("HFH") Indonesia as part of the humanitarian program "BFI for Kalialang Baru – Water and Education Project". This project is also a part of HFH Indonesia's program, namely "Aku Bangun Indonesiaku (I Build My Indonesia) 2014–2018", which aims to help 60,000 low-income families to be able to stay at a livable home and healthy environment.

This cooperation has been ongoing since 2014 in Kampung Baru Kalialang, Sukorejo Village, Semarang, Central Java Province. In 2016, BFI and HFH Indonesia worked together to build residential drainage channels in RW 07 Kalialang Baru.

BFI also supports HFH Indonesia in Kalialang Baru to facilitate training on Water Supply Management and Clean and Healthy Behavior, hygiene and environmental health, as well as PDAM clean water channel construction and Early Childhood Development (ECD) facilities.

This drainage channel project not only improves environmental conditions, but also prevents landslides that often occur during the rainy season.

Social Program in Kampung Beting

Driven by a serious concern to improve life qualities of local communities, BFI arranged a social program by voluntarily helping to develop infrastructure and environmental hygiene projects.

Kampung Beting is an area located farthest from Teluk Naga village, Tangerang, Banten. In general the people work as pond workers.

The average income there is so low and they lack infrastructure to support local community sustainability such as proper street roads, sewerage (drainage) and landfills. This has led to low livelihood level and improper environmental conditions.



91

Low-income families, who obtained access to clean water taps



550

Meter drainage channel was constructed in 2015



20

Toddlers, who were registered in "Cahaya" Early Childhood Development school



708

Meter drainage channel was constructed in 2016



197

Families, who received training in "Clean Water Management and Clean and Healthy Behavior"

Three main activities supported by BFI in order to construct a better infrastructure and cleaner environment in Kampung Beting are:

1. Small road construction using paving blocks;
2. Drainage system construction in residential areas; and
3. Garbage disposal areas construction.

BFI expects that by developing these three environmental facilities and infrastructure it may provide a range of benefits to Kampung Beting inhabitants for accessing hygiene and environmental health facilities.

Planting 1000 Mangrove Seeds in Marunda Beach

In October 2016, BFI conducted a social program to plant 1,000 mangrove seeds on the coastal area of Marunda, Cilincing, North Jakarta. BFI collaborated with KeMANGTEER JAKARTA, a group of volunteers that are environmentally aware and are focusing on mangroves' preservation in Jakarta's coastal areas.

In addition to planting mangroves, participants were also educated about the plant itself, its benefits for the environment and how to plant mangrove seeds properly in order to revitalize coastal ecosystem and protect it from abrasion.

Renovating Schools, Places of Worship and Public Facilities

Throughout 2016, BFI also renovated public buildings in several of the Company's branches nationwide, such as schools (including classrooms and school backyards) and places of worship. Moreover, BFI, which is concerned about the environment, has also cleaned the surroundings and other public facilities, for example by painting the pedestrian pavements.

SOCIAL AND COMMUNITY DEVELOPMENT

Our CSR program in social and community development comprises four main areas, namely:

- **Education:** a long term focus on education quality improvement program of primary, secondary and senior high schools, Undergraduate Scholarship Program, skill development to empower community;
- **Health:** a routine, free-of-charge blood donor program, treatment and surgery for the underprivileged;
- **Religious Activities:** social programs during religious festivities, such as Ramadan, Eid al-Adha, Christmas Day; and

- **Social program and public donation:** focus on infrastructure construction and renovation of public facilities, help and assistance to natural disasters' victims (both internally and externally).

Education



For BFI, conducting CSR programs in the field of education means setting up a strategic social investment and taking a crucial step for future generation, specifically in preparing a better new generation.

Therefore, education is still the utmost concern of the Company's CSR activities.

Undergraduate (S1) Scholarship

BFI Undergraduate Scholarship Program is our manifestation of commitment to supporting educational development in Indonesia, specifically to university students and has been running since 2004.

Why CSR in Education is Important for Us?

It is the focus of the Company's non-business performance and it is correlated with our commitment to supporting one of the Millennium Development Goals (MDGs), namely:



BASIC EDUCATION FOR ALL

Everyone has a right to access basic education.

After 2015, the Company continued its commitment and focus on the field of education in order to support the global development goals that are now called Sustainable Development Goals (SDGs), specifically:



QUALITY EDUCATION

To guarantee fair and quality education, as well as to support stable educational opportunities for everyone without exception.

BFI Undergraduate Scholarship Program consists of:

- Scholarship with Working Contract: Awardees are eligible to receive full tuition fees, allowances and other benefits until they graduate and are expected to work at BFI after completing their degree. The scholarship is awarded to excellent undergraduate students all over Indonesia and the registration can be accessed through online system at www.bfi.co.id.

- Excellent Undergraduate Student Appreciation Scholarship: This scholarship is a grant awarded once a year for students based on certain academic standards without being bound by any work contracts at BFI afterwards.

In 2016, thirteen Scholarships with Working Contract were awarded to those who were currently studying in public and private universities in Indonesia from various disciplines.

Both Undergraduate Scholarships also provide internship opportunities for their recipients at all BFI branch offices nationwide.

Employee Scholarship and Employees' Children Appreciation Scholarship

BFI gives scholarships for its employees graduating from high school and Diploma (D3) to proceed to their undergraduate or Bachelor's degree (S1) in Indonesia. BFI also give special appreciation for their children from elementary to high school who excel at school. The appreciation scholarship is granted every semester.

BFI's Cooperation with Indonesia Mengajar (Teaching for Indonesia) Movement

As a form to support education in all corners of Indonesia, BFI has teamed up with Indonesia Mengajar (IM) movement. In 2016, BFI carried out coaching at two targeted primary schools in Luwuk area, Banggai, Central Sulawesi, namely at:

- SD 2 Inpres Baya in Baya village, East Luwuk district; and
- SD Inpres Tompotika Makmur at Tompotika Makmur village, Masama district.

Both primary schools above were taught under IM for one full academic year in 2016 through two Young Teachers.



73_{people}

Scholarship recipients with Guaranteed Job Placement up to 2016

50_{people}

new beneficiaries of the High-Performing Students Accolade in 2016

102_{people}

beneficiaries of the High-Performing Students Accolade up to 2016

BFI Homestay Program

BFI Homestay Program is part of the Company's collaboration with IM, which provides opportunities to employees in order to engage in the program. Employees who are willing to volunteered teachers will stay at the Junior Teachers' residence for several days.

Volunteered teachers will be equipped with brief knowledge and training from IM on different

and fun teaching approaches for local elementary school students. The program took place in three elementary schools located in three different villages of Lebak district, Banten province, namely:

- SDN 02 Mayak, Mayak Village, Curug Bitung District;
- SDN 01 Mekarwangi, Neglasari Village, Muncang District; and
- SDN 01 Margaluyu, Cilaketan Village, Sajira District.

They will interact and engage in various activities with all supporting stakeholders and Junior Teachers (PM) and IM.

Tailors from Home Program in Duri Kepa – BFI'S Cooperation with YCAB

Our commitment to supporting education development and community empowerment is made manifest through a variety of programs. One is to cooperate with Yayasan Cinta Anak Bangsa (YCAB) in an entrepreneurship program, namely Rumah Belajar (House of Learning) in Duri Kepa, West Jakarta.

"Rumah Belajar" strives to provide varied forms of vocational education for children and adolescents without formal education to enable them to build their own business and be capable of living independently in the future.

BFI's joint program with YCAB to form the *Rumah Jahit BFI* program is expected to achieve a number of objectives, among others:

- To support skill development among young people coming from low-income families to path ways and steps in improving their economic status so they can live independently in the future;
- BFI has been actively participating as a partner of YCAB in accommodating additional vocational courses for students at BFI Tailors from Home classes; and
- To improve artwork distribution/delivery created by students by the co-branding of Rumah Belajar YCAB and BFI.

Table 122 – NUMBER OF AWARD RECIPIENT OF EMPLOYEES' CHILDREN APPRECIATION SCHOLARSHIP

Year	Semester	Numbers of Employees' Children
2014-2015	1	33
	2	43
2015-2016	1	65
	2	64



1,753

books donated by
BFI employees



12

primary schools
in underprivileged
regions of
Northern Lombok

BFI supports sewing skill development program taught in the “Rumah Jahit BFI” program for one year, during 2016-2017. In November 2016, the Company conducted a Skill Development Training for tutors of Rumah Jahit BFI, in which certain of BFI employees demonstrated knitting methods that may be applied in production.

Gerakan 1000 Perlengkapan Sekolah

Gerakan 1000 Perlengkapan Sekolah is an annual educational event aiming to provide proper school supplies for students in remote areas. This year, BFI held the movement in Northern Lombok together with religious social activities related to the observance of the holy month of Ramadan 1437 H. The event included talk shows, iftar and distribution of school supplies, such as school bags along with books and stationery. Beforehand, employees of the head office

and several branch offices also collected both new and used books, as well as school textbooks for children aged 6-15 years old for three weeks; in order to donate them to 12 elementary schools in Northern Lombok.

Financial Literacy Seminar for University Students

In order to increase public knowledge and literacy about financial services, BFI held a seminar for university students about financial companies, with the theme: “Get to Know More of Finance Companies”. The seminar took place at Universitas Multimedia Nusantara (UMN) in May 2016, where the students were provided a detailed explanation of various financial services.

Financial Training for SMEs

BFI held Education and Financial Inclusion training with the theme: “Designing Business through the Internet and Winning the Market through Financing” in October 2016.

BFI worked together with SME owners who are also members of Tangan di Atas (TDA) community in Balikpapan, East Kalimantan. BFI presented knowledge and financial inclusion to the participants to understand financial companies better.

Health

In order to support public health management, BFI sets up various programs aiming to provide health care and services to disadvantaged communities and also its employees.

Blood Drive with the Red Cross and Free Medical Check-Ups

Blood drive with the Red Cross is a social service regularly held by BFI every year. Starting in 2016, the Company ran this event three times in a year in order to celebrate BFI’s 34th anniversary in April, Independence Day of the Republic of Indonesia in August, and end-of-year celebration in mid-December.

Free-of-Charge Surgeries for Underprivileged Citizens

BFI teamed up with Yayasan Citra Baru (YCB) to provide free-of-charge surgeries for patients with cleft lips since 2012. It had funded free-of-charge surgeries to 25 patients by end of 2016.

Mass Circumcision, Fogging and Health Education

BFI carried out several health related activities for people in the areas of branch offices nationally, such as mass circumcision, dengue fever prevention through fogging, as well as breast cancer awareness campaign and health education.

Religious Activities

BFI values diversity in society, including the diversity of religions. Thus, the Company also manages religious CSR activities to improve the quality in our religious communities.

Social Activities during Ramadhan and Other Religious Celebrations

Seven BFI branch offices all over Indonesia organized a charity during the month of Ramadan 1437 H by providing takjil after fasting for the underprivileged for seven consecutive days.

Social Activities during Ramadan were also held to help low-income widows, underprivileged families based on the local government's citizenship data, garbage collectors, and street sweepers.

BFI also participates in other religious celebrations and activities in other branch offices throughout Indonesia.

BFI Sacrifice Feast

To commemorate Eid al-Adha 1437 Hijriyah, BFI organized the BFI Sacrifice Feast on 15 September 2016. BFI conducted prayers and sacrificed two cows, the meat was then distributed to several orphanages around South Tangerang area.

General Donation

Donations or charities are also carried out selectively according to humanitarian considerations. This is especially performed to provide relief for natural disaster victims, such as floods, landslides, volcanic eruptions and other major disasters that occur in Indonesia. It aims to help ease the burden of citizens or employees who become affected by disasters. Provisions include food distributed at emergency shelters. Furthermore, BFI also donates daily and basic necessities to some beneficiaries such as orphanages and the underprivileged.

BFI EMPLOYEE VOLUNTEERING PROGRAM

BFI facilitates its employees to be directly involved in CSR programs organized by the Company. Through employee volunteering program, they are able to serve as volunteers in various community activities.

Several BFI volunteer programs held by the head office, among others:

BFI Volunteers for BFI Tailors from Home program in Duri Kepa, in Collaboration with YCAB

BFI employees volunteered in a social activity to paint the wall of the BFI Tailors from Home program, and took part in creating a wall magazine at Rumah Belajar YCAB in Duri Kepa on 23 September 2016. This voluntary work was part of the commencement of BFI's cooperation with YCAB to establish BFI Tailors from Home program.

Moreover, another voluntary program was held on 10 October 2016 to unpack used denim clothing for reuse in the production of the BFI Tailors from Home program.

BFI Volunteers for Kalialang Baru

BFI started collaborating with HFH Indonesia on the humanitarian program called BFI for Kalialang Baru – Water and Education Project. This cooperation was started in 2014 in Kalialang Baru, Sukorejo, Semarang, Central Java.

In 2016, BFI and HFH Indonesia teamed up to build a 708-meter long drainage channel. Through this activity, employees were also involved in performing voluntary work with local community on 13 August 2016.

BFI Volunteers in Kampung Beting

On 13 August 2016, 19 branches in Jakarta and Banten participated in social activities in infrastructure construction and environmental remediation in Kampung Beting, Teluk Naga, Tangerang.

Social activity is a manifestation of the Company's active participation in order to support basic infrastructure provision and maintain a clean and healthy environment, to advance the quality of life in Kampung Beting.

BFI Teacher Volunteers for Inspiration Class in Luwuk

On 3 September 2016, BFI employees participated as volunteered teachers to be "a teacher for a day" in the *Kelas Inspirasi* Program held at two elementary schools under IM and BFI in Luwuk, Banggai, Central Sulawesi.

Inspiration Class is a social activity where IM's partners' employees spend their time during the day to voluntarily teach or share their knowledge to elementary school students at designated schools under IM.

All seven employees who volunteered in this program shared their knowledge to elementary students at both schools with a fun learning concept.

BFI Homestay Program

BFI Homestay Program is a CSR collaboration program between BFI and Indonesia Mengajar called BFI for Society. BFI and IM worked on various activities for the whole year in order to create BFI Homestay Program in May 2016. Several BFI employees were involved in the Inspiration Class program and they stayed together with Pengajar Muda (Junior Teachers) from IM for several days. Those employees interacted with all stakeholders in various activities that support the Junior Teachers and the IM program.

At the end of the program, BFI volunteers shared their homestay experience as Inspiration Class teaching volunteers and their unique teaching experience in the three primary schools in Lebak region, Banten.

CSR PROGRAM BUDGETING

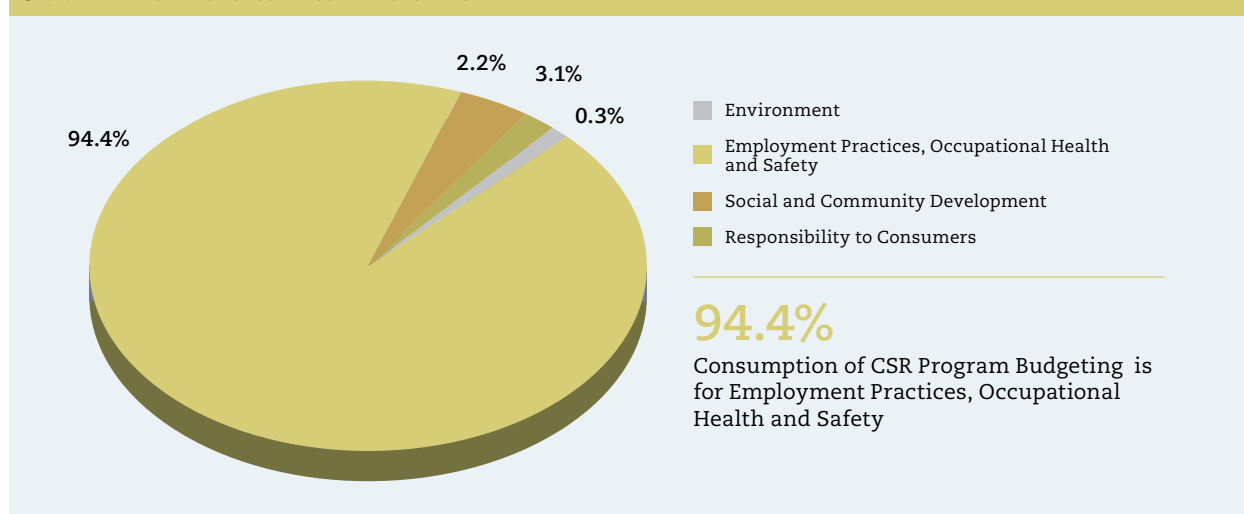
BFI CSR program implementation is performed by the CSR Unit under supervision of the Corporate Secretary and the Corporate Secretariat Department. The Company allocates a certain budget for its CSR activities by taking into account the balance between internal and external stakeholders.

Below is the budget for all CSR programs and activities for environment, employment practices, occupational health and safety (K3), social, and community development as well as other activities related to responsibility to consumers.

Table 123 – CSR PROGRAM BUDGETING (Rp)

No. Field of Activities	Amount
1. Environment	178,132,510
2. Employment Practices, Occupational Health and Safety	51,739,761,879
3. Social and Community Development	1,212,805,248
4. Responsibility to Consumers	1,681,000,000
Total Amount	54,811,699,637

Chart 27 – PERCENTAGE OF CSR PROGRAM BUDGETING

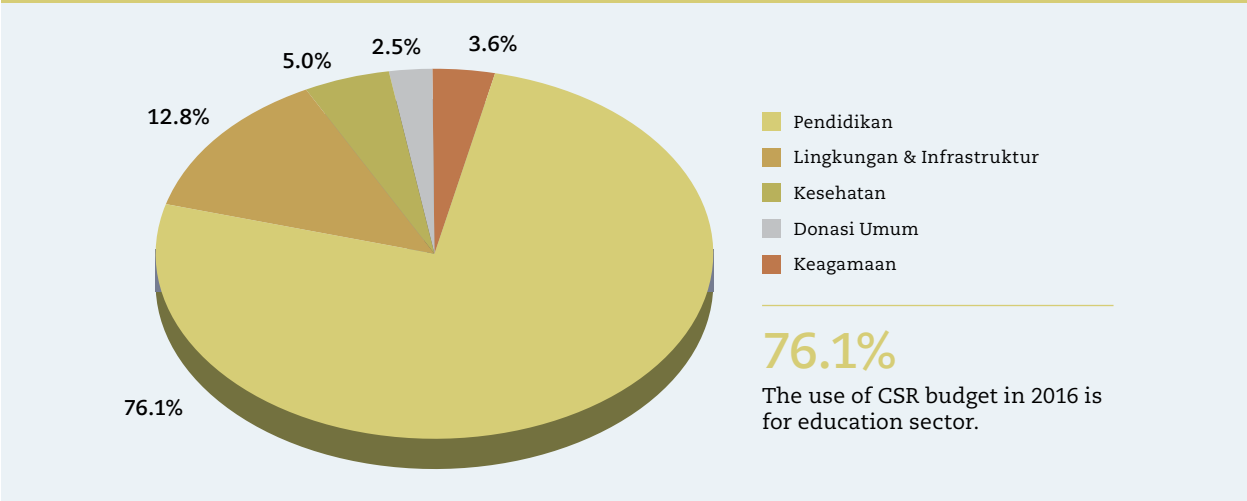


The amount of budget realization of CSR activities in Environment and Social and Community Development in 2016 is Rp1.39 billion in which this amount is higher compared to 2015 budget realization of Rp1.22 billion, with details as follows:

Table 124 – COMPARISON OF CSR PROGRAMS BUDGET UTILIZATION ON ENVIRONMENT & SOCIAL AND COMMUNITY DEVELOPMENT (Rp)

TYPE OF ACTIVITIES	2016	2015
Environment (including Infrastructure)	178,132,510	67,754,100
Social and Community Development:		
- Education	1,057,989,115	900,411,681
- Health	35,059,000	37,998,581
- Religious Activities	49,740,200	141,996,100
- General Donations	70,016,933	73,434,000
Amount	1,390,937,758	1,221,594,462

Chart 28 – PERCENTAGE OF CSR PROGRAMS BUDGET UTILIZATION ON ENVIRONMENT & SOCIAL AND COMMUNITY DEVELOPMENT BUDGET IN 2016



The most significant amount in BFI's CSR budget in 2016 was spent on Education: 76.1% of the total spending was utilized for educational development and scholarship purposes.



CSR PROGRAM IMPLEMENTATION

ENVIRONMENTAL CONSERVATION

As a financial services company, the environmental impacts from the BFI operational activity are relatively low compared to the likes of other industries. Due to the Company's nature and scale, the environmental impact is limited to the natural resources usage such as water, paper, and energy in the offices along with petrol usage and emissions from on-field activities.

Although the impacts are relatively small, BFI is committed to delivering a responsible business with environmental issues in mind. This commitment is in line with BFI's Corporate Social Responsibility mission, i.e. to implement the methods of natural resources conservation on a daily basis.

Conservation at the Office Complex

BFI implements a natural resources efficiency programs with various alternatives that common in many companies which include:

- Using eco-friendly office utensils;
- Switching off the lamps in lunchtime;
- Smart air conditioning management; and
- Single-use items usage reduction (tissue paper and bottled water).

The Information Technology (IT) Department has also developed applications to encourage less-paper office initiative as mentioned below:

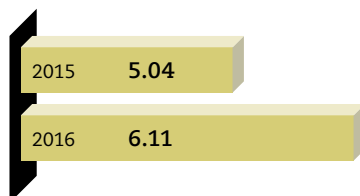
- An e-Filing application and Document Management System (DMS) application, both are centralized management systems which enable

easier control and greater accountability. This system facilitates less printed documents and is more efficient.

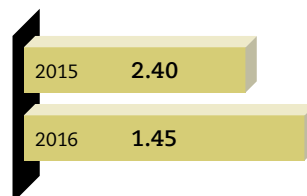
- Video conference infrastructure that enables face to face interactions which result in less exhausting and time-consuming business trips.
- Human Capital Powerplus ("HC Powerplus") application, which serves as a network-based human capital application that can be accessed online via all outlets; from personal data to performance evaluation. HC Powerplus application is a further development from Human Capital Information System (HCIS); it results in less printouts.
- An optimum electronic communication for wider information spreads in the Company through portal and email, which also includes an electronic bulletin.

Chart 29 – NATURAL RESOURCES USAGE INTENSITY AT BFI TOWER IN 2016 AND 2015

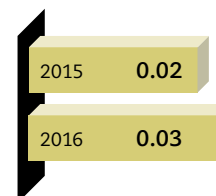
PAPER (kg/KT)



ELECTRICITY (MWh/KT)



WATER (thousand m³)



*Notes:

Consisting of usage of A4 and F4 photocopy paper at the Head Office

60gsm A4 = 1.87 kg/ream

70gsm A4 = 2.18 kg/ream

70gsm F4 = 2.48 kg/ream

KT = Permanent employees at Head Office

Environmental Conservation Campaign

Throughout 2016, BFI carried out Internal communications consisting of tips and information articles concerning environmental and energy issues revolving on a lifestyle that upholds environmental awareness, hygiene and energy savings, practiced in a simplified manner by BFI employees on a daily basis, both at work and at home.

These info and tips are communicated through e-mail blast to all staff. There were also counseling sessions organized in the head office and branches, through videos, banners and posters.

Environmental Conservation with Communities

BFI's commitment in environmental and infrastructures issues is accomplished throughout various environmental program and nature conservation, notably

areas where BFI distributes financial assistance. The corporate social responsibility program in environmental issues in 2016 was a joint cooperation between BFI and Habitat for Humanity (HFH) Indonesia to develop environmental infrastructure, which includes community hygiene facilities. Through this initiative, a favorable and sustainable effort for community empowerment was brought in line with BFI's eco-friendly policy.

HUMAN CAPITAL COMPOSITION AND DEVELOPMENT

Total Human Capital

Our employees make up the most important asset of the Company. Over time, in line with the Company's business development and progress, the number and composition of the human capital at BFI are gradually growing.

Human Capital Composition

As at end of 2016, BFI employed a total of 8,941 employees across all levels of the organization, and from various levels of education, employment status, age group, work tenure, and gender. A more detailed discussion on the human capital composition is presented in the Human Capital Chapter of this Integrated Annual Report (page 95-113).

Human Capital Development

The Company has a long-term commitment to strengthen its business with the employees at its core in order to develop a better, stronger, and more efficient organization. In 2016, the Company continued its human capital development initiatives, which include various recruitment, training, talent development and management, and productivity improvement programs, all geared towards supporting the Company's business strategy and expansion plans.



FOCUS ON CUSTOMER SERVICE

Service quality is a crucial element to keep the Company in the foremost of the financing industry in the midst of increasing competition in this industry. To that end, BFI continuously performs improvement in many factors such as systems, procedures and network reliability.

Application of the Company's Foundational Values



As a financial services company, public trust becomes a crucial element in improving the Company's performance. BFI's customers, both individuals and corporations, are stakeholders, which directly impact the Company's sustainability.

BFI have some foundational values which are continuously applied in order to achieve customer satisfaction and public trust. These basic values include Excellent Service or Extra Service to Internal and External Customers.

BFI applies a continuous excellent service strategy, with the theme of "Smile from the HEART." HEART is an acronym of:

- H is for a heart caring about the customers
- E is for an expression of hospitality and sincerity
- A is for accuracy and speed
- R is for a responsive and proactive attitude in handling customer needs
- T is for a positive talk

Customer Relations

BFI provides various kind of means and facilities for BFI consumers and customers aimed at fulfilling various needs of Customer Financing and Finance Lease products, including:



Service Quality Improvement

BFI executes various efforts aimed at improving customer service and protection which also becomes the Company's way

of complying with the Law No. 8/1999 on Customer Protection, the Indonesia Otoritas Jasa Keuangan (OJK) Regulation No. 1/POJK.07/2013 on Financial Services Customer Protection and other related regulations.

We understand that customer satisfaction and loyalty are the crucial elements in maintaining the Company's sustainability, thus the Company has formulated a framework of Service Quality Strategy in order to improve its services, and as a result, the Company's objectives can be achieved.

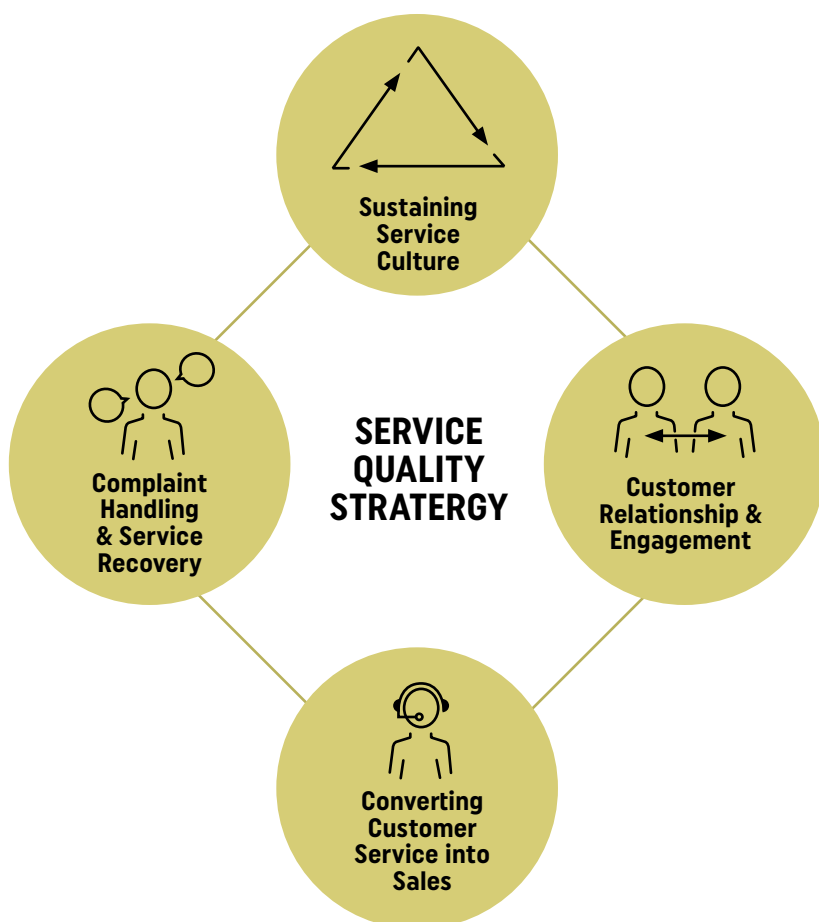
Sustaining Service Culture

A consistent service culture can improve customer loyalty. Thus, BFI provides various training about customer service for frontliners, to equip them with greater capability and competency to communicate and give fast response, as well as integrity in accordance with the Company's Foundational Values, and also consistency and friendliness in serving customers.

BFI's service culture is also represented through every employee's physical appearance, layout of customer service area, supporting tools of customer service activities, and positive image of employee behavior in every single communication with the customers. In the future, the

Table 125 – ACCESS TO BFI OFFICE

Type of Outlet	2016	2015	2014
Branch	209	205	200
Kiosk	96	62	60
Total Outlet	305	267	260



Company has a target to create a standardized, most excellent, and consistent service in all branches.

Customer Relationship & Engagement

One of the strategies aimed at building a strong connection with the customers is a good understanding of customer needs and relation management. BFI conducted various works during 2016 which involved many customers, such as:

- Service Training, given to customer service officers so that they are able to communicate well, give fast responses, have

integrity in accordance with the Company's foundational values, as well as consistently and friendly in serving the customers.

- In order to give additional values and facilities to BFI Priority customers, BFI provided various excellent program aimed at improving relations with BFI Priority customers.
- Special Treatment Program for Motorcycle Financing Customers included several services to commemorate the National Customer Day by giving free vouchers and special gifts.

- In "BM Goes to Front Office" Program, the Branch Managers of BFI participated at the front office to serve the consumers and customers coming to BFI offices on the National Customer Day.

Converting Customer Service into Sales

The Company equips its Customer Service ("CS") officers with various training programs on competency improvement, including communication, product, as well as capability for selling and negotiation. With an excellent service quality provided by the CS, BFI expects to build good relations with the customers for the long term.

Complaint Handling & Service Recovery

BFI conducts customer feedback handling program which is integrated in the system and work process both in branch and head offices. This feedback handling is monitored by the Customer Care Unit.

BFI, through the Customer Care Unit, is committed to solve all customer complaints rapidly, accurately, and completely. The Customer Care Unit also works with related unit to ensure that the solution given for the complaints is on target and the customers are satisfied with the solution.

The systems and work processes integration between the Customer Care Unit and branch offices enables the Company to provide a more accurate handling of customer feedback.



Customer Monitoring

Customer Feedback Monitoring

In BFI, Customer Care Unit carefully monitors all customer reports, input, and complaints in order to ensure that each of them are handled excellently by the Company, starting from providing confirmation to a completed solution for customer complaints.

Based on the table of Customer Feedback Handling Report above, there was an increase in customer feedback (in the form of complaints, suggestions, etc.) by 1,269 or 27.7% compared with the 2015's figure of 4,574, to reach 5,843 in 2016. The biggest increase was 37.0%, caused by questions related to the knowledge of the Company's product characteristics.

Table 126 – CUSTOMER FEEDBACK

No.	Description	2016	2015	2014
1	Understanding the characteristics of the products by consumers	2,652	1,936	2,802
2	Inadequate product information	794	603	800
3	Disruption/damage to information technology equipment and systems	33	45	149
4	Change/termination of the contract/agreement/ contract	0	10	10
5	Consumer negligence	217	235	330
6	Financial services business negligence	0	0	0
7	Financial services business criminal offense	0	0	0
8	Other (less than optimal internal service process)	1,640	1,368	1,774
9	Others (service failure by third party/BFI partner)	507	387	779
Total		5,843	4,574	6,644

In accordance with the Company's policies and prevailing regulations, BFI stipulates a Service Level Agreement ("SLA") in the form of response period for each complaint received by the Company.

BFI recorded that the numbers of Customer Complaints Reports received in 2015 and 2016 were 4,574 and 5,843, respectively, with an increase in SLA quality in which all customer complaints in 2016 have been successfully solved within, at the latest, 20 days. This condition is in accordance with the commitment of BFI Customer Care Unit to solve all customer complaints rapidly, accurately, and comprehensively.

Customer Satisfaction Monitoring

BFI conducted external customer satisfaction survey or after-sales customer survey involving all BFI customers and business partners as well as internal customer satisfaction survey within the Company's working environment.

After-sales customer survey is aimed at obtaining a Customer Satisfaction Index for BFI service, while the aim of internal survey is for monitoring the implementation of service standard and assigning weightings to the KPIs.

BFI's Customer Satisfaction Index Score (CSI Score) for six consecutive years consistently increased, from 4.19 in 2012 to 4.62 in 2016. Customer Satisfaction Survey was conducted to 128,437 BFI

customers in 2016. The number of respondents was continuously increased, starting from 84,710 in 2014, 103,211 in 2015, and reaching 128,437 in 2016.

This condition is regarded as good, for the increasing number of respondents means that BFI has been able to demonstrate its commitment in providing excellent service to the consumers and customers continuously with a consistently improving quality.

Appreciation for BFI

BFI continuously strives to improve its service performance for the customers with regard to the implementation of social responsibility toward products and customers. As a result, BFI has received reward from external parties.

Table 127 – SLA ACHIEVEMENT

No.	Description	2016	2015	2014
Understanding product characteristics by consumers				
1.	Resolved	5,843	4,574	6,644
2.	In the process of completion	0	0	0
Total		5,843	4,574	6,644
SLA Complaints				
1.	≤ 20 Days	5,843	4,571	209
2.	20 Days < X ≤ 40 Days	0	3	3
3.	> 40 Days	0	0	1
Total		5,843	4,574	213

Chart 30 – CUSTOMER SATISFACTION INDEX VALUE 2014-2016

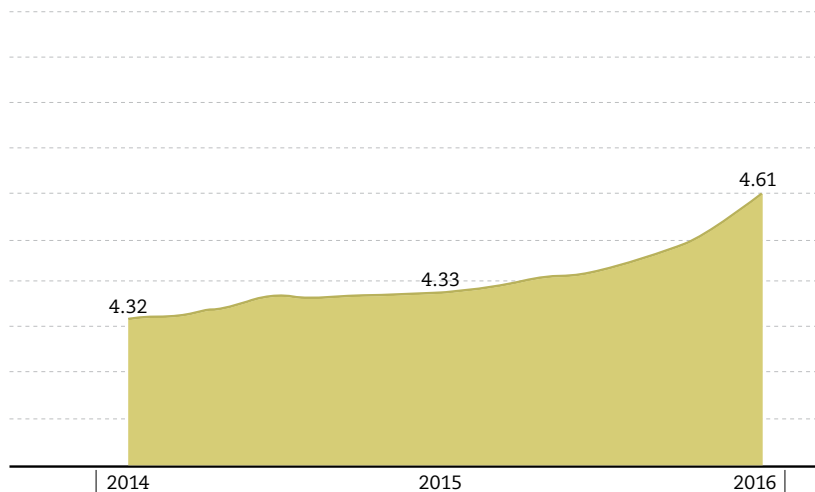


Table 128 – CUSTOMER SATISFACTION INDEX SCORE AND TOTAL RESPONDENTS

Description	2016	2015	2014
Customer Satisfaction Index	4.61	4.33	4.32
Total Respondents	128,437	103,211	84,710

In 2016, BFI received the Market Conduct reward from OJK as a Financial Services Company Implementing Financial Services Customer Protection Principles Based on Self-Assessment in 2015.

In this self-assessment, OJK stresses on the implementation of five customer protection principles, including transparency, fair treatment, reliability, data confidentiality,

and security, as well as complaint handling and dispute settlement performance. This reward clearly attests to BFI's efforts in ensuring customer satisfaction and protection.



SAVITRI

Machinery Collection Unit Head - Head Office, Recipient of BFI Employee Scholarship

I have been working at BFI for thirteen years now and I feel steady because this Company is big and stable. The working condition in this Company highly supports me to conduct all my duties, the environment is nice, comfortable and enabling. I hope going forwards BFI will become more competitive and become a benchmark for other financing companies as it continues to strengthen the Company's culture.

CONTRIBUTION TO DEVELOPMENT

Sustainability for BFI is the ability to accommodate all stakeholders' interests, and to contribute towards sustainable development. Sustainability also means that BFI is able to balance the economy, social and environmental interests in running its business.

In the economy aspect, BFI has given contribution to stakeholders in the form of tax payments to the state, dividends to shareholders, and indirect benefits for the economy through payments made to the employees.

GREATER BENEFITS FOR THE SOCIETY

BFI contributes to national development by financing the society and businesses in Indonesia. Financing heavy equipment, where BFI is engaged in, opens up opportunities for growth for the commodity and construction sectors in Indonesia, which have been the backbone for Indonesia's economy in the recent years.

In addition to that, in recent years, BFI's business has also been driven by the growth of the middle class and the increasing number of productive age population in Indonesia. This spells a demographic bonus that is a potential market for BFI, and we will be addressing this with our product diversification strategies, namely by providing consumer loans.

Consumer loans provided by the financial services companies have enabled the society to own motorized vehicles. Through this, the quality of life can be improved amidst the inequitable access to transportation. (Suwandi Wiranto, Chairman of APPI to the Oxford Business Group)

In order to strengthen the society's economic sector, BFI has launched the Goods and Services Procurement Financing with guarantee of Proof of Ownership of Vehicles (BPKB) or other securities based on OJK regulations, and stated in the Company's internal regulations.

Goods and Services Procurement Financing or Multipurpose Financing is a diversified product that obtained a license from OJK in 2014, which allows BFI to issue financing products outside of the consumer sector. This product is also a part of the Company's sustainability strategy, particularly amidst the slowdown of heavy equipment financing and consumer loans.

Using Multipurpose Financing, the society will be able to receive cash in order to fulfill a variety of their needs, both consumptive and productive by nature, including for business capital and investments.

In 2016, BFI launched an education financing product to help society manage the substantial education costs for school entry fee. In order to fulfill this need, BFI has cooperated with several universities.

In addition, in October 2016 BFI launched a wedding financing product in which BFI has collaborated with several wedding organizers. In the future BFI will develop other financing products needed by the society.

Table 129 – DISTRIBUTION OF ECONOMIC VALUE (Rp million)

ECONOMIC PERFORMANCE	2016	2015	2014
Economic Value Generated			
- Revenue	3,227,107	2,830,617	2,299,463
Economic Value Distributed			
- Operational Costs	1,485,261	1,366,738	1,040,837
- Personnel Costs	715,765	626,324	506,249
- Dividends	224,466*	322,943	297,587
- Payments to Government (tax, retribution, others)	233,505	182,742	150,845
- Social Investments (CSR Costs)	1,120	2,061	1,840
Economic Value Retained (=Economic Value Generated – Economic Value Distributed)	3,636,645	3,169,585	2,819,098

* As interim dividend, the final dividend will be determined in the 2017 GMS



FRANS ELKANA S. DEPARI

Branch Operations & Services Head (“BOSH”) - Semarang Branch Office,
Ex-Recipient of Undergraduate Scholarship

I am a new employee here at BFI, having joined it in late May 2016 and now I am undertaking my placement as BOSH in Semarang, Central Java. I have been placed here since November 2016 after I'd completed the on-the-job training. There are many more things I have yet to learn to perform my duties well. The scholarship I'd received from BFI helped me greatly while I was finishing my studies at Diponegoro University in Semarang. When I graduated, I joined the Company's Management Trainee program. I hope that in the future I will enjoy an excellent career path.





BATIK SABLON – SOLO
MUKHAMAD FAIES

Use of a printing technique to speed up batik production process

CORPORATE SUPPORTING DATA

Addresses of Outlets

318



ADDRESSES OF OUTLETS

HEAD OFFICE

BFI Tower

Sunburst CBD Lot 1.2
 Jl. Kapt. Soebijanto Djojohadikusumo, BSD City
 Tangerang Selatan 15322

Phone: (62-21) 2965 0300, 2965 0500

Fax: (62-21) 2966 0757, 2966 0758

Website: www.bfi.co.id

BRANCH

JAVA, BALI & NUSA TENGGARA

Jakarta Capital Region

BRANCH	ADDRESS	CITY/DISTRICT
Jakarta - Sunter	Rukan Puri Mutiara Blok A No.80, Jl. Utama Griya, Sunter	Jakarta Utara
Jakarta Utara	Rukan Grand Orchard Square Blok C/20 Jl. Terusan Kelapa Hybrida Sukapura	Jakarta Utara
Jakarta Utara 2	Rukan Bandengan Indah Blok B-3 Jl. Bandengan Utara No. 80, Kel. Penjarangan, Kec. Penjarangan	Jakarta Utara
Jakarta - Meruya	Jl. Lapangan Bola No. 1-1A, Meruya, Kebon Jeruk	Jakarta Barat
Jakarta - Cengkareng	Sedayu Square Blok C-02, Jl. Outer Ring Road Cengkareng Barat	Jakarta Barat
Jakarta Timur	Jl. Radin Inten, Ruko Radin Inten Center No.8D, Duren Sawit	Jakarta Timur
Jakarta - Cawang	Jl. Dewi Sartika No. 292 F RT 004 / RW 005 Kel. Cawang, Kec. Kramat Jati	Jakarta Timur
Jakarta Selatan	Jl. Ciputat Raya No. 1 C RT 003 / RW 010 Kel. Kebayoran Lama Selatan, Kec. Kebayoran Lama	Jakarta Selatan
Jakarta Selatan 2	Jl. Raya Rawa Bambu No. 18 RT 13 / RW 5 Kel. Pasar Minggu, Kec. Pasar Minggu	Jakarta Selatan
Jakarta - Corporate Leasing	Rukan Graha Cempaka Mas Blok A No. 31 Jl. Let. Jend. Suprpto, Kel. Sumur Batu, Kec. Kemayoran	Jakarta Pusat

Banten

BRANCH	ADDRESS	CITY/DISTRICT
Tangerang	Jl. M.T. Haryono No. 9, Sukasari	Tangerang
Tangerang 2	Kompleks Balaraja Ultimate For Business Retail Ruko G No. 3A Jl. Raya Serang Km. 24, RT 001 / RW 001 Desa Telagasari, Kec. Balaraja, Kab. Tangerang	Tangerang
Tangerang 3	Ruko Taman Kutabumi Blok B 16 No. 22-23 Kel. Kutabumi, Kec. Pasar Kemis , Kab. Tangerang	Tangerang
Bintaro	Ruko Kebayoran Arcade 2 Blok B1 No. 09 Bintaro Jaya Sektor 7 Kel. Pondok Jaya, Kec. Pondok Aren	Tangerang
Cikupa	Ruko Taman Raya Blok M 19 No. 01 A, Citra Raya Kel. Dukuh, Kec. Cikupa, Kab. Tangerang	Tangerang
Cilegon	Jl. Ahmad Yani No. 135 C RT 004 / RW 002 Kel. Sukmajaya, Kec. Jombang	Cilegon
Pamulang	Jl. Raya Siliwangi No. 57 G, RT 01 / RW 07 Kel. Pamulang Barat, Kec. Pamulang	Tangerang
Serang	Jl. Raya Pandeglang Lingk. Kebon Jahe RT 04 / RW 014 Kel. Cipare, Kec. Serang	Serang
Serpong - Tangerang Selatan	BFI Tower Sunburst CBD Lot 1.2 Jl. Kapt. Soebijanto Djojohadikusumo BSD City	Tangerang Selatan

West Java

BRANCH	ADDRESS	CITY/DISTRICT
Bandung	Jl. Soekarno Hatta No. 472 Kel. Batu Nunggal, Kec. Bandung Kidul	Bandung
Bandung - Lengkong	Jl. Lengkong Kecil No. 12 B	Bandung
Bandung 3	Ruko Soreang Square Blok B No. 10 Jl. Raya Soreang, Kel. Cingcin, Kec. Soreang	Bandung
Bandung 4	Kompleks Tritan Point Bandung Blok B5 No. 10 Jl. Jend. A.H. Nasution, Kel. Cipadung Wetan, Kec. Panyileukan	Bandung
Bandung 5	Jl. Sari Asih Raya No. 12 RT 06 / RW 09 Kel. Sarijadi, Kec. Sukasari	Bandung
Bekasi	Kompleks Ruko Suncity Square Blok A No. 46-47 Jl. Mayor Hasibuan, Margajaya	Bekasi
Bekasi 2	Jl. Bulevar Hijau Blok C5 No. 32 Harapan Indah	Bekasi
Bekasi 3	Ruko Taman Jatimakmur Indah No. 11 Jl. Raya Jatimakmur, Kel. Jatimakmur, Kec. Pondok Gede	Bekasi
Bekasi 4	Jl. Sultan Hasanudin No. 233 Desa Tambun, Kec. Tambun Selatan	Bekasi
Bekasi 5	Ruko Citragran Blok CW 6 No. 9 Jl. Alternative Cibubur Kel. Jatikarya, Kec. Jatisampurna	Bekasi
Bogor	Jl. Raya Tajur No. 39 D-E	Bogor
Bogor 2	Ruko Taman Yasmin Sektor 6 Jl. Abdullah Bin Nuh No. 218 (Ring Road Bogor Utara), Kel. Curugmekar, Kec. Bogor Barat	Bogor
Cibinong	Cibinong City Centre A-30 Jl. Tegar Beriman I RT 05 / RW 12, Kel. Pakansari, Kec. Cibinong	Bogor
Cikampek	Ruko Sudirman Center Blok A No. 6 Jl. Jenderal Sudirman No. 100 Desa Pucung, Kec. Kotabaru	Karawang
Cikarang	Ruko Golden Boulevard Blok CC.5 No. 3A Jl. Niaga Raya, Jababeka 2, Kel. Pasir Sari, Kec. Cikarang Selatan	Cikarang
Cimahi	Jl. Jend. Amirmachmud No. 572 RT 002 / RW 001 Kel. Padasuka, Kec. Cimahi Tengah	Cimahi
Cirebon	Jl. Tuparev No. 115 A Ds. Kertawinangun, Kec. Kedawung	Cirebon
Cirebon 2	Jl. Prabu Kiansantang RT.001 RW.08 Desa Sukadana, Kec. Pabuaran	Cirebon
Depok	Ruko Margonda Residen No. 12A-14 Jl. Margonda Raya Kav. 461	Depok
Garut	Jl. Cikuray No. 72 C RT 05 / RW 06 Kel. Regol, Kec. Garut Kota	Garut
Indramayu	Jl. Raya Bulak No. 16 RT 02 / RW 0, Kel. Bulak, Kec. Jatibarang	Indramayu
Karawang	Jl. Jend. Ahmad Yani No. 73 Bypass RT 04 / RW 12, Karangpawitan, Karawang Barat	Karawang
Kuningan	Jl. RE Martadinata 53A, Cijoho	Kuningan
Majalengka	Jl. K.H. Abdul Halim No. 104 Kel. Majalengka Kulon, Kec. Majalengka	Majalengka
Purwakarta	Jl. Veteran / Terusan Ibrahim Singadilaga Ruko No. 5-6, Kel. Nagrikaler	Purwakarta
Subang	Jl. Kapten Hanafiah Blok B No. 4 RT 98 / RW 97 Kel. Karanganyar, Kec. Subang	Subang
Sukabumi	Jl. KH. Sanusi No. 46 C Ciseureuh	Sukabumi
Tasikmalaya	Kompleks Pertokoan Plaza Asia Blok B No. 12A Jl. H.Z. Mustofa	Tasikmalaya

Central Java

BRANCH	ADDRESS	CITY/DISTRICT
Semarang	Ruko Mataram Plaza Blok D No. 03 Jl. M.T Haryono	Semarang
Semarang 2	Jl. Taman Setiabudi Rukan A-8 RT 01 / RW 18 Kel. Srandol Wetan, Kec. Banyumanik	Semarang
Banjarnegara	Jl. S. Parman No. 28 RT 01 / RW 04 Kel. Parakancangah, Kec. Banjarnegara	Banjarnegara
Cilacap	Ruko Dualima Jaya No. 7 Jl. Suprpto, RT 02 / RW 02 Kel. Sidanegara, Kec. Cilacap Tengah	Cilacap
Grobogan	Ruko The Grand City Blok E Jl. Letjen R. Suprpto No. 61-63 Purwodadi	Grobogan
Jepara	Jl. Pemuda No. 2 RT 03 / RW 04 Kel. Potroyudan, Kec. Jepara	Jepara
Kebumen	Perum Graha Mahardika 2 Jl. Kutoarjo D3 Kel. Selang, Kec. Kebumen	Kebumen
Kendal	Jl. Soekarno Hatta No. 81 B RT 010 / RW 001 Kel. Cepiring, Kec. Cepiring	Kendal
Klaten	Jl. Veteran No. 256 A Kel. Bareng Lor, Kec. Klaten Utara	Klaten
Kudus	Kompleks Ruko Ahmad Yani No. 1Jl. Letkol Tit Sudono	Kudus
Magelang	Ruko Metro Square F6 Jl. Mayjen. Bambang Soengeng, Mertoyudan	Magelang
Pekalongan	Jl. Dr. Cipto No. 22D	Pekalongan
Purwokerto - Banyumas	Jl. Gerliya Timur No. 35, Ruko No. 3 Kel. Teluk, Kec. Purwokerto Selatan	Purwokerto
Rembang	Jl. Pemuda No. 3B	Rembang
Salatiga	Ruko Wijaya Square Blok A3 Jl. Diponegoro, RT 02 / RW 05 Sidorejo Lor	Salatiga

Solo	Jl. R.M. Said No. 160 C RT 2 / RW3 Kel. Punggawan, Kec. Banjarsari	Surakarta
Solo 2	Jl. Raya Solo Permai HD 03 Solo Baru	Sukoharjo
Sragen	Jl. Sukowati No. 170	Sragen
Tegal	Ruko Nirmala Estate No. 3-4 Jl. Yos Sudarso No. 20 Kel. Mintaragen, Kec. Tegal Timur	Tegal

Yogyakarta Special District

BRANCH	ADDRESS	CITY/DISTRICT
Yogyakarta	Ruko Monjali Permai Kav.2 Jl. Monjali Sinduadi Mlati, Sleman	Yogyakarta

East Java

BRANCH	ADDRESS	CITY/DISTRICT
Surabaya	Jl. Ngagel Jaya 39	Surabaya
Surabaya 2	Komp. Ruko Sentra Darmo Villa Blok A No. 6 Jl. Raya Darmo Permai Selatan	Surabaya
Surabaya 3	Jl. Soka 21 C RT 004 / RW 007 Kel. Tambaksari, Kec. Tambaksari	Surabaya
Babat	Jl. Raya Plaosan	Babat
Banyuwangi	Jl. S. Parman No. 131 D Kel. Kalirejo, Kec. Kabat	Banyuwangi
Blitar	Jl. Cemara No. 36	Blitar
Bojonegoro	Jl. M.H. Thamrin 103	Bojonegoro
Gresik	Ruko Green Garden Blok A-2 Jl. Dr. Wahidin No. 3-4 Desa Dahanrejo, Kec. Kebomas	Gresik
Jember	Jl. Diponegoro No. 32 Ruko 32 B Kel. Jember Kidul, Kec. Kaliwates	Jember
Jombang	Kompleks Ruko Simpang 3 Blok C1 Jl. Merdeka	Jombang
Kediri	Kompleks Pertokoan Hayam Wuruk Trade Center Blok C No. 7-8 Jl. Hayam Wuruk	Kediri
Kediri 2	Ruko Business Park Kharisma No. 12 (B-1), Jl. PB Sudirman No. 114 RT 16 / RW 04 Kel. Pare, Kec. Pare	Kediri
Lamongan	Jl. Basuki Rahmat No. 203 Kel. Sukomulyo, Kec. Lamongan	Lamongan
Madiun	Jl. Serayu Timur No. 144 RT 043 / RW 015 Kel. Pandean, Kec. Taman	Madiun
Malang	Jl. Letjen Sutoyo No. 148	Malang
Malang 2	Jl. Ahmad Yani No. 8 Ruko Kepanjen Business Center A11-A12 Kel. Ardirejo, Kec. Kepanjen	Malang
Mojokerto	Ruko Kranggan Permai Blok A05-06 Jl. Pahlawan	Mojokerto
Pandaan	Kompleks Ruko Pandaan Central Business Kav. A3-A5 Jl. Raya Bypass Pandaan RT 01 / RW 014 Desa Karangjati, Kec. Pandaan	Pasuruan
Pasuruan	Jl. Panglima Sudirman No. 40 A Kel. Purworejo, Kec. Purworejo	Pasuruan
Ponorogo	Jl. Soekarno Hatta No. 238	Ponorogo
Probolinggo	Jl. Dr. Mochammad Saleh 8E Kel. Sukabumi, Kec. Mayangan	Probolinggo
Sidoarjo	Kompleks Ruko Gateway No. B/2 Jl. Raya Waru (Aloha)	Sidoarjo
Sidoarjo 2	Jl. Mojopahit No. 32 B	Sidoarjo
Tuban	Jl. Letda Sucipto No. 5A, Perbon	Tuban
Tulungagung	Jl. W.R. Supratman No. 103	Tulungagung

Bali

BRANCH	ADDRESS	CITY/DISTRICT
Denpasar	Jl. Gatot Subroto No. 463	Denpasar
Denpasar - Sudirman	Kompleks Sudirman Agung Blok C No.8 Jl. PB. Sudirman	Denpasar
Denpasar 3	Kompleks Imam Bonjol Square A6 Jl. Imam Bonjol 555 Desa Pemecutan Klod, Denpasar Barat	Denpasar
Buleleng	Jl. Udayana No.16 Kel. Kaliuntu, Kec. Buleleng	Buleleng
Gianyar	Jl. By Pass Dharma Giri No. 27	Gianyar
Tabanan	Jl Ir. Soekarno Kel. Banjar Anyar, Kec. Kediri	Tabanan

West Nusa Tenggara

BRANCH	ADDRESS	CITY/DISTRICT
Mataram	Jl. Anak Agung Gde Ngurah No. 104 F Ling. Karang Kelebut, Kel. Cakranegara Selatan	Mataram
Mataram 2	Jl. Selaparang Sweta Kel. Mayura, Kec. Cakranegara	Mataram
Sumbawa	Jl. Diponegoro No.63 RT 002 / RW 010 Kel. Bugis, Kec. Sumbawa	Sumbawa

East Nusa Tenggara

BRANCH	ADDRESS	CITY/DISTRICT
Kupang	Jl. Frans Seda RT 042 / RW 013 Kel. Fatululi, Kec. Oebobo	Kupang

SUMATERA

Medan

BRANCH	ADDRESS	CITY/DISTRICT
Medan	Kompleks Istana Prima Blok A No. 7-8 Jl. Brigjend. Katamso Kel. Sei Mati, Kec. Medan Maimun	Medan
Medan 2	Jl. Bambu II No. 67 B-C Kel. Durian, Kec. Medan Timur	Medan
Asahan	Jl. Sisingamangaraja No. 48 E, Lingk. III E Kel. Kisaran Timur, Kec. Kota Kisaran Timur Kota Kisaran	Asahan
Binjai	Kompleks Ruko Surya Permai Jl. T. Amir Hamzah No. 1L	Binjai
Karo	Jl. Veteran No. 57 A Kel. Kampung Dalam, Kec. Kabanjahe	Karo
Padang Sidempuan	Jl. Sudirman No. 8 F Kel. Losung Batu, Kec. Padang Sidempuan Utara	Padang Sidempuan
Pematang Siantar	Jl. Kartini No. 48 E Kel. Timbang Galung, Kec. Siantar Barat	Pematang Siantar
Rantauprapat	Jl. Ahmad Yani No. 104 A-B Labuhan Batu	Rantauprapat

Riau

BRANCH	ADDRESS	CITY/DISTRICT
Pekanbaru	Jl. Soekarno Hatta No. 88 Kel. Delima, Kec. Tampan	Pekanbaru
Pekanbaru 3	Jl. Setiabudi No. 89-89 A	Pekanbaru
Air Molek - Indragiri Hulu	Jl. Jend. Sudirman Kel. Sekar Mawar, Kec. Pasir Penyul	Indragiri Hulu
Bagan Batu	Jl. Jendral Sudirman Bagan Batu	Rokan Hilir
Dumai	Jl. Kelakap Tujuh Kel. Ratusima, Kec. Dumai Selatan	Dumai
Pelalawan	Jl. Maharaja Indah RT 001 / RW 009 Pangkalan Kerinci Kota, Pangkalan Kerinci	Pelalawan
Ujung Batu	Jl. Sudirman Desa Ujung Batu Timur, Kec. Ujung Batu	Rokan Hulu

Riau Island

BRANCH	ADDRESS	CITY/DISTRICT
Tanjung Pinang	Jl. D.I. Panjaitan Km. 08 Kec. Tanjung Pinang Timur, Kel. Air Raja	Tanjung Pinang
Batam	Komplek Mahkota Raya Blok B No.11 Batam Center Kel. Teluk Tering, Kec. Batam Kota	Batam
Karimun	Jl. Ahmad Yani, RT 004 / RW 003 Kel. Sungai Lakam Timur, Kec. Karimun	Karimun

West Sumatera

BRANCH	ADDRESS	CITY/DISTRICT
Padang	Jl. Khatib Sulaiman No. 63 D-E	Padang
Bukittinggi	Jl. Raya Kapas Panji No. 49 B, Jambu Air Nagari Taluak IV Suku, Kec. Banuhampu Kab. Agam	Bukittinggi
Dharmasraya	Jl. Lintas Sumatera Jorong Pasar Koto Baru	Dharmasraya
Pasaman Barat	Jl. Lintas Simpang Empat Manggopo 2 KM Kompleks Gunung Tulas, Lintang Selatan Jorong Simpang Empat Kenagarian Lingskuang Aua, Kec. Pasaman	Pasaman Barat

Jambi

BRANCH	ADDRESS	CITY/DISTRICT
Jambi	Jl. Prof. M. Yamin S.H. No. 65-66 RT. 29 Kel. Lebak Bandung, Kec. Jelutung	Jambi
Muara Bungo	Jl. Sudirman No. 45-46 RT 003 / RW 001 Kel. Pasir Putih, Kec. Rimbo Tengah	Muara Bungo
Muaro Jambi	Jl. Lintas Timur RT 16 / RW 02 Kel. Sengeti, Kec. Sekernan	Muaro Jambi
Rimbo Bujang	Jl. Pahlawan No. 3 Kel. Wirotho Agung, Kec. Rimbo Bujang Tebo	Rimbo Bujang
Sarolangun	Jl. Lintas Sumatera Pasar Sarolangun No. 17 RT 06, Kel. Sukasari, Kec. Sarolangun	Sarolangun

Bengkulu

BRANCH	ADDRESS	CITY/DISTRICT
Bengkulu	Jl. Danau No. 08 Kel. Dusun Besar, Kec. Singaran Pati	Bengkulu

South Sumatera

BRANCH	ADDRESS	CITY/DISTRICT
Palembang	Kompleks Ruko Rajawali No. B3-B4 RT 016 / RW 012 Kel. 9 Ilir, Kec. Ilir Timur II	Palembang
Palembang 2	Jl. Sultan Mahmud Badaruddin II No. 5 RT 20 / RW 04 Kel. Alang-Alang Lebar, Kec. Alang-Alang Lebar	Palembang
Baturaja	Jl. Dr. Moh. Hatta RT 04 / RW 04 Kel. Sukaraya, Kec. Baturaja Timur Kab. Ogan Komerling Ulu (OKU)	Baturaja
Pangkalan Balai	Jl. Merdeka No. 9A/B Banyuasin III	Pangkalan Balai
Prabumulih	Jl. Jend. Sudirman No. 8-9 Kel. Muara Dua, Kec. Prabumulih Timur	Prabumulih
Lahat	Jl. Kolonel Burlian No. 95 RT 09 / RW 03 Kel. Bandar Agung, Kec. Lahat	Lahat
Lubuklinggau	Jl. Yos Sudarso No. 48 RT 003, Kel. Batu Urip Taba, Kec. Lubuklinggau Timur I	Lubuklinggau

Bangka Belitung Island

BRANCH	ADDRESS	CITY/DISTRICT
Pangkal Pinang	Kompleks Bangka Square Ruko No. 2 Jl. Raya Koba Km. 5 No. 17 Kec. Pangkalan Baru	Bangka Tengah
Belitung	Jl. Jend. Sudirman No. 32 B RT 09 / RW 04 Pangkal Lalang, Tanjung Pandan	Belitung
Sungai Liat	Jl. Jend. Sudirman No. 114 D Kel. Srimenanti, Kec. Sungai Liat	Bangka Induk

Lampung

BRANCH	ADDRESS	CITY/DISTRICT
Bandar Lampung	Jl. Gajah Mada No. 55 Kota Baru, Tanjung Karang Timur	Bandar Lampung
Bandar Jaya	Jl. Proklamator Raya No. 28-29 Kec. Terbanggi Besar, Bandar Jaya	Lampung Tengah
Metro	Jl. Jend. Sudirman No. 282 Kel. Imopuro, Kec. Metro Pusat	Metro
Pringsewu	Jl. A. Yani, RT 012 / RW 01 Kel. Pringsewu Utara, Kec. Pringsewu	Pringsewu
Tulang Bawang	Jl. Lintas Timur Sumatera Kel. Dwi Warga Tunggal Jaya, Kec. Banjar Agung	Tulang Bawang

KALIMANTAN

West Kalimantan

BRANCH	ADDRESS	CITY/DISTRICT
Pontianak	Jl. M. Sohor No. 45 Blok E-F RT 05 / RW 02 Kel. Akcaya, Kec. Pontianak Selatan	Pontianak
Ketapang	Jl. D.I. Panjaitan No. B16 Kel. Sukaharja, Kec. Delta Pawan	Ketapang
Sanggau	Jl. Jenderal Sudirman No. 23 RT 22 / RW 08 Kel. Beringin, Kec. Kapuas	Sanggau
Sintang	Jl. Lintas Melawi No. 70 Kel. Ladang	Sintang

Central Kalimantan

BRANCH	ADDRESS	CITY/DISTRICT
Palangkaraya	Jl. RTA Milono Km. 3,5 No. 6-7 Kel. Menteng, Kec. Jekan Raya	Palangkaraya
Barito Utara	Jl. Tumenggung Surapati No. 37 RT 12, Kel. Melayu, Kec. Teweh Tengah	Barito Utara
Pangkalan Bun	Jl. Pasanah (Kawitan 1) RT 23, Sidorejo	Pangkalan Bun
Sampit	Jl. Jendral Sudirman Km. 1,5 No. 19 RT 43 / RW 08 Kel. Mentawa Baru Hulu, Kec. Mentawa Baru Ketapang, Kotawaringin Timur	Sampit

South Kalimantan

BRANCH	ADDRESS	CITY/DISTRICT
Banjarmasin	Jl. A. Yani Km. 7,8 No. 30 Kertak Hanyar Kab. Banjar	Banjarmasin
Banjarbaru	Jl. Ahmad Yani Km. 35 No. 48	Banjarbaru
Hulu Sungai Tengah	Jl. Murakarta No. 8C RT 005, Kel. Bukat, Kec. Barabai	Hulu Sungai Tengah
Tanah Bumbu	Jl. Raya Batulicin RT 3 / RW 1, Desa Sejahtera Kampung Baru - Simpang Empat	Tanah Bumbu
Tanjung	Jl. Ahmad Yani RT II Mabu'un Murung Puduk, Tabalong	Tanjung

East Kalimantan

BRANCH	ADDRESS	CITY/DISTRICT
Samarinda	Jl. D.I. Panjaitan, Ruko No. 5-6	Samarinda
Samarinda 2 Seberang	Kompleks Ruko Sentra Samarinda Seberang Ruko No. 15 Jl. Bung Tomo, Samarinda Seberang	Samarinda

ADDRESSES OF OUTLETS

Balikpapan	Jl. Jend. Sudirman No. 14/295 RT 06 Kel. Damai, Kec. Balikpapan Selatan	Balikpapan
Berau	Jl. Durian 1, Ruko No. 4, RT 25 Kel. Tanjung Redeb, Kec. Tanjung Redeb	Berau
Bontang	Jl. Bhayangkara Km. 6 No. 16 F Ruko Primagama	Bontang
Paser	Jl. R.A. Kartini No. 21A RT 13 / RW 4, Kel. Tanah Grogot	Paser
Penajam Paser Utara	Jl. Propinsi Km 18, RT 010 Kel. Petung, Kec. Penajam	Penajam Paser Utara
Sengata	Jl. A.W. Syahrani RT 04 / RW 01 Kel. Teluk Lingga, Kec. Sengata Utara Kab. Kutai Timur	Sengata
Tarakan	Jl. Gajah Mada No. 75 Kel. Karang Anyar Pantai	Tarakan
Tenggarong	Jl. Patin No. 99B, Tenggarong, Kutai Kertanegara	Tenggarong

North Kalimantan

BRANCH	ADDRESS	CITY/DISTRICT
Bulungan	Jl. Durian No. 87 RT 41 / RW 05 Kel. Tanjung Selor Ilir, Kec. Tanjung Selor	Bulungan

SULAWESI

North Sulawesi

BRANCH	ADDRESS	CITY/DISTRICT
Manado	Jl. Bethesda No. 18 Kel. Ranotana, Kec. Sario	Manado
Bitung	Jl. Wolter Monginsidi No. 45 Kel. Girian Bawah, Kec. Girian	Bitung
Bolaang Mongondow Utara	Jl. Trans Sulawesi Desa Bolang Itang Induk No. 26 Kec. Bolang Itang Barat	Bolaang Mongondow Utara
Kotamobagu	Jl. Brigjen Katamso Kel. Kotobangun	Kotamobagu
Minahasa Selatan	Lingkungan IV Kel. Uwuran I, Kec. Amurang	Minahasa Selatan
Tahuna - Kepulauan Sangihe	Jl. Raramenus Kel. Sawang Bender, Lingkungan III	Tahuna
Tomohon	Jl. Tomohon Raya No. 55 Kel. Walian, Kec. Tomohon Selatan	Tomohon

Gorontalo

BRANCH	ADDRESS	CITY/DISTRICT
Gorontalo	Jl. Agus Salim No. 290 Kel. Wumialo, Kec. Kota Tengah	Gorontalo
Marisa	Graha Arwana Jl. Trans Sulawesi Kel. Buntulia Selatan, Kec. Duhiada Kab. Pohuwato	Marisa

West Sulawesi

BRANCH	ADDRESS	CITY/DISTRICT
Mamuju	Jl. Diponegoro Ruko No. 2 Kel. Karema, Kec. Mamuju	Mamuju
Mamuju Utara	Jl. Ir. Soekarno Kel. Pasangkayu, Kec. Pasangkayu	Mamuju Utara
Polewali Mandar	Jl. H. Andi Depu Ruko Taman Asri No. 1 Kel. Takkatidung, Kec. Polewali	Polewali Mandar

Central Sulawesi

BRANCH	ADDRESS	CITY/DISTRICT
Palu	Ruko Moh. Hatta Center Jl. Dr. Moh. Hatta No. 21 D-E RT 11 / RW 03 Kel. Besusu Tengah, Kec. Palu Timur	Palu
Kotaraya	Jl. I Gusti Ngurah Rai Desa Kotaraya, Kec. Mepanga, Kab. Parigi Moutong	Kotaraya
Luwuk	Jl. Yos Sudarso No. 15 Kel. Karaton, Kec. Luwuk Kab. Banggai 94711	Luwuk
Parigi Moutong	Jl. Trans Sulawesi Kel. Bantaya, Kec. Parigi	Parigi Moutong
Poso	Jl. Pulau Sumba No. 7 Kel. Gebangrejo, Kec. Poso Kota	Poso
Tolitoli	Jl. Magamu No. 63 Kel. Baru, Kec. Baolan	Tolitoli

South Sulawesi

BRANCH	ADDRESS	CITY/DISTRICT
Makassar	Jl. Hertasing Baru (Aeropala) No. 98 Kel. Karunrung, Kec. Rappocini	Makassar
Makassar 2	Ruko 237 Motor Jl. Perintis Kemerdekaan Km. 18-19 Kel. Sudiang, Kec. Biringkanaya	Makassar
Bone	Jl. Ahmad Yani Kel. Jeppee, Kec. Tanete Riattang Barat	Watampone
Bulukumba	Jl. Samratulangi, Dusun Lajae Desa Polewali, Kec. Gantarang	Bulukumba

Gowa	Jl. Poros Gowa Takalar Kel. Manggali, Kec. Pallangga	Gowa
Luwu Timur	Jl. Trans Sulawesi Desa Beringin Jaya, Kec. Tomoni	Luwu Timur
Palopo	Jl. Kelapa Kel. Dangerakko, Kec. Wara	Palopo
Parepare	Ruko Pelangi No. 1 Jl. Sultan Hasanuddin Kel. Ujung Sabbang, Kec. Ujung	Parepare
Toraja	Jl. Poros Makale - Rantepao No. 474 A Kel. Tambunan, Kec. Makale Utara, Kab. Tana Toraja	Toraja

Southeast Sulawesi

BRANCH	ADDRESS	CITY/DISTRICT
Kendari	Jl. Brigjend. Moh. Yunus Bypass	Kendari
Bau-Bau	Jl. Bataraguru No. 39 Kel. Wajo, Kec. Murhum	Bau Bau
Kolaka	Jl. Dr. Sutomo No. 51 Kel. Lamokato, Kec. Kolaka	Kolaka
Konawe	Jl. Sapati No. 15 D Kel. Tumpas, Kec. Unaha	Konawe

MALUKU & PAPUA

North Maluku

BRANCH	ADDRESS	CITY/DISTRICT
Ternate	Jl. Stadion No. 36 RT 01 / RW 01 Kel. Kampung Pisang, Kec. Kota Ternate Tengah	Ternate
Tobelo	Jl. Kemakmuran Desa Rawajaya, Kec. Tobelo Kab. Halmahera Utara	Tobelo

Maluku

BRANCH	ADDRESS	CITY/DISTRICT
Ambon	Perumahan Citraland The Arkade Blok 06-07 Jl. Wolter Monginsidi Kel. Lateri, Kec. Bagualan	Ambon

Papua

BRANCH	ADDRESS	CITY/DISTRICT
Jayapura	Jl. Kelapa Dua Kel. Entrop, Kec. Jayapura Selatan	Jayapura
Biak Numfor	Jl. Selat Sunda No. 07 Fandoi, Biak	Biak Numfor
Merauke	Ruko Parako No. 03 Jl. Parakomando RT 001 / RW 001 Kel. Mandala, Kec. Merauke	Merauke
Nabire	Jl. Merdeka No. 69 Kel. Karang Mulia, Kec. Nabire	Nabire
Merauke	Ruko Parako No. 03 Jl. Parakomando RT 001 / RW 001 Kel. Mandala, Kec. Merauke	Merauke
Nabire	Jl. Merdeka No. 69 Kel. Karang Mulia, Kec. Nabire	Nabire

KIOSK

JAVA & BALI

Jakarta Special Region

KIOSK	ADDRESS	CITY/DISTRICT
Cijantung	Jl. Gongseng No. 28 Kel. Cijantung, Kec. Pasar Rebo	Jakarta Timur
Ciracas	Kompleks PERUMNAS Jl. Kelapa Dua Wetan Blok B No. 12 RT 04 / RW 05 Kel. Kelapa Dua Wetan	Jakarta Timur
Johar Baru	Jl. Pangkalan Asem Raya No. 45 Kel. Galur, Kec. Johar Baru	Jakarta Pusat
Kalideres	Jl. Warung Pojok Kampung Asem No. 114 RT 005 / RW 005 Kel. Semanan, Kec. Kalideres	Jakarta Barat
Pesanggrahan	Jl. Ciledug Raya No. 6 RT 10 / RW 04 Kel. Ulujami, Kec. Pesanggrahan	Jakarta Selatan
Tebet	Gedung Regatama Blok A No. 106 Jl. Pariaman Kel. Manggarai, Kec. Tebet	Jakarta Selatan

Banten

KIOSK	ADDRESS	CITY/DISTRICT
Tangerang - Batuceper	Jl. Raya Poris Indah RT 02 / RW 03 Kel. Poris Indah, Kec. Batuceper	Tangerang
Tangerang - Jatiuwung	Jl. Raya Gatot Subroto Kp. Jatake, RT 006 / RW.002 Kel. Jatake, Kec. Jatiuwung	Tangerang

ADDRESSES OF OUTLETS

Tangerang - Karawaci	Jl. Mendut Raya Blok CC No. 19 Taman Borobudur 2 Perumnas II Tangerang	Tangerang
Tangerang - Larangan	Jl. Inpres Raya No. 3 RT 1 / RW 16 Kel. Larangan Utara, Kec. Larangan	Tangerang
Tangerang - Tigaraksa	Ruko Sudirman Indah Blok A 012A No.10 Kel. Pasir Nangka, Kec. Tigaraksa	Tangerang
Ciputat Timur	Jl. W.R. Supratman No. 3 RT 01 / RW 08 Kel. Cempaka Putih, Kec. Ciputat Timur	Tangerang Selatan
Serpong	Jl. Raya Serpong No. 119 B RT 01 / RW 03 Kel. Serpong, Kec. Serpong Kota	Tangerang Selatan
Serpong Utara	Jl. Raya Bhayangkara Kel. Pakujaya, Kec. Serpong Utara	Tangerang Selatan

West Java

KIOSK	ADDRESS	CITY/DISTRICT
Bandung - Katapang	Jl. Terusan Kopo Km. 11 No. 46 Cilampeni	Bandung
Bandung - Mandalajati	Jl. A.H. Nasution No. 135 RT 01 / RW 06 Kel. Karangpamulang, Kec. Mandalajati	Bandung
Bandung Barat - Padalarang	Jl. Raya Ciburuy RT 03 / RW 17 Kel. Padalarang, Kec. Padalarang	Bandung Barat
Bekasi - Bantar Gebang	Jl. Pasar Lama No. 40 RT 03 / RW 09 Bantar Gebang	Bekasi
Bekasi - Jatiasih	Jl. Raya Jatiasih No. 36 A Kp. Kebantenan, RT 005 / RW 010 Kel. Jatiasih, Kec. Jatiasih	Bekasi
Bekasi - Serang Baru	Jl. Raya Serang Cibarusah Kp. Pasirandu, RT.07 / RW.04 Desa Sukasari, Kec. Serang Baru	Bekasi
Bekasi - Setu	Jl. Raya Setu RT 009 / RW 008 Desa Ciledug, Kec. Setu	Bekasi
Bogor - Bojong Gede	Jl. Raya Bojong Gede No. 65 Kp. Pasar Lama, RT 02 / RW 09 Kel. Bojonggede, Kec. Bojonggede	Bogor
Bogor - Ciomas	Jl. Raya Kreteg Pagelaran Kp. Sukajaya RT 001 / RW 002 Kel. Pagelaran	Bogor
Bogor - Gunung Putri	Jl. Pertigaan Mercedes Kp. Poncol, RT 003 / RW 002 Kel. Tlajung Udik, Kec. Gunung Putri	Bogor
Depok - Bojongsari	Jl. Raya Ciputat - Parung RT 004 / RW 003 Kel. Bojongsari Baru	Depok
Depok - Pancoran Mas	Jl. Raya Sawangan (Parung Bingung) No. 33 RT 04 / RW 03 Kel. Rangkapan Jaya Baru, Kec. Pancoran Mas	Depok
Karawang - Telagasari	Jl. Syeh Quro Dusun Krajan I, RT 03 / RW 01 Kec. Telagasari	Karawang
Sumedang	Jl. Pangerang Sugih No. 29 RT 02 / RW 07 Kel. Kotakulon, Kec. Sumedang Selatan	Sumedang

Central Java

KIOSK	ADDRESS	CITY/DISTRICT
Semarang - Ngaliyan	Pondok Ngaliyan Asri Kav. 1RT 01 / RW 14 Kel. Tambak Aji, Kec. Ngaliyan	Semarang
Semarang - Pedurungan	Jl. Brigjen Sudiarto No. 537 B RT 01 / RW 04 Kel. Pedurungan Kidul, Kec. Pedurungan	Semarang
Semarang - Ungaran	Jl. Sutoyo No. 57 Kel. Sidomulyo, Kec. Ungaran Timur	Semarang
Jepara - Mayong	Kompleks Ruko Atthoyibah No. 2 Jl. Kudus, RT 3 / RW 2 Pelemkerep, Kec. Mayong	Jepara
Pati - Juwana	Jl. Diponegoro No. 16 Blok E RT 04 / RW 01 Desa Kauman, Kec. Juwana	Pati
Pekalongan - Kajen	Jl. Raya Kajen RT 03 / RW 06 Desa Kebon Agung, Kec. Kajen	Pekalongan
Sukoharjo	Jl. Slamet Riyadi No. 22 RT 22, Gayam	Sukoharjo
Sukoharjo - Kartasura	Jl. Adi Sumarmo No. 73 RT 01 / RW 03 Ngabeyan, Kartasura	Sukoharjo
Karanganyar - Tasikmadu	Jl. Lawu No. 196 RT 07 / RW 10 Kel. Papahan, Kec. Tasikmadu	Karanganyar

Yogyakarta Special District

KIOSK	ADDRESS	CITY/DISTRICT
Sleman - Triharjo	Jl. Dr. Rajimin Kel. Sucen	Sleman

East Java

KIOSK	ADDRESS	CITY/DISTRICT
Surabaya - Jambangan	Jl. Jambangan Tama No. 2A RT 07 / RW 03 Kel. Jambangan, Kec. Jambangan	Surabaya
Surabaya - Tenggilis Mejoyo	Jl. Kutisari Utara No. 19 RT 05 / RW 02 Kel. Kutisari, Kec. Tenggilis Mejoyo	Surabaya
Blitar - Wlingi	Jl. Gajah Mada No. 39 RT 02 / RW 04 Kel. Wlingi, Kec. Wlingi	Blitar
Gresik - Balongpanggang	Dusun Banci, RT 01 / RW 01 Desa Balongpanggang, Kec. Balongpanggang	Gresik
Gresik - Driyorejo	Jl. Raya Driyorejo No. 127 Kel. Driyorejo	Gresik
Gresik - Menganti	Jl. Raya Bringkang RT 003 / RW 002	Gresik
Gresik - Sidayu	Jl. Pemuda No. 78	Gresik
Jombang - Mojoagung	Jl. Raya Yos Sudarso No. 161 RT 001 / RW 002 Kel. Janti, Kec. Mojoagung	Jombang

Malang - Batu	Jl. Dewi Sartika 1A RT 07 / RW 10, Kel. Temas, Batu	Malang
Malang - Lawang	Pertokoan PJKA Kusuma Masyur Blok BD Jl. Raya Thamrin Selatan Stasiun Lawang	Malang
Mojokerto - Mojosari	Jl. Gajah Mada RT 007 / RW 001 Kel. Menanggal, Kec. Mojosari	Mojokerto
Nganjuk - Tanjunganom	Krajan Selatan, RT 05 / RW 06 Kel. Kampung Baru, Kec. Tanjunganom	Nganjuk
Sidoarjo - Krian	Pertokoan Katerungan No. 4 Jl. Embong Sono, Kel. Katerungan	Sidoarjo
Sidoarjo - Sukodono	Jl. Raya Dungus RT 16 / RW 04 Kel. Sukodono	Sidoarjo
Sidoarjo - Taman	Jl. Sepanjang Tani No. 8 A Sepanjang, Kec. Taman	Sidoarjo

SUMATERA

North Sumatera

KIOSK	ADDRESS	CITY/DISTRICT
Medan - Medan Marelan	Jl. Marelan Raya No. 149 Link 12 Kel. Rengas Pulau, Kec. Medan Marelan	Medan
Deli Serdang - Percut Sei Tuan	Jl. Besar Tembung No. 26 Dusun IX, RT 010 / RW 005 Kel. Bandar Klippa	Deli Serdang
Deli Serdang - Tanjung Morawa	Jl. Medan - Lubuk Pakam Km. 17,6 Dusun IX, RT 010 / RW 005 Desa Tanjung Morawa-B, Kec. Tanjung Morawa	Deli Serdang
Labuhan Batu - Bilah Hulu	Jl. Ampera Kel. Perbaungan, Kec. Bilah Hulu Labuhan Batu	
Langkat - Stabat	Jl. Proklamasi No. 14 Kel. Kwala Bingai, Kec. Stabat	Langkat

Riau

KIOSK	ADDRESS	CITY/DISTRICT
Pekanbaru - Marpoyan Damai	Jl. Kaharuddin Nasution No. 260 RT 002 / RW 006 Kel. Maharatu	Pekanbaru
Pekanbaru - Rumbai	Jl. Sembilang No. 23 RT 03 / RW 03 Kel. Lembah Sari	Pekanbaru
Pekanbaru - Tenayan Raya	Jl. Lintas Timur Km. 12 RT 003 / RW 001 Kel. Kulim, Kec. Tenayan Raya	Pekanbaru

Riau Island

KIOSK	ADDRESS	CITY/DISTRICT
Batam - Sagulung	Winner Bugis Junction Blok A3 No. 07 RT 8 / RW1 Kel. Sagulung, Kec. Sagulung Batam, Pulau Batam	Batam
Bintan - Bintan Utara	Jl. Permaisuri No. 5 A Kel. Tanjung Uban Selatan, Kec. Bintan Utara	Bintan
Tanjung Pinang - Bintan Timur	Jl. Perikanan No. 42 Kp. Kuala Lupur, Kel. Kijang Kota	Tanjung Pinang

South Sumatera

KIOSK	ADDRESS	CITY/DISTRICT
Palembang - Sako	Jl. Siaran Sako No. 1 B RT 014 / RW 08 Kel. Sako, Kec. Sako	Palembang

Lampung

KIOSK	ADDRESS	CITY/DISTRICT
Lampung Selatan - Jati Agung	Jl. Raya Karang Anyar, RT 02 / RW 01 Desa Karang Anyar, Kec. Jati Agung	Lampung Selatan
Lampung Selatan - Tanjung Bintang	Jl. Raya Serdang RT 24 / RW 4B Kel. Serdang, Kec. Tanjung	Lampung Selatan
Lampung Tengah - Kalirejo	Jl. Jend. Sudirman Dusun 02, RT 02 / RW 07 Kp. Kalirejo, Kec. Kalirejo	

KALIMANTAN

East Kalimantan

KIOSK	ADDRESS	CITY/DISTRICT
Samarinda - Palaran	Jl. Ampera RT 1 Kel. Rawa Makmur, Kec. Palaran	Samarinda
Samarinda Seberang - Sungai Kunjang	Jl. Slamet Riyadi RT 003 Kel. Karang Asem Ilir, Kec. Sungai Kunjang	Samarinda
Balikpapan Utara	Jl. Soekarno Hatta No. 17 RT 01, Kel. Gunung Samarinda	Balikpapan
Balikpapan Selatan	Jl. Mulawarman No. 52 RT 052, Kel. Sepinggang	Balikpapan
Tenggarong Seberang	Jl. Mulawarman RT 17 Kel. Manunggal Jaya, Kec. Tenggarong Seberang, Kab. Kutai Kartanegara	Tenggarong Seberang

South Kalimantan

KIOSK	ADDRESS	CITY/DISTRICT
Banjar - Sungai Tabuk	Jl. Martapura Lama Km 1.5 RT 4, Kel. Gudang Hiran, Kec. Sungai Tabuk	Banjar
Banjarbaru - Mataraman	Jl. A. Yani Km. 56,6 RT 01 / RW 01, Ds. Bawah Pasar	Banjarbaru
Barito Kuala - Alalak	Jl. Trans Kalimantan No. 73 RT 008 / RW 002 Kel. Berangas Seberang, Kec. Alalak	Barito Kuala

SULAWESI

North Sulawesi

KIOSK	ADDRESS	CITY/DISTRICT
Manado - Tikala	Jl. Yos Sudarso Kel. Paal Dua, Kec. Tikala	Manado
Bolaang Mongondow - Bolaang	Jl. AKD Trans Sulawesi Kel. Inobonto, Kec. Bolaang	Bolaang Mongondow
Minahasa Utara - Airmadidi	Airmadidi Atas Lingkungan IX Kel. Airmadidi Atas, Kec. Airmadidi	Minahasa Utara
Tomohon - Kawangkoan	Kompleks Tugu Kacang Jl. Raya Kawangkoan Kel. Talikuran Barat Lingkungan I Kec. Kawangkoan Utara	Tomohon

Gorontalo

KIOSK	ADDRESS	CITY/DISTRICT
Gorontalo - Boliyohuto	Komp. Pasar Monggolito Jl. Raja Tolangohula Dusun Karang Sari, Desa Sidomulyo Kec. Boliyohuto	Gorontalo
Gorontalo - Limboto	Jl. Kolonel Rauf Moo Kel. Kayu Bulan, Limboto	Gorontalo
Gorontalo - Tibawa	Jl. Trans Sulawesi Desa Isimu, Kec. Tibawa	Gorontalo

Central Sulawesi

KIOSK	ADDRESS	CITY/DISTRICT
Palu - Tawaeli	Jl. Trans Sulawesi RT 003 / RW 001 Kel. Lambara, Kec. Tawaeli	Palu
Sigi - Sigi Biromaru	Jl. Lasoso No. 5B RT 002 / RW 001 Desa Mpanau, Kec. Sigi Biromaru	Sigi

South Sulawesi

KIOSK	ADDRESS	CITY/DISTRICT
Makassar - Manggala	Jl. Ujung Bori Lama No. 15 RT 02 / RW 03 Kel. Antang, Kec. Manggala	Makassar
Makassar - Wajo	Jl. Tarakan No. 23 RT 001 / RW 002 Kel. Mampu, Kec. Wajo	Makassar
Maros - Turikale	Jl. Andi Pangerang Pettarani No. 56 Kel. Pettuadde, Kec. Turikale	Maros
Luwu - Walenrang Utara	Dusun Bolong No. 1 Km. 27 Kec. Walenrang Utara	Luwu

Southeast Sulawesi

KIOSK	ADDRESS	CITY/DISTRICT
Kendari - Abeli	Jl. Setiabudi Kel. Lapulu, Kec. Abeli	Kendari

MALUKU & PAPUA

Maluku

KIOSK	ADDRESS	CITY/DISTRICT
Ambon - Sirimau	Jl. Cendrawasi No. 63 RT 002 / RW 004 Kel. Rijali, Kec. Sirimau	Ambon
Ambon - Teluk Ambon	Jl. Ir. M. Putuhena No. 3 RT 007 / RW 004 Kel. Wayame, Kec. Teluk Ambon	Ambon

West Papua

KIOSK	ADDRESS	CITY/DISTRICT
Sorong - Aimas	Jl. Buncis RT 005 / RW 010 Malawe, Aimas	Sorong
Sorong - Sorong Barat	Jl. Yos Sudarso RT 002 / RW 002 Kel. Kampung Baru, Kec. Sorong Barat	Sorong

Papua

KIOSK	ADDRESS	CITY/DISTRICT
Nabire - Nabire Barat	Jl. Poros Nabire Wanggar RT 04 / RW 04 Kel. Bumi Raya, Kec. Nabire Barat	Nabire
Merauke - Tanah Miring	Jl. Teuku Umar No. 171 RT 008 / RW 02 Kel. Yasa Mulya, Kec. Tanah Miring	Merauke



FLOATING MARKET – MARTAPURA
IKHSAN EFFENDI

Floating markets are among the activities in the society that utilize the economic function of rivers to support economic systems



RESPONSIBILITY OF THE MEMBERS OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS TOWARDS THE 2016 INTEGRATED ANNUAL REPORT

STATEMENT OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS

ON THE RESPONSIBILITY FOR THE 2016 INTEGRATED ANNUAL REPORT OF PT BFI FINANCE INDONESIA Tbk

We, the undersigned, testify that all information contained in the 2016 Integrated Annual Report of PT BFI Finance Indonesia Tbk has been presented completely and we are fully responsible for the accuracy of the contents of the Company's Integrated Annual Report.

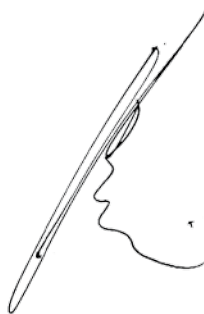
This statement is hereby made in all truthfulness.

South Tangerang, 24 March 2017

BOARD OF COMMISSIONERS



Kusmayanto Kadiman
President Commissioner



Johanes Sutrisno
Commissioner (Independent)



Alfonso Napitupulu
Commissioner (Independent)



Emmy Yuhassarie
Commissioner (Independent)




Dominic John Picone
Commissioner

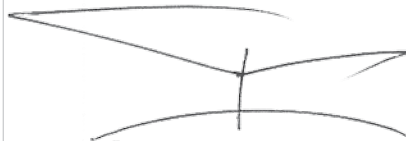


Sunata Tjiterosampurno
Commissioner

BOARD OF DIRECTORS



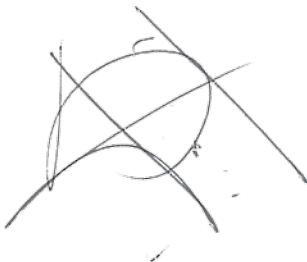
Francis Lay Sioe Ho
President Director



Cornellius Henry Kho
*Director of Operations
and Corporate Business*



Sudjono
*Director of Finance and
Information Technology*



Sutadi
Director of Retail Business



Sigit Hendra Gunawan
*Director of Enterprise Risk
(Independent)*



WAYANG KEKE – SETU BEKASI
JACOBUS ROIHOT HUTAGAOL

A one-of-a-kind puppet made of cassava leaf ready
for a performance

AUDITED FINANCIAL STATEMENTS



PT BFI FINANCE INDONESIA Tbk

**LAPORAN KEUANGAN/
FINANCIAL STATEMENTS**

**UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2016/
FOR THE YEAR ENDED 31 DECEMBER 2016**

DAN/AND

**LAPORAN AUDITOR INDEPENDEN/
INDEPENDENT AUDITORS' REPORT**

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Laporan Laba Rugi dan Penghasilan Komprehensif Lain	B	<i>Statement of Profit or Loss and Other Comprehensive Income</i>
Laporan Perubahan Ekuitas	C	<i>Statement of Changes in Equity</i>
Laporan Arus Kas	D	<i>Statement of Cash Flows</i>
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**SURAT PERNYATAAN DIREKSI
TENTANG TANGGUNG JAWAB ATAS LAPORAN KEUANGAN
PADA TANGGAL 31 DESEMBER 2016 DAN 2015
SERTA UNTUK TAHUN YANG BERAKHIR
PADA TANGGAL 31 DESEMBER 2016 DAN 2015**

**BOARD OF DIRECTORS' STATEMENT
REGARDING THE RESPONSIBILITY
FOR THE FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2016 AND 2015
AND FOR THE YEAR ENDED 31 DECEMBER 2016 AND 2015**

PT BFI FINANCE INDONESIA Tbk

PT BFI FINANCE INDONESIA Tbk

Kami yang bertanda tangan di bawah ini:

We, the undersigned :

1. Nama : Francis Lay Sioe Ho
Alamat Kantor : BFI Tower - Sunburst CBD Lot 1.2
Jl. Kapt. Soebijanto Djojohadikusumo
BSD City, Tangerang Selatan, 15322
Alamat Rumah : Jl. Duta Indah II No 6, RT 001
RW 014 Pondok Pinang Kebayoran Lama,
Jakarta Selatan
Nomor Telepon : 021 - 2965 0300, 2965 0500
Jabatan : Presiden Direktur
2. Nama : Sudjono
Alamat Kantor : BFI Tower - Sunburst CBD Lot 1.2
Jl. Kapt. Soebijanto Djojohadikusumo
BSD City, Tangerang Selatan, 15322
Alamat Rumah : Taman Provence, Blok 3 A9 No. 36
RT 002 RW 025, Kelurahan Lengkong
Wetan, Kecamatan Serpong
Tangerang Selatan
Nomor Telepon : 021 - 2965 0300, 2965 0500
Jabatan : Direktur

1. Name : Francis Lay Sioe Ho
Office Address : BFI Tower - Sunburst CBD Lot 1.2
Jl. Kapt. Soebijanto Djojohadikusumo,
BSD City, Tangerang Selatan, 15322
Residential Address : Jl. Duta Indah II No 6, RT 001
RW 014, Pondok Pinang Kebayoran Lama,
Jakarta Selatan
Telephone : 021 - 2965 0300, 2965 0500
Title : President Director
2. Name : Sudjono
Office Address : BFI Tower - Sunburst CBD Lot 1.2
Jl. Kapt. Soebijanto Djojohadikusumo,
BSD City, Tangerang Selatan, 15322
Residential Address : Taman Provence, Blok 3 A9 No. 36 RT
002 RW 025, Kelurahan Lengkong
Wetan, Kecamatan Serpong, Tangerang
Selatan
Telephone : 021 - 2965 0300, 2965 0500
Title : Director

menyatakan bahwa:

declare that :

1. kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan PT BFI Finance Indonesia Tbk;
2. laporan keuangan PT BFI Finance Indonesia Tbk telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;
- 3.a. semua informasi dalam laporan keuangan PT BFI Finance Indonesia Tbk telah dimuat secara lengkap dan benar;
- b. laporan keuangan PT BFI Finance Indonesia Tbk tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;
4. kami bertanggung jawab atas sistem pengendalian internal PT BFI Finance Indonesia Tbk.

1. *we are responsible for the preparation and presentation of PT BFI Finance Indonesia Tbk's financial statements;*
2. *PT BFI Finance Indonesia Tbk's Financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;*
- 3.a. *all Information in the PT BFI Finance Indonesia Tbk's financial statements has been disclosed in a complete and truthful manner;*
- b. *PT BFI Finance Indonesia Tbk's financial statements do not contain any incorrect information or material fact, nor do they omit information or material fact;*
4. *we are responsible for PT BFI Finance Indonesia Tbk's internal control system.*

Demikian pernyataan ini dibuat dengan sebenarnya.

We certify the accuracy of this statement.

Atas nama dan mewakili Direksi / *For and on behalf of the Board of Directors*

Tangerang Selatan / *South Tangerang,*
17 Februari / *February,* 2017



Francis Lay Sioe Ho
Presiden Direktur/President Director



Sudjono
Direktur/Director

PT BFI FINANCE INDONESIA Tbk

BFI Tower

Sunburst CBD Lot 1.2

Jl. Kapt. Soebijanto Djojohadikusumo BSD City - Tangerang Selatan 15322

Phone (021) 2965 0300, 2965 0500 Fax (021) 2966 0757, 2966 0758

This report is originally issued in Indonesian language

No. : 098/1.B008/AUS.1/12.16
Hal : Laporan Keuangan
31 Desember 2016

No. : 098/1.B008/AUS.1/12.16
Re : *Financial Statements*
31 December 2016

Laporan Auditor Independen

Independent Auditors' Report

Pemegang saham, Dewan Komisaris
dan Direksi
PT BFI Finance Indonesia Tbk
Tangerang Selatan

*The Shareholders, Board of Commissioners
and Directors
PT BFI Finance Indonesia Tbk
South Tangerang*

Kami telah mengaudit laporan keuangan PT BFI Finance Indonesia Tbk ("Perusahaan") terlampir, yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2016 serta laporan laba-rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

We have audited the accompanying financial statements of PT BFI Finance Indonesia Tbk (the "Company"), which comprise the statement of financial position as of 31 December 2016 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Tanggung jawab manajemen atas laporan keuangan

Management's responsibility for the financial statements

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Tanggung jawab auditor

Auditors' responsibility

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan tersebut berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan bebas dari kesalahan penyajian material.

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such financial statements are free from material misstatement.

Tanggung jawab auditor (Lanjutan)

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan secara keseluruhan.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Opini

Menurut opini kami, laporan keuangan terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan PT BFI Finance Indonesia Tbk tanggal 31 Desember 2016, serta kinerja keuangan dan arus kas untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Auditors' responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT BFI Finance Indonesia Tbk as of 31 December 2016, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Kantor Akuntan Publik
TANUBRATA SUTANTO FAHMI BAMBANG & Rekan

Asep Ugi Sugianto, SE, CPA
NIAP AP. 1240/
License No. AP. 1240

17 Pebruari 2017 / 17 February 2017

IF/yn

Ekshibit A

Exhibit A

PT BFI FINANCE INDONESIA Tbk
LAPORAN POSISI KEUANGAN
31 DESEMBER 2016
(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BFI FINANCE INDONESIA Tbk
STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2016
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2016	2015*)	1 Jan/Jan 2015*)	
ASET					ASSETS
KAS DAN SETARA KAS	2b,d,3	165.388	777.233	289.680	CASH AND CASH EQUIVALENTS
INVESTASI NETO SEWA PEMBIAYAAN - setelah dikurangi cadangan kerugian penurunan nilai sebesar Rp 60.306, Rp 82.837 dan Rp 52.410 pada tahun 2016, 2015 dan 2014	2d,e,4	7.121.175	5.209.847	3.115.372	NET INVESTMENTS IN FINANCE LEASE - net of allowance for impairment losses of Rp 60,306, Rp 82,837 and Rp 52,410 in 2016, 2015 and 2014
PIUTANG PEMBIAYAAN KONSUMEN - setelah dikurangi cadangan kerugian penurunan nilai sebesar Rp 122.695, Rp 96.816 dan Rp 109.436 pada tahun 2016, 2015 dan 2014	2d,f,5	4.462.184	4.688.156	5.443.217	CONSUMER FINANCING RECEIVABLES - net of allowance for impairment losses of Rp 122,695, Rp 96,816 and Rp 109,436 in 2016, 2015 and 2014
BEBAN DIBAYAR DIMUKA	2g,6	41.929	40.451	36.129	PREPAID EXPENSES
PIUTANG LAIN-LAIN - setelah dikurangi cadangan kerugian penurunan nilai sebesar Rp 25.763, Rp 36.328 dan Rp 22.568 pada tahun 2016, 2015 dan 2014	2d,p,7	164.090	141.317	126.291	OTHER RECEIVABLES - net of allowance for impairment losses of Rp 25,763, Rp 36,328 and Rp 22,568 in 2016, 2015 and 2014
ASET TETAP - setelah dikurangi akumulasi penyusutan sebesar Rp 253.855, Rp 200.915 dan Rp 152.390 pada tahun 2016, 2015 dan 2014	2h,8	414.143	427.875	415.852	FIXED ASSETS - net of accumulated depreciation of Rp 253,855, Rp 200,915 and Rp 152,390 in 2016, 2015 and 2014
ASET TAK BERWUJUD - setelah dikurangi akumulasi amortisasi sebesar Rp 47.816, Rp 39.605 dan Rp 31.309 pada tahun 2016, 2015 dan 2014	2i,9	19.712	22.287	30.979	INTANGIBLE ASSETS - net of accumulated amortization of Rp 47,816, Rp 39,605 and Rp 31,309 in 2016, 2015 and 2014
ASET DERIVATIF	2d,n,o,10	41.301	440.832	187.176	DERIVATIVE ASSETS
ASET PAJAK TANGGUHAN	2t,14c	36.554	13.885	32.007	DEFERRED TAX ASSETS
ASET LAIN-LAIN	2d,11	9.780	8.531	5.831	OTHER ASSETS
JUMLAH ASET		12.476.256	11.770.414	9.682.534	TOTAL ASSETS

*) direklasifikasi (Catatan 37)

*) as reclassified (Note 37)

Lihat Catatan atas Laporan Keuangan pada Ekshibit E terlampir
yang merupakan bagian yang tidak terpisahkan
dari Laporan Keuangan secara keseluruhan

See accompanying Notes to Financial Statements on Exhibit E
which are an integral part of
the Financial Statements taken as a whole

PT BFI FINANCE INDONESIA Tbk
LAPORAN POSISI KEUANGAN
31 DESEMBER 2016
(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BFI FINANCE INDONESIA Tbk
STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2016
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2016	2015	1 Jan/Jan 2015	
LIABILITAS DAN EKUITAS					LIABILITIES AND EQUITY
LIABILITAS					LIABILITIES
Pinjaman yang diterima	2d,j,o,12	4.690.939	5.636.699	3.932.558	Fund borrowings
Utang pajak	2t,14a	93.541	70.449	33.282	Taxes payable
Beban yang masih harus dibayar	2d,o,15	190.240	140.586	106.538	Accrued expenses
Imbalan pasca-kerja	2l,28	140.392	111.967	100.778	Post-employment benefits
Surat berharga yang diterbitkan - setelah dikurangi biaya emisi surat berharga yang belum diamortisasi sebesar, Rp 9.705, Rp 3.884 dan Rp 2.953 pada tahun 2016, 2015 dan 2014	2d,k,13a, 13b	2.965.295	1.681.116	1.622.047	Securities issued - net of unamortized securities issuance cost of Rp 9,705, Rp 3,884 and Rp 2,953 in 2016, 2015 and 2014
Utang dividen	2v,27	1.251	1.003	214.493	Dividend payables
Utang lain-lain	2d,16	139.914	109.491	105.885	Other payables
JUMLAH LIABILITAS		8.221.572	7.751.311	6.115.581	TOTAL LIABILITIES
EKUITAS					EQUITY
Modal saham - nilai nominal Rp 250 (nilai penuh) per saham Modal dasar - 2.000.000.000 saham Modal ditempatkan dan disetor penuh - 1.596.711.562 saham, 1.565.959.562 saham dan 1.549.934.562 saham pada tahun 2016, 2015 dan 2014	17	399.178	391.490	387.484	Share capital - par value of Rp 250 (full amount) per share Authorized capital - 2,000,000,000 shares Issued and fully paid-up capital - 1,596,711,562 shares, 1,565,959,562 shares and 1,549,934,562 shares in 2016, 2015 and 2014
Tambahan modal disetor - bersih Saham treasury	18 2r,17	553.286 (252.160)	475.176 (4.044)	432.918 -	Additional paid-in capital - net Treasury stock
Cadangan saham program kompensasi manajemen dan karyawan berbasis saham	2s,19	-	6.117	9.305	Management and employee stock options program share reserve
Penghasilan komprehensif lain Keuntungan (kerugian) kumulatif atas instrumen derivatif untuk lindung nilai arus kas - bersih	2n,10,33	(32.875)	24.563	(32.409)	Other comprehensive income Gain (loss) on derivative instrument for cash flows hedges - net
Kerugian aktuarial program manfaat pasti	2l,28,33	(49.390)	(43.784)	(49.443)	Loss on defined benefit actuarial program
Saldo laba Telah ditentukan penggunaannya Belum ditentukan penggunaannya		31.696 3.604.949	22.374 3.147.211	15.000 2.804.098	Retained earnings Appropriated Unappropriated
JUMLAH EKUITAS		4.254.684	4.019.103	3.566.953	TOTAL EQUITY
JUMLAH LIABILITAS DAN EKUITAS		12.476.256	11.770.414	9.682.534	TOTAL LIABILITIES AND EQUITY

Lihat Catatan atas Laporan Keuangan pada Ekshibit E terlampir
yang merupakan bagian yang tidak terpisahkan
dari Laporan Keuangan secara keseluruhan

See accompanying Notes to Financial Statements on Exhibit E
which are an integral part of
the Financial Statements taken as a whole

Ekshibit B

Exhibit B

PT BFI FINANCE INDONESIA Tbk
LAPORAN LABA RUGI
DAN PENGHASILAN KOMPREHENSIF LAIN
UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2016
(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BFI FINANCE INDONESIA Tbk
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	2016	2015*)	
PENDAPATAN				INCOME
Sewa pembiayaan	2d,e,m,21	1.332.174	884.977	Finance lease
Pembiayaan konsumen	2d,f,m,20	1.068.610	1.239.489	Consumer financing
Kuangan	2d,m	21.242	35.527	Finance
Lain-lain	2d,h,m,25	805.083	670.624	Others
Jumlah Pendapatan		3.227.109	2.830.617	Total Income
BEBAN				EXPENSES
Bunga dan keuangan	2d,j,k,m,22 2c,l,m,19,	792.281	712.123	Interest and financing charges
Gaji dan tunjangan	23,29	715.765	626.324	Salaries and benefits
Umum dan administrasi	2g,h,i,m,24	392.315	341.267	General and administrative
Penyisihan kerugian penurunan nilai atas:				Provision for impairment losses of:
Piutang pembiayaan konsumen	2d,m,5	190.134	141.594	Consumer financing receivables
Piutang sewa pembiayaan	2d,m,4	83.191	88.560	Finance lease receivables
Lain-lain	2d,m,26	28.460	85.255	Others
Jumlah Beban		2.202.146	1.995.123	Total Expenses
LABA SEBELUM PAJAK PENGHASILAN		1.024.963	835.494	PROFIT BEFORE INCOME TAX
Beban Pajak Penghasilan	2t,14	226.598	185.206	Income Tax Expense
LABA TAHUN BERJALAN		798.365	650.288	PROFIT FOR THE YEAR
PENGHASILAN KOMPREHENSIF LAIN				OTHER COMPREHENSIVE INCOME
POS YANG TIDAK AKAN DIREKLASIFIKASI KE LABA RUGI				ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS
Keuntungan (kerugian) aktuarial program manfaat pasti	2l,28,33	(7.007)	7.074	Gain (loss) on defined benefit actuarial program
Pajak penghasilan terkait pos yang tidak akan direklasifikasi ke laba rugi	14c,33	1.401 (	1.415)	Income tax relating to item that will not be reclassified to profit or loss
POS YANG AKAN DIREKLASIFIKASI KE LABA RUGI				ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS
Bagian efektif atas perubahan nilai wajar instrumen derivatif - lindung nilai arus kas	2n,10,33	(71.798)	71.215	Effective portion of the fair value change of the derivative instrument - cash flow hedge
Pajak penghasilan terkait pos yang akan direklasifikasi ke laba rugi	14c,33	14.360 (	14.243)	Income tax relating to item that will be reclassified to profit or loss
PENGHASILAN KOMPREHENSIF LAIN SETELAH PAJAK		(63.044)	62.631	OTHER COMPREHENSIVE INCOME NET OF TAX
JUMLAH PENGHASILAN KOMPREHENSIF TAHUN BERJALAN		735.321	712.919	TOTAL COMPREHENSIVE INCOME FOR THE YEAR
LABA PER SAHAM DASAR (nilai penuh)	2u,32	524	417	BASIC EARNINGS PER SHARE (full amount)
LABA PER SAHAM DILUSIAN (nilai penuh)	2u,32	524	417	DILUTED EARNINGS PER SHARE (full amount)

*) direklasifikasi (Catatan 37)

*) as reclassified (Note 37)

Lihat Catatan atas Laporan Keuangan pada Ekshibit E terlampir yang merupakan bagian yang tidak terpisahkan dari Laporan Keuangan secara keseluruhan

See accompanying Notes to Financial Statements on Exhibit E which are an integral part of the Financial Statements taken as a whole

These Financial Statements are Originally Issued
in Indonesian Language

Ekshibit C

PT BFI FINANCE INDONESIA Tbk
LAPORAN PERUBAHAN EKUITAS
UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2016
(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

Exhibit C

PT BFI FINANCE INDONESIA Tbk
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in millions of Rupiah, unless otherwise stated)

Catatan/ Notes	Modal saham/ Share capital	Tambah modal		Cadangan saham kompensasi manajemen dan karyawan berbasis saham/ Management and employee stock options program share reserve	Keuntungan (kerugian) kumulatif atas instrumen derivatif untuk lindung nilai arus kas - bersih/ Cumulative gain (loss) on derivative instrument for cash flow hedges - net	Keuntungan (kerugian) aktuarial program manfaat pasti/ Gain (loss) on defined benefit actuarial program	Saldo laba/Retained earnings		Jumlah ekuitas/ Total equity
		- bersih/ Additional paid-in capital - net	Saham treasury/ stock				Telah ditemukan penggunaannya/ Appropriated	Belum ditemukan penggunaannya/ Unappropriated	
Saldo pada tanggal 31 Desember 2014	387.484	432.918	-	9.305 (	32.409)(	49.443)	15.000	2.804.098	3.566.953
Jumlah penghasilan komprehensif tahun berjalan	-	-	-	-	-	-	-	650.288	650.288
- Laba tahun berjalan	-	-	-	-	-	-	-	-	-
- Penghasilan komprehensif lain setelah pajak	-	-	-	-	56.972	-	-	-	56.972
- Bagian yang efektif dari lindung nilai arus kas	-	-	-	-	-	-	-	-	-
- Keuntungan aktuarial	-	-	-	-	-	5.659	-	-	5.659
- program pensiun	-	-	-	-	-	-	-	-	-
Opsi saham manajemen dan karyawan berbasis saham yang dieksekusi	4.006	42.258	- (	3.188)	-	-	-	-	43.076
Penyisihan saldo laba untuk cadangan umum	-	-	-	-	-	-	7.374 (	7.374)	-
Dividen tunai tahun 2014	-	-	-	-	-	-	- (	83.698)	83.698)
Dividen tunai interim tahun berjalan	-	-	-	-	-	-	- (	216.103)	216.103)
Saham treasury	-	- (	4.044)	-	-	-	-	- (	4.044)
Saldo pada tanggal 31 Desember 2015	391.490	475.176 (	4.044)	6.117	24.563 (	43.784)	22.374	3.147.211	4.019.103

Lihat Catatan atas Laporan Keuangan pada Ekshibit E terlampir yang merupakan bagian yang tidak terpisahkan dari Laporan Keuangan secara keseluruhan

See accompanying Notes to Financial Statements on Exhibit E which are an integral part of the Financial Statements taken as a whole

Total comprehensive income for the year -
Income for the year -
Other comprehensive income - net of tax
Effective portion of cash flows hedges
Actuarial gain from pension plan
Management and employee stock options exercised
Appropriation for general reserve
Cash dividends for the year 2014
Interim cash dividends for the year
Treasury stock

Balance as of 31 December 2014

Balance as of 31 December 2015

PT BFI FINANCE INDONESIA Tbk
LAPORAN PERUBAHAN EKUITAS
UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2016
(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BFI FINANCE INDONESIA Tbk
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in millions of Rupiah, unless otherwise stated)

Catatan/ Notes	Modal saham/ Share capital	Tambah modal disetor - bersih/ Additional paid-in capital - net	Cadangan saham Komposisi Manajemen dan karyawan berbasis saham/ Management and employee stock options program share reserve	Keuntungan (kerugian) kumulatif atas instrumen derivatif untuk lindung nilai arus kas - bersih/ Cumulative gain (loss) on derivative instrument for cash flow hedges - net	Keuntungan (kerugian) aktuarial program manfaat pasti/ Gain (loss) on defined benefit actuarial program	Saldo laba/Retained earnings		Jumlah ekuitas/ Total equity
						Telah ditentukan penggunaannya/ Appropriated	Belum ditentukan penggunaannya/ Unappropriated	
Saldo pada tanggal 31 Desember 2015	391.490	475.176 (	6.117	24.563 (	43.784)	22.374	3.147.211	4.019.103
Jumlah penghasilan komprehensif tahun berjalan	-	-	-	-	-	-	798.365	798.365
- Laba tahun berjalan	-	-	-	-	-	-	-	-
- Penghasilan komprehensif lain setelah pajak	-	-	-	-	-	-	-	-
- Bagian yang efektif dari lindung nilai arus kas	2n, 10	-	- (	57.438)	-	-	- (	57.438)
- Kerugian aktuarial program pensiun	2l, 28	-	-	-	5.606)	-	-	5.606)
Opsi saham manajemen dan karyawan berbasis saham yang dieksekusi	2s, 19	7.688	78.110	-	-	-	-	79.681
Penyisihan saldo laba untuk cadangan umum	-	-	-	-	-	9.322 (	9.322)	-
Dividen tunai tahun 2015	2v, 27	-	-	-	-	-	106.840 (	106.840)
Dividen tunai interim tahun berjalan	2v, 27	-	-	-	-	-	224.465 (	224.465)
Saham treasury	2r, 17	-	- (	248.116)	-	-	-	248.116)
Saldo pada tanggal 31 Desember 2016	399.178	553.286 (	-	32.875)	49.390)	31.696	3.604.949	4.254.684

Lihat Catatan atas Laporan Keuangan pada Ekshibit E terlampir
yang merupakan bagian yang tidak terpisahkan
dari Laporan Keuangan secara keseluruhan

See accompanying Notes to Financial Statements on Exhibit E
which are an integral part of
the Financial Statements taken as a whole

Ekshibit D

Exhibit D

PT BFI FINANCE INDONESIA Tbk
LAPORAN ARUS KAS
UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2016
(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BFI FINANCE INDONESIA Tbk
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2016	2015*)	
ARUS KAS DARI AKTIVITAS OPERASI				CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan kas dari:				Cash received from:
Transaksi pembiayaan		12.304.611	11.520.772	Financing transactions
Bunga bank dan deposito berjangka		26.899	30.591	Interest from banks and time deposits
Lain-lain		801.404	611.223	Others
Pengeluaran kas untuk:				Cash disbursement for:
Transaksi pembiayaan baru	(	10.742.821)	(10.057.695)	New financing transactions
Beban umum dan administrasi	(	997.747)	(1.082.367)	General and administrative expenses
Beban bunga dan keuangan	(	971.494)	(718.526)	Interest and financing charges
Pajak penghasilan	(	189.170)	(155.636)	Income taxes
Arus kas bersih diperoleh dari aktivitas operasi		231.682	148.362	Net cash flows provided by operating activities
ARUS KAS DARI AKTIVITAS INVESTASI				CASH FLOWS FROM INVESTING ACTIVITIES
Hasil penjualan aset tetap	8	11.823	11.048	Proceeds from sale of fixed assets
Penambahan aset tetap	8	(56.625)	(82.112)	Additions of fixed assets
Penambahan aset tak berwujud	9	(5.636)	(4.827)	Additions of intangible assets
Arus kas bersih digunakan untuk aktivitas investasi		(50.438)	(75.890)	Net cash flows used for investing activities
ARUS KAS DARI AKTIVITAS PENDANAAN				CASH FLOWS FROM FINANCING ACTIVITIES
Penerimaan kas dari:				Cash received from:
Pinjaman yang diterima	12	4.614.300	4.423.251	Fund borrowings
Pembiayaan bersama	31b	757.731	1.830.553	Joint financing
Surat berharga yang diterbitkan	13a,b	2.000.000	1.255.000	Securities issued
Penerusan pinjaman (<i>channeling</i>) dan jual beli piutang	31a	-	9.867	Channeling and receivables sales and purchase
Opsi saham yang dieksekusi	19	67.808	35.335	Stock options exercised
Pengeluaran kas untuk:				Cash disbursement for:
Pinjaman yang diterima	12	(5.252.307)	(2.886.898)	Fund borrowings
Pembiayaan bersama	31b	(1.463.067)	(1.960.608)	Joint financing
Penerusan pinjaman (<i>channeling</i>) dan jual beli piutang	31a	(178.051)	(578.854)	Channeling and receivables sales and purchase
Pelunasan pokok surat berharga yang diterbitkan	13a,b	(710.000)	(1.195.000)	Repayment of Securities issued principal
Hasil pelaksanaan opsi saham karyawan	19	(50.329)	-	The result of implementation of employee stock option
Dividen tunai	27	(331.058)	(513.521)	Cash dividends
Pembelian kembali saham	17	(248.116)	(4.044)	Treasury stock
Arus kas bersih (digunakan untuk) diperoleh dari aktivitas pendanaan		(793.089)	415.081	Net cash flows (used for) provided by financing activities

Ekshibit D/2

Exhibit D/2

PT BFI FINANCE INDONESIA Tbk
LAPORAN ARUS KAS
UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2016
(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BFI FINANCE INDONESIA Tbk
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2016	2015*)	
(PENURUNAN) KENAIKAN BERSIH KAS DAN SETARA KAS		(611.845)	487.553	NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS
KAS DAN SETARA KAS PADA AWAL TAHUN		777.233	289.680	CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR
KAS DAN SETARA KAS PADA AKHIR TAHUN		165.388	777.233	CASH AND CASH EQUIVALENTS AT END OF YEAR
KAS DAN SETARA KAS TERDIRI DARI:				CASH AND CASH EQUIVALENTS CONSIST OF:
Kas dan bank	3	145.388	84.233	Cash on hand and in banks
Deposito berjangka	3	20.000	693.000	Time deposits
		165.388	777.233	

*) direklasifikasi (Catatan 37)

*) as reclassified (Note 37)

Lihat Catatan atas Laporan Keuangan pada Ekshibit E terlampir
yang merupakan bagian yang tidak terpisahkan
dari Laporan Keuangan secara keseluruhan

See accompanying Notes to Financial Statements on Exhibit E
which are an integral part of
the Financial Statements taken as a whole

Ekshibit E

Exhibit E

PT BFI FINANCE INDONESIA Tbk
CATATAN ATAS LAPORAN KEUANGAN
UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2016

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BFI FINANCE INDONESIA Tbk
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016

(Expressed in millions of Rupiah, unless otherwise stated)

1. UMUM

a. Pendirian dan Informasi Umum Perusahaan

PT BFI Finance Indonesia Tbk ("Perusahaan") didirikan dengan nama PT Manufacturers Hanover Leasing Indonesia pada tanggal 7 April 1982 berdasarkan Akta notaris No. 57 yang dibuat dihadapan Kartini Muljadi, S.H., Notaris di Jakarta. Akta pendirian tersebut telah memperoleh persetujuan dari Menteri Kehakiman (sekarang Kementerian Hukum dan Hak Asasi Manusia) Republik Indonesia melalui Surat Keputusan No. C2-2091-HT.01.01.TH.82 tanggal 28 Oktober 1982 dan telah diumumkan dalam Lembaran Berita Negara No. 102 tanggal 21 Desember 1982, Tambahan No. 1390. Berdasarkan Akta yang dibuat dihadapan Inge Hendarmin, S.H., Notaris di Jakarta tanggal 14 Agustus 1986, nama Perusahaan diubah dari PT Manufacturers Hanover Leasing Indonesia menjadi PT Bunas Finance Indonesia Tbk, perubahan tersebut telah memperoleh persetujuan dari Menteri Kehakiman Republik Indonesia melalui Surat Keputusan No. C2-9677-HT.01.04.TH.86 tanggal 7 Oktober 1986 dan telah diumumkan dalam Lembaran Berita Negara No. 94 tanggal 25 Nopember 1986, Tambahan No. 1451. Anggaran Dasar Perusahaan telah mengalami beberapa kali perubahan, salah satunya berdasarkan Akta No. 116 yang dibuat dihadapan Aulia Taufani, S.H., pengganti dari Sutjipto, S.H., Notaris di Jakarta tanggal 27 Juni 2001, sehubungan dengan perubahan nama Perusahaan dari PT Bunas Finance Indonesia Tbk menjadi PT BFI Finance Indonesia Tbk. Perubahan tersebut telah memperoleh persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia melalui Surat Keputusan No. C-03668-HT.01.04.TH.2001 tanggal 24 Juli 2001 dan telah diumumkan dalam Lembaran Berita Negara No. 35 tanggal 30 April 2002, Tambahan No. 4195.

Anggaran Dasar Perusahaan telah mengalami beberapa kali perubahan. Perubahan terakhir dilakukan dengan Akta No. 10 tanggal 20 Juni 2016 yang dibuat dihadapan Aulia Taufani, S.H., Notaris di Tangerang, mengenai persetujuan penerbitan saham hasil pelaksanaan Management & Employee Stock Option Program (MESOP) untuk Tahap II untuk periode sampai dengan tanggal 30 Juni 2016. Perubahan tersebut telah diterima dan dicatat dalam database Sistem Administrasi Badan Hukum Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia No. AHU-AH.01.03-0061069 tanggal 27 Juni 2016. Sampai dengan tanggal laporan keuangan ini diselesaikan, perubahan ini belum diumumkan dalam Lembaran Berita Negara.

Perusahaan memperoleh izin usaha dalam bidang usaha lembaga pembiayaan dari Menteri Keuangan Republik Indonesia berdasarkan Surat Keputusan No. KEP-038/KM.11/1982 tanggal 12 Agustus 1982, yang telah diperbaharui berdasarkan Surat Keputusan No. 493/KMK.013/1990 tanggal 23 April 1990.

Pada tanggal 20 Pebruari 2006, Menteri Keuangan Republik Indonesia telah mengamandemen ijin usaha Perusahaan melalui Keputusan Menteri Keuangan Republik Indonesia No. KEP-038/KM.5/2006.

1. GENERAL

a. Establishment and General Information of the Company

PT BFI Finance Indonesia Tbk ("the Company") was established as PT Manufacturers Hanover Leasing Indonesia on 7 April 1982 based on Notarial deed No. 57 of Kartini Muljadi, S.H., Notary in Jakarta. The deed of establishment was approved by the Minister of Justice (recently known as the Ministry of Law and Human Rights) of the Republic of Indonesia in its decision letter No. C2-2091-HT.01.01.TH.82 dated 28 October 1982 and was published in the State Gazette No. 102, dated 21 December 1982, Supplement No. 1390. Based on Notarial deed of Inge Hendarmin, S.H., Notary in Jakarta dated 14 August 1986, the Company's name change from PT Manufacturers Hanover Leasing Indonesia to become PT Bunas Finance Indonesia Tbk, this amendment was approved by the Minister of Justice of the Republic of Indonesia in its decision letter No. C2-9677-HT.01.04.TH.86 dated 7 October 1986 and was published in the State Gazette No. 94 dated 25 November 1986, Supplement No. 1451. The Company's Articles of Association has been amended several times, which one of the amendments was based on Notarial deed No. 116 dated 27 June 2001 of Aulia Taufani, S.H., a substitute of Sutjipto, S.H., Notary in Jakarta, concerning the change in the name of the Company from PT Bunas Finance Indonesia Tbk to become PT BFI Finance Indonesia Tbk. This amendment was approved by the Minister of Law and Human Rights of the Republic of Indonesia in its decision letter No. C-03668-HT.01.04.TH.2001 dated 24 July 2001 and was published in the State Gazette No. 35 dated 30 April 2002, Supplement No. 4195.

The Company's Articles of Association has been amended several times. The latest amendment was covered by the Notarial deed No. 10 dated 20 June 2016 of Aulia Taufani, S.H., Notary in Tangerang, regarding the issuance approval of shares for the implementation of the Phase II of the Management & Employee Stock Option Program (MESOP), up to 30 June 2016. The amendment was accepted and recorded in the database of Legal Entity Administration System of the Ministry of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-AH.01.03-0061069 dated 27 June 2016. Up to the date of financial statements were completed, this amendment was not published in the State Gazette.

The Company obtained its license to operate as a financing company from the Minister of Finance by virtue of his decree No. KEP-038/KM.11/1982 dated 12 August 1982 as amended by Decree No. 493/KMK.013/1990 dated 23 April 1990.

On 20 February 2006, the Minister of Finance of the Republic of Indonesia amended the Company's license in its decision letter No. KEP-038/KM.5/2006.

Ekshibit E/2

Exhibit E/2

PT BFI FINANCE INDONESIA Tbk
CATATAN ATAS LAPORAN KEUANGAN
UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2016

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BFI FINANCE INDONESIA Tbk
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016

(Expressed in millions of Rupiah, unless otherwise stated)

1. UMUM (Lanjutan)

a. Pendirian dan Informasi Umum Perusahaan (Lanjutan)

Melalui amandemen ini, ijin usaha yang sebelumnya diberikan kepada PT Bunas Finance Indonesia Tbk berlaku surut sejak adanya persetujuan perubahan nama Perusahaan dari PT Bunas Finance Indonesia Tbk menjadi PT BFI Finance Indonesia Tbk dari instansi yang berwenang melalui Surat Keputusan Menteri Hukum dan Hak Asasi Manusia Republik Indonesia No. C-03668.HT.01.04.TH. 2001 tanggal 24 Juli 2001.

Sesuai dengan Pasal 3 Anggaran Dasar Perusahaan, ruang lingkup kegiatan Perusahaan terutama adalah menjalankan kegiatan pembiayaan dalam bentuk penyediaan dana atau barang modal meliputi bidang sebagai berikut:

- a. Sewa pembiayaan
- b. Pembiayaan konsumen
- c. Anjak piutang
- d. Usaha kartu kredit

Selanjutnya, untuk memenuhi ketentuan dalam Peraturan Otoritas Jasa Keuangan No. 29/POJK.5/2014 tentang Penyelenggaraan Usaha Perusahaan Pembiayaan (POJK 29), ruang lingkup kegiatan Perusahaan telah berubah menjadi sebagai berikut:

- a. Pembiayaan investasi
- b. Pembiayaan modal kerja
- c. Pembiayaan multiguna
- d. Kegiatan usaha lain berdasarkan persetujuan Otoritas Jasa Keuangan (OJK)

Laporan perubahan anggaran dasar terkait maksud dan tujuan serta kegiatan usaha PT BFI Finance Indonesia Tbk, sebagaimana dimaksud dalam Pasal 3 anggaran dasar Perusahaan telah mendapat persetujuan dari Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) berdasarkan Akta Berita Acara RUPSLB No. 44 tanggal 15 April 2015 juncto Akta Pernyataan Keputusan Rapat No.1 tanggal 30 April 2015 dan juga telah mendapat Persetujuan Menteri Hukum dan Hak Asasi Manusia Republik Indonesia No. AHU-0934483.AH.01.02 Tahun 2015 tanggal 30 April 2015 serta telah dicatat dalam administrasi Direktorat Kelembagaan dan Produk Industri Keuangan Non-Bank sesuai surat dari Direktur Kelembagaan dan Produk Industri Keuangan Non-Bank Otoritas Jasa Keuangan (OJK) No. S-4171/NB.111/2015 tanggal 5 Agustus 2015.

Sampai dengan tanggal laporan keuangan ini, sudah ada aturan mengenai pengklasifikasian pembiayaan sesuai POJK 29 tersebut namun penyajian di dalam laporan keuangan masih dilakukan secara paralel sehingga penyajian kegiatan Perusahaan dalam laporan keuangan ini masih mengacu kepada kegiatan Perusahaan sesuai PMK 84 yang dijalankan oleh Perusahaan yaitu Sewa Pembiayaan dan Pembiayaan Konsumen.

1. GENERAL (Continued)

a. Establishment and General Information of the Company (Continued)

Through this amendment, the previous license granted to PT Bunas Finance Indonesia Tbk was applied for retroactively since the approval of the change in the name of the Company from PT Bunas Finance Indonesia Tbk to PT BFI Finance Indonesia Tbk from the regulatory authority in its decision letter of Minister of Law and Human Rights of the Republic of Indonesia No. C-03668.HT.01.04.TH.2001 dated 24 July 2001.

According to Article 3 of the Company's Articles of Association, the scope of activities of the Company is mainly engaged in financing activities through the provision of financing or capital goods comprising the followings:

- a. Finance lease
- b. Consumer financing
- c. Factoring of accounts receivable
- d. Credit card

Furthermore, to meet the regulatory requirements of the Financial Services Authority (OJK) No. 29/POJK.5/2014 concerning the Implementation of Financing Company (POJK 29), the scope of activities of the Company has been changed to be as follows:

- a. Investment financing
- b. Working capital financing
- c. Multipurpose financing
- d. Other business activities under approval of Financial Services Authority (OJK)

Statements of changes in the articles of association related to the intent and purpose as well as the business activities of PT BFI Finance Indonesia Tbk, as referred to Article 3 of the Company's articles were approved by the Extraordinary General Meeting of Shareholders (EGM) pursuant to the Deed of Minutes of EGM No. 44 dated 15 April 2015 in conjunction with the Deed No. 1 dated 30 April 2015 and has legalized by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-0934483.AH.01.02 Year 2015 dated 30 April 2015 and have been noted in the file of the Directorate of Institutional and Non-Bank Financial Industrial Products accordance with the letter from the Director of Institutional and Non-Bank Financial Industrial Products of Financial Services Authority (OJK) No. S-4171/NB.111/2015 dated 5 August 2015.

As of the date of financial statements, there has been a regulation that governs the financing classification based on POJK 29, however, the presentation in financial statements was carried out in parallel so that the presentation of the Company's business activities in financial statements is still referring to the activities being engaged by the Company in accordance to PMK 84, namely Finance Lease and Consumer Finance.

PT BFI FINANCE INDONESIA Tbk
CATATAN ATAS LAPORAN KEUANGAN
UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2016

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

1. UMUM (Lanjutan)

a. Pendirian dan Informasi Umum Perusahaan (Lanjutan)

Perusahaan memulai kegiatan komersialnya pada tahun 1982. Saat ini, Perusahaan menjalankan kegiatan pembiayaan dalam bentuk sewa pembiayaan dan pembiayaan konsumen. Kantor pusat Perusahaan terletak di BFI Tower, Sunburst CBD Lot 1.2, Jl. Kapt. Soebijanto Djojohadikusumo, BSD City, Tangerang Selatan.

Perusahaan mempunyai masing-masing 209 kantor cabang dan 96 gerai pada tanggal 31 Desember 2016, dan 205 kantor cabang dan 62 gerai pada tanggal 31 Desember 2015 yang berlokasi, antara lain, di Palembang, Banjarmasin, Surabaya, Samarinda, Bandung, Pekanbaru, Medan, Jambi, Makassar dan Tangerang.

b. Penawaran Umum Saham Perusahaan

Pada tahun 1990, Perusahaan melakukan penawaran umum perdana atas 2.125.000 sahamnya dengan nilai nominal Rp 1.000 (nilai penuh) per saham melalui bursa efek di Indonesia dengan harga penawaran sejumlah Rp 5.750 (nilai penuh) per saham. Pada tahun 1993, Perusahaan melakukan penawaran tambahan sebanyak 8.500.000 saham dengan nilai nominal per saham yang sama melalui bursa efek di Indonesia.

Pada tanggal 8 April 1993, para pemegang saham Perusahaan menyetujui untuk membagikan dividen saham dengan dasar 1 (satu) saham baru untuk 10 (sepuluh) saham yang dimiliki, sebanyak 1.062.500 saham dengan nilai nominal Rp 1.000 (nilai penuh) per saham. Pada tanggal yang sama, para pemegang saham Perusahaan juga menyetujui untuk menerbitkan saham bonus dengan dasar 17 (tujuh belas) saham baru untuk setiap 20 (dua puluh) saham yang dimiliki, sebanyak 9.934.668 saham dengan nilai nominal yang sama. Pada tanggal 22 Januari 1994, para pemegang saham Perusahaan menyetujui untuk membagikan dividen saham dengan dasar 1 (satu) saham baru untuk 3 (tiga) saham yang dimiliki, sebanyak 7.207.390 saham dengan nilai nominal Rp 1.000 (nilai penuh) per saham.

Pada tanggal 18 April 1994, Perusahaan memperoleh surat pernyataan efektif dari Badan Pengawas Pasar Modal (kemudian berubah menjadi Badan Pengawas Pasar Modal dan Lembaga Keuangan/BAPEPAM-LK dan terakhir dikenal sebagai Otoritas Jasa Keuangan/OJK) (BAPEPAM) melalui surat No. S-639/PM/1994 dalam rangka penawaran umum terbatas pertama (I) Perusahaan sebanyak 28.829.558 saham dengan harga penawaran sejumlah Rp 1.500 (nilai penuh) per saham dimana setiap 1 (satu) saham yang dimiliki berhak atas 1 (satu) saham baru. Selanjutnya, pada tanggal 17 Januari 1997, Perusahaan memperoleh surat pernyataan efektif dari BAPEPAM-LK melalui surat No. S-71/PM/1997 dalam rangka penawaran umum terbatas kedua Perusahaan sebanyak 115.318.232 saham dengan harga penawaran Rp 1.000 (nilai penuh) per saham dimana setiap 1 (satu) saham yang dimiliki berhak atas 2 (dua) saham baru.

PT BFI FINANCE INDONESIA Tbk
NOTES TO THE FINANCIAL STATEMENTS
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1. GENERAL (Continued)

a. Establishment and General Information of the Company (Continued)

The Company started its commercial operations in 1982. Currently, the Company mainly engages in finance lease and consumer financing activities. The Company's registered office is located at BFI Tower, Sunburst CBD Lot 1.2, Jl. Kapt. Soebijanto Djojohadikusumo, BSD City, South Tangerang.

The Company has 209 branches and 96 kiosks as of 31 December 2016, and 205 branches and 62 kiosks as of 31 December 2015, which are located in, among others, Palembang, Banjarmasin, Surabaya, Samarinda, Bandung, Pekanbaru, Medan, Jambi, Makassar and Tangerang.

b. Public Offering of the Company's Shares

In 1990, the Company conducted an initial public offering of its 2,125,000 shares with a par value of Rp 1,000 (full amount) per share through the stock exchanges in Indonesia at an offering price of Rp 5,750 (full amount) per share. In 1993, the Company offered an additional of 8,500,000 shares at the same par value per share through a stock exchange in Indonesia.

On 8 April 1993, the shareholders of the Company approved to distribute share dividends on the basis of 1 (one) new share for every 10 (ten) shares held totaling 1,062,500 shares with a par value of Rp 1,000 (full amount) per share. On the same date, the shareholders of the Company also approved to issue bonus shares on the basis of 17 (seventeen) new shares for every 20 (twenty) shares held totaling 9,934,668 shares at the same par value. On 22 January 1994, the shareholders of the Company approved to distribute share dividends on the basis of 1 (one) new share for every 3 (three) shares held totaling 7,207,390 shares at a par value of Rp 1,000 (full amount) per share.

On 18 April 1994, the Company received effective statement from the Capital Market Supervisory Board (was then changed to Capital Market and Financial Institutions Supervisory Agency/BAPEPAM-LK and recently known as the Financial Services Authority/OJK) (BAPEPAM) through letter No. S-639/PM/1994 to conduct the first rights issue of the Company's shares on a 1 (one) for 1 (one) basis totaling 28,829,558 shares at an offering price of Rp 1,500 (full amount) per share. Moreover, on 17 January 1997, the Company received effective statement from the BAPEPAM-LK through letter No. S-71/PM/1997 to conduct the second rights issue of the Company's shares on the basis of 2 (two) new shares for every 1 (one) shares held totaling 115,318,232 shares at an offering price of Rp 1,000 (full amount) per share.

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1. UMUM (Lanjutan)

b. Penawaran Umum Saham Perusahaan (Lanjutan)

Pada tanggal 17 Juni 1997, para pemegang saham Perusahaan menyetujui pemecahan nilai nominal saham dari Rp 1.000 (nilai penuh) per saham menjadi Rp 500 (nilai penuh) per saham, sehingga mengakibatkan peningkatan jumlah saham beredar Perusahaan dari sebanyak 172.977.348 saham menjadi sebanyak 345.954.696 saham.

Dalam rangka restrukturisasi utang, para pemegang saham Perusahaan dalam Rapat Umum Pemegang Saham Luar Biasa Para Pemegang Saham tanggal 27 Januari 2000 menyetujui penerbitan *Mandatory Convertible Bonds* atau Obligasi Wajib Konversi (MCB) yang wajib dikonversikan menjadi sebanyak 414.384.585 saham Perusahaan.

Pada bulan Mei 2006, seluruh MCB telah dikonversi menjadi sebanyak 414.384.585 saham biasa sehingga jumlah saham beredar Perusahaan menjadi sebanyak 760.339.281 saham pada tanggal 31 Desember 2006.

Berdasarkan keputusan Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) Perusahaan yang diaktakan dengan Akta notaris No. 65 tanggal 21 Juni 2012 dari Fathiah Helmi, S.H., Notaris di Jakarta, para pemegang saham menyetujui perubahan Pasal 4 ayat 1 dan 2 Anggaran Dasar Perusahaan mengenai perubahan nilai nominal saham Perusahaan (pemecahan saham) dari sebesar Rp 500 (nilai penuh) per saham menjadi sebesar Rp 250 (nilai penuh) per saham, sehingga mengakibatkan peningkatan jumlah saham beredar Perusahaan dari semula sebanyak 760.339.281 saham menjadi sebanyak 1.520.678.562 saham, dan menyetujui untuk mengubah Pasal 15 ayat 3b mengenai Tugas dan Wewenang Direksi.

Pemecahan saham tersebut telah memperoleh persetujuan dari BEI melalui surat No. S-05439/BEI.PPJ/07-2012 tertanggal 31 Juli 2012.

RUPSLB tersebut juga telah menyetujui penerbitan saham untuk pelaksanaan program *Management & Employee Stock Option Program (MESOP)* untuk Tahap I di BEI sebanyak 60.826.400 saham dengan nilai nominal sebesar Rp 250 per saham untuk periode sampai dengan tanggal 20 Juni 2014. BEI melalui suratnya No. S-04847/BEI.PPJ/07-2012 tertanggal 6 Juli 2012 telah menyetujui pencatatan saham Perusahaan hasil pelaksanaan Program MESOP untuk tahap I tersebut secara pra-pencatatan di BEI (Catatan 19).

1. GENERAL (Continued)

b. Public Offering of the Company's Shares (Continued)

On 17 June 1997, the shareholders of the Company approved a stock split, resulting in a change in par value per share from Rp 1,000 (full amount) to Rp 500 (full amount), thus resulting in the increase in number of the Company's shares outstanding from 172,977,348 shares to 345,954,696 shares.

In respect with the debt restructuring, the Company's shareholders through Extraordinary General Meeting of Shareholders convened on 27 January 2000 approved to issue the Mandatory Convertible Bonds (MCB) which should be converted into 414,384,585 shares of the Company.

In May 2006, all of the MCB had been converted into ordinary shares totaling 414,384,585 shares, thus resulting in a total outstanding number of the Company's shares of 760,339,281 shares as of 31 December 2006.

Based on the resolution of the Extraordinary General Meeting of Shareholders (EGM) of the Company as covered by Notarial deed No. 65 dated 21 June 2012 of Fathiah Helmi, S.H., Notary in Jakarta, the shareholders approved the amendment to Paragraphs 1 and 2 of Article 4 of the Articles of Association concerning the changes in par value of the Company's share (stock split) from Rp 500 (full amount) to Rp 250 (full amount), thus, resulting in the increase in number of the Company's shares outstanding from 760,339,281 shares to 1,520,678,562 shares, and Paragraph 3b of Article 15, concerning the Duties and Authorities of the Directors.

The stock split was approved by the BEI through letter No. S-05439/BEI.PPJ/07-2012 dated 31 July 2012.

The EGM had also approved the issuance of shares for the implementation of the Phase 1 of the Management & Employee Stock Option Program (MESOP) on the Stock Exchange, totaling 60,826,400 shares with par value of Rp 250 per shares, up to 20 June 2014. BEI through its letter No. S-04847/BEI.PPJ/07-2012 dated 6 July 2012 had approved the Company's pre-listing of its MESOP on the Stock Exchange for the implementation of phase I (Note 19).

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1. UMUM (Lanjutan)

b. Penawaran Umum Saham Perusahaan (Lanjutan)

Pada tanggal 31 Mei 2013, 30 Mei 2014, 29 Mei 2015, dan 31 Mei 2016, Perusahaan telah menerbitkan saham baru masing-masing sebanyak 5.936.000, 23.320.000, 16.025.000 dan 30.752.000 saham sebagai pelaksanaan Management & Employee Stock Option Program (MESOP) untuk Tahap I - Grant Date 1 dan 2, dan Tahap II - Grant Date 1 dan 2, yang telah dieksekusi sehingga jumlah saham beredar Perusahaan menjadi 1.596.711.562 dan 1.565.959.562 saham masing-masing pada tanggal 31 Desember 2016 dan 2015 (Catatan 19).

Berdasarkan keputusan Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) Perusahaan, yang telah diaktakan dengan Akta Notaris No. 18 pada tanggal 6 Mei 2014 yang dibuat dihadapan Aryanti Artisari, S.H., Notaris di Jakarta, telah disetujui penerbitan saham hasil pelaksanaan MESOP untuk tahap II untuk periode sampai dengan tanggal 30 Juni 2016 dengan harga pelaksanaan yang mengacu kepada sebagaimana diatur dalam butir V.1 Peraturan Pencatatan No. I-A Lampiran II Keputusan Direksi PT Bursa Efek Indonesia No. Kep-00001/BEI/01-2014 tanggal 20 Januari 2014.

BEI melalui suratnya No. S-02280/BEI.PGI/06-2014 tertanggal 6 Juni 2014 telah menyetujui pencatatan saham Perusahaan hasil pelaksanaan Program MESOP untuk tahap II secara pra-pencatatan di BEI sebanyak-banyaknya 46.777.000 saham dengan harga pelaksanaan sebesar Rp 2.205 (nilai penuh) per saham (Catatan 19).

c. Pembelian Kembali (Buy-Back) Saham Perusahaan

Pada tanggal 15 April 2015, Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) menyetujui pembelian kembali saham yang beredar Perusahaan sampai jumlah maksimum sebanyak 10% dari seluruh jumlah saham yang ditempatkan dan disetor penuh Perusahaan atau sebanyak-banyaknya sebesar 154.993.456 saham. Dana yang dicadangkan untuk pembelian kembali saham untuk periode paling lama 18 (delapan belas) bulan sejak RUPSLB adalah tidak lebih dari Rp 341.000.

Sampai dengan tanggal 31 Desember 2016, Perusahaan telah melakukan pembelian kembali saham sebanyak 100.273.200 saham dengan nilai pembelian sebesar Rp 252.160. Dan sampai dengan tanggal 31 Desember 2015, Perusahaan telah melakukan pembelian kembali saham sebanyak 1.572.800 saham dengan nilai pembelian sebesar Rp 4.044.

Pelaksanaan pembelian kembali saham merupakan salah satu bentuk usaha Perusahaan untuk meningkatkan manajemen permodalan Perusahaan dimana pelaksanaannya diharapkan akan meningkatkan nilai laba bersih per saham (*Earnings per Share*/EPS).

1. GENERAL (Continued)

b. Public Offering of the Company's Shares (Continued)

On 31 May 2013, 30 May 2014, 29 May 2015, and 31 May 2016 the Company has issued the additional 5,936,000, 23,320,000, 16,025,000 and 30,752,000 shares, respectively, for the implementation of the MESOP for Phase I - Grant Date 1 and 2, and Phase II - Grant Date 1 and 2, for options that has been exercised, thus resulting in a total outstanding number of the Company's shares of 1,596,711,562 and 1,565,959,562 shares as of 31 December 2016 and 2015, respectively (Note 19).

Based on the resolution of the Extraordinary General Meeting of Shareholders (EGM) of the Company as covered by Notarial Deed No. 18 dated 6 May 2014 of Aryanti Artisari, S.H., Notary in Jakarta, had approved the issuance of new shares the results of the implementations of the MESOP program phase II up to 30 June 2016 with exercised price which referred to point V.1 Listing Regulation No. I-A as included in the Appendix of the Decision Decree of virtue of the Directors of PT Bursa Efek Indonesia No. Kep-00001/BEI/01-2014 dated on 20 January 2014.

BEI through its letter No. S-02280/BEI.PGI/06-2014 dated 6 June 2014 approved the registration of the Company's pre-listing of its MESOP on the Stock Exchange for the implementation of phase II maximum 46,777,000 shares with exercised price Rp 2,205 (full amount) (Note 19).

c. Buy-Back of the Company's Shares of Stock

On 15 April 2015, the Extraordinary General Meeting of Shareholders (EGM) approved the buy-back of outstanding shares of the Company up to a maximum of 10% of the total shares issued and fully paid-up capital of the Company or as much of 154,993,456 shares. The funds reserved to repurchase shares for a maximum period of 18 (eighteen) months from the EGM should not more than Rp 341,000.

Up to 31 December 2016, the Company had bought back 100,273,200 shares for a total purchase price of Rp 252,160. And up to 31 December 2015, the Company had bought back 1,572,800 for a total purchase price of Rp 4,044.

This repurchase transaction was intended to increase the Company's capital management where the implementation expected to increase the value of *Earnings per Share* (EPS).

Ekshibit E/6

Exhibit E/6

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1. UMUM (Lanjutan)

1. GENERAL (Continued)

d. Surat Berharga yang Diterbitkan

d. Securities Issued

Surat Berharga yang diterbitkan/ <i>securities issued</i>	Tanggal pencatatan di Bursa Efek Indonesia/ <i>Listing date</i>	Tanggal efektif/ <i>Effective date</i>	Jumlah yang diterbitkan/ <i>Amount issued (Rp)</i>	Jatuh tempo/ <i>Maturity date</i>
<i>Medium Term Notes</i> BFI Finance Indonesia I Tahun 2012	Tidak dicatatkan di Bursa Efek/ <i>Not listed on Stock Exchange</i>	25 Januari/ <i>January 2012</i>		
Seri A:			25.000	25 Januari/ <i>January 2014</i>
Seri B:			200.000	25 Januari/ <i>January 2015</i>
Obligasi Berkelanjutan I BFI Finance Indonesia Tahap I Tahun 2012	13 Juni/ <i>June 2012</i>	4 Juni/ <i>June 2012</i> (No. S-6878/BL/2012)		
Seri A:			195.000	17 Juni/ <i>June 2013</i>
Seri B:			110.000	12 Juni/ <i>June 2014</i>
Seri C:			270.000	12 Juni/ <i>June 2015</i>
Obligasi Berkelanjutan I BFI Finance Indonesia Tahap II Tahun 2013	20 Pebruari/ <i>February 2013</i>	4 Juni/ <i>June 2012</i> (No. S-6878/BL/2012)		
Seri A:			100.000	1 Maret/ <i>March 2014</i>
Seri B:			370.000	19 Pebruari/ <i>February 2015</i>
Seri C:			155.000	19 Pebruari/ <i>February 2016</i>
Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014	10 Maret/ <i>March 2014</i>	28 Pebruari/ <i>February 2014</i> (No. S-121/D.04/2014)		
Seri A:			225.000	17 Maret/ <i>March 2015</i>
Seri B:			55.000	7 Maret/ <i>March 2016</i>
Seri C:			220.000	7 Maret/ <i>March 2017</i>

Ekshibit E/7

Exhibit E/7

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1. UMUM (Lanjutan)

1. GENERAL (Continued)

d. Surat Berharga yang Diterbitkan (Lanjutan)

d. Securities Issued (Continued)

Surat berharga yang diterbitkan/ <i>securities issued</i>	Tanggal pencatatan di Bursa Efek Indonesia/ <i>Listing date</i>	Tanggal efektif/ <i>Effective date</i>	Jumlah yang diterbitkan/ <i>Amount issued (Rp)</i>	Jatuh tempo/ <i>Maturity date</i>
<i>Medium Term Notes</i> BFI Finance Indonesia II Tahun 2014	Tidak dicatatkan di Bursa Efek/ <i>Not listed on Stock Exchange</i>	4 Juni/ <i>June 2014</i>	130.000	14 Juni/ <i>June 2015</i>
Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015 Seri A:	20 Maret/ <i>March 2015</i>	28 Februari/ <i>February 2014</i> (No. S-121/D.04/2014)	345.000	29 Maret/ <i>March 2016</i>
Seri B:			105.000	19 Maret/ <i>March 2017</i>
Seri C:			550.000	19 Maret/ <i>March 2018</i>
<i>Medium Term Notes</i> BFI Finance Indonesia III Tahun 2015 Seri A:	Tidak dicatatkan di Bursa Efek/ <i>Not listed on Stock Exchange</i>	13 April/ <i>April 2015</i>	50.000	13 April/ <i>April 2017</i>
Seri B:		13 Mei/ <i>May 2015</i>	50.000	13 Mei/ <i>May 2018</i>
<i>Medium Term Notes</i> BFI Finance Indonesia IV Tahun 2015	Tidak dicatatkan di Bursa Efek/ <i>Not listed on Stock Exchange</i>	5 Agustus/ <i>August 2015</i>	155.000	15 Agustus/ <i>August 2016</i>
Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016 Seri A:	26 Februari/ <i>February 2016</i>	28 Februari/ <i>February 2014</i> (No. S-121/D.04/2014)	200.000	5 Maret/ <i>March 2017</i>
Seri B:			142.000	25 Februari/ <i>February 2018</i>
Seri C:			658.000	25 Februari/ <i>February 2019</i>

Ekshibit E/8

Exhibit E/8

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1. UMUM (Lanjutan)

1. GENERAL (Continued)

d. Surat Berharga yang Diterbitkan (Lanjutan)

d. Securities Issued (Continued)

Surat berharga yang diterbitkan/ Securities issued	Tanggal pencatatan di Bursa Efek Indonesia/ Listing date	Tanggal efektif/ Effective date	Jumlah yang diterbitkan/ Amount issued (Rp)	Jatuh tempo/ Maturity date
Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016				
Seri A:	26 Oktober/ October 2016	17 Oktober/ October 2016	317.000	25 Oktober/ October 2017
Seri B:		(No. S588/D.04/201)	550.000	25 Oktober/ October 2019
Seri C:			133.000	25 Oktober/ October 2021

e. Dewan Komisaris, Direksi, Komite Audit, Internal Audit, Sekretaris Perusahaan dan Karyawan

e. Boards of Commissioners, Directors, Audit Committee, Internal Audit, Corporate Secretary and Employees

Berdasarkan Berita Acara Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) Perusahaan yang diaktakan dengan akta No. 43 juncto akta Pernyataan Keputusan Rapat No. 44 masing - masing tertanggal 25 April 2016 yang dibuat dihadapan Aryanti Artisari, S.H., M.Kn. Notaris di Jakarta, yang telah diterima oleh dan dicatat pada Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia dalam Surat Keputusan No. AHU-AH.01.03- 0045172 tanggal 28 April 2016, susunan Dewan Komisaris dan Direksi Perusahaan pada tanggal 31 Desember 2016 adalah sebagai berikut:

Based on the Minutes of Meeting of the Extraordinary General Meeting of Shareholders (EGM) of the Company, as covered by the deed No. 43 in conjunction with the Deed of Resolutions No. 44 each dated 25 April 2016 of Aryanti Artisari, S.H., M.Kn. Notary in Jakarta, which has been accepted and recorded by the Ministry of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-AH.01.03-0045172 dated 28 April 2016, the composition of the Board of Commissioners and Directors of the Company as of 31 December 2016 as follows:

Dewan Komisaris

Presiden Komisaris	:	Kusmayanto Kadiman	:
Komisaris (Independen)	:	Johanes Sutrisno	:
Komisaris (Independen)	:	Alfonso Napitupulu	:
Komisaris (Independen)	:	Emmy Yuhassarie	:
Komisaris	:	Dominic John Picone	:
Komisaris	:	Sunata Tjiterosampurno	:

Board of Commissioners

President Commissioner	:
Commissioner (Independent)	:
Commissioner (Independent)	:
Commissioner (Independent)	:
Commissioner	:
Commissioner	:

Direksi

Presiden Direktur	:	Francis Lay Sioe Ho	:
Direktur Operasional dan Pembiayaan Korporasi	:	Cornellius Henry Kho	:
Direktur Keuangan dan Teknologi Informasi	:	Sudjono	:
Direktur Pembiayaan Ritel	:	Sutadi	:
Direktur Risiko Perusahaan (Independen)	:	Sigit Hendra Gunawan	:

Directors

President Director	:
Director of Operations and Corporate Business	:
Director of Finance and Information Technology	:
Director of Retail Business	:
Director of Enterprise Risk (Independent)	:

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1. UMUM (Lanjutan)

e. Dewan Komisaris, Direksi, Komite Audit, Internal Audit, Sekretaris Perusahaan dan Karyawan (Lanjutan)

Berdasarkan Berita Acara Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) Perusahaan yang diaktakan dengan akta No. 1 juncto akta Pernyataan Keputusan Rapat No. 2 masing - masing tertanggal 8 September 2015 yang dibuat dihadapan Aulia Taufani, S.H., Notaris di kabupaten Tangerang, yang telah diterima oleh dan dicatat pada Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia dalam Surat Keputusan No. AHU/AH.01.03-0970960 tanggal 9 Oktober 2015, susunan Dewan Komisaris dan Direksi Perusahaan pada tanggal 31 Desember 2015 adalah sebagai berikut:

Dewan Komisaris

Presiden Komisaris	:	Kusmayanto Kadiman	:
Komisaris (Independen)	:	Johanes Sutrisno	:
Komisaris (Independen)	:	Alfonso Napitupulu	:
Komisaris (Independen)	:	Emmy Yuhassarie	:
Komisaris	:	Dominic John Picone	:
Komisaris	:	Sunata Tjiterosampurno	:

Direksi

Presiden Direktur	:	Francis Lay Sioe Ho	:
Direktur Operasional dan Pembiayaan Korporasi	:	Cornellius Henry Kho	:
Direktur Keuangan dan Teknologi Informasi	:	Sudjono	:
Direktur Pembiayaan Ritel	:	Sutadi	:

Susunan Komite Audit Perusahaan pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

Komite Audit

	2016	2015	
Ketua	: Emmy Yuhassarie	Johanes Sutrisno	:
Anggota	: Friso Palilingan	Stefanus Ginting	:
	: Edy Sugito	Friso Palilingan	:

Internal Audit

Berdasarkan Surat Keputusan Direksi Perusahaan No. SK/BOD/VII/14-009 tanggal 16 Juli 2014, Kepala Unit Internal Audit Perusahaan pada tanggal 31 Desember 2016 dan 2015 adalah Fledy Rizmara.

Sekretaris Perusahaan

Berdasarkan Surat Keputusan Direksi Perusahaan No. BOD-BOC/VI/2014-0011 tanggal 24 Juni 2014, Sekretaris Perusahaan pada tanggal 31 Desember 2016 dan 2015 adalah Sudjono.

Karyawan

Jumlah karyawan Perusahaan pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut (tidak diaudit):

	2016	2015	
Karyawan tetap	5.322	4.786	Permanent employees
Karyawan tidak tetap	3.619	3.138	Non-permanent employees
Jumlah	8.941	7.924	Total

1. GENERAL (Continued)

e. Boards of Commissioners, Directors, Audit Committee, Internal Audit, Corporate Secretary and Employees (Continued)

Based on the Minutes of Meeting of the Extraordinary General Meeting of Shareholders (EGM) of the Company, as covered by the deed No. 1 in conjunction with the Deed of Resolutions No. 2 dated 8 September 2015 of Aulia Taufani, S.H., Notary in Tangerang, which has been accepted and recorded by the Ministry of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-AH.01.03-0970960 dated 9 October 2015, the composition of the Board of Commissioners and Directors of the Company as of 31 December 2015 as follows:

Board of Commissioners

President Commissioner
Commissioner (Independent)
Commissioner (Independent)
Commissioner (Independent)
Commissioner
Commissioner

Directors

President Director
Director of Operations and Corporate Business
Director of Finance and Information Technology
Director of Retail Business

The composition of the Audit Committee of the Company as of 31 December 2016 and 2015, are as follows:

Audit Committee

Chairman
Members

Internal Audit

Based on the Virtue of the Board of Directors of the Company No. SK/BOD/VII/14-009 dated 16 July 2014, Head of Internal Audit Unit of the Company as of 31 December 2016 and 2015 is Fledy Rizmara.

Corporate Secretary

Based on the Virtue of the Board of Directors of the Company No. BOD-BOC/VI/2014-0011 dated 24 June 2014, Corporate Secretary as of 31 December 2016 and 2015 is Sudjono.

Employees

The total number of the Company's employees as of 31 December 2016 and 2015 was as follows (unaudited):

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING

Kebijakan akuntansi signifikan yang diterapkan dalam penyusunan laporan keuangan Perusahaan pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut :

a. Dasar Penyusunan Laporan Keuangan

Laporan keuangan disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia ("PSAK"), termasuk Interpretasi Standar Akuntansi Keuangan, yang diterbitkan oleh Ikatan Akuntan Indonesia (IAI) dan Peraturan Badan Pengawas Pasar Modal dan Lembaga Keuangan ("Bapepam-LK", yang fungsinya dialihkan kepada Otoritas Jasa Keuangan ("OJK") sejak tanggal 1 Januari 2013) No. VIII.G.7 tentang "Penyajian dan Pengungkapan Laporan Keuangan Emiten atau Perusahaan Publik" yang terdapat dalam Lampiran Keputusan Ketua Bapepam-LK No. KEP-347/BL/2012 tanggal 25 Juni 2012.

Laporan keuangan disusun berdasarkan konsep biaya historis kecuali untuk instrumen keuangan derivative yang diukur pada nilai wajar. Laporan keuangan disusun berdasarkan akuntansi berbasis akrual, kecuali laporan arus kas.

Laporan arus kas disusun dengan menggunakan metode langsung dengan mengelompokkan arus kas ke dalam aktivitas operasi, investasi dan pendanaan.

Seluruh angka dalam laporan keuangan ini dibulatkan menjadi dan disajikan dalam jutaan Rupiah yang terdekat, kecuali dinyatakan lain.

Perubahan kebijakan akuntansi

Perubahan atas Pernyataan Standar Akuntansi Keuangan ("PSAK") dan Interpretasi Standar Akuntansi Keuangan ("ISAK")

Penerapan dari perubahan interpretasi standar akuntansi berikut tidak menyebabkan perubahan signifikan atas kebijakan akuntansi Perusahaan dan tidak memberikan dampak yang material terhadap jumlah yang dilaporkan di laporan keuangan perusahaan. Standar dan penyesuaian standar yang berlaku efektif untuk periode yang dimulai pada atau setelah 1 Januari 2016, adalah sebagai berikut:

- PSAK 4 (Amandemen 2015): Laporan Keuangan Tersendiri
- PSAK 5 (Penyesuaian 2015): Segmen Operasi
- PSAK 7 (Penyesuaian 2015): Pengungkapan Pihak-pihak Berelasi
- PSAK 13 (Penyesuaian 2015): Properti Investasi
- PSAK 15 (Amandemen 2015): Investasi Pada Entitas Asosiasi dan Ventura Bersama
- PSAK 16 (Penyesuaian 2015): Aset Tetap
- PSAK 19 (Penyesuaian 2015): Aset Tak berwujud

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, applied in the preparation of the Company's financial statement as of 31 December 2016 and 2015 were as follows :

a. Basis of Preparation of the Financial Statements

The financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards ("IFAS"), which includes the standards and Interpretations of Financial Accounting Standards, issued by the Indonesian Institute of Accountants and the Capital Market and Financial Institution Supervisory Agency ("Bapepam-LK", which function has been transferred to Financial Service Authority ("OJK") starting at 1 January 2013) Regulation No. VIII.G.7 regarding "Emiten or Public Company's Financial Statements Presentation and Disclosure Guidelines" as included in the Appendix of the Decision Decree of the Chairman of Bapepam-LK No. KEP-347/BL/2012 dated 25 June 2012.

The financial statements have been prepared under the historical cost basis, except for derivative financial instruments which are measured at fair value. The financial statements are prepared under the accrual basis of accounting, except for the statements of cash flows.

The statement of cash flows are prepared based on the direct method by classifying cash flows on the basis of operating, investing and financing activities.

Figures in the financial statements are rounded to and expressed in millions of Rupiah, unless otherwise stated.

Change in accounting policies

Changes to Statement of Financial Accounting Standards (" SFAS ") and Interpretations of Financial Accounting Standards (" ISAK ")

The application for the changes in interpretation of accounting standards did not have significant effect on the Company's accounting policies and did not provide a material impact on the amounts reported in the financial statements of the company. Standards and standard adjustment which is effective for periods beginning on or after January 1, 2016, are as follows:

- SFAS 4 (Amendment 2015): Separate Financial Statements
- SFAS 5 (Adjustment 2015): Operating Segments
- SFAS 7 (Adjustment 2015): Related Party Disclosures
- SFAS 13 (Adjustment 2015): Investment Property
- SFAS 15 (Amendment 2015): Investment in Associates and Joint Ventures
- SFAS 16 (Adjustment 2015): Fixed Assets
- SFAS 19 (Adjustment 2015): Intangible Assets

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

a. Dasar Penyusunan Laporan Keuangan (Lanjutan)

Perubahan kebijakan akuntansi (Lanjutan)

Perubahan atas Pernyataan Standar Akuntansi Keuangan ("PSAK") dan Interpretasi Standar Akuntansi Keuangan ("ISAK") (Lanjutan)

- PSAK 22 (Penyesuaian 2015): Kombinasi Bisnis
- PSAK 24 (Amandemen 2015): Imbalan Kerja
- PSAK 25 (Penyesuaian 2015): Kebijakan Akuntansi, Perubahan Estimasi Akuntansi dan Kesalahan
- PSAK 53 (Amandemen 2015): Pembayaran Berbasis Saham
- PSAK 65 (Amandemen 2015): Laporan Keuangan Konsolidasian
- PSAK 66 (Amandemen 2015): Pengaturan Bersama
- PSAK 67 (Amandemen 2015): Pengungkapan Kepentingan dalam Entitas Lain
- PSAK 68 (Penyesuaian 2015): Pengukuran Nilai Wajar
- ISAK 30: Pungutan

Amandemen standar dan interpretasi berikut efektif untuk periode yang dimulai pada atau setelah 1 Januari 2017, dengan penerapan dini diperkenankan yaitu amandemen PSAK 1, "Penyajian Laporan Keuangan" tentang Prakarsa Pengungkapan; ISAK 31, "Interpretasi atas Ruang Lingkup", PSAK 13: "Properti Investasi".

Penundaan

Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia memutuskan untuk menunda berlakunya ISAK No. 21 "Perjanjian Konstruksi Real Estat" dan PPSAK No. 7 "Pencabutan PSAK No. 44: Akuntansi Aktivitas Pengembangan Real Estat paragraph 08 (b)", yang sebelumnya berlaku efektif pada periode yang dimulai pada atau setelah tanggal 1 Januari 2013. Pada tanggal laporan keuangan konsolidasian ini, penundaan tersebut masih berlaku.

Sampai dengan tanggal penerbitan laporan keuangan, manajemen Perusahaan sedang mengevaluasi dampak dari standar dan interpretasi tersebut terhadap laporan keuangan Perusahaan.

b. Kas dan Setara Kas

Kas dan setara kas mencakup kas, kas pada bank dan deposito berjangka yang akan jatuh tempo dalam waktu tiga bulan atau kurang, dan tidak digunakan sebagai jaminan atau tidak dibatasi penggunaannya.

Untuk pengakuan dan pengukuran dari kas dan setara kas, lihat Catatan 2d.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

a. Basis of Preparation of Financial Statements
(Continued)

Changes in accounting policies (Continued)

Changes to Statement of Financial Accounting Standards ("SFAS") and Interpretations of Financial Accounting Standards ("ISAK") (Continued)

- SFAS 22 (Adjustment 2015): Business Combination
- SFAS 24 (Amendment 2015): Employee Benefits
- SFAS 25 (Adjustment 2015): Accounting Policies, Changes in Accounting Estimates and Errors
- SFAS 53 (Amendment 2015): Share-based Payments
- SFAS 65 (Amendment 2015): Consolidated Financial Statements
- SFAS 66 (Amendment 2015): Joint Arrangement
- SFAS 67 (Amendment 2015): Disclosure of interest in Other Entities
- SFAS 68 (Adjustment 2015): Fair Value Measurement
- IFAS 30 : Levies

Amendments of the following standards and interpretations which effective for periods beginning on or after 1 January 2017, with early implementation is permitted, namely amendment of SFAS 1, "Presentation of Financial Statements" on Disclosure Initiative ; IFAS 31, "Interpretation of Scope", SFAS 13 "Investment Property".

Postponement

Financial Accounting Standards Board of The Indonesian Institute of Accountants decided to postpone the effectiveness of ISAK 21 "Real Estate Construction Agreement" and WPSAK 7 "Withdrawal of PSAK 44 - Accounting for Real Estate Development Activities paragraph 08 (b)", which as previously effective for the period beginning at and or after 1 January 2013. As of the date of these consolidated financial statements, the postponement is still in effect.

As of the issuance date of the financial statements, the Company's management is currently evaluating the impact of these standards and interpretations on the Company's financial statements

b. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in banks and time deposits with a maturity period of three months or less at the time of placement and which are not used as collateral or are not restricted.

For recognition and measurement of cash and cash equivalents, please refer to Note 2d.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

c. Transaksi dengan Pihak-Pihak Berelasi

Pihak-pihak berelasi adalah orang atau entitas yang terkait dengan entitas pelapor:

- (1) Orang atau anggota keluarga terdekat mempunyai relasi dengan entitas pelapor jika orang tersebut:
 - (a) memiliki pengendalian atau pengendalian bersama atas entitas pelapor;
 - (b) memiliki pengaruh signifikan atas entitas pelapor; atau
 - (c) manajemen kunci entitas pelapor atau entitas induk entitas pelapor
- (2) Suatu entitas berelasi dengan entitas pelapor jika memenuhi salah satu hal berikut:
 - (a) Entitas dan entitas pelapor adalah anggota dari Perusahaan yang sama (artinya entitas induk, entitas anak, dan entitas anak berikutnya terkait dengan entitas lain)
 - (b) Satu entitas adalah entitas asosiasi atau ventura bersama dari entitas lain (atau entitas asosiasi atau ventura bersama yang merupakan anggota suatu Grup, yang mana entitas lain tersebut adalah anggotanya)
 - (c) Kedua entitas tersebut adalah ventura bersama dari pihak ketiga yang sama
 - (d) Satu entitas adalah ventura bersama dari entitas ketiga dan entitas yang lain adalah entitas asosiasi dari entitas ketiga
 - (e) Entitas tersebut adalah suatu program imbalan pasca-kerja untuk imbalan kerja dari salah satu entitas pelapor atau entitas yang terkait dengan entitas pelapor. Jika entitas pelapor adalah entitas yang menyelenggarakan program tersebut, maka entitas sponsor juga berelasi dengan entitas pelapor
 - (f) Entitas yang dikendalikan atau dikendalikan bersama oleh orang yang diidentifikasi dalam huruf (1).
 - (g) Orang yang diidentifikasi dalam huruf (1)(a) memiliki pengaruh signifikan atas entitas atau personil manajemen kunci entitas (atau entitas induk dari entitas).
 - (h) Entitas atau anggota dari kelompok mana entitas merupakan bagian dari kelompok tersebut, menyediakan jasa personil manajemen kunci kepada entitas induk dari entitas pelapor.

Jenis transaksi dan saldo dengan pihak-pihak berelasi diungkapkan dalam catatan atas laporan keuangan (Catatan 19 dan 29).

d. Aset dan Liabilitas Keuangan

(i) Aset keuangan

Aset keuangan Perusahaan, terdiri dari kas dan setara kas, investasi neto sewa pembiayaan, piutang pembiayaan konsumen, aset keuangan derivatif dan pinjaman kepada karyawan (dicatat sebagai bagian dari "piutang lain-lain").

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

c. Related Party Transactions

Related party represents a person or an entity who is related to the reporting entity:

- (1) A person or a close member of the person's family is related to a reporting entity if that person:
 - (a) has control or joint control over the reporting entity;
 - (b) has significant influence over the reporting entity; or
 - (c) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (2) An entity is related to a reporting entity if any of the following conditions applies:
 - (a) The entity and the reporting entity are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).
 - (c) Both entities are joint ventures of the same third party.
 - (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (e) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (f) The entity is controlled or jointly controlled by a person identified in (1).
 - (g) A person identified in (1)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (h) Entities or any member of the group to which the entity is part of the group, providing services to the key management personnel of the reporting entity or to the parent entity of the reporting entity.

The nature of transactions and balances of accounts with related parties are disclosed in the notes to the financial statements (Notes 19 and 29).

d. Financial Assets and Liabilities

(i) Financial assets

The Company's financial assets, consist of cash and cash equivalents, net investments in finance lease, consumer financing receivables, derivative financial assets and loans to employees (recorded as part of "other receivables").

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

d. Aset dan Liabilitas Keuangan (Lanjutan)

(i) Aset keuangan (Lanjutan)

(1) Aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi

Kategori ini terdiri dari dua sub-kategori: aset keuangan yang diklasifikasikan dalam kelompok diperdagangkan dan aset keuangan yang pada saat pengakuan awal telah ditetapkan oleh Perusahaan untuk diukur pada nilai wajar melalui laporan laba rugi.

Aset keuangan diklasifikasikan dalam kelompok diperdagangkan jika diperoleh atau dimiliki terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat atau jika merupakan bagian dari portofolio instrumen keuangan tertentu yang dikelola bersama dan terdapat bukti mengenai pola ambil untung dalam jangka pendek (*short term profit taking*) yang terkini. Derivatif juga dikategorikan dalam kelompok diperdagangkan, kecuali derivatif yang ditetapkan dan efektif sebagai instrumen lindung nilai.

Instrumen keuangan yang dikelompokkan ke dalam kategori ini diakui pada nilai wajarnya pada saat pengakuan awal; biaya transaksi diakui secara langsung ke dalam laporan laba rugi. Keuntungan dan kerugian yang timbul dari perubahan nilai wajar dan penjualan instrumen keuangan diakui dalam laporan laba rugi dan dicatat sebagai "Keuntungan (kerugian) dari perubahan nilai wajar instrumen keuangan derivatif".

Kategori ini termasuk aset keuangan derivatif Perusahaan.

(2) 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:

- (a) yang dimaksudkan oleh Perusahaan untuk dijual dalam waktu dekat, yang diklasifikasikan dalam kelompok diperdagangkan, serta yang pada saat pengakuan awal ditetapkan sebagai diukur pada nilai wajar melalui laporan laba rugi;
- (b) yang pada saat pengakuan awal ditetapkan dalam kelompok tersedia untuk dijual;
- (c) dalam hal pemilik mungkin tidak akan memperoleh kembali investasi awal secara substansial kecuali yang disebabkan oleh penurunan kualitas pinjaman yang diberikan dan piutang.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

d. Financial Assets and Liabilities (Continued)

(i) Financial assets (Continued)

(1) Financial assets at fair value through profit or loss

This category comprises two sub-categories: financial assets classified as held for trading, and financial assets designated by the Company as at fair value through profit and loss upon initial recognition.

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments.

Financial instruments included in this category are recognized initially at fair value; transaction costs are taken directly to the profit or loss. Gains and losses arising from changes in fair value and sale of financial instruments are included directly in the profit or loss and are reported respectively as "Gain (loss) from changes in fair value of derivative financial instruments".

This category includes the Company's derivative financial assets.

(2) 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:

- (a) those that the Company intends to sell immediately or in the short term, which are classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit and loss;
- (b) those that the Company upon initial recognition designates as available for sale; or
- (c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

d. Aset dan Liabilitas Keuangan (Lanjutan)

(i) Aset keuangan (Lanjutan)

(2) Pinjaman yang diberikan dan piutang (Lanjutan)

Pada saat pengakuan awal, pinjaman yang diberikan dan piutang diakui pada nilai wajarnya ditambah atau dikurangi biaya transaksi yang dapat diatribusikan secara langsung dan selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

Biaya transaksi hanya meliputi biaya-biaya yang dapat diatribusikan secara langsung untuk pemberian suatu pinjaman maupun perolehan piutang dan merupakan biaya tambahan yang tidak akan terjadi apabila pinjaman maupun piutang tersebut tidak diperoleh. Pendapatan dari aset keuangan dalam kelompok pinjaman yang diberikan dan piutang diakui dalam laporan laba rugi dan penghasilan komprehensif lain dan dicatat sebagai bagian dari 'pendapatan pembiayaan konsumen' atau 'pendapatan sewa pembiayaan'. Pendapatan dari aset keuangan dalam kelompok pinjaman yang diberikan dan piutang dicatat di dalam laporan laba rugi dan penghasilan komprehensif lain.

Dalam hal terjadi penurunan nilai, kerugian penurunan nilai dilaporkan sebagai pengurang dari nilai tercatat dari aset keuangan dalam kelompok pinjaman yang diberikan dan piutang, dan diakui dalam laporan laba rugi dan penghasilan komprehensif lain sebagai "Cadangan Kerugian Penurunan Nilai".

Kategori ini termasuk kas dan setara kas, investasi neto sewa pembiayaan, piutang pembiayaan konsumen dan pinjaman kepada karyawan (dicatat sebagai bagian dari "piutang lain-lain").

(ii) Liabilitas keuangan

Liabilitas keuangan Perusahaan terdiri dari pinjaman yang diterima, beban yang masih harus dibayar, surat berharga yang diterbitkan dan utang lain-lain.

Perusahaan mengklasifikasikan liabilitas keuangan sebagai liabilitas keuangan yang diukur pada biaya perolehan diamortisasi.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Financial Assets and Liabilities (Continued)

(i) Financial assets (Continued)

(2) Loans and receivables (Continued)

At initial recognition, the Company's loans and receivables are measured at fair values plus or minus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate method.

Transaction costs include only those costs that are directly attributable to the acquisition of loans or receivables and they are incremental costs that would not have been incurred if the loan or receivables had not been acquired. Income on financial assets classified as loan and receivables is recognized in the statement of profit or loss and other comprehensive income and recorded as part of 'consumer financing income' or 'finance lease income'. Interest income on financial assets classified as loans and receivables is included in the statement of profit or loss and other comprehensive income.

In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the financial assets classified as loan and receivables recognized in the statement of profit or loss and other comprehensive income as "Allowance for Impairment Losses".

This category includes the Company's cash and cash equivalents, net investments in finance lease, consumer financing receivables and loans to employees (recorded as part of "other receivables").

(ii) Financial liabilities

The Company's financial liabilities consist of fund borrowings, accrued expenses, securities issued and other payables.

The Company classified its financial liabilities as financial liabilities measured at amortized cost.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

d. Aset dan Liabilitas Keuangan (Lanjutan)

(ii) Liabilitas keuangan (Lanjutan)

Pada saat pengakuan awal, liabilitas keuangan yang diukur pada biaya perolehan yang diamortisasi diukur pada nilai wajar ditambah biaya transaksi. Setelah pengakuan awal, Perusahaan mengukur seluruh liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif. Biaya transaksi hanya meliputi biaya-biaya yang dapat diatribusikan secara langsung untuk pengakuan suatu pinjaman yang diterima, dan merupakan biaya tambahan yang tidak akan terjadi apabila pinjaman yang diterima tidak diakui. Beban atas liabilitas keuangan yang diukur pada biaya perolehan diamortisasi dibebankan dalam laporan laba rugi dan penghasilan komprehensif lain dan dicatat sebagai bagian dari 'beban bunga dan keuangan'.

(iii) Hierarki pengukuran nilai wajar

Klasifikasi aset dan liabilitas keuangan diukur pada nilai wajar dengan menggunakan hirarki nilai wajar yang mencerminkan signifikansi input yang digunakan di dalam melakukan pengukuran nilai wajar. Hirarki nilai wajar memiliki tingkatan sebagai berikut:

- a. harga kuotasi (tidak disesuaikan) dalam pasar aktif untuk aset atau liabilitas yang identik (tingkat 1);
- b. input selain harga kuotasi yang termasuk di dalam Tingkat 1 yang dapat diobservasi untuk aset atau liabilitas, baik langsung (misalnya, harga) maupun tidak langsung (misalnya, derivasi dari harga) (tingkat 2); dan
- c. input untuk aset dan liabilitas yang bukan berdasarkan data pasar yang dapat diobservasi (input yang tidak dapat diobservasi) (tingkat 3).

Tingkatan di dalam hierarki nilai wajar di mana aset keuangan atau liabilitas keuangan dikategorikan penetapannya pada basis tingkatan input paling rendah yang signifikan terhadap pengukuran nilai wajar. Aset keuangan dan liabilitas keuangan diklasifikasikan di dalam keseluruhan hanya ke dalam salah satu dari ketiga tingkatan tersebut.

Aset keuangan Perusahaan yang diukur dan diakui pada nilai wajar (tingkat 2) adalah aset keuangan derivatif.

Nilai wajar untuk instrumen keuangan yang diperdagangkan di pasar aktif ditentukan berdasarkan kuotasi nilai pasar pada tanggal pelaporan. Kuotasi nilai pasar yang digunakan Perusahaan untuk aset keuangan adalah harga penawaran (*bid price*), sedangkan untuk liabilitas keuangan menggunakan harga jual (*ask price*). Instrumen keuangan ini termasuk dalam tingkat 1.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

d. Financial Assets and Liabilities (Continued)

(ii) Financial liabilities (Continued)

Financial liabilities measured at amortized cost are initially recognized at fair value plus transaction costs. After initial recognition, the Company measures all financial liabilities at amortized cost using effective interest rates method. Transaction costs include only those costs that are directly attributable to the recognition of loan received and they are incremental costs that would not have been incurred if the loan has not been recognized. Expenses on financial liabilities measured at amortized cost is charged in the statement of profit or loss and other comprehensive income and recorded as part of 'interest and financing charge'.

(iii) Fair value measurement hierarchy

The classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement. The fair value hierarchy has the following levels:

- a. quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- b. inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- c. inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

The Company's financial asset that are measured and recognised at fair value (level 2) are derivative financial assets.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price, while financial liabilities use ask price. These instruments are included in level 1.

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d. Aset dan Liabilitas Keuangan (Lanjutan)

(iii) Hierarki pengukuran nilai wajar (Lanjutan)

Nilai wajar instrumen keuangan yang tidak diperdagangkan di pasar aktif ditentukan dengan menggunakan teknik penilaian tertentu. Teknik tersebut menggunakan data pasar yang dapat diobservasi sepanjang tersedia, dan seminimal mungkin mengacu pada estimasi. Apabila seluruh input signifikan atas nilai wajar dapat diobservasi, instrumen keuangan ini termasuk dalam tingkat 2.

Jika satu atau lebih input yang signifikan tidak berdasarkan data pasar yang dapat diobservasi, maka instrumen tersebut masuk ke dalam tingkat 3.

Teknik penilaian tertentu digunakan untuk menentukan nilai instrumen keuangan mencakup:

- penggunaan harga yang diperoleh dari bursa atau pedagang efek untuk instrumen sejenis dan;
- teknik lain seperti analisis arus kas yang didiskonto digunakan untuk menentukan nilai instrumen keuangan lainnya.

(iv) Penghentian pengakuan

Perusahaan menghentikan pengakuan aset keuangan pada saat hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut kadaluarsa, atau Perusahaan mentransfer seluruh hak untuk menerima arus kas kontraktual dari aset keuangan dalam transaksi di mana Perusahaan secara substansial telah mentransfer seluruh risiko dan manfaat atas kepemilikan aset keuangan yang ditransfer. Setiap hak atau kewajiban atas aset keuangan yang ditransfer yang timbul atau yang masih dimiliki oleh Perusahaan diakui sebagai aset atau liabilitas secara terpisah.

Perusahaan menghentikan pengakuan piutang pembiayaan konsumen dan investasi neto sewa pembiayaan pada saat dilakukannya penarikan jaminan kendaraan. Selain itu, penghentian pengakuan liabilitas keuangan pada saat liabilitas yang ditetapkan dalam kontrak dilepaskan atau dibatalkan atau kadaluarsa.

Dalam transaksi di mana Perusahaan secara substansial tidak memiliki atau tidak mentransfer seluruh risiko dan manfaat atas kepemilikan aset keuangan, Perusahaan menghentikan pengakuan aset tersebut jika Perusahaan tidak lagi memiliki pengendalian atas aset tersebut. Hak dan kewajiban yang timbul atau yang masih dimiliki dalam transfer tersebut diakui secara terpisah sebagai aset atau liabilitas. Dalam transfer di mana pengendalian atas aset masih dimiliki, Perusahaan tetap mengakui aset yang ditransfer tersebut sebesar keterlibatan yang berkelanjutan, di mana tingkat keberlanjutan Perusahaan dalam aset yang ditransfer adalah sebesar perubahan nilai aset yang ditransfer.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
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d. Financial Assets and Liabilities (Continued)

(iii) Fair value measurement hierarchy (Continued)

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments and;
- other techniques, such as discounted cashflows analysis, are used to determine fair value for the remaining financial instruments.

(iv) Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when the Company transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any rights or obligations on the transferred financial assets that arise or are still owned by the company are recognized as assets or liabilities separately.

The Company derecognize consumer financing receivables at the time when the vehicle collateral has been taken out. In addition, derecognition of financial liabilities when its contractual obligations are discharged or cancelled or expired.

In a transaction where the Company has substantially no or did not transfer all the risks and rewards of ownership of financial assets, the Company terminate the recognition of such assets, if the company no longer has control over those assets. The rights and obligations arising or that still exists in the transfer are recognized separately as assets or liabilities. In transfers where control over the assets still owned, the Company continued to recognize the transferred assets in the amount of involvement that is sustainable, where the level of sustainability of the Company in the transferred assets amounted to changes in the value of the transferred assets.

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d. Aset dan Liabilitas Keuangan (Lanjutan)

(iv) Penghentian pengakuan (Lanjutan)

Perusahaan menghapusbukkan saldo piutang pembiayaan konsumen dan investasi neto sewa pembiayaan, dan cadangan kerugian penurunan nilai terkait, pada saat Perusahaan menentukan bahwa piutang pembiayaan konsumen dan investasi neto sewa pembiayaan tersebut tidak dapat ditagih. Keputusan ini diambil setelah mempertimbangkan informasi seperti telah terjadinya perubahan signifikan pada kemampuan keuangan konsumen sehingga konsumen tidak lagi dapat melunasi liabilitasnya, atau konsumen atau unit yang dibiayai tidak dapat ditemukan atau dikuasai oleh pihak ketiga atau nilai realisasi bersih atas jaminan yang dikuasai kembali diperkirakan tidak akan cukup untuk melunasi seluruh ekposur piutang pembiayaan konsumen dan investasi neto sewa pembiayaan.

(v) Saling hapus

Aset dan liabilitas keuangan dapat disaling hapuskan dan jumlah bersih tersebut dilaporkan di dalam laporan posisi keuangan ketika terdapat hak yang secara hukum dapat dipaksakan untuk melakukan saling hapus jumlah yang diakui and terdapat intensi untuk menyelesaikan pada basis bersih, maupun merealisasi aset dan menyelesaikan liabilitas secara simultan.

Pendapatan dan beban disajikan dalam jumlah bersih hanya jika diperkenankan oleh standar yang relevan.

(vi) Penurunan nilai dari aset keuangan

Pada setiap tanggal pelaporan Perusahaan mengevaluasi apakah terdapat bukti yang obyektif bahwa aset keuangan atau kelompok aset keuangan mengalami penurunan nilai.

Aset keuangan atau kelompok aset keuangan diturunkan nilainya dan kerugian penurunan nilai telah terjadi hanya jika terdapat bukti yang obyektif mengenai penurunan nilai tersebut sebagai akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset tersebut (peristiwa yang merugikan), dan peristiwa yang merugikan tersebut berdampak pada estimasi arus kas masa depan atas aset keuangan atau kelompok aset keuangan yang dapat diestimasi secara andal.

Kriteria yang digunakan oleh Perusahaan untuk menentukan bukti obyektif dari penurunan nilai adalah sebagai berikut:

- (a) kesulitan keuangan signifikan yang dialami konsumen;
- (b) pelanggaran kontrak, seperti terjadinya wanprestasi atau tunggakan pembayaran pokok atau bunga;
- (c) Perusahaan, dengan alasan ekonomi atau hukum sehubungan dengan kesulitan keuangan yang dialami konsumen, memberikan keringanan (konsesi) pada konsumen yang tidak mungkin diberikan jika konsumen tidak memiliki kesulitan tersebut;

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(Continued)

d. Financial Assets and Liabilities (Continued)

(iv) Derecognition (Continued)

Companies write off any outstanding consumer financing receivables and net investments in finance lease, and allowance for impairment losses, when the Company determines that the consumer financing receivables and net investments in finance lease cannot be collectible. This decision was taken after consideration of information such as the occurrence of significant changes to the financial ability of consumers so that consumers can no longer pay the loan, or consumer or units being financed cannot be found or is controlled by third party or the net realizable value of collateral is not expected to be sufficient to pay the entire exposure for the consumer financing receivables and net investments in finance lease.

(v) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by relevant standards.

(vi) Impairment of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- (a) significant financial difficulty of the consumer;
- (b) a breach of contract, such as a default or delinquency in interest or principal payments;
- (c) the Company, for economic or legal reasons relating to the consumer's financial difficulty, granting to the consumer a concession that the lender would not otherwise consider;

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d. Aset dan Liabilitas Keuangan (Lanjutan)

(vi) Penurunan nilai dari aset keuangan (Lanjutan)

Kriteria yang digunakan oleh Perusahaan untuk menentukan bukti obyektif dari penurunan nilai adalah sebagai berikut: (Lanjutan)

- (d) terdapat kemungkinan bahwa konsumen 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:
 - (1) memburuknya status pembayaran konsumen 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 portfolio yang diidentifikasi.

Perusahaan pertama kali menentukan apakah terdapat bukti obyektif penurunan nilai secara individual atas aset keuangan yang signifikan secara individual, dan secara individual atau kolektif untuk aset keuangan yang tidak signifikan secara individual.

Jika Perusahaan menentukan tidak terdapat bukti obyektif mengenai penurunan nilai aset keuangan yang dinilai secara individual, terlepas aset keuangan tersebut signifikan atau tidak, maka Perusahaan memasukkan aset tersebut ke dalam kelompok aset keuangan yang memiliki karakteristik risiko kredit yang serupa dan menilai penurunan nilai kelompok tersebut secara kolektif. Aset yang penurunan nilainya dinilai secara individual, dan untuk itu kerugian penurunan nilai diakui atau tetap diakui, tidak termasuk dalam penilaian penurunan nilai secara kolektif.

Jumlah kerugian penurunan nilai diukur berdasarkan selisih antara nilai tercatat aset keuangan dengan nilai kini dari estimasi arus kas masa datang 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 dan penghasilan komprehensif lain. Jika aset keuangan yang diukur pada biaya perolehan diamortisasi 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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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

d. Financial Assets and Liabilities (Continued)

(vi) Impairment of financial assets (Continued)

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include: (Continued)

- (d) it becomes probable that the consumer will enter bankruptcy or other financial reorganization;
- (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 cannot yet be identified with the individual financial assets in the portfolio, including:
 - (1) adverse changes in the payment status of consumers in the portfolio; and
 - (2) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The estimated period between a loss occurring and its identification is determined by the management for each identified portfolio.

The Company firstly assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant.

If the Company 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. 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.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows 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 account and the amount of the loss is recognized in the statement of profit or loss and other comprehensive income. If a financial asset measured at amortized cost 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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d. Aset dan Liabilitas Keuangan (Lanjutan)

(vi) Penurunan nilai dari aset keuangan (Lanjutan)

Perhitungan nilai kini dari estimasi arus kas masa datang atas aset keuangan dengan agunan (*collateralized financial asset*) mencerminkan arus kas yang dapat dihasilkan dari pengambilalihan agunan dikurangi beban-beban untuk memperoleh dan menjual agunan, terlepas apakah pengambilalihan tersebut berpeluang terjadi atau tidak.

Untuk tujuan evaluasi penurunan nilai secara kolektif, aset keuangan dikelompokkan berdasarkan kesamaan karakteristik risiko kredit. Karakteristik yang dipilih adalah relevan dengan estimasi arus kas masa datang dari kelompok aset tersebut yang mengindikasikan kemampuan debitur untuk membayar seluruh utang yang jatuh tempo sesuai persyaratan kontrak dari aset yang dievaluasi.

Arus kas masa datang dari kelompok aset keuangan yang penurunan nilainya dievaluasi secara kolektif, diestimasi berdasarkan arus kas kontraktual atas aset-aset di dalam kelompok tersebut dan kerugian historis yang pernah dialami atas aset-aset yang memiliki karakteristik risiko kredit yang serupa dengan karakteristik risiko kredit kelompok tersebut. Kerugian historis yang pernah dialami kemudian disesuaikan berdasarkan data terkini yang dapat diobservasi untuk mencerminkan kondisi saat ini yang tidak berpengaruh pada periode terjadinya kerugian historis tersebut, dan untuk menghilangkan pengaruh kondisi yang ada pada periode historis namun sudah tidak ada lagi pada saat ini.

Ketika piutang pembiayaan konsumen dan investasi neto sewa pembiayaan tidak tertagih, piutang tersebut dihapus buku dengan menjurnal balik cadangan kerugian penurunan nilai. Piutang tersebut dapat dihapus buku setelah semua prosedur yang diperlukan telah dilakukan dan jumlah kerugian telah ditentukan. Beban penurunan nilai yang terkait dengan piutang pembiayaan konsumen dan investasi neto sewa pembiayaan tidak tertagih diklasifikasikan ke dalam "Cadangan Kerugian Penurunan Nilai".

Jika, pada periode berikutnya, jumlah kerugian penurunan nilai berkurang dan pengurangan tersebut dapat dikaitkan secara obyektif pada peristiwa yang terjadi setelah penurunan nilai diakui, maka kerugian penurunan nilai yang sebelumnya diakui harus dipulihkan, dengan menyesuaikan akun cadangan. Jumlah pemulihan aset keuangan diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Penerimaan kemudian atas aset keuangan yang telah dihapus-bukukan sebelumnya, diakui sebagai pendapatan lain-lain.

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d. Financial Assets and Liabilities (Continued)

(vi) Impairment of financial assets (Continued)

The calculation of the present value of the estimated future cash flows of a collateralized 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.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets which indicate the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

When a consumer financing receivable or net investment in finance lease account is uncollectible, such receivable is written off against the related allowance for impairment losses. Such receivable is written off after all necessary procedures have been completed and the amount of the loss has been determined. Impairment expense related to consumer financing receivables and net investments in finance lease are classified into "Allowance for Impairment Losses".

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognized impairment loss is reversed by adjusting the allowance for impairment losses. The amount of the reversal is recognized in the statement of profit or loss and other comprehensive income.

Subsequent recoveries of financial assets written-off in the previous period are recognized as other income.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

e. Sewa

Penentuan apakah suatu perjanjian merupakan perjanjian sewa atau perjanjian yang mengandung sewa didasarkan atas substansi perjanjian pada tanggal awal sewa dan apakah pemenuhan perjanjian tergantung pada penggunaan suatu aset hak untuk menggunakan aset tersebut. Sewa yang mengalihkan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset, diklasifikasikan sebagai sewa pembiayaan. Selanjutnya, suatu sewa diklasifikasikan sebagai sewa operasi, jika sewa tidak mengalihkan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset.

Investasi bersih dalam sewa pembiayaan pada awalnya diakui sebesar nilai wajar dikurangi pendapatan administrasi dan ditambah biaya-biaya transaksi (jika ada) yang dapat diatribusikan secara langsung dan selanjutnya diukur dengan biaya perolehan diamortisasi menggunakan metode tingkat bunga efektif.

Pada saat pengakuan awal, nilai wajar investasi bersih dalam sewa pembiayaan merupakan jumlah piutang sewa pembiayaan ditambah nilai sisa yang akan diterima oleh perusahaan sewa pada akhir masa sewa pembiayaan dikurangi dengan pendapatan sewa pembiayaan yang ditangguhkan dan simpanan jaminan. Selisih antara nilai piutang bruto dan nilai kini piutang diakui sebagai pendapatan sewa pembiayaan yang belum diakui. Pendapatan sewa pembiayaan yang belum diakui dialokasikan sebagai pendapatan tahun berjalan menggunakan metode tingkat suku bunga efektif. Investasi bersih dalam sewa pembiayaan diklasifikasikan sebagai pinjaman yang diberikan dan piutang. Lihat Catatan 2d untuk kebijakan akuntansi atas pinjaman yang diberikan dan piutang.

f. Pembiayaan Konsumen

Piutang pembiayaan konsumen merupakan jumlah piutang setelah dikurangi dengan bagian pembiayaan bersama di mana risiko kredit ditanggung pemberi pembiayaan bersama sesuai dengan porsi (without recourse), pendapatan pembiayaan konsumen yang belum diakui dan cadangan kerugian penurunan nilai.

Penyelesaian kontrak sebelum masa pembiayaan konsumen berakhir diperlakukan sebagai pembatalan kontrak pembiayaan konsumen dan laba atau rugi yang terjadi diakui dalam laporan laba rugi dan penghasilan komprehensif lain tahun berjalan pada tanggal terjadinya transaksi.

Pembiayaan Bersama

Pembiayaan bersama terdiri atas pembiayaan bersama konsumen tanpa jaminan (without recourse) dan pembiayaan bersama konsumen dengan jaminan (with recourse). Piutang pembiayaan konsumen yang dibiayai bersama pihak-pihak lain di mana masing-masing pihak menanggung risiko kredit sesuai dengan porsinya (without recourse) disajikan di laporan posisi keuangan secara bersih.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

e. Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of arrangement at inception date and whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset. Leases that transfer substantially to the lessee all the risks and rewards incidental to ownership of the leased item are classified as finance leases. Moreover, leases which do not transfer substantially all the risks and rewards incidental to ownership of the leased item are classified as operating leases.

The net investments in finance lease are recognised initially at fair value, deducted by administration income and plus directly attributable transactions costs (if any) and subsequently measured at amortised cost using the effective interest rate method.

At initial recognition, the fair value of net investments in finance lease represents lease financing receivables plus the residual value at the end of the lease period deducted by unearned lease income and security deposits. The difference between the gross lease receivables and the present value of the lease receivables is recognised as unearned lease income. Unearned lease income is allocated to the current year statement of income using the effective interest rate. Net investments in finance lease are classified as loans and receivables. See Note 2d for the accounting policy of loans and receivables.

f. Consumer Financing

Consumer financing receivables are stated net of joint financing receivables where joint financing providers bear credit risk in accordance with its portion (without recourse), unearned consumer financing income and allowance for impairment losses.

Early termination of a contract is treated as a cancellation of an existing contract and the resulting gain or loss is credited or charged to the current year's statement of profit or loss and other comprehensive income at the date of transaction.

Joint Financing

Joint financing consist of with and without recourse joint financing to end-user consumers. The consumer financing receivables under joint financing where each party assumes the credit risk according to the risk portion (without recourse) are stated at net amount in the statement of financial position.

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f. Pembiayaan Konsumen (Lanjutan)

Pembiayaan Bersama (Lanjutan)

Pendapatan pembiayaan konsumen dan beban keuangan yang terkait dengan pembiayaan bersama (*without recourse*) disajikan secara bersih di laporan laba rugi dan penghasilan komprehensif lain. Piutang pembiayaan konsumen yang dibiayai bersama pihak-pihak lain di mana Perusahaan menanggung risiko kredit (*with recourse*) disajikan di laporan posisi keuangan secara bruto, sedangkan kredit yang disalurkan oleh penyedia dana dicatat sebagai liabilitas (pendekatan bruto). Pendapatan pembiayaan konsumen dan beban keuangan yang terkait dengan pembiayaan bersama *with recourse* tersebut disajikan secara bruto di laporan laba rugi dan penghasilan komprehensif lain.

Dalam pembiayaan bersama *without recourse*, Perusahaan berhak menentukan tingkat bunga yang lebih tinggi kepada pelanggan dari tingkat bunga yang ditetapkan dalam perjanjian dengan pemberi pembiayaan bersama. Selisihnya merupakan pendapatan dan disajikan sebagai bagian dari "Pendapatan Keuangan".

Piutang pembiayaan konsumen diklasifikasikan sebagai pinjaman yang diberikan dan piutang. Lihat Catatan 2d untuk kebijakan akuntansi atas pinjaman yang diberikan dan piutang.

Pendapatan pembiayaan konsumen yang belum diakui, yang merupakan selisih antara jumlah pembayaran angsuran yang akan diterima dari pelanggan dengan jumlah pokok pembiayaan, akan diakui sebagai pendapatan sesuai dengan jangka waktu perjanjian pembiayaan konsumen pada tingkat pengembalian berkala yang tetap dari piutang pembiayaan konsumen.

Piutang pembiayaan konsumen yang menunggak dan terjadi wanprestasi, piutang pembiayaan konsumen dapat diselesaikan dengan menjual kendaraan yang dibiayai oleh Perusahaan.

Piutang pembiayaan konsumen akan dihapusbukukan setelah menunggak lebih dari 270 hari. Penerimaan dari piutang yang telah dihapusbukukan diakui sebagai pendapatan lain-lain pada saat diterima.

g. Beban Dibayar di Muka

Beban dibayar di muka diamortisasi sesuai masa manfaat masing-masing beban yang bersangkutan dengan menggunakan metode garis lurus.

h. Aset Tetap

Perusahaan menggunakan model biaya sebagai kebijakan akuntansi pengukuran aset tetapnya.

Aset tetap dinyatakan berdasarkan biaya perolehan, dikurangi akumulasi penyusutan dan akumulasi rugi penurunan nilai, jika ada.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

f. Consumer Financing (Continued)

Joint Financing (Continued)

Consumer financing income and finance cost related to without recourse joint financing are stated at net amount in the statement of profit or loss and other comprehensive income. Consumer financing receivable under joint financing where the Company assume the credit risk (*with recourse*) are stated at gross amount in the statement of financial position, while the credit that are distributed by the fund provider are recorded as liability (*gross approach*). The consumer financing income and finance cost related to with recourse joint financing are stated at gross amount in the statement of profit or loss and other comprehensive income.

For joint financing without recourse, the Company reserves the right to charge greater interest rates to customers than those stated in the joint financing agreements with joint financing providers. The difference is recognized as revenue and disclosed as "Finance Income".

Consumer financing receivables are classified as loans and receivables. See Note 2d for the accounting policy of loans and receivables.

Unearned income on consumer financing, which is the excess of aggregate installment payments collectible from the customers over the cost of the financed assets, is recognized as income over the terms of the respective agreements at a constant periodic rate of return on the consumer financing receivables.

Consumer financing receivables which installments are overdue and in the events of default, consumer financing receivables could be settled by selling their vehicle that financed by the Company.

Consumer financing receivables will be written-off when they are overdue for more than 270 days. Recoveries from written-off receivables are recognized as other income upon receipt.

g. Prepaid Expenses

Prepaid expenses are amortized over the beneficial periods using the straight-line method.

h. Fixed Assets

The Company uses the cost model for its fixed assets measurement.

Fixed assets are stated at cost, less accumulated depreciation and any impairment value, if any.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

h. Aset Tetap (Lanjutan)

Biaya perolehan awal aset tetap meliputi harga perolehan, termasuk bea impor dan pajak pembelian yang tidak boleh dikreditkan dan biaya-biaya yang dapat diatribusikan secara langsung untuk membawa aset ke lokasi dan kondisi yang diinginkan sesuai dengan tujuan penggunaan yang ditetapkan.

Beban-beban yang timbul setelah aset tetap digunakan, seperti beban perbaikan dan pemeliharaan, dibebankan ke laba rugi komprehensif pada saat terjadinya. Apabila beban-beban tersebut menimbulkan peningkatan manfaat ekonomis di masa datang dari penggunaan aset tetap tersebut yang dapat melebihi kinerja normalnya, maka beban-beban tersebut dikapitalisasi sebagai tambahan biaya perolehan aset tetap.

Penyusutan dihitung berdasarkan metode garis lurus (*straight-line method*) selama masa manfaat aset tetap sebagai berikut:

	Masa manfaat/ Useful lives	Tarif/ Rates	
Bangunan	20 tahun/years	5 %	Building
Peralatan kantor	5	20 %	Office equipment
Kendaraan	5	20 %	Vehicles
Perabot dan perlengkapan kantor	5	20 %	Furniture and fixtures
Rehabilitasi gedung kantor	5	20 %	Leasehold improvements

Tanah dinyatakan pada harga perolehan dan tidak disusutkan. Biaya legal awal untuk mendapatkan hak legal diakui sebagai bagian biaya akuisisi tanah, biaya-biaya tersebut tidak didepresiasi. Biaya terkait dengan pembaruan hak atas tanah diakui sebagai aset tak berwujud dan diamortisasi sepanjang umur hukum hak.

Jumlah tercatat aset tetap dihentikan pengakuannya (*derecognized*) pada saat dilepaskan atau tidak ada manfaat ekonomis masa depan yang diharapkan dari penggunaan atau pelepasannya. Aset tetap yang dijual atau dilepaskan, dikeluarkan dari kelompok aset tetap berikut akumulasi penyusutan serta akumulasi penurunan nilai yang terkait dengan aset tetap tersebut. Laba atau rugi yang timbul dari penghentian pengakuan aset tetap ditentukan sebesar perbedaan antara jumlah neto hasil pelepasan, jika ada, dengan jumlah tercatat dari aset tetap tersebut, dan diakui dalam laba rugi tahun berjalan pada tahun terjadinya penghentian pengakuan.

Nilai residu, umur manfaat, serta metode penyusutan ditelaah setiap akhir tahun dan dilakukan penyesuaian apabila hasil telaah berbeda dengan estimasi sebelumnya.

Aset dalam penyelesaian dan perangkat lunak dalam pengembangan dinyatakan sebesar biaya perolehan dan disajikan sebagai bagian dari aset tetap. Akumulasi biaya perolehan akan dipindahkan ke masing-masing akun aset tetap yang bersangkutan pada saat aset tersebut selesai dikerjakan dan siap digunakan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

h. Fixed Assets (Continued)

The initial cost of fixed assets consists of its purchase price, including import duties and purchase taxes that should not be credited and any directly attributable costs in bringing the fixed assets to its working condition and location for its intended use.

Expenditures incurred after the fixed assets have been put into operations, such as repairs and maintenance costs, are normally charged to operations in the year such costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of the fixed assets beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of fixed assets.

Depreciation is computed on a straight-line basis over the fixed assets useful lives as follows:

Land is stated at cost and not depreciated. Initial legal costs incurred to obtain legal rights are recognised as part of the acquisition cost of the land, and these costs are not depreciated. Costs related to renewal of land rights are recognised as intangible assets and amortised during the period of the land rights.

An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. When assets are sold or retired, the cost and related accumulated depreciation and any impairment loss are removed from the accounts. Any gains or loss arising from derecognition of fixed assets (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the current year profit or loss in the year the item is derecognized.

The asset's residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at each financial year end.

Asset in progress and software under development are stated at cost and presented as part of the fixed assets. The accumulated cost will be reclassified to the appropriate fixed assets account when the installation is substantially completed and the asset is ready for its intended use.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

h. Aset Tetap (Lanjutan)

Penurunan nilai aset non-keuangan

Pada setiap akhir periode pelaporan, Perusahaan menilai apakah terdapat indikasi suatu aset mengalami penurunan nilai. Jika terdapat indikasi tersebut atau pada saat pengujian penurunan nilai aset diperlukan, maka Perusahaan membuat estimasi formal jumlah terpulihkan aset tersebut.

Jumlah terpulihkan adalah jumlah yang lebih tinggi antara nilai wajar aset atau unit penghasil kas dikurangi biaya pelepasan dengan nilai pakainya.

Rugi penurunan nilai segera diakui dalam laba rugi. Rugi penurunan nilai yang telah diakui dalam periode sebelumnya untuk aset selain *goodwill* dibalik jika dan hanya jika, terdapat perubahan estimasi yang digunakan untuk menentukan jumlah terpulihkan aset tersebut sejak rugi penurunan nilai terakhir diakui.

i. Aset Tak Berwujud

Piranti lunak

Piranti lunak pada awalnya dinyatakan sebesar biaya perolehan. Biaya perolehan awal piranti lunak meliputi harga pembelian, termasuk biaya-biaya yang dapat diatribusikan secara langsung untuk membawa piranti lunak siap dipakai.

Setelah pengakuan awal, piranti lunak diukur menggunakan model biaya, dicatat sebesar biaya perolehannya dikurangi akumulasi amortisasi dan akumulasi kerugian penurunan nilai.

Amortisasi diakui dalam laporan laba rugi dan penghasilan komprehensif lain dengan menggunakan metode garis lurus sepanjang estimasi masa manfaatnya, dimulai dari tanggal perangkat lunak tersebut tersedia untuk dipakai. Estimasi masa manfaat perangkat lunak adalah lima tahun.

Metode amortisasi, estimasi masa manfaat dan nilai residual ditelaah pada setiap akhir tahun pelaporan dan disesuaikan jika dianggap tepat.

Keuntungan atau kerugian pelepasan aset tak berwujud ditentukan dengan membandingkan penerimaan dengan nilai tercatat dan diakui di dalam laporan laba rugi.

j. Pinjaman yang Diterima

Pinjaman yang diterima merupakan dana yang diterima dari berbagai bank dan institusi keuangan, termasuk fasilitas pembiayaan bersama (*joint financing*) with recourse. Fasilitas pembiayaan bersama (*joint financing*) with recourse disajikan secara gross, yaitu sebanyak pinjaman yang diberikan kepada konsumen dan pinjaman yang diterima dari bank dicatat dalam nilai penuh dengan kewajiban pembayaran kembali sesuai dengan persyaratan perjanjian pinjaman.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

h. Fixed Assets (Continued)

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimation of the asset's recoverable amount.

Recoverable amount is the higher of the fair value of an asset or cash-generating unit less costs of disposal with its value in use

An impairment loss is recognized immediately in profit or loss. Impairment losses recognized in prior periods for an asset other than goodwill is reversed if, and only if, there is a change in the estimates used to determine the asset's recoverable amount since the last impairment loss is recognized.

i. Intangible Assets

Software

Software is initially recognized at acquisition cost. The acquisition cost of software consists of its purchase price, including any directly attributable costs in bringing the software to its intended use.

After initial recognition, software is measured using cost model, stated at cost less accumulated amortization and accumulated impairment losses

Amortization is recognized in the statement of profit or loss and other comprehensive income on a straight-line method over the estimated useful life of software, from the date that it is available for use. The estimated useful life of software is five years.

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Gains or losses on disposal of intangible assets are determined by comparing proceeds with the carrying amount and are recognized in profit or loss.

j. Fund Borrowings

Borrowings represent funds received from various banks and financial institutions, including with recourse joint financing facilities. With recourse joint financing facilities are presented gross, i.e. loans granted to customers and borrowings received from banks are recorded at their full amount with repayment obligations in accordance with the terms of the agreement.

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j. Pinjaman yang Diterima (Lanjutan)

Pinjaman yang diterima diklasifikasikan sebagai liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi. Biaya tambahan yang dapat diatribusikan secara langsung dengan perolehan pinjaman dikurangkan dari jumlah pinjaman yang diterima. Lihat Catatan 2d untuk kebijakan akuntansi atas liabilitas keuangan yang diukur pada biaya perolehan diamortisasi.

k. Surat Berharga yang Diterbitkan

Surat berharga yang diterbitkan meliputi utang Obligasi dan *Medium Term Notes*.

Surat berharga yang diterbitkan dicatat sebesar nilai nominal dikurangi saldo diskonto yang belum diamortisasi. Beban emisi surat berharga yang diterbitkan sehubungan dengan penerbitan surat berharga yang diterbitkan diakui sebagai diskonto dan dikurangkan langsung dari hasil emisi surat berharga yang diterbitkan untuk menentukan hasil emisi bersih surat berharga yang diterbitkan tersebut.

Surat berharga yang diterbitkan diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif setelah pengakuan awalnya. Diskonto diamortisasi selama jangka waktu surat berharga yang diterbitkan tersebut dengan menggunakan metode suku bunga efektif (Catatan 2d).

l. Imbalan Kerja

Imbalan Pasca Kerja

Perusahaan menerapkan PSAK No. 24 (Amandemen 2014): "Imbalan Kerja", yang berlaku efektif sejak tanggal 1 Januari 2016.

Imbalan Pasca Kerja (IPK) sebagaimana dimaksud dalam Undang-undang (UU) Ketenagakerjaan, yaitu imbalan kerja jenis manfaat pasti, yang mencakup pensiun, uang pesangon, uang penghargaan dan imbalan lainnya, dihitung berdasarkan "Peraturan Perusahaan" yang telah sesuai dengan UU Ketenagakerjaan No. 13/2013.

Kewajiban imbalan pasca-kerja yang diakui di laporan posisi keuangan dihitung berdasarkan nilai kini dari estimasi kewajiban imbalan pasca-kerja dimasa depan yang timbul dari jasa yang telah diberikan oleh karyawan pada masa kini dan masa lalu, dikurangi dengan nilai wajar aset neto dana pension. Perhitungan dilakukan oleh aktuaria independen dengan metode *projected-unit-credit*.

Beban jasa kini, beban bunga, beban jasa lalu yang telah menjadi hak karyawan, dan dampak kurtailmen atau penyelesaian (jika ada) diakui segera sebagai beban dalam laporan laba rugi dan penghasilan komprehensif lain.

Keuntungan atau kerugian aktuarial yang timbul dari penyesuaian dan perubahan dalam asumsi-asumsi aktuarial langsung diakui seluruhnya melalui penghasilan atau beban komprehensif lainnya pada periode dimana keuntungan/(kerugian) aktuarial terjadi. Akumulasi keuntungan dan kerugian aktuarial dicatat di saldo laba.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

j. Fund Borrowings (Continued)

Borrowings are classified as financial liabilities measured at amortized cost. Additional costs that are directly attributable to the acquisition of loans are deducted from total borrowings. See Note 2d for the accounting policy on financial liabilities measured at amortized cost.

k. Securities Issued

Securities issued consist of Bonds payable and Medium Term Notes.

Securities issued are presented at nominal value net of unamortized discounts. Securities issuance costs are recognized as discounts and directly deducted from the proceeds of securities issuance to determine the net proceeds of the securities issued.

Securities are measured at amortized cost using effective interest method after initial recognition. The discounts are amortized over the period of the securities using the effective interest method (Note 2d).

l. Employees' Benefits

Post-employment Benefits

The Company applies SFAS No. 24 (Amendment 2014): "Employee Benefits", which became effective as of 1 January 2016.

Post Employment Benefits as stipulated under the Labor Law regarding to severance pay, service pay, compensation pay and other benefits, are calculated in accordance with "Company Regulation" which is in line with Labor Law No. 13/2013.

The obligation for post-employment benefits recognized in the statement of financial position is calculated at present value of estimated future benefits that the employees have earned in return for their services in the current and prior years, deducted by any plan assets. The Calculation is performed by an independent actuary using the projected-unit-credit method.

Current service costs, interest costs, vested past service costs, and effect of curtailment or settlement (if any) are recognized immediately in the statement of profit or loss and other comprehensive income.

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are directly fully recognized to other comprehensive income or expense in the period when such actuarial gain/(losses) occur. Accumulated actuarial gains and losses are recorded in retained earnings.

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l. Imbalan Kerja (Lanjutan)

Imbalan Pasca Kerja (Lanjutan)

Perusahaan telah memiliki program pensiun iuran pasti yang mana Perusahaan membayar iuran ke dana pensiun lembaga keuangan yang dihitung berdasarkan persentase tertentu dari penghasilan tetap yang diterima karyawan yang sudah memenuhi kriteria yang ditetapkan Perusahaan. Iuran dibebankan ke dalam laporan laba rugi dan penghasilan komprehensif lain pada saat terhutang.

Imbalan kerja jangka pendek

Imbalan kerja jangka pendek diakui pada saat terutang kepada karyawan berdasarkan metode akrual.

m. Pengakuan Pendapatan dan Beban

Pendapatan dari sewa pembiayaan (Catatan 2e) dan pembiayaan konsumen (Catatan 2f) diakui sesuai dengan jangka waktu kontrak berdasarkan metode suku bunga efektif.

Metode suku bunga efektif adalah metode yang digunakan untuk menghitung biaya perolehan diamortisasi dari aset keuangan atau liabilitas keuangan dan metode untuk mengalokasikan pendapatan bunga atau beban bunga selama periode yang relevan. Suku bunga efektif adalah suku bunga yang secara tepat mendiskontokan estimasi pembayaran atau penerimaan kas di masa mendatang selama perkiraan umur dari instrumen keuangan, atau jika lebih tepat, digunakan periode yang lebih singkat untuk memperoleh nilai tercatat bersih dari aset keuangan atau liabilitas keuangan. Pada saat menghitung suku bunga efektif, entitas mengestimasi arus kas dengan mempertimbangkan seluruh persyaratan kontraktual dalam instrumen keuangan tersebut (seperti pelunasan dipercepat, opsi beli (*call option*) dan opsi serupa lainnya), namun tidak mempertimbangkan kerugian kredit di masa datang. Perhitungan ini mencakup seluruh biaya transaksi yang dibayarkan atau diterima oleh para pihak dalam kontrak yang merupakan bagian tak terpisahkan dari suku bunga efektif, biaya transaksi dan seluruh premi atau diskon lainnya.

Biaya transaksi merupakan biaya tambahan yang dapat diatribusikan secara langsung untuk perolehan, penerbitan atau pelepasan aset keuangan atau liabilitas keuangan.

Biaya tambahan merupakan biaya yang tidak akan terjadi apabila Perusahaan tidak memperoleh, menerbitkan atau melepaskan instrumen keuangan.

Jika aset keuangan atau kelompok aset keuangan serupa telah diturunkan nilainya sebagai akibat kerugian penurunan nilai, maka pendapatan bunga yang diperoleh setelahnya diakui berdasarkan suku bunga yang digunakan untuk mendiskonto arus kas masa datang dalam menghitung kerugian penurunan nilai.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

l. *Employees' Benefits (Continued)*

Post-employment Benefits (Continued)

The Company has a defined contribution pension program where the Company pays contributions to a financial institution pension plan which is calculated at a certain percentage of fixed income of the employees who meet the Company's criteria. The contributions are charged to the statement of profit or loss and other comprehensive income as they become payable.

Short-term employee benefits

Short-term employees' benefits are recognized when they are owed to the employees based on an accrual method.

m. *Revenue and Expenses Recognition*

Income from finance lease (Note 2e) and consumer financing (Note 2f) are recognised over the term of the contract based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flow considering all contractual term of the financial instrument (for example, prepayment options, call option and other similar options) but does not consider future credit losses. The calculation includes all fees, commissions and other fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums discounts.

Transaction costs are additional charges that are directly attributable to the acquisition, issuance or disposal of financial assets or financial liabilities.

Additional costs are costs that would not occur if the Company does not obtain, publish or otherwise dispose of financial instruments.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

m. Pengakuan Pendapatan dan Beban (Lanjutan)

Pendapatan pembiayaan konsumen Perusahaan disajikan bersih setelah dikurangi dengan bagian pendapatan milik bank atau pihak lain sehubungan dengan transaksi-transaksi penerusan pinjaman, pembiayaan bersama, anjak piutang dan penunjukan selaku pengelola piutang.

Pendapatan selisih premi asuransi dan selisih atas beban komisi dan subsidi dealer diakui sebagai penyesuaian atas suku bunga efektif atas pinjaman yang diberikan dan piutang (Catatan 2d).

Beban diakui pada saat terjadinya dengan menggunakan dasar akrual.

n. Akuntansi Lindung Nilai

Akuntansi lindung nilai diterapkan untuk aset dan liabilitas keuangan hanya ketika seluruh kriteria berikut terpenuhi:

- Pada awal lindung nilai terdapat rancangan formal dan dokumentasi atas hubungan lindung nilai dan tujuan manajemen risiko Perusahaan dan strategi untuk melakukan lindung nilai.
- Untuk lindung nilai arus kas, item yang dilindung nilai dalam transaksi yang diperkirakan kemungkinan besar terjadi dan menyajikan eksposur terhadap variasi dalam arus kas yang pada akhirnya dapat mempengaruhi laba rugi.
- Perubahan kumulatif nilai wajar instrumen lindung nilai diharapkan berkisar antara 80% - 125% dari perubahan kumulatif nilai wajar atau arus kas item yang dilindung nilai dapat diatribusikan pada risiko yang dilindung nilai (misalnya diperkirakan sangat efektif).
- Efektifitas lindung nilai dapat di perkirakan secara andal.
- Lindung nilai masih sangat efektif pada tanggal pengujian. Efektifitas diuji setiap kuartal.

Lindung nilai arus kas

Bagian yang efektif dari kontrak *forward* sebagai lindung nilai dari variabilitas arus kas dari risiko mata uang asing yang terjadi karena adanya komitmen perusahaan, dan transaksi yang diperkirakan kemungkinan besar terjadi, diukur pada nilai wajar dengan perubahan pada nilai wajar di akui pada penghasilan komprehensif lain dan diakumulasikan dalam cadangan lindung nilai arus kas. Perusahaan menggunakan kontrak *forward* seperti ini untuk mengeliminasi risiko fluktuasi nilai tukar mata uang atas pembayaran pinjaman dalam valuta asing.

Jika transaksi yang diperkirakan sangat mungkin terjadi menghasilkan pengakuan aset non moneter, maka kerugian/(keuntungan) kumulatif ditambahkan pada/(dikurangi dari) biaya aset yang di akuisisi (dasar penyesuaian). Jika tidak, maka keuntungan atau kerugian yang diakui dalam penghasilan komprehensif lain di reklasifikasi dari cadangan lindung nilai arus kas ke laporan laba rugi dalam waktu yang bersamaan pada saat transaksi lindung nilai mempengaruhi laba rugi.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

m. Revenue and Expenses Recognition (Continued)

The Company's consumer financing income is presented net of with consumer financing income belongs to the bank in relation with channeling transactions, joint financing cooperations, factoring, and the appointment as manager of accounts receivable.

Income from excess of insurance premiums and excess of commission expenses and subsidy to dealer are recognised as an adjustment to the effective interest rate of the loan and receivables (Note 2d).

Expenses are recognized as incurred on an accrual basis.

n. Hedge Accounting

Hedge accounting is applied to financial assets and financial liabilities only where all of the following criteria are met:

- At the inception of the hedge there is formal designation and documentation of the hedging relationship and the Company's risk management objective and strategy for undertaking the hedge.
- For cash flow hedges, the hedged item in a forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss.
- The cumulative change in the fair value of the hedging instrument is expected to be between 80% - 125% of the cumulative change in the fair value or cash flows of the hedged item attributable to the risk hedged (i.e. it is expected to be highly effective).
- The effectiveness of the hedge can be reliably measured
- The hedge remains highly effective on each date tested. Effectiveness is tested quarterly.

Cash flow hedges

The effective part of forward contracts designated as a hedge of the variability in cash flows of foreign currency risk arising from firm commitments, and highly probable forecast transactions, are measured at fair value with changes in fair value recognised in other comprehensive income and accumulated in the cash flow hedge reserve. The Company uses such forward contracts to eliminate the risk of fluctuations in currency exchange rates on repayment of loans in foreign currency.

If a highly probable forecast transaction results in the recognition of a non-monetary asset, the cumulative loss/(gain) is added to/(subtracted from) the cost of the asset acquired ("basis adjustment"). Otherwise the cumulative gain or loss recognised in other comprehensive income is reclassified from the cash flow hedge reserve to profit or loss at the same time as the hedged transaction affects profit or loss. The two transactions are recognised in the same line item.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

n. Akuntansi Lindung Nilai (Lanjutan)

Lindung nilai arus kas (Lanjutan)

Jika transaksi perkiraan ini dipertimbangkan tidak mungkin akan terjadi namun masih di harapkan untuk terjadi, maka keuntungan atau kerugian kumulatif yang diakui dalam penghasilan komprehensif lain dihentikan dan diakui dalam laba atau rugi sesuai dengan kebijakan yang di ungkapkan dalam paragraf di atas. Perubahan nilai wajar derivatif selanjutnya diakui dalam laporan laba rugi. Jika Perusahaan menyelesaikan posisinya sebelum transaksi terjadi (meski masih diharapkan untuk terjadi), maka keuntungan atau kerugian kumulatif atas perubahan nilai wajar derivatif diakui sesuai dengan kebijakan yang diungkapkan di paragraf di atas. Jika, pada titik tertentu, transaksi lindung nilai ini tidak lagi diharapkan untuk terjadi, maka keuntungan atau kerugian kumulatif direklasifikasikan dari cadangan lindung nilai arus kas ke laba atau rugi secara langsung.

Bagian efektif keuntungan atau kerugian derivatif yang digunakan untuk mengatur risiko tingkat suku bunga arus kas (seperti tingkat suku bunga mengambang menjadi tingkat suku bunga swap tetap) juga diakui dalam penghasilan komprehensif lain dan diakumulasi dalam cadangan lindung nilai arus kas. Namun, jika Perusahaan menyelesaikan posisinya lebih awal, maka keuntungan dan kerugian kumulatif yang diakui dalam penghasilan komprehensif lain dihentikan dan direklasifikasikan dari cadangan lindung nilai arus kas ke laporan laba rugi dengan menggunakan metode suku bunga efektif. Bagian yang tidak efektif dari keuntungan atau kerugian derivatif di gunakan untuk mengatur resiko suku bunga arus kas yang diakui dalam laporan laba rugi dalam beban atau pendapatan keuangan.

Ketika derivatif digunakan untuk lindung nilai eksposur Perusahaan terhadap resiko nilai wajar tingkat suku bunga (seperti tingkat suku bunga tetap menjadi tingkat suku bunga swap mengambang), maka item lindung nilai diukur kembali untuk memperhitungkan keuntungan atau kerugian yang diatribusikan pada risiko yang dilindung nilai (dalam hal pinjaman dengan tingkat bunga tetap, maka risiko yang dilindung nilai adalah perubahan nilai wajar tingkat suku bunga) dengan keuntungan atau kerugian yang muncul diakui dalam laporan laba rugi. Hal ini akan menyebabkan saling hapus keuntungan atau kerugian yang muncul atas instrumen lindung nilai yang diukur pada nilai wajar melalui laporan laba rugi.

o. Transaksi dan Saldo dalam Mata Uang Asing

Transaksi-transaksi dalam mata uang asing dijabarkan ke dalam Rupiah dengan menggunakan kurs yang berlaku pada tanggal transaksi. Pada tanggal pelaporan, aset dan liabilitas moneter dalam mata uang asing dijabarkan ke dalam Rupiah dengan menggunakan kurs yang berlaku pada tanggal laporan posisi keuangan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Hedge Accounting (Continued)

Cash flow hedges (Continued)

If a forecast transaction is no longer considered highly probable but the forecast transaction is still expected to occur, the cumulative gain or loss recognised in other comprehensive income is frozen and recognised in profit or loss in accordance with the policy set out in the paragraph above. Subsequent changes in the fair value of the derivative are recognised in profit or loss. If the Company closes out its position before the transaction takes place (even though it is still expected to take place) the cumulative gain or loss on changes in fair value of the derivative is similarly recognised in accordance with the policy set out in the paragraph above. If, at any point, the hedged transaction is no longer expected to occur, the cumulative gain or loss is reclassified from the cash flow hedge reserve to profit or loss immediately.

The effective portion of gains and losses on derivatives used to manage cash flow interest rate risk (such as floating to fixed interest rate swaps) are also recognised in other comprehensive income and accumulated in the cash flow hedge reserve. However, if the Company closes out its position early, the cumulative gains and losses recognised in other comprehensive income are frozen and reclassified from the cash flow hedge reserve to profit or loss using the effective interest method. The ineffective portion of gains and losses on derivatives used to manage cash flow interest rate risk are recognised in profit or loss within finance expense or finance income.

Where derivatives are used to hedge the Company's exposure to fair value interest rate risk (such as fixed to floating rate swaps), the hedged item is remeasured to take into account the gain or loss attributable to the hedged risk (in the case of a fixed rate loan, the hedged risk is changes in the fair value of interest rates) with the gains or losses arising recognised in profit or loss. This offsets the gain or loss arising on the hedging instrument which is measured at fair value through profit or loss.

o. Balances in Foreign Currency Transactions

Transactions denominated in foreign currencies are translated into Rupiah at the exchange rates prevailing at the date of the transaction. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated into Rupiah using the exchange rates prevailing at the statement of financial position date.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

o. Transaksi dan Saldo dalam Mata Uang Asing (Lanjutan)

Keuntungan dan kerugian selisih kurs yang timbul dari transaksi dalam mata uang asing dan dari penjabaran aset dan liabilitas moneter dalam mata uang asing, diakui pada laporan laba rugi dan penghasilan komprehensif lain tahun berjalan.

Kurs utama yang digunakan untuk penjabaran mata uang asing pada tanggal 31 Desember 2016 dan 2015, berdasarkan kurs tengah yang diterbitkan Bank Indonesia, yaitu sebagai berikut:

	2016
1 Dollar Amerika Serikat (USD)	13.436
Penjabaran mata uang asing dicatat sesuai dengan PSAK 10 (revisi 2010) - Pengaruh Perubahan Nilai Tukar Valuta Asing.	

p. Piutang dalam Proses Penyelesaian

Piutang dalam proses penyelesaian merupakan piutang atas jaminan yang dikuasai kembali dan dinyatakan berdasarkan nilai realisasi bersih yaitu nilai tercatat atau pokok piutang pembiayaan terkait, yaitu pembiayaan konsumen dan investasi neto sewa pembiayaan dikurangi penyisihan penurunan nilai pasar atas jaminan yang dikuasai kembali. Piutang pembiayaan konsumen dan investasi neto sewa pembiayaan direklasifikasikan menjadi piutang dalam proses penyelesaian ketika jaminan ditarik karena konsumen tidak dapat memenuhi kewajibannya setelah melalui proses tahapan yang ditetapkan dalam perjanjian pembiayaan dengan konsumen.

Pelanggan memberi kuasa kepada Perusahaan untuk menjual obyek yang dijaminan atau melakukan tindakan lainnya dalam upaya penyelesaian piutang bila terjadi wanprestasi terhadap perjanjian pembiayaan. Kelebihan hasil penyelesaian dengan jumlah seluruh kewajiban konsumen merupakan hak dari konsumen, sedangkan kekurangan hasil penyelesaian akan dibebankan sebagai penghapusan piutang lain-lain pada laporan laba rugi dan penghasilan komprehensif lain .

Piutang dalam proses penyelesaian diklasifikasikan sebagai aset keuangan dalam kelompok pinjaman yang diberikan dan piutang.

q. Pelaporan Segmen

Segmen operasi adalah suatu komponen dari entitas:

- (1) 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);
- (2) hasil operasinya dikaji ulang secara *regular* oleh pengambil keputusan operasional untuk membuat keputusan tentang sumber daya yang dialokasikan pada segmen tersebut dan menilai kinerjanya; dan
- (3) tersedia informasi keuangan yang dapat dipisahkan.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

o. Balances in Foreign Currency Transactions
(Continued)

Exchange gains and losses arising from transactions in foreign currencies and from the translation of foreign currency monetary assets and liabilities are recognized in the current year statement of profit or loss and other comprehensive income.

The main exchange rates used for translating the foreign currency as of 31 December 2016 and 2015 are based of the mid rates published by Bank Indonesia, are as follows:

	2015
13.795	1 United States Dollars (USD)
Foreign currency translation is recorded in accordance with SFAS 10 (revised 2010) - The Effects of Changes in Foreign Exchange Rates.	

p. Receivables in the Settlement Process

Receivables in the process of settlement of the claim in respect of the guarantees under control and are stated net realizable value is the carrying amount or principal amount of finance receivables related, namely consumer financing and finance lease net investment net of allowance for decline in market value of the security is under control. Consumer finance receivables and net investment reclassified to finance lease receivables in the settlement process when bail withdrawn because consumers are not able to meet its obligations after going through the stages stipulated in the financing agreement with the consumer.

Customer authorizes the Company to sell the pledged object or performing other actions in solving the debts in the event of default of the financing agreement. Excess result of a settlement with the total obligations of the consumer is the right of the customer, while the shortage of the settlement proceeds will be charged to written-off other receivables in the statement of profit or loss and other comprehensive income.

Receivables in the settlement process are classified as financial assets classified as loans and receivables.

q. Segment Reporting

An operating segment is a component of entity which:

- (1) involves with business activities to generate income and expenses (include income and expenses relating to the transactions with other components with the same entity);
- (2) operations result is observed regularly by chief decision maker to make decisions regarding the allocation of resources and to evaluate the works; and
- (3) separate financial information is available.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

q. Pelaporan Segmen (Lanjutan)

Perusahaan menyajikan segmen operasi berdasarkan laporan internal Perusahaan yang disajikan kepada pengambil keputusan operasional. Pengambil keputusan operasional Perusahaan adalah Direksi.

Segmen operasi Perusahaan disajikan berdasarkan segmen primer dibagi ke dalam segmen-segmen usaha berikut: sewa pembiayaan dan pembiayaan konsumen, sedangkan segmen sekunder dibagi ke dalam segmen geografis berikut: Jawa, Kalimantan, Sumatera dan Sulawesi (Catatan 30).

r. Saham Treasuri

Jika entitas memperoleh kembali instrumen ekuitasnya, maka instrumen tersebut (saham treasuri) dikurangkan dari ekuitas. Keuntungan atau kerugian yang timbul dari pembelian, penjualan, penerbitan, atau pembatalan instrumen ekuitas entitas tersebut tidak diakui dalam laba rugi. Imbalan yang dibayarkan atau diterima diakui secara langsung di ekuitas.

s. Program Kompensasi Manajemen dan Karyawan Berbasis Saham

Karyawan (termasuk eksekutif senior) Perusahaan menerima remunerasi dalam bentuk pembayaran berbasis saham, dimana karyawan memberikan jasa sebagai pertimbangan untuk instrumen ekuitas ('equity-settled transactions'). Saat opsi di eksekusi, Perusahaan menerbitkan saham baru. Hasil bersih dari eksekusi berupa biaya yang dapat diatribusikan secara langsung dikreditkan ke modal saham (nilai nominal) dan premi saham.

Dalam situasi di mana instrumen ekuitas yang diterbitkan dan beberapa atau seluruh barang atau jasa yang diterima oleh entitas sebagai pertimbangan tidak dapat diidentifikasi secara khusus, barang atau jasa yang diterima (atau yang akan diterima) yang tidak dapat diidentifikasi diukur sebagai selisih antara nilai wajar pembayaran berbasis saham dan nilai wajar dari barang atau jasa yang diterima yang teridentifikasi pada tanggal pemberian hak. Hal ini kemudian dikapitalisasi atau dibebankan secara tepat.

Beban program opsi karyawan berbasis saham dan beban program opsi manajemen diukur pada tanggal pemberian kompensasi (*grant date*) berdasarkan nilai wajar dari seluruh opsi yang diberikan yang dihitung dengan menggunakan metode *black-scholes* (lihat Catatan 19 untuk perlakuan akuntansi atas kompensasi berbasis saham ini).

t. Pajak Penghasilan

Pajak kini

Aset dan/ atau liabilitas pajak kini terdiri dari liabilitas kepada, atau klaim dari kantor pelayanan pajak terkait dengan periode kini dan periode sebelum periode pelaporan, yang belum dibayar pada tanggal laporan posisi keuangan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

q. Segment Reporting (Continued)

The Company presents operating segments based on the information that internally is provided to the chief operating decision maker. The Company's chief operating decision-maker is Board of Directors.

Operating segments presented by the primary segments are divided into the following business segments: finance leases and consumer financing, while the secondary segments are divided into the following geographic segments: Java, Kalimantan, Sumatera and Sulawesi (Note 30).

r. Treasury Stock

If the entity regain its equity instruments, then those instruments (treasury shares) are deducted from equity. Gains or losses arising from the purchase, sale, issuance, or cancellation of the entity's equity instruments are not recognized in profit or loss. Compensation paid or received is recognized directly in equity.

s. Management and Employees Stock Option Program

Employees (including senior executives) of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ('equity-settled transactions'). When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment transaction and the fair value of any identifiable goods or services received at the grant date. This is then capitalised or expensed as appropriate.

Employee stock option program and management option program costs are measured at grant date based on the fair value of the stock option using a *black-scholes* model (refer to Note 19 for the accounting treatments of these share-based payments).

t. Income Tax

Current tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from tax authorities relating to the current or prior reporting period, that are unpaid at the statement of financial position date.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

t. Pajak Penghasilan (Lanjutan)

Pajak kini (Lanjutan)

Pajak kini dihitung sesuai dengan tarif pajak dan ketentuan perpajakan yang berlaku pada periode fiskal yang terkait, berdasarkan laba kena pajak periode berjalan. Semua perubahan aset atau liabilitas pajak kini diakui sebagai komponen beban pajak penghasilan di dalam laporan laba rugi dan penghasilan komprehensif lain.

Pajak tangguhan

Aset dan liabilitas pajak tangguhan diakui untuk perbedaan temporer antara basis komersial dan basis fiskal atas aset dan liabilitas pada setiap tanggal pelaporan.

Aset dan liabilitas pajak tangguhan diukur dengan tarif pajak yang diharapkan berlaku pada tahun ketika aset direalisasi atau liabilitas diselesaikan, berdasarkan tarif pajak (dan peraturan perpajakan) yang telah berlaku atau secara substansial berlaku pada tanggal laporan posisi keuangan.

Jumlah tercatat aset pajak tangguhan ditelaah pada setiap tanggal laporan posisi keuangan dan diturunkan apabila laba fiskal mungkin tidak memadai untuk mengkompensasi sebagian atau semua aset pajak tangguhan.

Aset pajak tangguhan yang belum diakui, diukur kembali pada tiap tanggal laporan posisi keuangan dan diakui apabila terdapat kemungkinan pendapatan kena pajak di masa depan memulihkan aset pajak tangguhan.

Perpajakan lainnya

Penyesuaian atas liabilitas pajak dicatat pada saat Surat Ketetapan Pajak diterima atau jika mengajukan keberatan dan banding, pada saat keputusan atas keberatan dan banding tersebut diterima.

Jumlah tambahan pokok dan denda pajak yang ditetapkan dengan Surat Ketetapan Pajak (SKP) diakui sebagai pendapatan atau beban dalam operasi periode berjalan, kecuali jika diajukan upaya penyelesaian selanjutnya. Jumlah tambahan pokok dan denda pajak yang ditetapkan dengan SKP ditangguhkan pembebanannya sepanjang memenuhi kriteria pengakuan aset.

u. Laba per Saham

Sesuai dengan PSAK No. 56 "Laba per saham", laba per saham dasar dihitung dengan cara membagi laba bersih yang tersedia bagi pemegang saham dengan jumlah rata-rata tertimbang saham biasa yang beredar pada tahun yang berjalan.

Laba per saham dilusian dihitung dengan cara membagi laba bersih yang tersedia bagi pemegang saham dengan jumlah rata-rata tertimbang saham biasa yang telah disesuaikan dengan dampak dari semua efek berpotensi saham biasa yang dilutif.

Jika jumlah saham yang beredar meningkat akibat dari pemisahan saham (*stock split*), maka perhitungan laba per saham dasar untuk seluruh periode penyajian harus disesuaikan secara retrospektif.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

t. *Income Tax (Continued)*

Current tax (Continued)

Current income tax are calculated according to the tax rates and tax laws applicable to the fiscal periods to which it's relate, based on the taxable profit for the period. All changes to current tax assets or liabilities are recognized as a component of income tax expense in the statement of profit or loss and other comprehensive income.

Deferred tax

Deferred tax assets and liabilities are recognized for temporary differences between the financial and the tax bases of assets and liabilities at each reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the statements of financial position date.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Other taxation matters

Amendments to tax obligations are recorded when an assessment letter is received and/or, if objected to and/or appealed against by Company, when the result of the objection and/or appeal is determined.

The extra amount of tax principal and penalties stipulated by the Tax Assessment Letter (SKP) is recognized as income or expense in the current operations, unless further proposed settlement efforts. The extra amount of tax principal and penalties stipulated by SKP are deferred as long as it meets the criteria for asset recognition.

u. *Earnings per Share*

In accordance with SFAS No. 56 "Earning per share", earnings per share is calculated by dividing net profit available to shareholders by the weighted average number of common shares outstanding during current year.

Diluted earning per share is calculated by dividing net profit available to shareholders by the weighted average number of shares outstanding as adjusted for the effect of all dilutive potential ordinary shares.

If the outstanding number of shares increase as result of stock split, the computation of basic earnings per share for all presentation periods is adjusted retrospectively.

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v. Dividen

Pembagian dividen kepada para pemegang saham Perusahaan diakui sebagai sebuah liabilitas dalam laporan keuangan pada periode ketika dividen tersebut disetujui oleh para pemegang saham Perusahaan. Pembagian dividen interim diakui sebagai liabilitas ketika dividen disetujui berdasarkan keputusan rapat Direksi sesuai dengan Anggaran Dasar Perseroan.

w. Pertimbangan Akuntansi yang Penting, Estimasi dan Asumsi

Penyusunan laporan keuangan sesuai dengan standar akuntansi keuangan di Indonesia, mengharuskan manajemen membuat pertimbangan, estimasi dan asumsi yang mempengaruhi aset, liabilitas, komitmen dan kontinjensi yang dilaporkan. Karena adanya unsur ketidakpastian melekat dalam melakukan estimasi sehingga dapat menyebabkan jumlah sesungguhnya yang dilaporkan pada periode yang akan datang berbeda dengan jumlah yang diestimasikan.

l. Penggunaan Pertimbangan

Pertimbangan berikut ini dibuat oleh manajemen dalam rangka penerapan kebijakan akuntansi Perusahaan yang memiliki pengaruh paling signifikan atas jumlah yang diakui dalam laporan keuangan:

(i) Klasifikasi aset dan liabilitas keuangan

Perusahaan menetapkan kategori atas aset dan liabilitas tertentu sebagai aset keuangan dan liabilitas keuangan dengan mempertimbangkan definisi yang ditetapkan PSAK No. 55 (Revisi 2015) dipenuhi. Dengan demikian, aset keuangan dan liabilitas keuangan diakui sesuai dengan kebijakan akuntansi Perusahaan seperti diungkapkan pada Catatan 2d.

(ii) Cadangan atas kerugian penurunan nilai aset keuangan

Perusahaan mengevaluasi akun tertentu yang diketahui bahwa para pelanggannya tidak dapat memenuhi liabilitas keuangannya. Dalam hal tersebut, Perusahaan mempertimbangkan, berdasarkan fakta dan situasi yang tersedia, termasuk namun tidak terbatas pada jangka waktu, hubungan dengan pelanggan dan status piutang dari pelanggan berdasarkan catatan piutang pihak ketiga yang tersedia dan faktor pasar yang telah diketahui, untuk mencatat cadangan spesifik atas pelanggan terhadap jumlah terutang guna mengurangi jumlah piutang yang diharapkan dapat diterima oleh Perusahaan.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

v. Dividends

Dividend distributions to the Company's shareholders is recognised as a liability in the financial statement in the period which the dividends are approved by the Company's shareholders. Interim dividend distributions are recognised as a liability when the dividends are approved based on a Board of Directors resolution in accordance with the Company's Articles of Association.

w. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's financial statements, in conformity with Indonesian Financial Accounting Standards requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, commitments and contingent liabilities which are reported. Due to inherent uncertainty in the estimates thus can lead to actual results reported in future periods differ from those estimates.

l. Use of Judgements

The following judgements are made by management in the process of applying the Company's accounting policies that have the most significant effects on the amounts recognized in the financial statements:

(i) Classification of financial assets and financial liabilities

The Company determines the category of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in SFAS No. 55 (Revised 2015). Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Company's accounting policies as disclosed in Note 2d.

(ii) Allowance for impairment of financial assets

The Company evaluate specific accounts where it has information that certain customers are unable to meet their financial obligations. In these cases, the Company uses judgement, based on available facts and circumstances, including but not limited to, the length of its relationship with the customer and the customer's current receivables status based on any available third party receivables reports and known market factors, to record specific allowance for customers against amounts due to reduce its receivable amounts that the Company expected to collect.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

w. Pertimbangan Akuntansi yang Penting, Estimasi dan Asumsi (Lanjutan)

I. Penggunaan Pertimbangan (Lanjutan)

(ii) Cadangan atas kerugian penurunan nilai aset keuangan (Lanjutan)

Cadangan spesifik ini dievaluasi kembali dan disesuaikan jika tambahan informasi yang diterima mempengaruhi jumlah cadangan kerugian penurunan nilai investasi neto pembiayaan dan cadangan piutang pembiayaan konsumen. Nilai tercatat dari investasi neto sewa pembiayaan sebelum cadangan kerugian penurunan nilai pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar Rp 7.181.481 dan Rp 5.292.684. Penjelasan lebih rinci diungkapkan dalam Catatan 4. Nilai tercatat dari piutang pembiayaan konsumen Perusahaan sebelum cadangan kerugian penurunan nilai pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar Rp 4.584.879 dan Rp 4.784.972. Penjelasan lebih rinci diungkapkan dalam Catatan 5.

II. Estimasi dan Asumsi

Asumsi utama masa depan dan sumber utama estimasi ketidakpastian lain pada akhir periode pelaporan yang memiliki risiko signifikan bagi penyesuaian yang material terhadap nilai tercatat aset dan liabilitas untuk tahun/periode berikutnya, diungkapkan dibawah ini. Perusahaan mendasarkan asumsi dan estimasi pada parameter yang tersedia pada saat laporan keuangan disusun. Asumsi dan situasi mengenai perkembangan masa depan, mungkin berubah akibat perubahan pasar atau situasi diluar kendali Perusahaan. Perubahan tersebut dicerminkan dalam asumsi terkait pada saat terjadinya.

(i) Nilai wajar atas instrumen keuangan

Nilai wajar instrumen keuangan yang secara aktif diperdagangkan di pasar keuangan ditentukan dengan mengacu pada kuotasi harga pasar yang berlaku pada penutupan pasar pada akhir tahun pelaporan. Untuk instrumen keuangan yang tidak diperdagangkan di pasar aktif, nilai wajar ditentukan dengan menggunakan teknik penilaian. Teknik penilaian tersebut meliputi penggunaan transaksi pasar terkini yang dilakukan secara wajar (*arm's length market transactions*), referensi atas nilai wajar terkini dari instrumen lain yang secara substansial sama, analisis arus kas yang didiskonto, atau model penilaian lainnya. Penjelasan lebih rinci diungkapkan dalam Catatan 35.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

w. Significant Accounting Judgements, Estimates and Assumptions (Continued)

I. Use of Judgements (Continued)

(ii) Allowance for impairment of financial assets (Continued)

These specific allowances are re-evaluated and adjusted as additional information received affects the amounts of allowance for impairment of net investments in finance lease and consumer financing receivables. The carrying amount of the Company's net investments in finance lease before allowance for impairment losses as of 31 December 2016 and 2015 were amounted to Rp 7,181,481 and Rp 5,292,684, respectively. Further details are shown in Note 4. The carrying amount of the Company's consumer financing receivables before allowance for impairment losses as of 31 December 2016 and 2015 were amounting to Rp 4,584,879 and Rp 4,784,972, respectively. Further details are shown in Note 5.

II. Estimates and Assumptions

The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year/period are disclosed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing assumptions and circumstances about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes reflected in the assumptions as they occur.

(i) Fair value of financial instruments

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business at the end of the reporting year. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transaction, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, or other valuation models. Further details are shown in Note 35.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

w. Pertimbangan Akuntansi yang Penting, Estimasi dan Asumsi (Lanjutan)

II. Estimasi dan Asumsi (Lanjutan)

(ii) Cadangan kerugian penurunan nilai aset keuangan (Lanjutan)

Perusahaan telah menelaah pinjaman yang diberikan dan piutang pada setiap tanggal laporan posisi keuangan untuk menilai apakah penurunan nilai harus diakui dalam laporan laba rugi. Secara khusus, justifikasi oleh manajemen diperlukan dalam estimasi jumlah dan waktu arus kas di masa mendatang ketika menentukan penurunan nilai. Dalam estimasi arus kas ini, Perusahaan membuat justifikasi tentang situasi keuangan debitur dan nilai realisasi bersih agunan. Estimasi-estimasi ini didasarkan pada asumsi-asumsi tentang sejumlah faktor dan hasil aktual mungkin berbeda, yang tercermin dalam perubahan cadangan perubahan kerugian penurunan nilai tersebut di masa mendatang.

Evaluasi cadangan kerugian penurunan nilai secara kolektif mencakup kerugian kredit yang melekat pada portofolio piutang pembiayaan dengan karakteristik risiko kredit yang sejenis ketika terdapat bukti obyektif bahwa telah terjadi penurunan nilai piutang dalam portofolio tersebut. Dalam menentukan perlunya untuk membentuk cadangan kerugian penurunan nilai secara kolektif, manajemen mempertimbangkan faktor-faktor seperti kualitas kredit, besarnya portofolio, konsentrasi kredit dan faktor-faktor ekonomi. Dalam mengestimasi cadangan yang dibutuhkan, asumsi-asumsi dibuat untuk menentukan model kerugian bawaan dan untuk menentukan parameter input yang diperlukan, berdasarkan pengalaman historis dan keadaan ekonomi saat ini. Ketepatan dari cadangan ini bergantung pada asumsi model dan parameter yang digunakan dalam penentuan cadangan kolektif. Penjelasan lebih rinci diungkapkan dalam Catatan 4 dan 5.

(iii) Estimasi umur manfaat aset tetap dan aset tak berwujud

Perusahaan melakukan penelaahan berkala atas masa manfaat ekonomis aset tetap berdasarkan faktor-faktor seperti kondisi teknis dan perkembangan teknologi di masa depan. Hasil operasi di masa depan akan dipengaruhi secara material atas perubahan estimasi ini yang diakibatkan oleh perubahan faktor yang telah disebutkan di atas. Lihat Catatan 8 untuk jumlah tercatat aset tetap.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

w. Significant Accounting Judgements, Estimates and Assumptions (Continued)

II. Estimates and Assumptions (Continued)

(ii) Allowance for impairment losses of financial assets (Continued)

The Company has reviewed loans and receivables at each statements of financial positions date to assess whether impairment should be recognized in the profit or loss or not. In particular, justification by management is required to estimate the amount and timing of future cash flows when determining impairment. In the estimation of cash flows, the Company makes the justification of the financial condition of debtors and net realizable value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ, as reflected in changes in reserves of changes in these impairment losses in the future.

Allowance for impairment losses that collectively assessed includes inherent credit losses in financing receivables portfolios with similar credit risk characteristics when objective evidence of impairment exist for those portfolios. In assessing the need for collective allowances for impairment losses, management considers factors such as credit quality, portfolio size, credit concentrations and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modeled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowances depends on the model assumptions and parameters used in determining collective allowances. Further details are shown in Notes 4 and 5.

(iii) Useful life estimate for fixed assets and intangible assets

The Company reviews periodically the estimated useful lives of fixed assets based on factors such as technical specification and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. See Note 8 for the carrying amount of fixed assets.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

w. Pertimbangan Akuntansi yang Penting, Estimasi dan Asumsi (Lanjutan)

II. Estimasi dan Asumsi (Lanjutan)

(iv) Imbalan pasca-kerja

Nilai kini liabilitas imbalan pasca-kerja tergantung pada beberapa faktor yang ditentukan dengan dasar aktuarial berdasarkan beberapa asumsi. Asumsi yang digunakan untuk menentukan biaya (penghasilan) pensiun neto mencakup tingkat diskonto. Perubahan asumsi ini akan mempengaruhi jumlah tercatat imbalan pasca-kerja.

Perusahaan menentukan tingkat diskonto yang sesuai pada akhir periode pelaporan, yakni tingkat suku bunga yang harus digunakan untuk menentukan nilai kini arus kas keluar masa depan estimasian yang diharapkan untuk menyelesaikan liabilitas. Dalam menentukan tingkat suku bunga yang sesuai, Perusahaan mempertimbangkan tingkat suku bunga obligasi pemerintah yang didenominasikan dalam mata uang imbalan akan dibayar dan memiliki jangka waktu yang serupa dengan jangka waktu liabilitas yang terkait.

Asumsi kunci liabilitas imbalan pasca-kerja lainnya sebagian ditentukan berdasarkan kondisi pasar saat ini. Penjelasan lebih rinci diungkapkan dalam Catatan 28.

(v) Program kompensasi manajemen dan karyawan berbasis saham

Perusahaan mengukur biaya *equity-settled transactions* karyawan dengan mengacu pada nilai wajar instrumen ekuitas pada tanggal diberikan. Estimasi nilai wajar untuk pembayaran berbasis saham untuk menentukan model penilaian yang paling sesuai, tergantung pada persyaratan dan kondisi pemberian. Estimasi ini juga mengharuskan menentukan *input* yang paling tepat untuk valuasi model termasuk masa manfaat yang diharapkan dari opsi saham, volatilitas dan *dividend yield* dan membuat asumsi yang digunakan. Asumsi dan model yang digunakan untuk mengestimasi nilai wajar untuk pembayaran berbasis saham diungkapkan dalam Catatan 19.

(vi) Pajak penghasilan

Pertimbangan signifikan dilakukan dalam menentukan provisi atas pajak penghasilan badan. Terdapat transaksi dan perhitungan tertentu yang penentuan pajak akhirnya adalah tidak pasti sepanjang kegiatan usaha normal. Perusahaan mengakui liabilitas atas pajak penghasilan badan berdasarkan estimasi apakah terdapat tambahan pajak penghasilan badan. Penjelasan lebih rinci diungkapkan dalam Catatan 14b.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

w. Significant Accounting Judgements, Estimates and Assumptions (Continued)

II. Estimates and Assumptions (Continued)

(iv) Post-employment benefits

The present value of the post-employment benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of post-employment benefits obligations.

The Company determines the appropriate discount rate at the end of each reporting period. 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 obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related post-employment benefit obligation.

Other key assumptions for post-employment benefit obligations are based in part on current market conditions. Further details are shown in Note 28.

(v) Management and employees stock option program

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 19.

(vi) Income tax

Significant judgement is involved in determining provision for corporate income tax. There are certain transaction and computation for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for expected corporate income tax issues based on estimates of whether additional corporate income tax will be due. Further details are shown in Note 14b.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

w. Pertimbangan Akuntansi yang Penting, Estimasi dan Asumsi (Lanjutan)

ll. Estimasi dan Asumsi (Lanjutan)

(vii) Aset pajak tangguhan

Aset pajak tangguhan diakui atas seluruh perbedaan temporer yang dapat dikurangkan, sepanjang besar kemungkinannya bahwa penghasilan kena pajak akan tersedia sehingga perbedaan temporer tersebut dapat digunakan. Estimasi signifikan oleh manajemen disyaratkan dalam menentukan jumlah aset pajak tangguhan yang dapat diakui, berdasarkan saat penggunaan dan tingkat penghasilan kena pajak serta strategi perencanaan pajak masa depan. Penjelasan lebih rinci diungkapkan dalam Catatan 14c.

x. Provisi

Provisi diakui ketika Perusahaan memiliki kewajiban legal maupun konstruktif sebagai hasil peristiwa lalu, yaitu kemungkinan besar arus keluar sumber daya ekonomi diperlukan untuk menyelesaikan kewajiban dan suatu estimasi terhadap jumlah dapat dilakukan.

Provisi ditelaah pada akhir tiap periode pelaporan dan disesuaikan untuk mencerminkan estimasi terbaik. Apabila tidak ada lagi kemungkinan arus keluar sumber daya ekonomi diperlukan untuk menyelesaikan kewajiban, maka provisi tersebut dipulihkan.

Apabila dampak nilai waktu uang adalah material, maka provisi didiskontokan dengan menggunakan tarif sebelum pajak, jika lebih tepat, untuk mencerminkan risiko spesifik liabilitas. Ketika pendiskontoan digunakan, kenaikan provisi terkait dengan berlalunya waktu diakui sebagai beban keuangan.

y. Kontinjensi

Liabilitas kontinjen tidak diakui di dalam laporan keuangan. Liabilitas kontinjensi diungkapkan di dalam catatan atas laporan keuangan kecuali kemungkinan arus keluar sumber daya ekonomi adalah kecil.

Aset kontinjen tidak diakui di dalam laporan keuangan, namun diungkapkan di dalam catatan atas laporan keuangan jika terdapat kemungkinan suatu arus masuk manfaat ekonomis.

z. Peristiwa Setelah Periode Pelaporan

Peristiwa setelah periode pelaporan yang menyajikan bukti dari kondisi yang terjadi pada akhir periode pelaporan (peristiwa penyesuaian) yang dicerminkan di dalam laporan keuangan. Peristiwa setelah periode pelaporan yang bukan merupakan peristiwa penyesuaian, diungkapkan di dalam catatan laporan keuangan bila material.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

w. Significant Accounting Judgements, Estimates and Assumptions (Continued)

ll. Estimates and Assumptions (Continued)

(vii) Deferred tax assets

Deferred tax assets are recognized for all deductible temporary differences, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences. Significant management estimates are required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of the future taxable profits together with future tax planning strategies. Further details are shown in Note 14c.

x. Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

If the effect of the time value of money is material, provisions are discounted using a current pre - tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

y. Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

z. Events After the Reporting Period

Events after the reporting period that provide evidence of conditions that existed at the end of the reporting period (adjusting events) are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

Ekshibit E/36

Exhibit E/36

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3. KAS DAN SETARA KAS

Kas dan setara kas terdiri dari:

	2016	2015
Kas	32.961	23.972
Bank		
Pihak ketiga		
Rupiah		
PT Bank Central Asia Tbk	57.666	29.778
PT Bank Mandiri (Persero) Tbk	31.768	14.174
Standard Chartered Bank, Jakarta Branch	7.360	7.293
PT Bank Rakyat Indonesia (Persero) Tbk	3.811	2.244
PT Bank Negara Indonesia (Persero) Tbk	3.530	3.193
PT Bank JTrust Indonesia Tbk	2.782	430
PT Bank Permata Tbk	2.411	1.267
PT Bank Pembangunan Daerah Jawa Barat & Banten Tbk	2.207	132
Lain-lain (Saldo di bawah Rp 1.000)	892	1.750
Jumlah bank	112.427	60.261
Jumlah kas dan bank	145.388	84.233
Setara kas		
Deposito berjangka		
Pihak ketiga		
Rupiah		
PT Bank Muamalat Tbk	20.000	33.000
PT Bank JTrust Indonesia Tbk	-	210.000
PT Bank MNC Internasional Tbk	-	145.000
PT Bank Pembangunan Daerah Kalimantan Selatan	-	120.000
PT Bank Bukopin Tbk	-	90.000
PT Bank Tabungan Pensiun Nasional Syariah	-	40.000
PT Bank Mandiri (Persero) Tbk	-	30.000
PT Bank Andara	-	20.000
PT Bank Victoria International Tbk	-	5.000
Jumlah setara kas	20.000	693.000
Jumlah kas dan setara kas	165.388	777.233

Kisaran suku bunga kontraktual dari deposito berjangka diatas adalah sebagai berikut:

	2016	2015
Tingkat bunga deposito berjangka per tahun Rupiah	4,30% - 10,50%	4,00% - 11,00%

Pendapatan bunga dari deposito berjangka sebesar Rp 15.276 untuk tahun yang berakhir 31 Desember 2016 (2015 : Rp 25.334).

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the followings:

	2016	2015
Cash	32.961	23.972
Bank		
Cash in banks		
Third parties		
Rupiah		
PT Bank Central Asia Tbk	57.666	29.778
PT Bank Mandiri (Persero) Tbk	31.768	14.174
Standard Chartered Bank, Jakarta Branch	7.360	7.293
PT Bank Rakyat Indonesia (Persero) Tbk	3.811	2.244
PT Bank Negara Indonesia (Persero) Tbk	3.530	3.193
PT Bank JTrust Indonesia Tbk	2.782	430
PT Bank Permata Tbk	2.411	1.267
PT Bank Pembangunan Daerah Jawa Barat & Banten Tbk	2.207	132
Others (Balances below Rp 1,000)	892	1.750
Total cash in banks	112.427	60.261
Total cash on hand and in banks	145.388	84.233
Cash equivalents		
Time deposits		
Third parties		
Rupiah		
PT Bank Muamalat Tbk	20.000	33.000
PT Bank JTrust Indonesia Tbk	-	210.000
PT Bank MNC Internasional Tbk	-	145.000
PT Bank Pembangunan Daerah Kalimantan Selatan	-	120.000
PT Bank Bukopin Tbk	-	90.000
PT Bank Tabungan Pensiun Nasional Syariah	-	40.000
PT Bank Mandiri (Persero) Tbk	-	30.000
PT Bank Andara	-	20.000
PT Bank Victoria International Tbk	-	5.000
Total cash equivalents	20.000	693.000
Total cash and cash equivalents	165.388	777.233

The range of the contractual interest rates from the above time deposits is as follows:

	2016	2015
Time deposit interest rate per annum Rupiah	4,30% - 10,50%	4,00% - 11,00%

Interest income from time deposits amounted to Rp 15,276 for the year ended 31 December 2016 (2015 : Rp 25,334).

Ekshibit E/37

Exhibit E/37

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4. INVESTASI NETO SEWA PEMBIAYAAN

Rincian investasi neto sewa pembiayaan adalah sebagai berikut:

	2016	2015
Investasi sewa pembiayaan - bruto	8.809.005	6.496.116
Nilai sisa yang terjamin	5.336.545	3.617.269
Pendapatan sewa pembiayaan yang belum diakui	(1.553.267)	(1.147.384)
Biaya transaksi yang belum diamortisasi	(74.257)	(56.048)
Simpanan jaminan	(5.336.545)	(3.617.269)
Jumlah	7.181.481	5.292.684
Dikurangi cadangan kerugian penurunan nilai	(60.306)	(82.837)
Bersih	7.121.175	5.209.847

Angsuran investasi sewa pembiayaan - bruto yang akan diterima dari konsumen sesuai dengan tanggal jatuh temponya adalah sebagai berikut:

	2016	2015
<= 1 tahun	5.203.178	3.738.439
1 - 2 tahun	2.738.256	2.098.105
> 2 tahun	867.571	659.572
Jumlah	8.809.005	6.496.116

Pengelompokan investasi sewa pembiayaan - bruto menurut jumlah hari tunggakan adalah sebagai berikut:

	2016	2015	2016 %	2015 %
Belum jatuh tempo	7.731.574	5.686.846	87,77	87,54
Lewat jatuh tempo:				
1-30 hari	884.572	657.028	10,04	10,11
31-90 hari	139.033	104.758	1,58	1,61
91-120 hari	17.475	12.897	0,20	0,20
121-180 hari	26.987	19.476	0,31	0,30
> 180 hari	9.364	15.111	0,10	0,24
Jumlah	8.809.005	6.496.116	100,00	100,00

Mutasi cadangan kerugian penurunan nilai investasi neto sewa pembiayaan berdasarkan penilaian secara individual dan kolektif adalah sebagai berikut:

	2016		
	Individual/ Individual	Kolektif/ Collective	Jumlah/ Total
Saldo awal	31.124	51.713	82.837
Penambahan cadangan selama tahun berjalan - bersih	52.022	31.169	83.191
Penghapusan	(56.810)	(48.912)	(105.722)
Saldo akhir	26.336	33.970	60.306

4. NET INVESTMENTS IN FINANCE LEASE

The details of net investments in finance lease are as follows:

Investment in finance leases - gross
Guaranteed residual value
Unearned finance lease income
Unamortized transaction costs
Security deposits
Total
Less allowance for impairment losses
Net

The installments of investments in finance lease - gross, which will be collected from consumers in accordance with the due dates are as follows:

<= 1 year
1 - 2 years
> 2 years

The classification of investments in finance lease - gross based on days overdue are as follows:

Current
Past due:
1-30 days
31-90 days
91-120 days
121-180 days
> 180 days

The movements in the allowance for impairment losses of net investments in finance lease based on individual and collective assessments are as follows:

Beginning balance
Additions to allowance made during the year - net
Write-off

Ending balance

Ekshibit E/38

Exhibit E/38

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4. INVESTASI NETO SEWA PEMBIAYAAN (Lanjutan)

Mutasi cadangan kerugian penurunan nilai investasi neto sewa pembiayaan berdasarkan penilaian secara individual dan kolektif adalah sebagai berikut: (Lanjutan)

4. NET INVESTMENTS IN FINANCE LEASE (Continued)

The movements in the allowance for impairment losses of net investments in finance lease based on individual and collective assessments are as follows: (Continued)

	2015			
	Individual/ Individual	Kolektif/ Collective	Jumlah/ Total	
Saldo awal	45.074	7.336	52.410	Beginning balance
Penambahan cadangan selama tahun berjalan - bersih	23.718	64.842	88.560	Additions to allowance made during the year - net
Penghapusan	(37.668)	(20.465)	(58.133)	Write-off
Saldo akhir	31.124	51.713	82.837	Ending balance

Persentase cadangan kerugian penurunan nilai terhadap jumlah investasi neto sewa pembiayaan sebesar 0,84% dan 1,57% masing-masing pada tanggal 31 Desember 2016 dan 2015.

Percentage of the allowance for impairment losses to net investments in finance lease is 0.84% and 1.57% as of 31 December 2016 and 2015, respectively.

Manajemen berkeyakinan bahwa cadangan kerugian penurunan nilai yang dibentuk memadai untuk menutup kerugian yang mungkin timbul akibat tidak tertagihnya investasi neto sewa pembiayaan tersebut.

The management believes that the allowance for impairment losses was sufficient to cover possible losses arising from uncollectible net investments in finance lease.

Seluruh transaksi sewa pembiayaan dilakukan dengan pihak ketiga.

All of the Company's finance lease transactions were carried out with third parties.

Rincian bunga kontraktual per tahun untuk investasi neto sewa pembiayaan adalah sebagai berikut:

The detail of contractual interest rates per annum on net investments in finance lease are as follows:

	2016 %	2015 %	
Alat berat dan mesin	16,00 - 19,00	16,00 - 18,00	Heavy equipment and machinery
Kendaraan bermotor	16,02 - 21,50	17,01 - 22,00	Vehicles

Sebagai jaminan atas investasi neto sewa pembiayaan yang diberikan, Perusahaan menerima jaminan dari konsumen berupa Buku Pemilik Kendaraan Bermotor (BPKB) dan faktur atas kendaraan bermotor dan alat berat yang dibiayai Perusahaan.

As the collateral to the net investments in finance lease, the Company receives the Book of Vehicle Ownership (BPKB) and purchase invoices of the motor vehicles and heavy equipment financed by the Company.

Rincian investasi neto sewa pembiayaan yang digunakan sebagai jaminan atas surat berharga yang diterbitkan dan pinjaman yang diberikan pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

Details of net investment in finance lease pledged as collateral for securities issued and fund borrowings as of 31 December 2016 and 2015 are as follows:

	2016	2015	
<u>Mata uang asing</u>			<u>Foreign currencies</u>
Term loan - dalam negeri	132.797	61.390	Term loan - domestic
Term loan - luar negeri	1.626.273	3.116.058	Term loan - foreign
<u>Rupiah</u>			<u>Rupiah</u>
Term loan - dalam negeri	999.253	265.713	Term loan - domestic
Pinjaman debt market	980.490	719.565	Loan of debt market
Jumlah	3.738.813	4.162.726	Total

Ekshibit E/39

Exhibit E/39

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5. PIUTANG PEMBIAYAAN KONSUMEN

Akun ini merupakan piutang dalam Rupiah yang dikenakan bunga, yang timbul dari kegiatan pembiayaan dalam bentuk kendaraan kepada pemakai akhir dengan pembayaran angsuran secara berkala.

5. CONSUMER FINANCING RECEIVABLES

This account represents interest bearing receivables denominated in Rupiah arising from financing activities in the form of provision of vehicle to end users with periodic installment payment schedule.

	2016	2015	
Piutang pembiayaan konsumen - bruto Pihak ketiga	7.202.876	8.481.227	Consumer financing receivables - gross Third parties
Pendapatan pembiayaan konsumen yang belum diakui Pihak ketiga	(1.358.480)	(1.544.783)	<i>Unearned consumer financing income Third parties</i>
	5.844.396	6.936.444	
Pembiayaan bersama dan penerusan pinjaman - bersih	(1.259.517)	(2.151.472)	<i>Joint financing and channeling - Net</i>
	4.584.879	4.784.972	
Cadangan kerugian penurunan nilai	(122.695)	(96.816)	<i>Allowance for impairment losses</i>
Jumlah piutang pembiayaan konsumen - bersih	<u>4.462.184</u>	<u>4.688.156</u>	Total consumer financing receivables - net

Angsuran piutang pembiayaan konsumen - bruto yang akan diterima dari konsumen sesuai dengan tanggal jatuh temponya adalah sebagai berikut:

The installments of consumer financing receivables - gross, which will be collected from customer in accordance with the due dates are as follows:

	2016	2015	
<= 1 tahun	3.939.755	4.702.036	<= 1 year
1 - 2 tahun	1.970.110	2.368.927	1 - 2 years
> 2 tahun	1.293.011	1.410.264	> 2 years
Jumlah	<u>7.202.876</u>	<u>8.481.227</u>	Total

Pengelompokan piutang pembiayaan konsumen - bruto menurut jumlah hari tunggakan adalah sebagai berikut:

The classification of consumer financing receivables - gross based on days overdue are as follows:

	2016	2015	2016 %	2015 %	
Belum jatuh tempo	6.204.912	7.139.545	86,14	84,18	<i>Current</i>
Lewat jatuh tempo:					<i>Past due:</i>
1-30 hari	805.818	1.058.645	11,19	12,48	<i>1-30 days</i>
31-90 hari	127.463	167.608	1,77	1,98	<i>31-90 days</i>
91-120 hari	16.994	26.911	0,24	0,32	<i>91-120 days</i>
121-180 hari	29.327	42.003	0,41	0,50	<i>121-180 days</i>
> 180 hari	18.362	46.515	0,25	0,54	<i>> 180 days</i>
Jumlah	<u>7.202.876</u>	<u>8.481.227</u>	<u>100,00</u>	<u>100,00</u>	Total

Jangka waktu kontrak pembiayaan konsumen yang disalurkan oleh Perusahaan atas kendaraan bermotor berkisar antara 6 (enam) sampai dengan 48 (empat puluh delapan) bulan dan perumahan (KPR) berkisar 12 (dua belas) sampai dengan 180 (seratus delapan puluh) bulan.

The term of consumer financing contracts financed by the Company on vehicles range between 6 (six) to 48 (forty-eight) months and housing ranges between 12 (twelve) to 180 (one-hundred-eighty) months.

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Exhibit E/40

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5. PIUTANG PEMBIAYAAN KONSUMEN (Lanjutan)

Mutasi cadangan kerugian penurunan nilai piutang pembiayaan konsumen berdasarkan penilaian secara kolektif adalah sebagai berikut:

	2016	2015
Saldo awal	96.816	109.437
Penambahan cadangan selama tahun berjalan - bersih	190.134	141.594
Penghapusan	(164.255)	(154.215)
Saldo akhir	122.695	96.816

Persentase cadangan kerugian penurunan nilai terhadap jumlah piutang pembiayaan konsumen masing-masing sebesar 2,68% dan 2,02% pada tanggal 31 Desember 2016 dan 2015.

Manajemen berkeyakinan bahwa cadangan kerugian penurunan nilai yang dibentuk memadai untuk menutup kerugian yang mungkin timbul akibat tidak tertagihnya piutang pembiayaan konsumen tersebut.

Suku bunga kontraktual setahun untuk pembiayaan konsumen adalah sebagai berikut:

	2016 %	2015 %
Mobil	16,01 - 21,01	16,01 - 22,00
Sepeda motor	38,05 - 41,03	38,01 - 41,10
Properti	14,00 - 18,00	14,00 - 18,00

Sebagai jaminan atas piutang pembiayaan konsumen yang diberikan, Perusahaan menerima jaminan dari konsumen berupa Buku Pemilik Kendaraan Bermotor (BPKB), Sertifikat Hak Milik (SHM) dan Sertifikat Hak Guna Bangunan (SHGB) atas kendaraan bermotor dan properti (bangunan) yang dibiayai Perusahaan.

Rincian piutang pembiayaan konsumen yang digunakan sebagai jaminan atas surat berharga yang diterbitkan dan pinjaman yang diterima pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

	2016	2015	
Mata uang asing			Foreign currencies
Term loan - dalam negeri	19.599	60.209	Term loan - domestic
Term loan - luar negeri	594.874	1.345.714	Term loan - foreign
Rupiah			Rupiah
Term loan - dalam negeri	1.186.643	447.304	Term loan - domestic
Pinjaman debt market	769.548	598.460	Loan of debt market
Jumlah	2.570.664	2.451.687	Total

Perusahaan bekerja sama dengan beberapa perusahaan asuransi dalam menutup asuransi kendaraan bermotor konsumen yang dibiayai Perusahaan, terutama dengan PT Asuransi Asoka Mas, PT Asuransi Astra Buana, PT Asuransi Bina Dana Arta Tbk, PT Asuransi Raksa Pratikara, PT Asuransi Sinarmas, PT Asuransi Wahana Tata, PT Asuransi FPG Indonesia, PT AIA Financial, PT Asuransi Cigna, PT Commonwealth Life dan PT FWD Life Indonesia. Seluruh perusahaan asuransi yang bekerja sama dengan Perusahaan tersebut adalah pihak ketiga.

5. CONSUMER FINANCING RECEIVABLES (Continued)

The movements in the allowance for impairment losses of consumer financing receivables based on collective assessments are as follows:

	2016	2015
Saldo awal	96.816	109.437
Penambahan cadangan selama tahun berjalan - bersih	190.134	141.594
Penghapusan	(164.255)	(154.215)
Saldo akhir	122.695	96.816

Percentage of the allowance for impairment losses to consumer financing receivables is 2.68% and 2.02% as of 31 December 2016 and 2015, respectively.

The management believes that the allowance for impairment losses was sufficient to cover possible losses arising from uncollectible consumer financing receivables.

The detail of contractual interest rates per annum on consumer financing is as follows:

	2016 %	2015 %
Mobil	16,01 - 21,01	16,01 - 22,00
Sepeda motor	38,05 - 41,03	38,01 - 41,10
Properti	14,00 - 18,00	14,00 - 18,00

As the collateral to the consumer financing receivables, the Company receives the Book of Vehicle Ownership (BPKB), Proprietary Certificate (SHM) and Right of Building Utilization Certificate (SHGB) of the vehicles and property (building) financed by the Company.

Details of consumer financing receivables pledged as collateral for securities issued and fund borrowings as of 31 December 2016 and 2015 are as follows:

	2016	2015	
Mata uang asing			Foreign currencies
Term loan - dalam negeri	19.599	60.209	Term loan - domestic
Term loan - luar negeri	594.874	1.345.714	Term loan - foreign
Rupiah			Rupiah
Term loan - dalam negeri	1.186.643	447.304	Term loan - domestic
Pinjaman debt market	769.548	598.460	Loan of debt market
Jumlah	2.570.664	2.451.687	Total

The Company engages several insurance companies, in covering the insurance on the consumers vehicles that financed by the Company, mainly with PT Asuransi Asoka Mas, PT Asuransi Astra Buana, PT Asuransi Bina Dana Arta Tbk, PT Asuransi Raksa Pratikara, PT Asuransi Sinarmas, PT Asuransi Wahana Tata, PT Asuransi FPG Indonesia, PT AIA Financial, PT Asuransi Cigna, PT Commonwealth Life and PT FWD Life Indonesia. All insurance companies that the engaged by the Company are third parties.

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6. BEBAN DIBAYAR DIMUKA		6. PREPAID EXPENSES		
	2016	2015		
Sewa	37.784	34.910		Rent
Asuransi	1.920	4.050		Insurance
Lain-lain	2.225	1.491		Others
Jumlah	41.929	40.451		Total
7. PIUTANG LAIN-LAIN		7. OTHER RECEIVABLES		
	2016	2015		
Piutang dalam proses penyelesaian	84.045	123.142		Receivables in the settlement process
Dikurangi :				Less :
Penyisihan kerugian penurunan nilai	(25.763)	(36.328)		Allowance for impairment losses
	58.282	86.814		
Piutang opsi saham karyawan (MESOP)	50.329	-		Share option employee (MESOP) receivables
Piutang karyawan	26.741	31.200		Employee receivables
Piutang penerimaan angsuran konsumen	24.649	19.051		Customer installment receipt receivables
Premi asuransi	3.394	4.252		Insurance premium
Piutang lain-lain	695	-		Other receivables
Jumlah	164.090	141.317		Total

Piutang penerimaan angsuran konsumen merupakan pembayaran angsuran konsumen yang diantaranya dilakukan secara *online* melalui fasilitas layanan pembayaran pelanggan (*payment point*) seperti jaringan ATM Prima, ATM Bersama, Kantor Pos Indonesia, jaringan toko ritel Indomaret dan Alfamart (termasuk di dalamnya jaringan Alfa Midi, Lawson dan Alfa Express). Fasilitas *payment point* ini akan meneruskan angsuran yang dibayarkan konsumen tersebut ke rekening Perusahaan di beberapa bank dalam jangka waktu 1 (satu) hari sampai dengan 2 (dua) hari dari tanggal angsuran konsumen diterima.

Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai atas piutang dalam proses penyelesaian - pihak ketiga pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar Rp 25.763 dan Rp 36.328 cukup untuk menutupi kerugian yang mungkin timbul akibat tidak tertagihnya piutang dalam proses penyelesaian - pihak ketiga.

Customer installment receipt receivables are customer installment such paid through online customer's payment channel (*payment point*) such as ATM networks of Prima, ATM Bersama, the Indonesian Post Office, and outlets of Indomaret and Alfamart retail stores (including the store chains of Alfa Midi, Lawson and Alfa Express). This channels will transfer the installment paid to the Company's bank account in several bank within 1 (one) day up to 2 (two) days from the date that the customer installment is received.

Management believes that allowance for impairment losses of receivables in the settlement process - third parties as of 31 December 2016 and 2015 amounting to Rp 25,763 and Rp 36,328, respectively, are adequate to cover possible losses from uncollectible receivables from receivables in the settlement process - third parties.

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Exhibit E/43

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8. ASET TETAP (Lanjutan)

Pengurangan aset tetap untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015 terdiri dari penghabusbukuan peralatan kantor dan rehabilitasi gedung kantor, serta penjualan aset tetap kendaraan dan peralatan kantor dengan rincian keuntungan bersih yang diperoleh sebagai berikut:

	2016	2015
Hasil penjualan	11.823	11.048
Jumlah tercatat	(7.312)	(7.196)
Keuntungan atas penjualan aset tetap - bersih	4.511	3.852

Perusahaan memiliki beberapa bidang tanah dengan status Hak Guna Bangunan ("HGB") yang memiliki masa manfaat yang akan berakhir antara tahun 2016 sampai tahun 2045. Manajemen Perusahaan beryakinan bahwa tidak akan terdapat kesulitan dalam memperpanjang hak atas tanah karena tanah tersebut diperoleh secara sah dan dilengkapi dengan bukti kepemilikan yang sah.

Seluruh aset tetap, kecuali tanah, telah diasuransikan kepada PT Asuransi Asoka Mas, pihak ketiga, terhadap risiko kerugian kebakaran, banjir dan risiko kerugian lainnya (*all risks*) dengan jumlah nilai pertanggungan masing-masing sebesar Rp 438.666 dan Rp 391.843 pada tanggal 31 Desember 2016 dan 2015. Manajemen berkeyakinan bahwa nilai pertanggungan tersebut telah memadai untuk menutup kemungkinan kerugian atas aset tetap terhadap risiko-risiko yang dipertanggungkan.

Manajemen Perusahaan berkeyakinan bahwa tidak terdapat kondisi atau peristiwa yang menimbulkan indikasi penurunan nilai atas jumlah tercatat aset tetap, sehingga tidak diperlukan cadangan kerugian penurunan nilai untuk aset tetap.

Manajemen Perusahaan berkeyakinan bahwa tidak ada perbedaan secara signifikan antara nilai wajar aset tetap dengan jumlah tercatat.

8. FIXED ASSETS (Continued)

Deductions of fixed assets for the years ended 31 December 2016 and 2015 consisted of written off office equipment and leasehold improvement, and sales of fixed assets - motor vehicles and office equipment with details of net gain on sales as follows:

	Proceeds
	Carrying amount
Gain on disposal of fixed assets - net	

The Company owns several plots of land with "Hak Guna Bangunan" titles ("Building-Use Titles" or "HGB") with remaining useful lives that will expire in the various years between 2016 and 2045. The management of the Company believes that there will be no difficulty in extending the land rights as the land was acquired legally and this is supported by sufficient evidence of ownership.

All fixed assets, except for land, are covered by insurance to PT Asuransi Asoka Mas, third party, against losses from fire, flood and other risks (all risks) with a total sum insured amounting to Rp 438,666 and Rp 391,843 as of 31 December 2016 and 2015, respectively. The management believes that the sum insured is sufficient to cover the possible losses that may arise from the said insured risks.

The Management of the Company believes that there were no conditions or event that indicate impairment in the carrying amount of its fixed assets, and therefore an allowance for impairment losses of fixed assets was not considered necessary.

The Management of the Company believes that there is no significant difference between the fair value and the carrying amount of fixed assets.

9. ASET TIDAK BERWUJUD

9. INTANGIBLE ASSETS

	2016				Saldo akhir/ Ending balance	
	Saldo awal/ Beginning balance	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications		
Harga perolehan						
Piranti lunak	59.196	2.490	-	1.713	63.399	Acquisition cost Software
Piranti lunak dalam Penyelesaian	2.696	3.146	-	(1.713)	4.129	Software in progress
Jumlah Harga Perolehan	61.892	5.636	-	-	67.528	Total Cost
Akumulasi amortisasi						
Piranti lunak	39.605	8.211	-	-	47.816	Accumulated amortization Software
Jumlah akumulasi amortisasi	39.605	8.211	-	-	47.816	Total accumulated amortization
Jumlah Tercatat	22.287				19.712	Carrying Amount

Ekshibit E/44

Exhibit E/44

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9. ASET TIDAK BERWUJUD (Lanjutan)

9. INTANGIBLE ASSETS (Continued)

	2015					
	Saldo awal/ Beginning balance	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	Saldo akhir/ Ending balance	
Harga perolehan Piranti lunak	56.565	716	-	1.915	59.196	Acquisition cost Software
Piranti lunak dalam penyelesaian	5.723	4.111	(5.223)	(1.915)	2.696	Software in progress
Jumlah Harga Perolehan	62.288	4.827	(5.223)	-	61.892	Total Cost
Akumulasi amortisasi Piranti lunak	31.309	8.296	-	-	39.605	Accumulated amortization Software
Jumlah akumulasi amortisasi	31.309	8.296	-	-	39.605	Total accumulated amortization
Jumlah Tercatat	30.979				22.287	Carrying Amount

10. ASET DERIVATIF

Ikhtisar transaksi derivatif berdasarkan lawan transaksi, jenis dan underlying pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

10. DERIVATIVE ASSETS

A summary of derivative transactions by counterparty, type and underlying as of 31 December 2016 and 2015 are as follows:

Lawan transaksi	2016				Counterparty
	Nilai Nosional (nilai penuh)/ Notional Amount (full amount)	Nilai wajar/ Fair values (full amount)	Aset keuangan derivatif/ Derivative financial Assets Rp	Liabilitas keuangan derivatif/ Derivative financial liabilities Rp	
PT Bank Permata Tbk Kontrak Valuta Berjangka pertukaran mata uang asing (Catatan 12a) Dolar Amerika Serikat	79.500.000 (	2.305.238)	1.040.289	1.071.263	PT Bank Permata Tbk Foreign currency swap contract (Note 12a) United States Dollar
Standard Chartered Bank, Jakarta Branch Kontrak Valuta Berjangka pertukaran mata uang asing (Catatan 12a) Dolar Amerika Serikat	62.760.270	4.893.749	836.844	771.091	Standard Chartered Bank, Jakarta Branch Foreign currency swap contract (Note 12a) United States Dollar
PT Bank ANZ Indonesia Kontrak Valuta Berjangka pertukaran mata uang asing (Catatan 12a) Dolar Amerika Serikat	30.000.000	532.244	400.151	393.000	PT Bank ANZ Indonesia Foreign currency swap contract (Note 12a) United States Dollar
The Bank of Tokyo Mitsubishi UFJ, Ltd, Jakarta Branch Kontrak Valuta Berjangka pertukaran mata uang asing (Catatan 12a) Dolar Amerika Serikat	10.000.000 (46.819)	130.471	131.100	The Bank of Tokyo Mitsubishi UFJ, Ltd, Jakarta Branch Foreign currency swap contract (Note 12a) United States Dollar
			2.407.755	2.366.454	
			41.301		

Ekshibit E/45

Exhibit E/45

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10. ASET DERIVATIF (Lanjutan)

Ikhtisar transaksi derivatif berdasarkan lawan transaksi, jenis dan *underlying* pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut: (Lanjutan)

10. DERIVATIVE ASSETS (Continued)

A summary of derivative transactions by counterparty, type and *underlying* as of 31 December 2016 and 2015 are as follows: (Continued)

Lawan transaksi	2015		Aset keuangan derivatif/ <i>Derivative financial Assets</i> Rp	Liabilitas keuangan derivatif/ <i>Derivative financial liabilities</i> Rp	Counterparty
	Nilai nosional (nilai penuh)/ <i>Notional amount (full amount)</i>	Nilai wajar/ <i>Fair Values (full amount)</i>			
Standard Chartered Bank, Jakarta Branch					Standard Chartered Bank, Jakarta Branch
Kontrak Valuta Berjangka pertukaran mata uang asing (Catatan 12a) Dolar Amerika Serikat	203.096.865	24.986.921	2.814.100	2.469.406	Foreign currency swap contract (Note 12a) United States Dollar
PT Bank Permata Tbk					PT Bank Permata Tbk
Kontrak Valuta Berjangka pertukaran mata uang asing (Catatan 12a) Dolar Amerika Serikat	107.500.000	3.287.145	1.485.246	1.439.900	Foreign currency swap contract (Note 12a) United States Dollar
PT Bank ANZ Indonesia					PT Bank ANZ Indonesia
Kontrak Valuta Berjangka pertukaran mata uang asing (Catatan 12a) Dolar Amerika Serikat	50.000.000	3.681.882	705.792	655.000	Foreign currency swap contract (Note 12a) United States Dollar
			5.005.138	4.564.306	
			440.832		

PT Bank Permata Tbk

Pada tanggal 4 Juli 2013, Perusahaan mengadakan perjanjian kontrak valuta berjangka pertukaran mata uang asing (*foreign currency swap transaction*) dengan PT Bank Permata Tbk, dengan ketentuan Perusahaan berkewajiban untuk membayar sebesar Rp 100.100 dan memiliki hak untuk menerima sebesar USD 10.000.000 (nilai penuh). Kontrak ini berlaku sejak tanggal 10 Juli 2013 sampai dengan 10 Juli 2016. Pada tanggal 31 Desember 2015, nilai utang derivatif atas perjanjian tersebut sebesar Rp 25.025, serta piutang derivatif USD 2.500.000 (nilai penuh) atau setara dengan Rp 34.330. Pada tanggal 10 Juli 2016, perjanjian kontrak valuta berjangka pertukaran mata uang asing (*foreign currency swap transaction*) ini telah berakhir dan diselesaikan oleh kedua belah pihak.

Pada tanggal 30 Juli 2015, Perusahaan mengadakan perjanjian kontrak valuta berjangka pertukaran mata uang asing (*foreign currency swap transaction*) dengan PT Bank Permata Tbk, dengan ketentuan Perusahaan berkewajiban untuk membayar sebesar Rp 1.414.875 dan memiliki hak untuk menerima sebesar USD 105.000.000 (nilai penuh). Kontrak ini berlaku sejak tanggal 11 Agustus 2015 sampai dengan 13 Nopember 2018. Pada tanggal 31 Desember 2016 dan 2015 nilai utang derivatif atas perjanjian tersebut masing-masing sebesar Rp 1.071.263 dan Rp 1.414.875, serta piutang derivatif masing-masing sebesar USD 79.500.000 (nilai penuh) atau setara dengan Rp 1.040.289 dan USD 105.000.000 (nilai penuh) atau setara dengan Rp 1.450.916.

PT Bank Permata Tbk

On 4 July 2013, the Company entered into a foreign currency swap contract with PT Bank Permata Tbk, whereby the Company obliged to pay Rp 100,100 and had the right to receive USD 10,000,000 (full amount). This contract was valid since 10 July 2013 until 10 July 2016. As of 31 December 2015, derivative payable arising from the contract amounted to Rp 25,025, and derivative receivable arising from the contract amounted to USD 2,500,000 (full amount) or equivalent to Rp 34,330. As of 10 July 2016, this foreign currency swap contract has matured and settled by both parties.

On 30 July 2015, the Company entered into a foreign currency swap contract with PT Bank Permata Tbk, whereby the Company obliged to pay Rp 1,414,875 and had the right to receive USD 105,000,000 (full amount). This contract was valid since 11 August 2015 until 13 November 2018. As of 31 December 2016 and 2015, derivative payable arising from the contract amounted to Rp 1,071,263 and Rp 1,414,875, respectively, and derivative receivable arising from the contract amounted to USD 79,500,000 (full amount) or equivalent to Rp 1,040,289 and USD 105,000,000 (full amount) or equivalent to Rp 1,450,916, respectively.

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10. ASET DERIVATIF (Lanjutan)

Standard Chartered Bank, Jakarta Branch

Pada tanggal 21 Juni 2013, Perusahaan mengadakan perjanjian kontrak valuta berjangka pertukaran mata uang asing (*foreign currency swap transaction*) dengan Standard Chartered Bank, Jakarta Branch, dengan ketentuan Perusahaan berkewajiban untuk membayar sebesar Rp 803.200 dan memiliki hak untuk menerima sebesar USD 80.000.000 (nilai penuh). Kontrak ini berlaku sejak tanggal 19 Juli 2013 sampai dengan 19 Juli 2016. Pada tanggal 31 Desember 2015, nilai utang derivatif atas perjanjian tersebut sebesar Rp 267.733, serta piutang derivatif USD 26.666.667 (nilai penuh) atau setara dengan Rp 366.245. Pada tanggal 19 Juli 2016, perjanjian kontrak valuta berjangka pertukaran mata uang asing (*foreign currency swap transaction*) ini telah berakhir dan diselesaikan oleh kedua belah pihak

Pada tanggal 16 Juni 2014, Perusahaan mengadakan perjanjian kontrak valuta berjangka pertukaran mata uang asing (*foreign currency swap transaction*) dengan Standard Chartered Bank, Jakarta Branch, dengan ketentuan Perusahaan berkewajiban untuk membayar sebesar Rp 888.750 dan memiliki hak untuk menerima sebesar USD 75.000.000 (nilai penuh). Kontrak ini berlaku sejak tanggal 16 Juni 2014 sampai dengan 8 Agustus 2017. Pada tanggal 31 Desember 2016 dan 2015 nilai utang derivatif atas perjanjian tersebut masing-masing sebesar Rp 195.963 dan Rp 540.443, serta piutang derivatif masing-masing sebesar USD 16.537.000 (nilai penuh) atau setara dengan Rp 221.102 dan USD 45.607.000 (nilai penuh) atau setara dengan Rp 633.435.

Pada tanggal 30 Juni 2014, Perusahaan mengadakan perjanjian kontrak valuta berjangka pertukaran mata uang asing (*foreign currency swap transaction*) dengan Standard Chartered Bank, Jakarta Branch, dengan ketentuan Perusahaan berkewajiban untuk membayar sebesar Rp 302.500 dan memiliki hak untuk menerima sebesar USD 25.000.000 (nilai penuh). Kontrak ini berlaku sejak tanggal 30 Juni 2014 sampai dengan 23 September 2017. Pada tanggal 31 Desember 2016 dan 2015 nilai utang derivatif atas perjanjian tersebut masing-masing sebesar Rp 87.544 dan Rp 204.793, serta piutang derivatif masing-masing sebesar USD Rp 7.235.000 (nilai penuh) atau setara dengan Rp 96.906 dan USD 16.925.000 (nilai penuh) atau setara dengan Rp 235.891.

Pada tanggal 7 Oktober 2014, Perusahaan mengadakan perjanjian kontrak valuta berjangka pertukaran mata uang asing (*foreign currency swap transaction*) dengan Standard Chartered Bank, Jakarta Branch, dengan ketentuan Perusahaan berkewajiban untuk membayar sebesar Rp 610.000 dan memiliki hak untuk menerima sebesar USD 50.000.000 (nilai penuh). Kontrak ini berlaku sejak tanggal 14 Oktober 2014 sampai dengan 13 Oktober 2017. Pada tanggal 31 Desember 2016 dan 2015 nilai utang derivatif atas perjanjian tersebut masing-masing sebesar Rp 221.818 dan Rp 443.636, serta piutang derivatif masing-masing sebesar USD 18.181.818 (nilai penuh) atau setara dengan Rp 240.865 dan USD 36.363.636 (nilai penuh) atau setara dengan Rp 501.547.

10. DERIVATIVE ASSETS (Continued)

Standard Chartered Bank, Jakarta Branch

On 21 June 2013, the Company entered into a foreign currency swap contract with Standard Chartered Bank Jakarta Branch, whereby the Company obliged to pay Rp 803,200 and had the right to receive USD 80,000,000 (full amount). This contract was valid since 19 July 2013 until 19 July 2016. As of 31 December 2015, derivative payable arising from the contract amounted to Rp 267,733, and derivative receivable arising from the contract amounted to USD 26,666,667 (full amount) or equivalent to Rp 366,245. As of 19 July 2016, this foreign currency swap contract has matured and settled by both parties.

On 16 June 2014, the Company entered into a foreign currency swap contract with Standard Chartered Bank, Jakarta Branch, whereby the Company obliged to pay Rp 888,750 and had the right to receive USD 75,000,000 (full amount). This contract was valid since 16 June 2014 until 8 August 2017. As of 31 December 2016 and 2015, derivative payable arising from the contract amounted to Rp 195,963 and Rp 540,443, respectively, and derivative receivable arising from the contract amounted to USD 16,537,000 (full amount) or equivalent to Rp 221,102 and USD 45,607,000 (full amount) or equivalent to Rp 633,435, respectively.

On 30 June 2014, the Company entered into a foreign currency swap contract with Standard Chartered Bank, Jakarta Branch, whereby the Company obliged to pay Rp 302,500 and had the right to receive USD 25,000,000 (full amount). This contract was valid since 30 June 2014 until 23 September 2017. As of 31 December 2016 and 2015, derivative payable arising from the contract amounted to Rp 87,544 and Rp 204,793, respectively, and derivative receivable arising from the contract amounted to USD 7,235,000 (full amount) or equivalent to Rp 96,906 and USD 16,925,000 (full amount) or equivalent to Rp 235,891, respectively.

On 7 October 2014, the Company entered into a foreign currency swap contract with Standard Chartered Bank, Jakarta Branch, whereby the Company obliged to pay Rp 610,000 and had the right to receive USD 50,000,000 (full amount). This contract was valid since 14 October 2014 until 13 October 2017. As of 31 December 2016 and 2015, derivative payable arising from the contract amounted to Rp 221,818 and Rp 443,636, respectively, and derivative receivable arising from the contract amounted to USD 18,181,818 (full amount) or equivalent to Rp 240,865 and USD 36,363,636 (full amount) or equivalent to Rp 501,547, respectively.

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10. ASET DERIVATIF (Lanjutan)

Standard Chartered Bank, Jakarta Branch (Lanjutan)

Pada tanggal 23 Januari 2015, Perusahaan mengadakan perjanjian kontrak valuta berjangka pertukaran mata uang asing (*foreign currency swap transaction*) dengan Standard Chartered Bank, Jakarta Branch, dengan ketentuan Perusahaan berkewajiban untuk membayar sebesar Rp 376.500 dan memiliki hak untuk menerima sebesar USD 30.000.000 (nilai penuh). Kontrak ini berlaku sejak tanggal 12 Pebruari 2015 sampai dengan 12 Pebruari 2018. Pada tanggal 31 Desember 2016 dan 31 Desember 2015 nilai utang derivatif atas perjanjian tersebut masing-masing sebesar Rp 188.250 dan Rp 349.607, serta piutang derivatif masing-masing sebesar USD 15.000.000 (nilai penuh) atau setara dengan Rp 201.085 dan USD 27.857.143 (nilai penuh) atau setara dengan Rp 390.003.

Pada tanggal 11 Juni 2015, Perusahaan mengadakan perjanjian kontrak valuta berjangka pertukaran mata uang asing (*foreign currency swap transaction*) dengan Standard Chartered Bank, Jakarta Branch, dengan ketentuan Perusahaan berkewajiban untuk membayar sebesar Rp 667.500 dan memiliki hak untuk menerima sebesar USD 50.000.000 (nilai penuh). Kontrak ini berlaku sejak tanggal 22 Juni 2015 sampai dengan 25 Juni 2018 (untuk Tranche A) dan tanggal 22 Juni 2015 sampai dengan 22 Juni 2016 (untuk Tranche B). Pada tanggal 31 Desember 2016 dan 2015 nilai utang derivatif atas perjanjian tersebut masing-masing sebesar Rp 77.516 dan Rp 663.194, serta piutang derivatif masing-masing sebesar USD 5.806.452 (nilai penuh) atau setara dengan Rp 76.886 dan USD 49.677.419 (nilai penuh) atau setara dengan Rp 686.979.

PT Bank ANZ Indonesia

Pada tanggal 20 Maret 2015, Perusahaan mengadakan perjanjian kontrak valuta berjangka pertukaran mata uang asing (*foreign currency swap transaction*) dengan PT Bank ANZ Indonesia, dengan ketentuan Perusahaan berkewajiban untuk membayar sebesar Rp 655.000 dan memiliki hak untuk menerima sebesar USD 50.000.000 (nilai penuh). Kontrak ini berlaku sejak tanggal 27 Maret 2015 sampai dengan 27 Juni 2018. Pada tanggal 31 Desember 2016 dan 2015 nilai utang derivatif atas perjanjian tersebut masing-masing sebesar Rp 393.000 dan Rp 655.000, serta piutang derivatif masing-masing sebesar USD 30.000.000 (nilai penuh) atau setara dengan Rp 400.151 dan USD 50.000.000 (nilai penuh) atau setara dengan Rp 705.792.

The Bank of Tokyo Mitsubishi UFJ, Ltd, Jakarta Branch

Pada tanggal 13 Juli 2016, Perusahaan mengadakan perjanjian kontrak valuta berjangka pertukaran mata uang asing (*foreign currency swap transaction*) dengan Bank of Tokyo Mitsubishi UFJ, Ltd, Jakarta Branch dengan ketentuan Perusahaan berkewajiban untuk membayar sebesar Rp 131.100 dan memiliki hak untuk menerima sebesar USD 10.000.000 (nilai penuh). Kontrak ini berlaku sejak tanggal 14 Juli 2016 sampai dengan 17 Juli 2017. Pada tanggal 31 Desember 2016 nilai utang derivatif atas perjanjian tersebut sebesar Rp 131.100, serta piutang derivatif sebesar USD 10.000.000 (nilai penuh) atau setara dengan Rp 130.471.

10. DERIVATIVE ASSETS (Continued)

Standard Chartered Bank, Jakarta Branch (Continued)

On 23 January 2015, the Company entered into a foreign currency swap contract with Standard Chartered Bank, Jakarta Branch, whereby the Company obliged to pay Rp 376,500 and had the right to receive USD 30,000,000 (full amount). This contract was valid since 12 February 2015 until 12 February 2018. As of 31 December 2016 and 31 December 2015, derivative payable arising from the contract amounted to Rp 188,250 and Rp 349,607, respectively, and derivative receivable arising from the contract amounted to USD 15,000,000 (full amount) or equivalent to Rp 201,085 and USD 27,857,143 (full amount) or equivalent to Rp 390,003, respectively.

On 11 June 2015, the Company entered into a foreign currency swap contract with Standard Chartered Bank, Jakarta Branch, whereby the Company obliged to pay Rp 667,500 and had the right to receive USD 50,000,000 (full amount). This contract was valid since 22 June 2015 until 25 June 2018 (for Tranche A) and 22 June 2015 until 22 June 2016 (for Tranche B). As of 31 December 2016 and 2015, derivative payable arising from the contract amounted to Rp 77,516 and Rp 663,194, respectively, and derivative receivable arising from the contract amounted to USD 5,806,452 (full amount) or equivalent to Rp 76,886 and USD 49,677,419 (full amount) or equivalent to Rp 686,979, respectively.

PT Bank ANZ Indonesia

On 20 March 2015, the Company entered into a foreign currency swap contract with PT Bank ANZ Indonesia, whereby the Company obliged to pay Rp 655,000 and had the right to receive USD 50,000,000 (full amount). This contract was valid since 27 March 2015 until 27 June 2018. As of 31 December 2016 and 2015, derivative payable arising from the contract amounted to Rp 393,000 and Rp 655,000, respectively, and derivative receivable arising from the contract amounted to USD 30,000,000 (full amount) or equivalent to Rp 400,151 and USD 50,000,000 (full amount) or equivalent to Rp 705,792, respectively.

The Bank of Tokyo Mitsubishi UFJ, Ltd, Jakarta Branch

On 13 July 2016, the Company entered into a foreign currency swap contract with Bank of Tokyo Mitsubishi UFJ, Ltd, Jakarta Branch whereby the Company obliged to pay Rp 131,100 and had the right to receive USD 10,000,000 (full amount). This contract was valid since 14 July 2016 until 17 July 2017. As of 31 December 2016, derivative payable arising from the contract amounted to Rp 131,100, and derivative receivable arising from the contract amounted to USD 10,000,000 (full amount) or equivalent to Rp 130,471.

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10. ASET DERIVATIF (Lanjutan)

PT Bank CIMB Niaga Tbk

Pada tanggal 11 Oktober 2016, Perusahaan mengadakan perjanjian kontrak valuta berjangka pertukaran mata uang asing (*foreign currency swap transaction*) dengan PT Bank CIMB Niaga Tbk, dengan ketentuan Perusahaan berkewajiban untuk membayar sebesar Rp 132.850 dan memiliki hak untuk menerima sebesar USD 10.000.000 (nilai penuh). Kontrak ini berlaku sejak tanggal 10 Januari 2017 sampai dengan 10 Januari 2020. Pada tanggal 31 Desember 2016 Perusahaan belum melakukan pencairan atas seluruh pinjaman tersebut.

10. DERIVATIVE ASSETS (Continued)

PT Bank CIMB Niaga Tbk

On 11 October 2016, the Company entered into a foreign currency swap contract with PT Bank CIMB Niaga Tbk, whereby the Company obliged to pay Rp 132,850 and had the right to receive USD 10,000,000 (full amount). This contract was valid since 10 January 2017 until 10 January 2020. As of 31 December 2016, The Company has not drawdown the entire loan.

11. ASET LAIN-LAIN

Akun ini terdiri dari:

	2016	2015	
Uang muka	1.103	1.247	Advance payment
Lainnya	8.677	7.284	Others
Jumlah	9.780	8.531	Total

11. OTHER ASSETS

This account consist of:

12. PINJAMAN YANG DITERIMA

Pinjaman yang diterima terdiri dari:

	2016	2015
Pinjaman (Dolar AS) (a)		
<u>Pihak ketiga</u>		
Standard Chartered Bank (<i>Facility Agent</i>)(1)	1.387.563	2.678.971
Qatar National Bank SAQ, Singapore Branch (2)	403.080	689.750
The Korea Development Bank (<i>Facility Agent</i>) (3)	244.291	501.636
Standard Chartered Bank, Singapore Branch (4)	201.540	384.289
The Bank of Tokyo Mitsubishi UFJ, Ltd, Jakarta Branch (5)	134.360	-
Emirates NBD Bank PJSC (<i>Facility Agent</i>) (6)	78.015	685.300
JA Mitsui Leasing, Ltd. (7)	-	34.488
Jumlah pinjaman (Dolar AS)	2.448.849	4.974.434

Pinjaman (Rupiah) (b)

	2016	2015
<u>Pihak ketiga</u>		
PT Bank Mandiri (Persero) Tbk (1)	757.819	-
PT Bank Pembangunan Daerah Jawa Barat & Banten Tbk (2)	295.972	141.861
PT Bank Negara Indonesia (Persero) Tbk (3)	270.622	221.988
PT Bank Permata Tbk (4)	225.224	2.654
PT United Tractors Tbk (5)	217.529	-
PT Bank KEB Hana Indonesia (6)	184.181	-
Bank of China Limited, Jakarta Branch (7)	137.500	-
PT Bank Danamon Indonesia Tbk (8)	81.944	-
PT Bank CTBC Indonesia (9)	52.059	105.000
PT Bank CIMB Niaga Tbk (10)	50.000	-
PT Bank DKI (11)	-	206.780
PT Bank Commonwealth (12)	-	34.722
Jumlah pinjaman (Rupiah)	2.272.850	713.005

12. FUND BORROWINGS

Fund borrowings consist of the followings:

	2016	2015
Borrowings (US Dollar) (a)		
<u>Third parties</u>		
Standard Chartered Bank (<i>Facility Agent</i>)(1)	1.387.563	2.678.971
Qatar National Bank SAQ, Singapore Branch (2)	403.080	689.750
The Korea Development Bank (<i>Facility Agent</i>) (3)	244.291	501.636
Standard Chartered Bank, Singapore Branch (4)	201.540	384.289
The Bank of Tokyo Mitsubishi UFJ, Ltd, Jakarta Branch (5)	134.360	-
Emirates NBD Bank PJSC (<i>Facility Agent</i>) (6)	78.015	685.300
JA Mitsui Leasing, Ltd. (7)	-	34.488
Total borrowings (US Dollar)	2.448.849	4.974.434
Borrowings (Rupiah) (b)		
<u>Third parties</u>		
PT Bank Mandiri (Persero) Tbk (1)	757.819	-
PT Bank Pembangunan Daerah Jawa Barat & Banten Tbk (2)	295.972	141.861
PT Bank Negara Indonesia (Persero) Tbk (3)	270.622	221.988
PT Bank Permata Tbk (4)	225.224	2.654
PT United Tractors Tbk (5)	217.529	-
PT Bank KEB Hana Indonesia (6)	184.181	-
Bank of China Limited, Jakarta Branch (7)	137.500	-
PT Bank Danamon Indonesia Tbk (8)	81.944	-
PT Bank CTBC Indonesia (9)	52.059	105.000
PT Bank CIMB Niaga Tbk (10)	50.000	-
PT Bank DKI (11)	-	206.780
PT Bank Commonwealth (12)	-	34.722
Total borrowings (Rupiah)	2.272.850	713.005

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12. PINJAMAN YANG DITERIMA (Lanjutan)

12. FUND BORROWINGS (Continued)

Pinjaman yang diterima terdiri dari: (Lanjutan)

Fund borrowings consist of the followings (Continued)

	2016	2015	
Jumlah pinjaman	4.721.699	5.687.439	Total borrowing
Dikurangi:			Less:
Biaya transaksi yang belum diamortisasi	(30.760)	(50.740)	Unamortized transaction costs
Pinjaman - bersih	<u>4.690.939</u>	<u>5.636.699</u>	Borrowings - net
	2016	2015	
Tingkat bunga tahunan (%)			(%) Annual interest rate
Mata uang Rupiah	5,50 - 12,00	9,25 - 12,00	Rupiah currency
Mata uang asing	2,22 - 3,30	2,11 - 2,97	Foreign currency

Angsuran pinjaman yang diterima menurut jatuh temponya masing-masing pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

Installments of loans received according to the due dates as of 31 December 2016 and 2015, respectively, are as follows:

	2016	2015	
< = 1 tahun	2.791.829	3.024.775	< = 1 year
1 - 2 tahun	1.406.553	1.896.576	1 - 2 years
2 - 3 tahun	523.317	766.088	2 - 3 years
Jumlah	<u>4.721.699</u>	<u>5.687.439</u>	Total

a. Pinjaman (Dolar AS)

a. Borrowings (US Dollar)

Standard Chartered Bank

Standard Chartered Bank

(1) Pada tanggal 29 Juli 2015, Perusahaan menandatangani Perjanjian Fasilitas Sindikasi Pinjaman Berjangka dengan Jaminan (*Term Loan*) sebesar USD 105.000.000 (nilai penuh) dengan sejumlah bank, dimana Standard Chartered Bank dan Sumitomo Mitsui Banking Corporation bertindak sebagai "*Mandated Lead Arranger and Bookrunner*", Standard Chartered Bank (Hong Kong) Limited sebagai Agen Fasilitas (*the "Facility Agent"*), dan PT Bank Central Asia Tbk sebagai Agen Jaminan (*the "Security Agent"*). Fasilitas pinjaman tersebut disediakan untuk keperluan modal kerja pembiayaan dengan pembayaran pokok akan diangsur secara bertahap dalam jangka waktu 36 (tiga puluh enam) bulan terhitung 9 (sembilan) bulan sejak tanggal pencairan setiap pinjaman. Pinjaman tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 4 dan 5).

(1) On 29 July 2015, the Company entered into a Secured Syndicated Term Loan Facility Agreement amounting to USD 105,000,000 (full amount) with several banks, whereas Standard Chartered Bank and Sumitomo Mitsui Banking Corporation whose acting as the Mandated Lead Arranger and Bookrunner, Standard Chartered Bank (Hong Kong) Limited, whose acting as the Facility Agent, and PT Bank Central Asia Tbk, whose acting as the Security Agent. The facility is provided to the Company for working capital purpose. The loan facility will be repaid quarterly within 36 (thirty-six) months commencing 9 (nine) months from each loan utilization date. The loan is secured by net investments in finance lease and consumer financing receivables (Notes 4 and 5).

Pada tanggal 31 Desember 2016 dan 2015, saldo pinjaman tersebut masing-masing sebesar USD 79.500.000 (nilai penuh) atau setara dengan Rp 1.068.162 dan USD 105.000.000 (nilai penuh) atau setara dengan Rp 1.448.475.

As of 31 December 2016 and 2015, the outstanding loan amounted to USD 79,500,000 (full amount) or equivalent to Rp 1,068,162 and USD 105,000,000 or equivalent to Rp 1,448,475, respectively.

Sehubungan dengan Perjanjian Fasilitas Sindikasi Pinjaman Berjangka dengan Jaminan ini, Perusahaan melakukan transaksi *Cross Currency Swap* dengan PT Bank Permata Tbk dengan tujuan melakukan lindung nilai atas risiko perubahan nilai tukar mata uang asing dan suku bunga (Catatan 2n,10).

In relation to this Syndicated Term Loan Facility Agreement, the Company have entered into a Cross Currency Swap transaction with PT Bank Permata Tbk to hedge the risk of foreign exchange and interest rate volatility (Notes 2n,10).

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12. PINJAMAN YANG DITERIMA (Lanjutan)

a. Pinjaman (Dolar AS) (Lanjutan)

Standard Chartered Bank (Lanjutan)

Pada tanggal 16 Juni 2014, Perusahaan menandatangani Perjanjian Fasilitas Sindikasi Pinjaman Berjangka dengan Jaminan (*Term Loan*) sebesar USD 75.000.000 (nilai penuh) dengan sejumlah Bank, antara lain, Standard Chartered Bank, Jakarta Branch dan First Gulf Bank PJSC, Singapore Branch yang bertindak sebagai "Mandated Lead Arrangers", Standard Chartered Bank (Hong Kong) Limited sebagai Agen Fasilitas (*the "Facility Agent"*) dan PT Bank Central Asia Tbk. sebagai Agen Jaminan (*the "Security Agent"*) untuk keperluan modal kerja pembiayaan.

Pada tanggal 30 Juni 2014, Perusahaan menandatangani Perubahan Perjanjian Fasilitas Sindikasi terkait perjanjian ini, sehingga total fasilitas pinjaman menjadi sebesar USD 100.000.000 (nilai penuh). Fasilitas pinjaman tersebut akan diangsur secara bertahap dalam jangka waktu 31 (tiga puluh satu) bulan terhitung sejak tanggal 23 Desember 2014 sampai dengan tanggal 23 September 2017.

Perusahaan telah melakukan pencairan atas seluruh pinjaman tersebut.

Pinjaman tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 4 dan 5).

Pada tanggal 31 Desember 2016 dan 2015, saldo pinjaman tersebut masing-masing sebesar USD 23.772.000 (nilai penuh) atau setara dengan Rp 319.401 dan USD 62.532.000 (nilai penuh) atau setara dengan Rp 862.629.

Sehubungan dengan Perjanjian Fasilitas Pinjaman diatas, Perusahaan melakukan perjanjian *Cross Currency Swap* dengan Standard Chartered Bank, Jakarta Branch dengan tujuan mengelola risiko perubahan nilai tukar mata uang asing dan suku bunga (Catatan 2n, 10).

Pada tanggal 1 Juli 2013, Perusahaan menandatangani Perjanjian Fasilitas Sindikasi Pinjaman Berjangka dengan Jaminan (*Term Loan*) sebesar USD 80.000.000 (nilai penuh) dengan sejumlah bank, dimana Standard Chartered Bank, Jakarta Branch bertindak sebagai "Mandated Lead Arranger and Bookrunner", Standard Chartered Bank (Hong Kong) Limited sebagai Agen Fasilitas (*the "Facility Agent"*), dan Standard Chartered Bank, Jakarta Branch sebagai Agen Jaminan (*the "Security Agent"*). Fasilitas pinjaman tersebut disediakan untuk keperluan modal kerja pembiayaan dengan pembayaran pokok akan diangsur secara bertahap dalam jangka waktu 24 (dua puluh empat) bulan terhitung sejak tanggal 19 Juli 2014 sampai dengan tanggal 19 Juli 2016. Pinjaman tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 4 dan 5).

12. FUND BORROWINGS (Continued)

a. Borrowings (US Dollar) (Continued)

Standard Chartered Bank (Continued)

On 16 June 2014, the Company entered into a Secured Syndicated Term Loan Facility Agreement amounting to USD 75,000,000 (full amount) with several banks, which among others, Standard Chartered Bank, Jakarta Branch and First Gulf Bank PJSC, Singapore Branch, whose acting as the Mandated Lead Arrangers, Standard Chartered Bank (Hong Kong) Limited, whose acting as the Facility Agent and PT Bank Central Asia Tbk. whose acting as the Security Agent for financing working capital.

On 30 June 2014, the Company signed a Syndication and Amendment Agreement relating to this facility, hence the total facility increase to USD 100,000,000 (full amount). The loan facility will be repaid in 31 (thirty-one) monthly installments commencing from 23 December 2014 to 23 September 2017.

The Company had drawdown the entire loan.

The loan is secured by net investment in finance leases and consumer financing receivables (Notes 4 and 5).

As of 31 December 2016 and 2015, the outstanding loan amounted to USD 23,772,000 (full amount) or equivalent to Rp 319,401 and USD 62,532,000 (full amount) or equivalent to Rp 862,629, respectively.

In respect with the above Loan Facility Agreement, the Company had entered into a Cross Currency Swap agreement with Standard Chartered Bank, Jakarta Branch to cover risks of foreign exchange and interest rate volatility (Notes 2n, 10).

On 1 July 2013, the Company entered into a Secured Syndicated Term Loan Facility Agreement amounting to USD 80,000,000 (full amount) with several banks, whereas Standard Chartered Bank, Jakarta Branch whose acting as the Mandated Lead Arranger and Bookrunner, Standard Chartered Bank (Hong Kong) Limited, whose acting as the Facility Agent, and Standard Chartered Bank, Jakarta Branch, whose acting as the Security Agent. The facility is provided to the Company for working capital purpose. The loan facility will be repaid quarterly within 24 (twenty-four) months commencing from 19 July 2014 to 19 July 2016. The loan is secured by net investments in finance lease and consumer financing receivables (Notes 4 and 5).

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12. PINJAMAN YANG DITERIMA (Lanjutan)

a. Pinjaman (Dolar AS) (Lanjutan)

Standard Chartered Bank (Lanjutan)

Pada tanggal 31 Desember 2015, saldo pinjaman tersebut sebesar USD 26.666.667 (nilai penuh) atau setara dengan Rp 367.867.

Sehubungan dengan Perjanjian Fasilitas Sindikasi Pinjaman Berjangka dengan Jaminan ini, Perusahaan melakukan transaksi *Cross Currency Swap* dengan Standard Chartered Bank, Jakarta Branch dengan tujuan melakukan lindung nilai atas risiko perubahan nilai tukar mata uang asing dan suku bunga (Catatan 2n,10).

Qatar National Bank SAQ, Singapore Branch

- (2) Pada tanggal 19 Maret 2015, Perusahaan menandatangani Perjanjian Fasilitas Pinjaman Berjangka Bilateral dengan nominal sebesar USD 50.000.000 (nilai penuh) dengan Qatar National Bank SAQ, Singapore Branch dimana PT Bank Central Asia Tbk sebagai Agen Jaminan (*the "Security Agent"*). Fasilitas pinjaman tersebut disediakan untuk keperluan modal kerja pembiayaan dengan pembayaran pokok akan diangsur secara bertahap dalam jangka waktu 36 (tiga puluh enam) bulan terhitung sejak tanggal pencairan pinjaman yang terakhir.

Pinjaman tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 4 dan 5).

Perusahaan telah melakukan pencairan atas seluruh pinjaman tersebut.

Pada tanggal 31 Desember 2016 dan 2015 saldo pinjaman tersebut masing-masing sebesar USD 30.000.000 (nilai penuh) atau setara dengan Rp 403.080 dan USD 50.000.000 (nilai penuh) atau setara dengan Rp 689.750.

Sehubungan dengan Perjanjian Fasilitas Pinjaman Berjangka Bilateral dengan Jaminan ini, Perusahaan melakukan transaksi *Cross Currency Swap* dengan PT Bank ANZ Indonesia dengan tujuan melakukan lindung nilai atas risiko perubahan nilai tukar mata uang asing dan suku bunga (Catatan 2n,10).

The Korea Development Bank

- (3) Pada tanggal 2 Oktober 2014, Perusahaan menandatangani Perjanjian Fasilitas Sindikasi Pinjaman Berjangka dengan Jaminan (*Term Loan*) sebesar USD 50.000.000 (nilai penuh) dengan sejumlah Bank, antara lain, The Korea Development Bank yang bertindak sebagai "*Mandated Lead Arranger*", The Korea Development Bank, Singapore Branch sebagai Agen Fasilitas (*the "Facility Agent"*) dan PT Bank Central Asia Tbk, Jakarta Branch sebagai Agen Jaminan (*the "Security Agent"*) untuk keperluan modal kerja pembiayaan. Fasilitas pinjaman tersebut akan diangsur secara bertahap dalam jangka waktu 36 (tiga puluh enam) bulan terhitung sejak tanggal pencairan pinjaman.

12. FUND BORROWINGS (Continued)

a. Borrowings (US Dollar) (Continued)

Standard Chartered Bank (Continued)

As of 31 December 2015, the outstanding loan amounted to USD 26,666,667 (full amount) or equivalent to Rp 367,867.

In relation to this Syndicated Term Loan Facility Agreement, the Company have entered into a Cross Currency Swap transaction with Standard Chartered Bank, Jakarta Branch to hedge the risk of foreign exchange and interest rate volatility (Notes 2n,10).

Qatar National Bank SAQ, Singapore Branch

- (2) On 19 March 2015, the Company entered into a Secured Bilateral Term Loan Facility Agreement amounting to USD 50,000,000 (full amount) with Qatar National Bank SAQ, Singapore Branch, whereas PT Bank Central Asia Tbk whose acting as the Security Agent. The facility is provided to the Company for working capital purpose. The loan facility will be repaid quarterly within 36 (thirty-six) months commencing from the last loan drawdown date.

The loan is secured by net investment in finance lease and consumer financing receivables (Notes 4 and 5).

The Company had drawdown the entire loan.

As of 31 December 2016 and 2015 and, the outstanding loan amounted to USD 30,000,000 (full amount) or equivalent to Rp 403,080 and USD 50,000,000 (full amount) or equivalent to Rp 689,750, respectively.

In relation to this Secured Bilateral Term Loan Facility Agreement, the Company have entered into a Cross Currency Swap transaction with PT Bank ANZ Indonesia to hedge the risk of foreign exchange and interest rate volatility (Notes 2n,10).

The Korea Development Bank

- (3) On 2 October 2014, the Company entered into a Secured Syndicated Term Loan Facility Agreement amounting to USD 50,000,000 (full amount) with several banks, which among others, The Korea Development Bank whose acting as the Mandated Lead Arranger, The Korea Development Bank, Singapore Branch, whose acting as the Facility Agent and PT Bank Central Asia Tbk, Jakarta Branch whose acting as the Security Agent for financing working capital. The loan facility will be repaid in 36 (thirty-six) monthly installments commencing from drawdown date.

Ekshibit E/52

Exhibit E/52

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12. PINJAMAN YANG DITERIMA (Lanjutan)

a. Pinjaman (Dolar AS) (Lanjutan)

The Korea Development Bank (Lanjutan)

Pinjaman tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 4 dan 5).

Pada tanggal 31 Desember 2016 dan 2015 saldo pinjaman tersebut tersebut masing-masing sebesar USD 18.181.818 (nilai penuh) atau setara dengan Rp 244.291 dan USD 36.363.636 (nilai penuh) atau setara dengan Rp 501.636.

Sehubungan dengan Perjanjian Fasilitas dimaksud, Perusahaan melakukan transaksi *Cross Currency Swap* dengan Standard Chartered Bank, Jakarta Branch dengan tujuan melakukan lindung nilai atas risiko perubahan nilai tukar mata uang asing dan suku bunga (Catatan 2n, 10).

Standard Chartered Bank, Singapore Branch

- (4) Pada tanggal 27 Januari 2015, Perusahaan menandatangani Perjanjian Fasilitas Pinjaman Berjangka dengan Jaminan sebesar USD 30.000.000 (nilai penuh) dengan Standard Chartered Bank, Singapore Branch, dimana Standard Chartered Bank, Jakarta Branch sebagai Agen Jaminan (*the "Security Agent"*). Fasilitas pinjaman tersebut disediakan untuk keperluan modal kerja pembiayaan dengan pembayaran pokok akan diangsur secara bertahap dalam jangka waktu 36 (tiga puluh enam) bulan terhitung sejak tanggal 12 Pebruari 2015 sampai dengan tanggal 12 Pebruari 2018.

Perusahaan telah melakukan pencairan atas seluruh pinjaman tersebut.

Pinjaman tersebut dijamin dengan investasi neto sewa pembiayaan (Catatan 4).

Pada tanggal 31 Desember 2016 dan 2015 saldo pinjaman tersebut tersebut masing-masing sebesar USD 15.000.000 (nilai penuh) atau setara dengan Rp 201.540 dan USD 27.857.143 (nilai penuh) atau setara dengan Rp 384.289.

Sehubungan dengan Perjanjian Fasilitas Pinjaman Berjangka dengan Jaminan ini, Perusahaan melakukan transaksi *Cross Currency Swap* dengan Standard Chartered Bank, Jakarta Branch dengan tujuan melakukan lindung nilai atas risiko perubahan nilai tukar mata uang asing dan suku bunga (Catatan 2n,10).

12. FUND BORROWINGS (Continued)

a. Borrowings (US Dollar) (Continued)

The Korea Development Bank (Continued)

The loan is secured by net investments in finance lease and consumer financing receivables (Notes 4 and 5).

As of 31 December 2016 and 2015, the outstanding loan amounted to USD 18,181,818 (full amount) or equivalent to Rp 244,291 and USD 36,363,636 (full amount) or equivalent to Rp 501,636, respectively.

In relation to this Facility Agreement, the Company had entered into a Cross Currency Swap transaction with Standard Chartered Bank, Jakarta Branch to hedge the risks of foreign exchange and interest rate volatility (Notes 2n, 10).

Standard Chartered Bank, Singapore Branch

- (4) On 27 January 2015, the Company entered into a Secured Term Loan Facility Agreement amounting to USD 30,000,000 (full amount) with Standard Chartered Bank, Singapore Branch whereas Standard Chartered Bank, Jakarta Branch, whose acting as the Security Agent. The facility is provided to the Company for working capital purpose. The loan facility will be repaid quarterly within 36 (thirty-six) months commencing from 12 February 2015 to 12 February 2018.

The Company had drawdown the entire loan.

The loan is secured by net investment in finance lease (Note 4).

As of 31 December 2016 and 2015, the outstanding loan amounted to USD 15,000,000 (full amount), or equivalent to Rp 201,540 and USD 27,857,143 (full amount) or equivalent to Rp 384,289, respectively.

In relation to this Secured Term Loan Facility Agreement, the Company have entered into a Cross Currency Swap transaction with Standard Chartered Bank, Jakarta Branch to hedge the risk of foreign exchange and interest rate volatility (Notes 2n,10).

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12. PINJAMAN YANG DITERIMA (Lanjutan)

a. Pinjaman (Dolar AS) (Lanjutan)

The Bank of Tokyo Mitsubishi UFJ, Ltd, Jakarta Branch

- (5) Pada tanggal 30 Juni 2016, Perusahaan menandatangani Perjanjian Kredit dengan The Bank of Tokyo Mitsubishi UFJ, Ltd, Jakarta Branch dengan batas maksimum kredit sebesar USD 10.000.000 (nilai penuh) atau ekuivalen dalam nilai Rupiah. Jangka waktu pinjaman tersebut selama 1 (satu) tahun sejak tanggal penandatanganan perjanjian kredit. Pinjaman tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 4 dan 5).

Perusahaan telah melakukan pencairan atas seluruh pinjaman tersebut.

Pada tanggal 31 Desember 2016, saldo pinjaman tersebut sebesar USD 10.000.000 (nilai penuh) setara dengan Rp 134.360.

Emirates NBD Bank PJSC

- (6) Pada tanggal 8 Juni 2015, Perusahaan menandatangani Perjanjian Fasilitas Pinjaman Berjangka dengan Jaminan (*Term Loan*) sebesar USD 50.000.000 (nilai penuh) dengan Emirates NBD Bank PJSC yang bertindak sebagai Agen Fasilitas (*the "Facility Agent"*), Emirates NBD Capital Limited yang bertindak sebagai "*Mandated Lead Arranger and Bookrunner*", dan PT Bank Central Asia Tbk sebagai Agen Jaminan (*the "Security Agent"*) untuk keperluan modal kerja pembiayaan.

Fasilitas pinjaman tersebut berjangka waktu sampai dengan 36 (tiga puluh enam) terhitung sejak tanggal pencairan pinjaman.

Perusahaan telah melakukan pencairan atas seluruh pinjaman tersebut.

Pinjaman tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaa konsumen (Catatan 4 dan 5).

Pada tanggal 31 Desember 2016 dan 2015 saldo pinjaman tersebut masing-masing sebesar USD 5.806.452 (nilai penuh) atau setara dengan Rp 78.015 dan USD 49.677.419 (nilai penuh) atau setara dengan Rp 685.300.

Sehubungan dengan Perjanjian Fasilitas dimaksud, Perusahaan melakukan transaksi *Cross Currency Swap* dengan Standard Chartered Bank, Jakarta Branch dengan tujuan melakukan lindung nilai atas risiko perubahan nilai tukar mata uang asing dan suku bunga (Catatan 2n, 10).

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12. FUND BORROWINGS (Continued)

a. Borrowings (US Dollar) (Continued)

The Bank of Tokyo Mitsubishi UFJ, Ltd, Jakarta Branch

- (5) On 30 June 2016, the Company signed a credit agreement with The Bank of Tokyo Mitsubishi UFJ, Ltd, Jakarta Branch with a maximum credit limit of USD 10,000,000 (full amount) or equivalent to the value of the Rupiah. The term of the loan was 1 (one) year from the signing date of the credit agreement. The loan is secured by the net investment finance lease and consumer financing receivables (Notes 4 and 5).

The Company had drawdown the entire loan.

As of 31 December 2016, the outstanding loan amounted to USD 10,000,000 (full amount) or equivalent to Rp 134,360.

Emirates NBD Bank PJSC

- (6) On 8 June 2015, the Company entered into a Secured Term Loan Facility Agreement amounting to USD 50,000,000 (full amount) with Emirates NBD Bank PJSC whose acting as the Facility Agent, Emirates NBD Capital Limited whose acting as the Mandated Lead Arranger and Bookrunner, and PT Bank Central Asia Tbk whose acting as the Security Agent for financing working capital.

The loan facility will be matured up 36 (thirty- six) monthly commencing from drawdown date.

The Company had drawdown the entire loan.

The loan is secured by net investments in finance lease and consumer financing receivables (Notes 4 and 5).

As of 31 December 2016 and 2015 and, the outstanding loan amounted to USD 5,806,452 (full amount) or equivalent to Rp 78,015 and USD 49,677,419 (full amount) or equivalent to Rp 685,300, respectively.

In relation to this Facility Agreement, the Company had entered into a Cross Currency Swap transaction with Standard Chartered Bank, Jakarta Branch to hedge the risks of foreign exchange and interest rate volatility (Notes 2n, 10).

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12. PINJAMAN YANG DITERIMA (Lanjutan)

a. Pinjaman (Dolar AS) (Lanjutan)

JA Mitsui Leasing, Ltd.

- (7) Pada tanggal 25 Juni 2013, Perusahaan menandatangani Perjanjian Fasilitas Pinjaman Berjangka dengan Jaminan dengan JA Mitsui Leasing, Ltd. dengan batas maksimum kredit sebesar USD 10.000.000 (nilai penuh). Jangka waktu pinjaman tersebut selama 36 (tiga puluh enam) bulan sejak tanggal pencairan kredit. Pinjaman tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 4 dan 5).

Perusahaan telah melakukan pencairan atas seluruh pinjaman tersebut.

Sehubungan dengan Perjanjian Fasilitas dimaksud, Perusahaan melakukan transaksi *Cross Currency Swap* dengan PT Bank Permata Tbk dengan tujuan melakukan lindung nilai atas risiko perubahan nilai tukar mata uang asing dan suku bunga (Catatan 2n, 10).

Pada tanggal 10 Juli 2016, Perusahaan telah melunasi seluruh pinjaman tersebut.

Pada tanggal 11 Oktober 2016, Perusahaan menandatangani Perjanjian Fasilitas Pinjaman Berjangka dengan Jaminan dengan JA Mitsui Leasing, Ltd. sebesar USD 10.000.000 (nilai penuh). Jangka waktu pinjaman tersebut selama 36 (tiga puluh enam) bulan sejak tanggal pencairan kredit. Pinjaman tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 4 dan 5).

Perusahaan belum melakukan pencairan atas seluruh pinjaman tersebut.

b. Pinjaman (Rupiah)

PT Bank Mandiri (Persero) Tbk

- (1) Pada tanggal 15 Agustus 2016, Perusahaan menandatangani Perjanjian Fasilitas Kredit Modal Kerja dengan PT Bank Mandiri (Persero) Tbk dengan batas maksimum kredit sebesar Rp 500.000, untuk keperluan modal kerja pembiayaan. Jangka waktu pinjaman selama 36 (tiga puluh enam) bulan sejak tanggal pencairan kredit. Pinjaman tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 4 dan 5).

Pada tanggal 26 Oktober 2016, Perusahaan kembali menandatangani Perjanjian Fasilitas Kredit Modal Kerja dengan PT Bank Mandiri (Persero) Tbk dengan batas maksimum kredit sebesar Rp 500.000, untuk keperluan modal kerja pembiayaan. Jangka waktu pinjaman selama 36 (tiga puluh enam) bulan sejak tanggal pencairan kredit. Pinjaman tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 4 dan 5).

Pada tanggal 31 Desember 2016, saldo pinjaman atas kedua perjanjian fasilitas tersebut sebesar Rp 757.819.

12. FUND BORROWINGS (Continued)

a. Borrowings (US Dollar) (Continued)

JA Mitsui Leasing, Ltd.

- (7) On 25 June 2013, the Company entered into a Secured Term Loan Facility Agreement with JA Mitsui Leasing, Ltd. with a maximum credit limit of USD 10,000,000 (full amount). The term of the loan was 36 (thirty-six) months from the withdrawal date. The loan is secured by net investments in finance lease and consumer financing receivables (Notes 4 and 5).

The Company had drawdown the entire loan.

In relation to this Facility Agreement, the Company had entered into a Cross Currency Swap transaction with PT Bank Permata Tbk to hedge the risks of foreign exchange and interest rate volatility (Notes 2n, 10).

On 10 July 2016, the Company has fully repaid this loan.

On 11 October 2016, the Company entered into a Secured Term Loan Facility Agreement with JA Mitsui Leasing, Ltd. USD 10,000,000 (full amount). The term of the loan was 36 (thirty-six) months from the withdrawal date. The loan is secured by net investments in finance lease and consumer financing receivables (Notes 4 and 5).

The Company has not drawdown the entire loan.

b. Borrowings (Rupiah)

PT Bank Mandiri (Persero) Tbk

- (1) On 15 August 2016, the Company entered into a Working Capital Credit Facility Agreement with PT Bank Mandiri (Persero) Tbk with a maximum credit limit of Rp 500,000, for financing working capital. The term of this facility was 36 (thirty-six) months from the loan drawdown date. The loan is secured by net investments in finance lease and consumer financing receivables (Notes 4 and 5).

On 26 October 2016, the Company entered into a Working Capital Credit Facility Agreement with PT Bank Mandiri (Persero) Tbk with a maximum credit limit of Rp 500,000, for financing working capital. The term of this facility was 36 (thirty-six) months from the loan drawdown date. The loan is secured by net investments in finance lease and consumer financing receivables (Notes 4 and 5).

As of 31 Desember 2016, the outstanding loan of then facility agreement amounted to Rp 757,819.

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12. PINJAMAN YANG DITERIMA (Lanjutan)

b. Pinjaman (Rupiah) (Lanjutan)

PT Bank Pembangunan Daerah Jawa Barat dan Banten
Tbk

- (2) Pada tanggal 26 Agustus 2013, Perusahaan menandatangani Perjanjian Kredit dengan BPD Jabar dan Banten dengan batas maksimum kredit sebesar Rp 200.000 dan bersifat "non-revolving", untuk keperluan modal kerja pembiayaan. Jangka waktu pinjaman tersebut selama 36 (tiga puluh enam) bulan sejak tanggal pencairan pinjaman. Pinjaman tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 4 dan 5).

Perusahaan telah melakukan pencairan atas seluruh pinjaman tersebut.

Pada tanggal 31 Desember 2015, saldo pinjaman tersebut sebesar Rp 32.000. Pada tanggal 31 Desember 2016, seluruh pinjaman tersebut telah dilunasi.

Pada tanggal 19 Januari 2015, Perusahaan menandatangani Perjanjian Kredit dengan BPD Jabar dan Banten dengan batas maksimum kredit sebesar Rp 150.000 dan bersifat "non-revolving", untuk keperluan modal kerja pembiayaan. Jangka waktu pinjaman tersebut selama 36 (tiga puluh enam) bulan sejak tanggal pencairan pinjaman. Pinjaman tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 4 dan 5).

Perusahaan telah melakukan pencairan atas seluruh pinjaman tersebut.

Pada tanggal 31 Desember 2016 dan 2015, saldo pinjaman tersebut masing-masing sebesar Rp 59.861 dan Rp 109.861.

Pada tanggal 22 April 2016, Perusahaan menandatangani Perjanjian Kredit dengan BPD Jabar & Banten dengan batas maksimum kredit sebesar Rp 120.000 dan bersifat "non-revolving", untuk keperluan modal kerja pembiayaan. Jangka waktu pinjaman tersebut selama 36 (tiga puluh enam) bulan sejak tanggal pencairan pinjaman. Pinjaman tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 4 dan 5).

Perusahaan telah melakukan pencairan atas seluruh pinjaman tersebut.

Pada tanggal 31 Desember 2016, saldo pinjaman tersebut sebesar Rp 96.667.

Pada tanggal 28 September 2016, Perusahaan menandatangani Perjanjian Kredit dengan BPD Jabar & Banten dengan batas maksimum kredit sebesar Rp 250.000 dan bersifat "non-revolving", untuk keperluan modal kerja pembiayaan. Jangka waktu pinjaman tersebut selama 36 (tiga puluh enam) bulan sejak tanggal pencairan pinjaman. Pinjaman tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 4 dan 5).

12. FUND BORROWINGS (Continued)

b. Borrowings (Rupiah) (Continued)

PT Bank Pembangunan Daerah Jawa Barat dan Banten
Tbk

- (2) On 26 August 2013, the Company entered into a Credit Agreement with BPD Jabar dan Banten with a maximum credit limit of Rp 200,000 and on a "non-revolving" basis, for financing working capital. The term of the loan was 36 (thirty-six) months from the loan withdrawal date. The loan is secured by net investments in finance lease and consumer financing receivables (Notes 4 and 5).

The Company had drawdown the entire loan.

As of 31 December 2015, the outstanding loan amounted to Rp 32,000. As of 31 December 2016, the Company has fully repaid this loan.

On 19 January 2015, the Company entered into a Credit Agreement with BPD Jabar dan Banten with a maximum credit limit of Rp 150,000 and on a "non-revolving" basis, for financing capital. The term of the loan was 36 (thirty-six) working months from the loan withdrawal date. The loan is secured by net investments in finance lease and consumer financing receivables (Notes 4 and 5).

The Company had drawdown the entire loan.

As of 31 December 2016 and 2015, the outstanding loan amounted to Rp 59,861 and Rp 109,861, respectively.

On 22 April 2016, the Company entered into a Credit Agreement with BPD Jabar & Banten with a maximum credit limit of Rp 120,000 and on a "non-revolving" basis, for financing working capital. The term of the loan was 36 (thirty-six) months from the loan withdrawal date. The loan is secured by net investments in finance lease and consumer financing receivables (Notes 4 and 5).

The Company had drawdown the entire loan.

As of 31 December 2016, the outstanding loan amounted to Rp 96.667.

On 28 September 2016, the Company entered into a Credit Agreement with BPD Jabar & Banten with a maximum credit limit of Rp 250,000 and on a "non-revolving" basis, for financing working capital. The term of the loan was 36 (thirty-six) months from the loan withdrawal date. The loan is secured by net investments in finance lease and consumer financing receivables (Notes 4 and 5).

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12. PINJAMAN YANG DITERIMA (Lanjutan)

b. Pinjaman (Rupiah) (Lanjutan)

PT Bank Pembangunan Daerah Jawa Barat dan Banten
Tbk (Lanjutan)

Pada tanggal 31 Desember 2016, saldo pinjaman tersebut sebesar Rp 139.444.

PT Bank Negara Indonesia (Persero) Tbk

- (3) Pada tanggal 22 Desember 2011, Perusahaan menandatangani Perjanjian Fasilitas Kredit Modal Kerja dengan PT Bank Negara Indonesia (Persero) Tbk (BNI) dengan batas maksimum kredit sebesar Rp 200.000. Jangka waktu pencairan pinjaman tersebut selama 12 (dua belas) bulan sejak tanggal pencairan awal kredit. Pinjaman tersebut dijamin dengan piutang pembiayaan konsumen (Catatan 5).

Pada tanggal 18 Juni 2013, Perusahaan menandatangani Perubahan Perjanjian Fasilitas Kredit Modal Kerja dengan PT Bank Negara Indonesia (Persero) Tbk (BNI) dimana batas maksimum kredit ditingkatkan dari Rp 200.000 menjadi sebesar Rp 400.000. Jangka waktu pencairan fasilitas ditetapkan sampai dengan tanggal 21 Desember 2013. Pinjaman tersebut dijamin dengan piutang pembiayaan konsumen (Catatan 5).

Perjanjian ini telah diperpanjang jangka waktunya beberapa kali, dan terakhir pada tanggal 22 April 2016, Perusahaan menandatangani Perubahan Perjanjian Fasilitas Kredit Modal Kerja dengan PT Bank Negara Indonesia (Persero) Tbk (BNI) dimana jangka waktu pencairan fasilitas ditetapkan sampai dengan tanggal 21 Desember 2016. Pinjaman tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 4 dan 5).

Pada tahun 2016 dan 2015, Perusahaan telah melakukan pencairan pinjaman tersebut masing-masing sebesar Rp 314.050 dan Rp 261.637.

Pada tanggal 31 Desember 2016 dan 2015, saldo pinjaman tersebut masing-masing sebesar Rp 270.622 dan Rp 221.988.

PT Bank Permata Tbk

- (4) Pada tanggal 31 Maret 2010, Perusahaan menandatangani Perjanjian Pemberian Fasilitas Piutang Pembiayaan Kendaraan dengan Bank Permata dengan batas maksimum pembiayaan sebesar Rp 100.000 dan bersifat "revolving", untuk keperluan modal kerja pembiayaan. Jangka waktu penarikan fasilitas tersebut berlaku sampai dengan tanggal 31 Maret 2012 dan jangka waktu pembayaran kembali maksimal 48 (empat puluh delapan) bulan sejak tanggal pencairan fasilitas. Fasilitas tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 4 dan 5).

12. FUND BORROWINGS (Continued)

b. Borrowings (Rupiah) (Continued)

PT Bank Pembangunan Daerah Jawa Barat dan Banten
Tbk (Continued)

As of 31 December 2016, the outstanding loan amounted to Rp 139,444.

PT Bank Negara Indonesia (Persero) Tbk

- (3) On 22 December 2011, the Company entered into a Working Capital Credit Facility Agreement with PT Bank Negara Indonesia (Persero) Tbk (BNI) with a maximum credit limit of Rp 200,000. The term of the loan was 12 (twelve) months from the initial drawdown date. The loan is secured by consumer financing receivables (Note 5).

On 18 June 2013, the Company entered into an Amendment to the Working Capital Credit Facility Agreement with PT Bank Negara Indonesia (Persero) Tbk (BNI) whereas the maximum credit limit was increased from Rp 200,000 to Rp 400,000. This facility is available for withdrawal until 21 December 2013. The loan is secured by consumer financing receivables (Note 5).

The availability period of this Agreement has been extended in previous years and on 22 April 2016, the Company entered into an Amendment to the Working Capital Credit Facility Agreement with PT Bank Negara Indonesia (Persero) Tbk (BNI) whereas the facility is available for withdrawal until 21 December 2016. The loan is secured by net investments in finance lease and consumer financing receivables (Notes 4 and 5).

In 2016 and 2015, the Company had drawdown the loan amounting to Rp 314,050 and Rp 261,637, respectively.

As of 31 December 2016 and 2015, the outstanding loan amounted to Rp 270,622 and Rp 221,988, respectively.

PT Bank Permata Tbk

- (4) On 31 March 2010, the Company entered into a Vehicles Financing Receivables Facility Agreement with Bank Permata with a maximum financing limit of Rp 100,000 and on a "revolving" basis, for financing working capital. The drawdown period was valid until 31 March 2012, and will be due for repayment in 48 (forty-eight) months from the drawdown date. The facility is secured by net investments in finance lease and consumer financing receivables (Notes 4 and 5).

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12. PINJAMAN YANG DITERIMA (Lanjutan)

b. Pinjaman (Rupiah) (Lanjutan)

PT Bank Permata Tbk (Lanjutan)

Perjanjian ini telah mengalami beberapa kali pembaharuan, dan pada tanggal 3 Nopember 2015, telah ditandatangani Perubahan Perjanjian dimana batas maksimum pembiayaan diubah menjadi sebesar Rp 150.000 untuk "Fasilitas Piutang Pembiayaan Kendaraan" dan sebesar Rp 100.000 untuk Fasilitas *Money Market*. Pada tanggal 28 Maret 2016 Perjanjian ini kembali diubah dimana jangka waktu penggunaan fasilitas diperpanjang sampai dengan tanggal 28 Maret 2017.

Pada tanggal 31 Desember 2016 dan 2015, saldo pinjaman tersebut masing-masing sebesar Rp 225.224 dan Rp 2.654.

PT United Tractors Tbk

- (5) Pada tanggal 2 Mei 2016, Perusahaan menandatangani Perjanjian Pinjaman dengan PT United Tractors Tbk senilai Rp 300.000, untuk modal kerja Perusahaan yang selanjutnya digunakan untuk pembiayaan pembelian alat-alat berat dari pelanggan Perusahaan. Pinjaman tersebut akan diangsur secara bertahap selama 12 kali angsuran per pinjaman dengan periode 3 bulan untuk setiap kali angsuran. Pinjaman tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 4 dan 5)

Pada tanggal 31 Desember 2016 saldo pinjaman tersebut sebesar Rp 217.529.

PT Bank KEB Hana Indonesia

- (6) Pada tanggal 30 Agustus 2016, Perusahaan menandatangani Perjanjian Fasilitas *Working Capital Installment* dengan PT Bank KEB Hana Indonesia dengan batas maksimum pembiayaan sebesar Rp 400.000 untuk "Fasilitas Piutang Pembiayaan Kendaraan", dan sebesar Rp 100.000 untuk Fasilitas *Money Market*. Jangka waktu pinjaman selama 36 (tiga puluh enam) bulan sejak tanggal pencairan kredit. Fasilitas *Working Capital Installment* tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen sedangkan Fasilitas *Money Market* tidak dijamin dengan jaminan khusus (Catatan 4 dan 5).

Pada tanggal 31 Desember 2016, saldo pinjaman tersebut sebesar Rp 184.181.

Bank of China Limited, Jakarta Branch

- (7) Pada tanggal 20 Juni 2016, Perusahaan menandatangani Perjanjian Fasilitas Pinjaman Berjangka dengan Bank of China Limited, Jakarta Branch (Bank of China) dengan batas maksimum kredit sebesar Rp 150.000. Jangka waktu pinjaman tersebut selama 36 (tiga puluh enam) bulan sejak tanggal pencairan kredit. Pinjaman tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 4 dan 5).

Pada tanggal 31 Desember 2016 saldo pinjaman tersebut sebesar Rp 137.500.

12. FUND BORROWINGS (Continued)

b. Borrowings (Rupiah) (Continued)

PT Bank Permata Tbk (Continued)

This agreement had been amended several times, and on 3 November 2015, the amendment of this agreement has been signed with maximum financing limit is adjusted to Rp 150,000 for Vehicles Financing Receivables Facility Agreement and Rp 100,000 for Money Market Facility. On 28 March 2016, the agreement has been amended further for extension of the facility availability period until 28 March 2017.

As of 31 December 2016 and 2015, the outstanding loan amounted to Rp 225,224 and Rp 2,654, respectively.

PT United Tractors Tbk

- (5) *On 2 May 2016, the Company entered into a Loan Agreement with PT United Tractors Tbk amounting to Rp 300,000 which will be used as company's working capital for heavy equipment financing to the customer. The loan will be repaid in 12 (twelve) quarterly installments. The loan is secured by net investments in finance lease and consumer financing receivables (Notes 4 and 5).*

As of 31 December 2016, the outstanding loan amounted to Rp 217,529.

PT Bank KEB Hana Indonesia

- (6) *On 30 August 2016, the Company signed a Working Capital Installment Facility Agreement with PT Bank KEB Hana Indonesia with a maximum limit of financing of Rp 400,000 for "Vehicle Financing Receivables Facilities" and Rp 100,000 for Money Market Facility. The term of the loan was 36 (thirty-six) months from the loan withdrawal date. The Working Capital Installment Facility was secured by net investment finance lease and consumer financing receivables while Money Market Facility are not secured by specific collateral (Notes 4 and 5).*

As of 31 December 2016, the outstanding loan amounted to Rp 184,181.

Bank of China Limited, Jakarta Branch

- (7) *On 20 June 2016, the Company signed a Term Loan Facility Agreement with Bank of China Limited, Jakarta Branch (Bank of China) with a maximum credit limit amounting to Rp 150,000. The term of the loan was 36 (thirty six) months from the date of loan withdrawal date. The loan is secured by the net investment finance lease and consumer financing receivables (Notes 4 and 5).*

As of 31 December 2016, the outstanding loan amounted to Rp 137,500.

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12. PINJAMAN YANG DITERIMA (Lanjutan)

b. Pinjaman (Rupiah) (Lanjutan)

PT Bank Danamon Indonesia Tbk

- (8) Pada tanggal 19 Nopember 2015, Perusahaan menandatangani Perjanjian Perpanjangan terhadap Perjanjian Kredit Fasilitas Pinjaman Berjangka (Term Loan) dimana batas maksimum pembiayaan menjadi sebesar Rp 200.000 untuk "Fasilitas Piutang Pembiayaan Kendaraan", dan sebesar Rp 100.000 untuk Fasilitas *Money Market*. Pada tanggal 7 Nopember 2016 jangka waktu penggunaan fasilitas diperpanjang sampai dengan tanggal 19 Nopember 2017.

Pada tanggal 31 Desember 2016, saldo pinjaman tersebut sebesar Rp 81.944.

PT Bank CTBC Indonesia

- (9) Pada tanggal 16 Oktober 2014, Perusahaan menandatangani Perjanjian Fasilitas Kredit berupa Pinjaman Jangka Menengah (*Medium Term Loan Facility*) dengan PT Bank CTBC Indonesia dengan batas maksimum kredit sebesar Rp 150.000, untuk keperluan modal kerja pembiayaan. Jangka waktu pinjaman selama 36 (tiga puluh enam) bulan sejak tanggal pencairan kredit. Pinjaman tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 4 dan 5).

Perusahaan telah melakukan pencairan atas seluruh pinjaman tersebut.

Pada tanggal 31 Desember 2016 dan 2015, saldo pinjaman tersebut masing-masing sebesar Rp 52.059 dan Rp 105.000.

PT Bank CIMB Niaga Tbk

- (10) Pada tanggal 22 Desember 2016, Perusahaan menandatangani Perjanjian Kredit dengan PT Bank CIMB Niaga Tbk dengan batas maksimum pembiayaan sebesar Rp 250.000 untuk "Fasilitas Pinjaman Transaksi Khusus (PTK)", dan sebesar Rp 50.000 untuk Fasilitas Pinjaman Tetap. Jangka waktu pinjaman sampai dengan 36 (tiga puluh enam) bulan sejak tanggal pencairan kredit. Fasilitas tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan (Catatan 4 dan 5).

Pada tanggal 31 Desember 2016, saldo pinjaman tersebut sebesar Rp 50.000.

12. FUND BORROWINGS (Continued)

b. Borrowings (Rupiah) (Continued)

PT Bank Danamon Indonesia Tbk

- (8) On 19 November 2015, the entered into an Amendment Term Loan Facility Agreement (Term Loan) to with a maximum limit is set to Rp 200,000 for Vehicle Financing Receivables Facility Agreement and Rp 100,000 for Money Market Facility. On 7 November 2016 The facility period is extended to 19 November 2017.

As of 31 December 2016, the outstanding loan amounted to Rp 81,944.

PT Bank CTBC Indonesia

- (9) On 16 October 2014, the Company entered into a Term Loan Facility Agreement (Medium Term Loan Facility) with PT Bank CTBC Indonesia with a maximum credit limit of Rp 150,000, for financing working capital. The term of this facility was 36 (thirty-six) months from the drawdown date. The loan is secured by net investments in finance lease and consumer financing receivables (Notes 4 and 5).

The Company had drawdown the entire loan.

As of 31 December 2016 and 2015, the outstanding loan amounted to Rp 52,059 and Rp 105,000, respectively.

PT Bank CIMB Niaga Tbk

- (10) On 22 December 2016, the Company signed a Credit Agreement with PT Bank CIMB Niaga Tbk with a maximum limit of financing of Rp 250,000 for "Pinjaman Transaksi Khusus (PTK)" and Rp 50,000 for Pinjaman Tetap. The term of the loan was up to 36 (thirty six) months from the loan withdrawal date. This Facility was secured by net investment finance lease and consumer financing receivables (Notes 4 and 5).

As of 31 December 2016, the outstanding loan amounted to Rp 50,000.

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12. PINJAMAN YANG DITERIMA (Lanjutan)

b. Pinjaman (Rupiah) (Lanjutan)

PT Bank DKI

(11) Pada tanggal 5 April 2013, Perusahaan menandatangani Perjanjian Kredit Sindikasi dengan 4 (empat) bank untuk pinjaman berjangka (term loan) dimana PT Bank DKI bertindak sebagai Agen Fasilitas dan Agen Jaminan. Batas maksimum kredit pinjaman berjangka ini ditetapkan sebesar Rp 500.000 dan bersifat "non-revolving", dimana fasilitas disediakan untuk keperluan modal kerja pembiayaan Perusahaan. Jangka waktu fasilitas tersebut selama 36 (tiga puluh enam) bulan sejak tanggal maksimum plafon kredit telah digunakan seluruhnya. Pinjaman tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 4 dan 5).

Perusahaan telah melakukan pencairan atas seluruh pinjaman tersebut.

Pada tanggal 31 Desember 2015, saldo pinjaman tersebut sebesar Rp 83.333.

Pada tanggal 19 September 2014, Perusahaan menandatangani Perjanjian Kredit dengan PT Bank DKI dengan batas maksimum kredit sebesar Rp 250.000 dan bersifat "non-revolving", untuk keperluan modal kerja pembiayaan. Jangka waktu fasilitas tersebut selama 42 (empat puluh dua) bulan sejak tanggal perjanjian kredit. Pinjaman tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 4 dan 5).

Pada tahun 2015, perusahaan telah melakukan pencairan pinjaman tersebut sebesar Rp 140.000.

Pada tanggal 31 Desember 2015, saldo pinjaman tersebut sebesar Rp 123.447.

Pada tanggal 2 Nopember 2016, Perusahaan telah melunasi seluruh pinjaman tersebut.

PT Bank Commonwealth

(12) Pada tanggal 18 Desember 2014, Perusahaan menandatangani Perjanjian Fasilitas Pinjaman Berjangka IV (Term Loan IV) dengan Bank Commonwealth dengan batas maksimum kredit sebesar Rp 50.000. Jangka waktu pinjaman tersebut selama 36 (tiga puluh enam) bulan sejak tanggal pencairan kredit. Pinjaman tersebut dijamin dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 4 dan 5).

Pada tahun 2015, Perusahaan telah melakukan pencairan pinjaman tersebut sebesar Rp 50.000.

Pada tanggal 31 Desember 2015, saldo pinjaman tersebut sebesar Rp 34.722.

Pada tanggal 26 Oktober 2016, Perusahaan telah melunasi seluruh pinjaman tersebut.

12. FUND BORROWINGS (Continued)

b. Borrowings (Rupiah) (Continued)

PT Bank DKI

(11) On 5 April 2013, the Company entered into a Syndicated Facility Agreement with 4 (four) banks in relation to a term loan facility whereas PT Bank DKI acting as the Facility Agent and the Security Agent. This term loan have maximum credit limit of Rp 500,000 and on a "non-revolving" basis, and provided for financing working capital to the Company. The facility tenor was 36 (thirty-six) months from the final utilization date of the facility. The loan is secured by net investments in finance lease and consumer financing receivables (Notes 4 and 5).

The Company had drawdown the entire loan.

As of 31 December 2015, the outstanding loan amounted to Rp 83,333.

On 19 September 2014, the Company entered into a Credit Agreement with PT Bank DKI with a maximum credit limit of Rp 250,000 and on a "non-revolving" basis, for financing working capital. The term of the facility was 42 (forty-two) months from the credit agreement date. The loan is secured by net investments in finance lease and consumer financing receivables (Notes 4 and 5).

In 2015, the Company had drawdown the loan amounting to Rp 140,000.

As of 31 December 2015, the outstanding loan amounted to Rp 123,447.

As of 2 November 2016, the Company had fully repaid the entire outstanding loan.

PT Bank Commonwealth

(12) On 18 December 2014, the Company entered into a Term Loan IV Facility Agreement with Bank Commonwealth with a maximum credit limit of Rp 50,000. The term of the loan was 36 (thirty-six) months from the loan drawdown date. The loan is secured by net investments in finance lease and consumer financing receivables (Notes 4 and 5).

In 2015, the Company had drawdown the loan amounting to Rp 50,000.

As of 31 December 2015 the outstanding loan amounted to Rp 34,722.

As of 26 October 2016, the Company had fully repaid the entire outstanding loan.

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12. PINJAMAN YANG DITERIMA (Lanjutan)

Pembatasan dan Kewajiban

Atas pinjaman-pinjaman yang diterima Perusahaan, umumnya para kreditur mensyaratkan adanya pembatasan-pembatasan dan kewajiban tertentu yang harus dipenuhi oleh Perusahaan, yang pada umumnya meliputi:

- Menjaga rasio jumlah pencadangan kerugian penurunan sesuai dengan standar akuntansi yang berlaku, atau
- Menyerahkan laporan keuangan tahunan yang telah diaudit kepada Bank selambat-lambatnya 4 (empat) bulan sejak berakhirnya tahun buku yang bersangkutan dan laporan keuangan kuartalan paling lambat 60 hari sejak berakhirnya tiap kuartal, atau
- Menjaga rasio antara jaminan fasilitas kredit minimal 100% dari outstanding pinjaman, atau
- Menjaga *gearing ratio* (rasio antara pinjaman dengan modal sendiri) tidak lebih besar dari 5 (lima) kali sampai dengan 10 (sepuluh) kali, atau
- Menjaga *Non Performing Loan* (NPL) tidak melebihi 5% dari piutang pembiayaan, atau
- Dampak mata uang yang tidak dilindungi secara keseluruhan maksimum 25% dari jumlah ekuitas secara keseluruhan, atau
- Ekuitas diharuskan lebih besar dari Rp 1.000.000, atau melakukan pemberitahuan secara tertulis kepada Bank, salah satunya apabila terdapat perubahan komposisi pemegang saham mayoritas, perubahan susunan anggota komisaris dan direksi, perubahan bidang atau jenis kegiatan usaha Perusahaan, serta apabila Perusahaan melakukan pembubaran, penggabungan usaha dan atau peleburan dengan Perusahaan lain.

Jumlah investasi neto sewa pembiayaan dan piutang pembiayaan konsumen yang dijamin atas fasilitas kredit di atas berkisar 100% dari jumlah *outstanding* pinjaman dan diikat secara fidusia.

Perusahaan telah memenuhi batasan-batasan yang diwajibkan dalam perjanjian pinjaman.

Tidak ada pembayaran pokok dan bunga pinjaman yang telah jatuh tempo namun belum dibayarkan.

12. FUND BORROWINGS (Continued)

Covenants

On loans received by the Company, the creditors generally entails restrictions and certain obligation that should be met by the Company, which generally include the followings:

- Maintaining the ratio of total allowance for impairment losses as required by the Accounting Standard, or
- Submitting annual audited financial statements to the Bank no later than 4 (four) months subsequent to the year end and quarterly financial statements no later than 60 (sixty) days subsequent to the quarterly period end, or
- Maintaining the security margin of at least 100% of the total outstanding loan, or
- Maintaining *gearing ratio* (debt to equity ratio) of not greater than 5 (five) to 10 (ten) times, or
- Maintaining Non Performing Loans (NPL) shall not exceed 5% of financing receivables, or
- The impact of currency risk exposure that are not being covered/hedged shall not exceed 25% of the total equity, or
- Total equity should be greater than Rp 1,000,000, or provide a written notice to the Bank, should any of the following condition are met: one of them if there are changes in the composition of major shareholders, changes in the composition of the Commissioners and Directors, alter the nature of business, change the field or type of business activities, and enter into consolidation, merger, and or acquisitions.

Total net investments in finance lease and consumer financing receivables pledged as collateral for the above-mentioned credit facilities was about 100% of total outstanding loans and fiduciary transferred.

The Company has complied with covenants on loan agreement.

There are no principal and interest of loans that have been due but not yet paid.

Ekshibit E/61

Exhibit E/61

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13. SURAT BERHARGA YANG DITERBITKAN

Surat berharga yang diterbitkan terdiri dari :

	2016	2015
Obligasi (a)	2.865.295	1.426.563
Medium Term Notes (MTN) (b)	100.000	254.553
Jumlah	2.965.295	1.681.116

a. Obligasi

	2016	2015
Nilai nominal:		
Obligasi Berkelanjutan I BFI Finance Indonesia Tahap II Tahun 2013	-	155.000
Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014	220.000	275.000
Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015	655.000	1.000.000
Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016	1.000.000	-
Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016	1.000.000	-
Jumlah nilai nominal	2.875.000	1.430.000
Dikurangi:		
Biaya emisi obligasi yang belum diamortisasi	(9.705)	(3.437)
Jumlah - bersih	2.865.295	1.426.563
Utang obligasi sesuai jatuh temponya:		
• < 1 tahun	842.000	555.000
• 1-2 tahun	692.000	325.000
• 2-3 tahun	1.341.000	550.000
	2.875.000	1.430.000
Amortisasi biaya emisi obligasi yang dibebankan ke laporan laba rugi dan penghasilan komprehensif lain (Catatan 22)	4.404	3.536

13. SECURITIES ISSUED

Securities issued consisting of :

	2015	2016
Bonds (a)	1.426.563	2.865.295
Medium Term Notes (MTN) (b)	254.553	100.000
Total	1.681.116	2.965.295

a. Bond

	2015	2016
Nominal value:		
Obligasi Berkelanjutan I BFI Finance Indonesia Tahap II Tahun 2013	155.000	-
Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014	275.000	220.000
Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015	1.000.000	655.000
Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016	-	1.000.000
Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016	-	1.000.000
Total nominal value	1.430.000	2.875.000
Less:		
Unamortized bond issuance cost	(3.437)	(9.705)
Total - net	1.426.563	2.865.295
Bonds payable by maturity profile:		
< 1 year •	555.000	842.000
1-2 years •	325.000	692.000
2-3 years •	550.000	1.341.000
	1.430.000	2.875.000
Amortization of bonds issuance costs charged to the statement of profit or loss and other comprehensive income (Note 22)	3.536	4.404

Obligasi Berkelanjutan I BFI Finance Indonesia Tahap II Tahun 2013

Obligasi/ Bonds	Nilai nominal/ Nominal value	Tingkat bunga tetap/ Fixed interest rate	Jatuh tempo/ Due date	Cicilan pokok obligasi/ Bonds principal installment
Seri/Series A	Rp 100.000	7,50%	1 Maret/ March 2014	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date
Seri/Series B	Rp 370.000	8,50%	19 Februari/ February 2015	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date
Seri/Series C	Rp 155.000	9,00%	19 Februari/ February 2016	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date

Obligasi Berkelanjutan I BFI Finance Indonesia Tahap II Tahun 2013

Obligasi/ Bonds	Nilai nominal/ Nominal value	Tingkat bunga tetap/ Fixed interest rate	Jatuh tempo/ Due date	Cicilan pokok obligasi/ Bonds principal installment
Seri/Series A	Rp 100.000	7,50%	1 Maret/ March 2014	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date
Seri/Series B	Rp 370.000	8,50%	19 Februari/ February 2015	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date
Seri/Series C	Rp 155.000	9,00%	19 Februari/ February 2016	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date

Perusahaan telah menerbitkan Obligasi Berkelanjutan I BFI Finance Indonesia Tahap II Tahun 2013 (Obligasi Berkelanjutan I Tahap II) dengan jumlah nominal sebesar Rp 625.000 yang terbagi atas Seri A, Seri B dan Seri C yang dicatatkan pada Bursa Efek Indonesia pada tanggal 20 Februari 2013.

Bunga Obligasi tersebut dibayarkan setiap triwulan (3 bulan) sejak tanggal 19 Mei 2013 dan terakhir dilakukan bersamaan dengan pelunasan pokok masing masing seri Obligasi Berkelanjutan I Tahap II.

The Company issued Obligasi Berkelanjutan I BFI Finance Indonesia Tahap II Tahun 2013 (Obligasi Berkelanjutan I Tahap II) at a nominal value of Rp 625,000 which consist of A Series, B Series and C Series and were listed at the Indonesian Stock Exchange on 20 February 2013.

Interests on these Bonds are paid on a quarterly basis with the first payment on 19 May 2013 and the last payment date together with payment of principal of each series of Obligasi Berkelanjutan I Tahap II.

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a. Obligasi (Lanjutan)

Obligasi Berkelanjutan I BFI Finance Indonesia Tahap II Tahun 2013 (Lanjutan)

Obligasi tersebut dijamin secara fidusia dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen kepada pihak ketiga dengan kategori lancar yang nilai seluruhnya sebesar 80% (delapan puluh persen) dari nilai pokok Obligasi yang terutang yang harus tersedia 5 bulan setelah tanggal emisi (Catatan 4 dan 5).

Perusahaan telah melunasi seluruh utang pokok Obligasi Berkelanjutan I Tahap II Seri A, Seri B, dan Seri C masing-masing pada tanggal 1 Maret 2014, 18 Pebruari 2015 dan 18 Pebruari 2016.

Pada tanggal 31 Desember 2015, saldo pokok Obligasi Berkelanjutan I Tahap II yang terutang sebesar Rp 155.000.

Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014

Obligasi/ Bonds	Nilai nominal/ Nominal value	Tingkat bunga tetap/ Fixed interest rate	Jatuh tempo/ Due date	Cicilan pokok obligasi/ Bonds principal installment
Seri/Series A	Rp 225.000	10,50%	17 Maret/ March 2015	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date
Seri/Series B	Rp 55.000	11,00%	7 Maret/ March 2016	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date
Seri/Series C	Rp 220.000	11,50%	7 Maret/ March 2017	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date

Pada tanggal 28 Pebruari 2014, Perusahaan memperoleh pernyataan efektif dari Otoritas Jasa Keuangan melalui surat No. S-121/D.04/2014 dalam rangka Penawaran Umum Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014 (Obligasi Berkelanjutan II Tahap I) dengan jumlah nominal sebesar Rp 500.000, yang ditawarkan pada nilai nominal (Catatan 1d) dan telah dicatatkan pada Bursa Efek Indonesia pada tanggal 10 Maret 2014.

Bunga Obligasi tersebut dibayarkan setiap triwulan (3 bulan) sejak tanggal 7 Maret 2014 dan terakhir dilakukan bersamaan dengan pelunasan pokok masing-masing seri Obligasi Berkelanjutan II Tahap I.

Berdasarkan hasil pemeringkatan terakhir atas surat utang jangka panjang sesuai dengan Surat No. 189/DIR/RAT/XI/2016 tanggal 25 Nopember 2016 dari PT Fitch Ratings Indonesia ("Fitch"), Obligasi tersebut telah mendapat kenaikan peringkat menjadi AA-(idn).

Obligasi tersebut dijamin secara fidusia dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen kepada pihak ketiga dengan kategori lancar yang nilai seluruhnya sebesar 80% (delapan puluh persen) dari nilai pokok Obligasi yang terutang yang harus tersedia 5 bulan setelah tanggal emisi (Catatan 4 dan 5).

Perusahaan telah melunasi seluruh utang pokok Obligasi Berkelanjutan II Tahap I Seri A dan Seri B masing-masing pada tanggal 17 Maret 2015 dan tanggal 7 Maret 2016.

Pada tanggal 31 Desember 2016 dan 2015, saldo pokok Obligasi Berkelanjutan II Tahap I yang terutang masing-masing sebesar Rp 220.000 dan Rp 275.000.

13. SECURITIES ISSUED (Continued)

a. Bond (Continued)

Obligasi Berkelanjutan I BFI Finance Indonesia Tahap II Tahun 2013 (Continued)

The Bonds were secured by the fiduciary transfers of the Company's net investments in finance lease and consumer financing receivables to the third parties which categorized as current totalling 80% (eighty percent) of the principal amount of the Bonds payable after 5 months from issuance date (Notes 4 and 5).

The Company fully paid the outstanding principal of Obligasi Berkelanjutan I Tahap II A Series, B Series, and C Series on 1 March 2014, 18 February 2015 and 18 February 2016.

As of 31 December 2015, the outstanding principal of Obligasi Berkelanjutan I Tahap II amounted to Rp 155,000.

Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014

On 28 February 2014, the Company obtained an effective statement from Indonesia's Financial Services Authority (Otoritas Jasa Keuangan) in its letter No. S-121/D.04/2014 in respect with the Public Offering of Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014 (Obligasi Berkelanjutan II Tahap I), at a nominal value of Rp 500,000, offered at par (Note 1d) and were listed at the Indonesian Stock Exchange on 10 March 2014.

Interests on these Bonds are paid on a quarterly basis with the first payment on 7 March 2014 and the last payment date together with payment of principal of each series of Obligasi Berkelanjutan II Tahap I.

Based on the latest annual bond rating result on long-term debentures according to Letter No. 189/DIR/RAT/XI/2016 dated 25 November 2016 of PT Fitch Ratings Indonesia ("Fitch"), these Bonds rating were upgraded to AA-(idn).

The Bonds were secured by the fiduciary transfers of the Company's net investments in finance leases and consumer financing receivables to the third parties which categorized as current totalling 80% (eighty percent) of the principal amount of the Bonds payable after 5 months from issuance date (Notes 4 and 5).

The Company fully paid the outstanding principal of Obligasi Berkelanjutan II Tahap I A Series & B Series, each on 17 March 2015 and 7 March 2016 respectively.

As of 31 December 2016 and 2015, the outstanding principal of Obligasi Berkelanjutan II Tahap I amounted to Rp 220,000 dan Rp 275,000 respectively.

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a. Obligasi (Lanjutan)

Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015

Obligasi/ Bonds	Nilai nominal/ Nominal value	Tingkat bunga tetap/ Fixed interest rate	Jatuh tempo/ Due date	Cicilan pokok obligasi/ Bonds principal installment
Seri/Series A	Rp 345.000	9,875%	29 Maret/ March 2016	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date
Seri/Series B	Rp 105.000	10,500%	19 Maret/ March 2017	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date
Seri/Series C	Rp 550.000	10,875%	19 Maret/ March 2018	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date

Perusahaan telah menerbitkan dan menawarkan Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015 (Obligasi Berkelanjutan II Tahap II) dengan jumlah nominal sebesar Rp 1.000.000 yang terbagi atas Seri A, Seri B dan Seri C yang dicatatkan pada Bursa Efek Indonesia pada tanggal 20 Maret 2015.

Bunga Obligasi tersebut dibayarkan setiap triwulan (3 bulan) sejak tanggal 19 Juni 2015 dan terakhir dilakukan bersamaan dengan pelunasan pokok masing-masing seri Obligasi Berkelanjutan II Tahap II.

Berdasarkan hasil pemeringkatan terakhir atas surat utang jangka panjang sesuai dengan Surat No. 189/DIR/RAT/XI/2016 tanggal 25 Nopember 2016 dari PT Fitch Ratings Indonesia ("Fitch"), Obligasi tersebut telah mendapat kenaikan peringkat menjadi peringkat AA-(idn).

Obligasi tersebut dijamin secara fidusia dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen kepada pihak ketiga dengan kategori lancar yang nilai seluruhnya sebesar 80% (delapan puluh persen) dari nilai pokok Obligasi yang terutang yang harus tersedia 6 bulan setelah tanggal emisi (Catatan 4 dan 5).

Perusahaan telah melunasi seluruh utang pokok Obligasi Berkelanjutan II Tahap II Seri A pada tanggal 29 Maret 2016.

Pada tanggal 31 Desember 2016 dan 2015, saldo pokok Obligasi Berkelanjutan II Tahap II yang terutang masing-masing sebesar Rp 655.000 dan Rp 1.000.000.

Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016

Obligasi/ Bonds	Nilai nominal/ Nominal value	Tingkat bunga tetap/ Fixed interest rate	Jatuh tempo/ Due date	Cicilan pokok obligasi/ Bonds principal installment
Seri/Series A	Rp 200.000	9,75%	5 Maret/ March 2017	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date
Seri/Series B	Rp 142.000	10,25%	25 Februari/ February 2018	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date
Seri/Series C	Rp 658.000	10,75%	25 Februari/ February 2019	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date

13. SECURITIES ISSUED (Continued)

a. Bond (Continued)

Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015

Obligasi/ Bonds	Nilai nominal/ Nominal value	Tingkat bunga tetap/ Fixed interest rate	Jatuh tempo/ Due date	Cicilan pokok obligasi/ Bonds principal installment
Seri/Series A	Rp 345.000	9,875%	29 Maret/ March 2016	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date
Seri/Series B	Rp 105.000	10,500%	19 Maret/ March 2017	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date
Seri/Series C	Rp 550.000	10,875%	19 Maret/ March 2018	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date

The Company issued and offered Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015 (Obligasi Berkelanjutan II Tahap II) at a nominal value of Rp 1,000,000 which consist of A Series, B Series and C Series and were listed at the Indonesian Stock Exchange on 20 March 2015.

Interests on these Bonds are paid on a quarterly basis with the first payment on 19 June 2015 and the last payment date together with payment of principal of each series of Obligasi Berkelanjutan II Tahap II.

Based on the latest annual bond rating results on long-term debentures according to Letter No. 189/DIR/RAT/XI/2016 dated 25 November 2016 of PT Fitch Ratings Indonesia ("Fitch"), these Bonds rating were upgraded to AA-(idn).

The Bonds were secured by the fiduciary transfers of the Company's net investments in finance leases and consumer financing receivables to the third parties which categorized as current totalling 80% (eighty percent) of the principal amount of the Bonds payable after 6 months from issuance date (Notes 4 and 5).

The Company fully paid the outstanding principal of Obligasi Berkelanjutan II Tahap I A Series on 29 March 2016.

As of 31 December 2016 and 2015, the outstanding principal of Obligasi Berkelanjutan II Tahap II amounted to Rp 655,000 and Rp 1,000,000 respectively.

Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016

Obligasi/ Bonds	Nilai nominal/ Nominal value	Tingkat bunga tetap/ Fixed interest rate	Jatuh tempo/ Due date	Cicilan pokok obligasi/ Bonds principal installment
Seri/Series A	Rp 200.000	9,75%	5 Maret/ March 2017	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date
Seri/Series B	Rp 142.000	10,25%	25 Februari/ February 2018	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date
Seri/Series C	Rp 658.000	10,75%	25 Februari/ February 2019	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date

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13. SURAT BERHARGA YANG DITERBITKAN (Lanjutan)

a. Obligasi (Lanjutan)

Obligasi Berkelanjutan II BFI Finance Indonesia
Tahap III Tahun 2016 (Lanjutan)

Perusahaan telah menerbitkan Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016 (Obligasi Berkelanjutan II Tahap III) dengan jumlah nominal sebesar Rp 1.000.000 yang terbagi atas Seri A, Seri B dan Seri C yang dicatatkan pada Bursa Efek Indonesia pada tanggal 26 Februari 2016.

Bunga Obligasi tersebut dibayarkan setiap triwulan (3 bulan) sejak tanggal 25 Mei 2016 dan terakhir dilakukan bersamaan dengan pelunasan pokok masing masing seri Obligasi Berkelanjutan II Tahap III.

Berdasarkan hasil pemeringkatan terakhir atas surat utang jangka panjang sesuai dengan Surat No. 189/DIR/RAT/XI/2016 tanggal 25 Nopember 2016 dari PT Fitch Ratings Indonesia ("Fitch"), Obligasi tersebut telah mendapat kenaikan peringkat menjadi peringkat AA-(idn).

Obligasi tersebut dijamin secara fidusia dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen kepada pihak ketiga dengan kategori lancar yang nilai seluruhnya sebesar 80% (delapan puluh persen) dari nilai pokok Obligasi yang terutang yang harus tersedia 6 bulan setelah tanggal emisi (Catatan 4 dan 5).

Pada tanggal 31 Desember 2016, saldo pokok Obligasi Berkelanjutan II Tahap III yang terutang sebesar Rp 1.000.000.

Obligasi Berkelanjutan III BFI Finance Indonesia Tahap
I Tahun 2016

Obligasi/ Bonds	Nilai nominal/ Nominal value	Tingkat bunga tetap/ Fixed interest rate	Jatuh tempo/ Due date	Cicilan pokok obligasi/ Bonds principal installment
Seri/Series A	Rp 317.000	8,10%	25 Oktober/ October 2017	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date
Seri/Series B	Rp 550.000	8,80%	25 Oktober/ October 2019	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date
Seri/Series C	Rp 133.000	9,10%	25 Oktober/ October 2021	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date

Perusahaan telah menerbitkan Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016 (Obligasi Berkelanjutan III Tahap I) dengan jumlah nominal sebesar Rp 1.000.000 yang terbagi atas Seri A, Seri B dan Seri C yang dicatatkan pada Bursa Efek Indonesia pada tanggal 26 Oktober 2016.

Bunga Obligasi tersebut dibayarkan setiap triwulan (3 bulan) sejak tanggal 25 Januari 2017 dan terakhir dilakukan bersamaan dengan pelunasan pokok masing masing seri Obligasi Berkelanjutan III Tahap I.

Berdasarkan hasil pemeringkatan terakhir atas surat utang jangka panjang sesuai dengan Surat No. 189/DIR/RAT/XI/2016 tanggal 25 Nopember 2016 dari PT Fitch Ratings Indonesia ("Fitch"), Obligasi tersebut telah mendapat kenaikan peringkat menjadi peringkat AA-(idn).

13. SECURITIES ISSUED (Continued)

a. Bond (Continued)

Obligasi Berkelanjutan II BFI Finance Indonesia
Tahap III Tahun 2016 (Continued)

The Company issued Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016 (Obligasi Berkelanjutan II Tahap III) at a nominal value of Rp 1,000,000 which consist of A Series, B Series and C Series and were listed at the Indonesian Stock Exchange on 26 February 2016.

Interests on these Bonds are paid on a quarterly basis with the first payment on 25 May 2016 and the last payment date together with payment of principal of each series of Obligasi Berkelanjutan II Tahap III.

Based on the latest annual bond rating results on long-term debentures according to Letter No. 189/DIR/RAT/XI/2016 dated 25 November 2016 of PT Fitch Ratings Indonesia ("Fitch"), these Bonds rating were rated at upgraded to AA-(idn).

The Bonds were secured by the fiduciary transfers of the Company's net investments in finance leases and consumer financing receivables to the third parties which categorized as current totalling 80% (eighty percent) of the principal amount of the Bonds payable after 6 months from issuance date (Notes 4 and 5).

As of 31 December 2016, the outstanding principal of Obligasi Berkelanjutan II Tahap III amounted to Rp 1,000,000.

Obligasi Berkelanjutan III BFI Finance Indonesia Tahap
I Tahun 2016

Obligasi/ Bonds	Nilai nominal/ Nominal value	Tingkat bunga tetap/ Fixed interest rate	Jatuh tempo/ Due date	Cicilan pokok obligasi/ Bonds principal installment
Seri/Series A	Rp 317.000	8,10%	25 Oktober/ October 2017	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date
Seri/Series B	Rp 550.000	8,80%	25 Oktober/ October 2019	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date
Seri/Series C	Rp 133.000	9,10%	25 Oktober/ October 2021	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date

The Company issued Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016 (Obligasi Berkelanjutan III Tahap I) at a nominal value of Rp 1,000,000 which consist of A Series, B Series and C Series and were listed at the Indonesian Stock Exchange on 26 October 2016.

Interests on these Bonds are paid on a quarterly basis with the first payment on 25 January 2017 and the last payment date together with payment of principal of each series of Obligasi Berkelanjutan III Tahap I.

Based on the latest annual bond rating results on long-term debentures according to Letter No. 189/DIR/RAT/XI/2016 dated 25 November 2016 of PT Fitch Ratings Indonesia ("Fitch"), these Bonds rating were upgraded to AA-(idn).

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a. Obligasi (Lanjutan)

Obligasi Berkelanjutan III BFI Finance Indonesia
Tahap I Tahun 2016 (Lanjutan)

Obligasi tersebut dijamin secara fidusia dengan investasi neto sewa pembiayaan dan piutang pembiayaan konsumen kepada pihak ketiga dengan kategori lancar yang nilai seluruhnya sebesar 60% (enam puluh persen) dari nilai pokok Obligasi yang terutang yang harus tersedia 6 bulan setelah tanggal emisi (Catatan 4 dan 5).

Pada tanggal 31 Desember 2016, saldo pokok Obligasi Berkelanjutan III Tahap I yang terutang sebesar Rp 1.000.000.

Perjanjian Perwaliamanatan Obligasi mensyaratkan adanya pembatasan-pembatasan dan kewajiban tertentu yang harus dipenuhi oleh Perusahaan, antara lain memberikan jaminan fidusia berupa investasi neto sewa pembiayaan dan piutang pembiayaan konsumen sebesar Rp 1.700.038 dan Rp 1.144.019 masing-masing pada tanggal 31 Desember 2016 dan 2015 (Catatan 4 dan 5).

Selain itu, berdasarkan perjanjian tersebut, Perusahaan tidak diperkenankan, antara lain:

- a. Melakukan pembayaran kecuali pembagian dividen kepada pemegang saham pada tahun buku Perusahaan atau kepada kreditur lainnya yang utangnya tidak dijamin dengan jaminan khusus (Kreditur Preferen), selama Perusahaan lalai dalam melakukan pembayaran jumlah terutang atau Perusahaan tidak melakukan pembayaran jumlah terutang berdasarkan ketentuan Perjanjian Perwaliamanatan dan Pengakuan Utang.
- b. Mengalihkan kekayaan atau Mengalihkan kekayaan atau menjadikan jaminan utang harta kekayaan Perusahaan, yang merupakan lebih dari 50% (lima puluh persen) jumlah kekayaan bersih Perusahaan dalam 1 (satu) transaksi atau lebih, baik yang berkaitan satu sama lain maupun tidak, yang terjadi dalam jangka waktu 1 (satu) tahun buku, kecuali untuk keperluan dalam rangka pendanaan kegiatan usaha Perusahaan dan telah mendapat persetujuan dari Rapat Umum Pemegang Saham Perusahaan.
- c. Melakukan penggabungan, konsolidasi dan peleburan dengan perusahaan lain kecuali sepanjang dilakukan pada bidang usaha yang sama dan tidak mempunyai dampak negatif terhadap jalannya usaha Perusahaan serta tidak mempengaruhi kemampuan Perusahaan dalam melakukan Pembayaran pokok dan/atau bunga obligasi.
- d. Melakukan kegiatan usaha selain yang disebutkan dalam Anggaran Dasar Perusahaan.
- e. Mengadakan perjanjian manajemen atau perjanjian serupa lainnya yang mengakibatkan kegiatan usaha Perusahaan dikendalikan oleh pihak lain yang dapat mengakibatkan dampak negatif yang material terhadap kegiatan usaha Perusahaan.

13. SECURITIES ISSUED (Continued)

a. Bond (Continued)

Obligasi Berkelanjutan III BFI Finance Indonesia
Tahap I Tahun 2016 (Continued)

The Bonds were secured by the fiduciary transfers of the Company's net investments in finance leases and consumer financing receivables to the third parties which categorized as current totalling 60% (sixty percent) of the principal amount of the Bonds payable after 6 months from issuance date (Notes 4 and 5).

As of 31 December 2016, the outstanding principal of Obligasi Berkelanjutan III Tahap I amounted to Rp 1,000,000.

The Bonds Trustee Agreements prescribe several negative covenants to the Company, entails restrictions and certain obligation that should be met by the Company, which among others collateral with fiduciary transfer of net investments in finance lease and consumer financing receivables amounting to Rp 1,700,038 and Rp 1,144,019 as of 31 December 2016 and 2015, respectively (Notes 4 and 5).

Moreover, under the agreements, the Company is not allowed to, among others:

- a. Carries out a payment except of dividend payments to shareholders during the Company's financial year or to any other creditors whose debt are not secured by specific collateral (preferred creditors), as long as the Company fails to make payment of the payable amount or the Company does not make payments of the payable amount based on a Trustee Agreement and Acknowledgement of Debt.
- b. Transfer asset or pledge the assets as collateral on debts, which constitute of greater than 50% (fifty percent) of the Company's net assets in 1 (one) transaction or more, whether its related to one another or not, that occur within 1 (one) financial year, except for the purposes of financing the Company's operational activities and has obtained approval through the Company's General Meeting of Shareholders.
- c. Carries out a business combination, consolidation and merger with another company unless provided that its carried out in a similar industry and have no negative impact to the course of the Company's operational business and does not affect the Company's ability to pay the principal and/or interest on the bonds.
- d. Carries out business activities other than those set forth in the Articles of Association of the Company.
- e. Entered into a management agreement or other similar agreement that resulted in the Company operations being controlled by other parties that may result in a significant negative impact to the Company's business operation.

Ekshibit E/66

Exhibit E/66

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13. SURAT BERHARGA YANG DITERBITKAN (Lanjutan)

13. SECURITIES ISSUED (Continued)

b. Medium Term Notes (MTN)

b. Medium Term Notes (MTN)

	2016	2015	
Nilai nominal:			Nominal value:
Medium Term Notes BFI Finance Indonesia III Tahun 2015	100.000	100.000	Medium Term Notes BFI Finance Indonesia III Tahun 2015
Medium Term Notes BFI Finance Indonesia IV Tahun 2015	-	155.000	Medium Term Notes BFI Finance Indonesia IV Tahun 2015
Dikurangi:			
Biaya emisi MTN yang belum diamortisasi	-	(447)	Unamortized MTN issuance cost
Jumlah - neto	<u>100.000</u>	<u>254.553</u>	Total - net
MTN sesuai jatuh temponya:			MTN have the following maturity:
• < 1 tahun	50.000	155.000	< 1 year •
• 1-2 tahun	50.000	50.000	1-2 years •
• 2-3 tahun	-	50.000	2-3 years •
	<u>100.000</u>	<u>255.000</u>	
Amortisasi biaya emisi MTN yang dibebankan ke laporan laba rugi dan penghasilan komprehensif lain (Catatan 22)	<u>447</u>	<u>525</u>	Amortization of MTN costs charged to the statement of profit or loss and other comprehensive income (Note 22)

Medium Term Notes BFI Finance Indonesia III Tahun 2015

Medium Term Notes BFI Finance Indonesia III Tahun 2015

MTN	Nilai nominal/ Nominal value	Tingkat bunga tetap/ Fixed interest rate	Jatuh tempo/ Due date	Cicilan pokok MTN/ MTN principal installment
Seri/Series A	Rp 50.000	5,50%	13 April/ April 2017	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date
Seri/Series B	Rp 50.000	5,50%	13 Mei/ May 2018	Pembayaran penuh pada saat jatuh tempo/ Bullet payment on due date

Perusahaan menerbitkan Medium Term Notes BFI Finance Indonesia III Tahun 2015 (MTN III) dengan jumlah pokok sebesar total Rp 100.000 yang terdiri dari Seri A sebesar Rp 50.000 dan Seri B sebesar Rp 50.000 yang telah didistribusikan secara elektronik oleh KSEI pada tanggal 13 April 2015.

Bunga MTN III dibayarkan setiap triwulan (3 bulan) sesuai dengan tanggal pembayaran bunga MTN tersebut. Pembayaran Bunga MTN III terakhir dilakukan bersamaan dengan pelunasan pokok masing-masing seri MTN III.

Pada tanggal 31 Desember 2016 dan 2015, saldo pokok MTN III yang terutang masing-masing sebesar Rp 100.000.

Berdasarkan hasil pemerinkatan terakhir atas surat utang jangka panjang sesuai dengan Surat No. 190/DIR/RAT/XI/2016 tanggal 25 Nopember 2016 dari PT Fitch Ratings Indonesia ("Fitch"), Medium Term Notes tersebut telah mendapat kenaikan peringkat menjadi peringkat AA-(idn).

The Company issued a Medium Term Notes BFI Finance Indonesia III Tahun 2015 (MTN III) with a principal amount of Rp 100,000 which consist of A Series amount of Rp 50,000 and B Series amount of Rp 50,000 which have been distributed electronically by KSEI on 13 April 2015.

Interests on the MTN III are paid on a quarterly basis according to the interest payment schedule of the MTN. The final interest payment on the MTN III together with payment of principal of each series of the MTN III.

On 31 December 2016 and 2015, the outstanding principal of MTN III amounted to Rp 100,000, respectively.

Based on the rating results on long-term debentures according to Letter No. 190/DIR/RAT/XI/2016 dated 25 November 2016 of PT Fitch Ratings Indonesia ("Fitch"), these Medium Term Notes rating were upgraded to AA-(idn).

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13. SURAT BERHARGA YANG DITERBITKAN (Lanjutan)

b. *Medium Term Notes (MTN)* (Lanjutan)

Medium Term Notes BFI Finance Indonesia IV Tahun 2015

Pada tanggal 5 Agustus 2015, Perusahaan menerbitkan *Medium Term Notes BFI Finance Indonesia IV Tahun 2015 (MTN IV)* dengan nilai nominal sebesar Rp 155.000 dengan tingkat bunga tetap sebesar 10,50% per tahun.

Bunga MTN IV dibayarkan setiap triwulan (3 bulan) sesuai dengan tanggal pembayaran bunga MTN tersebut. Pembayaran Bunga MTN IV terakhir yang sekaligus jatuh tempo pada tanggal 15 Agustus 2016.

Pada tanggal 31 Desember 2015, saldo pokok MTN IV yang terutang sebesar Rp 155.000.

Perusahaan telah melunasi seluruh utang pokok MTN IV pada tanggal 12 Agustus 2016.

Perjanjian Penerbitan MTN III dan MTN IV mensyaratkan adanya pembatasan-pembatasan dan kewajiban tertentu yang harus dipenuhi oleh Perusahaan, antara lain memberikan jaminan fidusia berupa investasi neto sewa pembiayaan dan piutang pembiayaan konsumen sebesar Rp 50.001 dan Rp 174.005 pada tanggal-tanggal 31 Desember 2016 dan 2015 (Catatan 4 dan 5).

Selain itu, berdasarkan perjanjian tersebut, Perusahaan tidak diperkenankan, antara lain:

- a. Melakukan pembayaran kecuali pembagian dividen kepada pemegang saham pada tahun buku Perusahaan atau kepada kreditur lainnya yang utangnya tidak dijamin dengan jaminan khusus (kreditur preferen), selama Perusahaan lalai dalam melakukan pembayaran jumlah terutang atau Perusahaan tidak melakukan pembayaran jumlah terutang berdasarkan ketentuan Perjanjian Perwalianan dan Pengakuan Utang.
- b. Mengalihkan kekayaan atau menjadikan jaminan utang harta kekayaan Perusahaan, yang merupakan lebih dari 50% (lima puluh persen) jumlah kekayaan bersih Perusahaan dalam 1 (satu) transaksi atau lebih, baik yang berkaitan satu sama lain maupun tidak, yang terjadi dalam jangka waktu 1 (satu) tahun buku, kecuali untuk keperluan dalam rangka pendanaan kegiatan usaha Perusahaan dan telah mendapat persetujuan dari Rapat Umum Pemegang Saham Perusahaan.
- c. Melakukan penggabungan, konsolidasi dan peleburan dengan perusahaan lain kecuali sepanjang dilakukan pada bidang usaha yang sama dan tidak mempunyai dampak negatif terhadap jalannya usaha Perusahaan serta tidak mempengaruhi kemampuan Perusahaan dalam melakukan pembayaran pokok dan/atau bunga MTN I, II, III dan IV.
- d. Melakukan kegiatan usaha selain yang disebutkan dalam Anggaran Dasar Perusahaan.
- e. Mengadakan perjanjian manajemen atau perjanjian serupa lainnya yang mengakibatkan kegiatan usaha Perusahaan dikendalikan oleh pihak lain yang dapat mengakibatkan dampak negatif yang material terhadap kegiatan usaha Perusahaan.

13. SECURITIES ISSUED (Continued)

b. *Medium Term Notes (MTN)* (Continued)

Medium Term Notes BFI Finance Indonesia IV Tahun 2015

On 5 August 2015, the Company issued a *Medium Term Notes BFI Finance Indonesia IV Tahun 2015 (MTN IV)* with a nominal value of Rp 155,000 bearing fixed interest rate of 10.50% per annum.

Interests on the MTN IV are paid on a quarterly basis according to the interest payment schedule of the MTN. The final interest payment on the MTN IV as well as the principal will mature on 15 August 2016.

On 31 December 2015, the outstanding principal of MTN IV amounted to Rp 155,000.

The Company fully paid the outstanding principal of MTN IV on 12 August 2016 .

The MTN III and MTN IV Issuance Agreement prescribes several negative covenants to the Company, entails restrictions and certain obligation that should be met by the Company, which among others, collateral with fiduciary transfer of net investments in finance lease and consumer financing receivables amounting to Rp 50,001 and Rp 174,005, respectively, as of 31 December 2016 and 2015 (Notes 4 and 5).

Moreover, under the agreement, the Company is not allowed to, among others:

- a. Carries out a payment except of dividend payments to shareholders during the Company's financial year or to any other creditors whose debt are not secured by specific collateral (preferred creditors), as long as the Company fails to make payment of the payable amount or the Company does not make payments of the payable amount based on a Trustee Agreement and Acknowledgement of Debt.
- b. Transfer asset or pledge the assets as collateral on debts, which constitute of greater than 50% (fifty percent) of the Company's net assets in 1 (one) transaction or more, whether its related to one another or not, that occur within 1 (one) financial year, except for the purposes of financing the Company's operational activities and has obtained approval through the Company's General Meeting of Shareholders.
- c. Carries out a business combination, consolidation and merger with another company unless provided that its carried out in a similar industry and have no negative impact to the course of the Company's operational business and does not affect the Company's ability to pay the principal and/or interest on the MTN I, II, III and IV.
- d. Carries out business activities other than those set forth in the Articles of Association of the Company.
- e. Entered into a management agreement or other similar agreement that resulted in the Company operations being controlled by other parties that may result in a significant negative impact to the Company's business operation.

Ekshibit E/68

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14. PERPAJAKAN

a. Utang pajak

	2016	2015
Pajak Penghasilan:		
Pasal 21	17.599	14.576
Pasal 23	414	315
Pasal 25	18.452	10.022
Pasal 26	29.078	31.925
Pasal 4 (2) - Final	2.620	1.075
Pajak Pertambahan Nilai (PPN)	880	676
Taksiran pajak penghasilan badan terutang	24.498	11.860
Jumlah	93.541	70.449

b. Pajak penghasilan

Rekonsiliasi antara laba sebelum pajak penghasilan, sebagaimana yang disajikan dalam laporan laba rugi dan penghasilan komprehensif lain, dengan taksiran laba kena pajak untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

	2016	2015
Laba sebelum pajak penghasilan	1.024.963	835.494
Beda tetap:		
Beban sewa	1.881	2.409
Pendapatan keuangan yang pajaknya bersifat final	(22.947)	(35.837)
Beban asuransi	9.455	9.045
Beban depresiasi	2.663	2.466
Beban lain-lain	636	1.139
Jumlah beda tetap	(8.312)	(20.778)
Beda temporer:		
Gaji dan imbalan pasca-kerja	(7.280)	35.291
Cadangan kerugian penurunan nilai investasi neto sewa pembiayaan, piutang pembiayaan konsumen dan piutang lain-lain	231.963	198.286
Penghapusan piutang	(209.168)	(194.387)
Penyusutan aset tetap	6.396	(303)
Keuntungan bersih atas penjualan aset tetap	(598)	(92)
Amortisasi biaya emisi surat berharga yang diterbitkan	(5.821)	(931)
Biaya transaksi yang belum diamortisasi atas pinjaman yang diterima	19.980	(14.653)
Biaya transaksi yang belum diamortisasi atas piutang pembiayaan konsumen	(261)	(31.771)
Beban lain-lain	(675)	(3.750)
Jumlah beda temporer	34.536	(12.310)
Taksiran laba kena pajak	1.051.187	802.406

14. TAXATION

a. Taxes payable

Income Taxes:
Article 21
Article 23
Article 25
Article 26
Article 4(2) - Final
Value Added Tax (VAT)

Estimated income tax payable

Total

b. Income taxes

A reconciliation between profit before income tax, as presented in the statement of profit or loss and other comprehensive income, and estimated taxable profit for the years ended 31 December 2016 and 2015 are as follows:

Profit before income tax

Permanent differences:
Rent expenses

Finance income subjected to final tax
Insurance expenses

Depreciation expenses

Other expenses

Total permanent differences

Temporary differences:
Salaries and post-employment benefits

Allowance for impairment losses of net investments in finance lease,

consumer financing receivables and other receivables

Receivables written-off

Depreciation of fixed assets

Net gain on sale of fixed assets

Amortization of securities issued cost
Unamortized transaction cost on fund borrowings

Unamortized transaction cost on consumer financing receivables

Other expenses

Total temporary differences

Estimated taxable income

Ekshibit E/69

Exhibit E/69

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14. PERPAJAKAN (Lanjutan)

14. TAXATION (Continued)

b. Pajak penghasilan (Lanjutan)

b. Income taxes (Continued)

Rekonsiliasi antara laba sebelum pajak penghasilan, sebagaimana yang disajikan dalam laporan laba rugi dan penghasilan komprehensif lain, dengan taksiran laba kena pajak untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut: (Lanjutan)

A reconciliation between profit before income tax, as presented in the statement of profit or loss and other comprehensive income, and estimated taxable profit for the years ended 31 December 2016 and 2015 are as follows: (Continued)

	<u>2016</u>	<u>2015</u>	
Beban pajak penghasilan			<i>Estimated income tax expense</i>
2016			2016
20% x Rp 1.051.187	210.238	-	20% x Rp 1,051,187
2015			2015
20% x Rp 802.406	-	160.481	20% x Rp 802,406
Beban pajak penghasilan	210.238	160.481	<i>Estimated income tax expense</i>
Dikurangi: kredit pajak penghasilan pasal 25	(185.740)	(148.621)	<i>Less: income tax credit article 25</i>
Taksiran pajak penghasilan badan terutang	<u>24.498</u>	<u>11.860</u>	<i>Estimated corporate income tax payable</i>

Perhitungan pajak penghasilan badan untuk tahun 2016 adalah suatu perhitungan sementara yang dibuat untuk tujuan akuntansi dan dapat berubah pada saat Perusahaan menyampaikan Surat Pemberitahuan (SPT) Tahunan PPh Badan.

The corporate income tax calculation for 2016 was a preliminary estimate made for accounting purposes and is subject to revision when the Company lodged its Annual Corporate Income Tax Return.

Perhitungan pajak penghasilan badan tahun 2015 sesuai dengan SPT Perusahaan.

The corporate income tax calculation for 2015 conforms with the Company's Annual Tax returns.

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Exhibit E/70

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14. PERPAJAKAN (Lanjutan)

14. TAXATION (Continued)

c. Pajak tangguhan

c. Deferred tax

Pengaruh pajak tangguhan atas beda temporer yang signifikan antara laporan komersial dan laporan fiskal terdiri dari:

The deferred tax effects of the significant temporary differences between commercial and fiscal reporting are as follows:

	31 Desember/ December 2015	Dikreditkan (dibebankan) ke laporan laba rugi dan Penghasilan komprehensif lain / Credited (charged) Into statement of profit or loss and other comprehensive Income	Dikreditkan ke ekuitas dari pendapatan komprehensif lain/ Credited to equity from other comprehensive income	31 Desember/ December 2016	
Aset (liabilitas) pajak tangguhan					Deferred tax assets (liabilities)
Cadangan kerugian penurunan nilai	7.049	4.560	-	11.609	Allowance for impairment losses
Imbalan pasca-kerja	22.395	5.683	-	28.078	Post-employment benefits
Beban yang masih harus dibayar	5.293	312	-	5.605	Accrued expenses
Cadangan saham kompensasi manajemen dan karyawan berbasis saham	7.587	(7.587)	-	-	Management and employee stock options program share reserve
Penyusutan aset tetap	(8.654)	1.160	-	(7.494)	Depreciation of fixed assets
Biaya transaksi yang belum diamortisasi atas investasi neto sewa pembiayaan dan piutang pembiayaan konsumen	(1.304)	(52)	-	(1.356)	Unamortized transaction cost on net investments in finance lease and consumer financing receivables
Biaya emisi surat berharga yang diterbitkan belum diamortisasi	(776)	(1.165)	-	(1.941)	Unamortized securities issued cost
Biaya transaksi yang belum diamortisasi atas pinjaman yang diterima	(10.149)	3.997	-	(6.152)	Unamortized transaction cost on fund borrowings
Penghasilan komprehensif lain	(7.556)	-	15.761	8.205	Other comprehensive income
Aset pajak tangguhan - Bersih	13.885	6.908	15.761	36.554	Deferred tax assets - Net

Ekshibit E/71

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14. PERPAJAKAN (Lanjutan)

14. TAXATION (Continued)

c. Pajak tangguhan (Lanjutan)

Pengaruh pajak tangguhan atas beda temporer yang signifikan antara laporan komersial dan laporan fiskal terdiri dari: (Lanjutan)

c. Deferred tax (Continued)

The deferred tax effects of the significant temporary differences between commercial and fiscal reporting are as follows: (Continued)

	31 Desember/ December 2014	Dikreditkan (dibebankan) ke laporan laba rugi dan Penghasilan komprehensif lain / Credited (charged) Into statement of profit or loss and other comprehensive Income	Dikreditkan ke ekuitas dari pendapatan komprehensif lain/ Credited to equity from other comprehensive income	31 Desember/ December 2015	
Aset (liabilitas) pajak tangguhan					Deferred tax assets (liabilities)
Cadangan kerugian penurunan nilai	6.270	779	-	7.049	Allowance for impairment losses
Imbalan pasca-kerja	20.157	2.238	-	22.395	Post-employment benefits
Beban yang masih harus dibayar	2.771	2.522	-	5.293	Accrued expenses
Cadangan saham kompensasi manajemen dan karyawan berbasis saham	6.039	1.548	-	7.587	Management and employee stock options program share reserve
Penyusutan aset tetap	(8.575)	(79)	-	(8.654)	Depreciation of fixed assets
Biaya transaksi yang belum diamortisasi atas investasi neto sewa pembiayaan dan piutang pembiayaan konsumen	5.050	6.354	-	1.304	Unamortized transaction cost on net investments in finance lease and consumer financing receivables
Biaya emisi surat berharga yang diterbitkan belum diamortisasi	(590)	(186)	-	(776)	Unamortized securities issued cost
Biaya transaksi yang belum diamortisasi atas pinjaman yang diterima	(7.217)	(2.932)	-	(10.149)	Unamortized transaction cost on fund borrowings
Penghasilan komprehensif lain	8.102	-	(15.658)	(7.556)	Other comprehensive income
Aset pajak tangguhan - Bersih	32.007	(2.464)	(15.658)	13.885	Deferred tax assets - Net

Manajemen berkeyakinan bahwa laba fiskal pada masa datang akan memadai untuk mengkompensasikan perbedaan temporer yang dapat dikurangkan.

The management believes that future taxable profit will be sufficient to be compensated against the deductible of temporary differences.

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14. PERPAJAKAN (Lanjutan)

14. TAXATION (Continued)

d. Beban Pajak Penghasilan

d. Income Tax Expense

	2016	2015	
Kini	210.239	160.481	Current
Tangguhan	(6.908)	2.464	Deferred
Penyesuaian tahun lalu	23.267	22.261	Adjustment on prior fiscal year assessment
Beban Pajak Penghasilan	226.598	185.206	Income Tax Expense

Rekonsiliasi antara beban pajak penghasilan dihitung dengan menggunakan tarif pajak yang berlaku atas laba sebelum pajak penghasilan, dengan beban pajak penghasilan sebagaimana disajikan dalam laporan laba rugi dan penghasilan komprehensif lain untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

A reconciliation between the income tax expense calculated by applying the applicable tax rates to the profit before income tax, and the income tax expense as presented in the statement of profit or loss and other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

	2016	2015	
Laba sebelum pajak penghasilan sebagaimana disajikan dalam laporan laba rugi dan penghasilan komprehensif lain	1.024.963	835.494	Profit before income tax as presented in the statement of profit or loss and other comprehensive income
Beban pajak dengan tarif pajak tunggal yang Berlaku	204.993	167.099	Tax expense at the applicable tax rate
Pengaruh pajak penghasilan atas: beda tetap pada tarif pajak tunggal yang berlaku	(1.662)	(4.154)	Tax effects on: permanent differences at the applicable single tax rate
Penyesuaian tahun lalu	23.267	22.261	Adjustment on profit fiscal year assessment
Beban Pajak Penghasilan	226.598	185.206	Income Tax Expense

e. Administrasi

e. Administration

Berdasarkan Undang-Undang Perpajakan yang berlaku di Indonesia, Perusahaan menghitung, menetapkan dan membayar sendiri besarnya jumlah pajak yang terutang. Direktur Jenderal Pajak ("DJP") dapat menetapkan atau mengubah kewajiban pajak dalam batas waktu 5 (lima) tahun sejak saat terutangnya pajak. Koreksi terhadap kewajiban pajak Perusahaan diakui pada saat Surat Ketetapan Pajak diterima atau jika Perusahaan mengajukan keberatan, pada saat keputusan atas keberatan Perusahaan tersebut telah ditetapkan.

Based on the Taxation Laws in Indonesia, the Company submits tax returns on the basis of self assessment. The Director General of Tax (DGT) may assess or amend taxes within 5 (five) years of the time the tax becomes due. Amendments to tax obligations of the Company are recorded when an assessment is received or, if appealed against, when the result of the appeal is determined.

Pada tanggal 28 Desember 2007, Presiden Republik Indonesia menetapkan Peraturan Pemerintah No. 81 Tahun 2007 ("PP No. 81/2007") tentang "Penurunan Tarif Pajak Penghasilan Bagi Wajib Pajak Badan Dalam Negeri yang Berbentuk Perseroan Terbuka".

On 28 December 2007, the President of the Republic Indonesia stipulated the Government Regulation No. 81 Year 2007 ("Gov. Reg. No. 81/2007") on "Reduction of the Rate of Income Tax on Resident Corporate Tax Payers in the Forum of Publicly-listed Companies".

PP No. 81/2007 ini mengatur perseroan terbuka dalam negeri di Indonesia dapat memperoleh penurunan tarif pajak penghasilan sebesar 5% lebih rendah dari tarif tertinggi pajak penghasilan sebagaimana diatur dalam Pasal 17 ayat 1b Undang-undang Pajak Penghasilan, dengan memenuhi kriteria yang ditentukan, yaitu perseroan yang saham atau efek bersifat ekuitas lainnya tercatat di Bursa Efek Indonesia yang jumlah kepemilikan saham publiknya adalah 40% atau lebih dari keseluruhan saham yang disetor dan saham tersebut dimiliki paling sedikit oleh 300 pihak, masing-masing pihak hanya boleh memiliki saham kurang dari 5% dari keseluruhan saham yang disetor. Ketentuan sebagaimana dimaksud harus dipenuhi oleh perseroan terbuka dalam waktu paling singkat enam bulan dalam jangka waktu satu tahun pajak.

This Gov. Reg. No. 81/2007 provides that resident publicly-listed companies in Indonesia can obtain the reduced income tax rate i.e., 5% lower than highest income tax rate Article 17 paragraph 1b of the Income Tax Law, provided they meet the prescribed criteria, i.e., companies whose shares or other equity instruments are listed in the Indonesia Stock Exchange, whose shares owned by the public is 40%, or more of the total paid shares and such shares are owned by at least 300 parties, each party owning less than 5% of the total paid up shares. These requirements should be fulfilled by the publicly-listed companies for a period of six months in one tax year.

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14. PERPAJAKAN (Lanjutan)

e. Administrasi (Lanjutan)

Pada tanggal 21 Nopember 2013, Presiden Republik Indonesia menetapkan Peraturan Pemerintah No. 77 Tahun 2013 ("PP No. 77/2013") tentang "Penurunan Tarif Pajak Penghasilan Bagi Wajib Pajak Badan Dalam Negeri yang Berbentuk Perseroan Terbuka" yang kemudian telah diubah kembali melalui Peraturan Pemerintah Nomor 56 tahun 2015 ("PP No. 56/2015") tentang Perubahan atas Peraturan Pemerintah Nomor 77 Tahun 2013.

PP No. 56/2015 ini mengatur perseroan terbuka dalam negeri di Indonesia dapat memperoleh penurunan tarif pajak penghasilan sebesar 5% lebih rendah dari tarif pajak penghasilan Wajib Pajak badan dalam negeri, dengan memenuhi kriteria yang ditentukan, yaitu paling sedikit 40% dari jumlah keseluruhan saham yang disetor dicatat untuk diperdagangkan di bursa efek di Indonesia; saham tersebut harus dimiliki oleh paling sedikit 300 Pihak; masing-masing Pihak hanya boleh memiliki saham kurang dari 5% dari keseluruhan saham yang ditempatkan dan disetor penuh; dan harus dipenuhi dalam waktu paling singkat 183 hari kalender dalam jangka waktu satu tahun pajak.

Pada tanggal 31 Desember 2016 dan 31 Desember 2015, Perusahaan telah memenuhi persyaratan di atas untuk mendapatkan penurunan tarif sebesar 5%, sehingga menggunakan tarif 20% untuk perhitungan PPh Badan.

Sesuai dengan peraturan perpajakan di Indonesia, Perusahaan melaporkan/menyetorkan pajak berdasarkan sistem *self-assessment*. Fiskus dapat menetapkan atau mengubah pajak-pajak tersebut dalam jangka waktu tertentu sesuai dengan peraturan yang berlaku.

f. Pemeriksaan Pajak

Tahun Pajak 2011

Pada tanggal 18 Maret 2016, Perusahaan telah menerima Surat Ketetapan Pajak Kurang Bayar (SKPKB) untuk tahun pajak 2011 sehubungan dengan pajak penghasilan badan, pajak pertambahan nilai serta pajak penghasilan lainnya masing-masing sebesar Rp 12.261, Rp 27.936 dan Rp 123. Selain itu, Perusahaan juga telah menerima Surat Tagihan Pajak (STP) dari Kantor Pajak sebesar Rp 3.775.

Perusahaan telah membayar kekurangan pajak tersebut ke Kantor Pajak pada tanggal 15 April 2016 sebesar Rp 44.095 dan telah dicatat sebagai beban pajak penghasilan.

14. TAXATION (Continued)

e. Administration (Continued)

On 21 November 2013, the President of the Republic of Indonesia issued Government Regulation No. 77 Year 2013 ("Regulation No. 77/2013") on "Income Tax Rate Reduction Corporate Taxpayers in the Form of Publicly-listed Companies" which was later amended back through Government Regulation No. 56 of 2015 ("PP No. 56/2015") on the Amendment of Government Regulation No. 77 Year 2013.

PP No. 56/2015 regulates publicly-listed companies in Indonesia can obtain the reduced income tax rate of 5% lower than the income tax rate corporate taxpayer in the country, provided they meet the prescribed criteria, ie at least 40% of the total paid-up shares recorded to be traded on the stock exchanges in Indonesia; the shares must be held by at least 300 Parties; each Party may only have a share of less than 5% of the total shares issued and fully paid; and must be met in a short time at least 183 calendar days within a tax year.

On 31 December 2016 and 31 December 2015, the Company has met requirements to obtain the reduced income tax rate of 5%, so that the rate using of 20% for corporate income tax calculation.

Under the taxation laws of Indonesia, the Company submits tax returns on the basis of self-assessment. The tax authorities may assess or amend taxes within the statute of limitations, under prevailing regulations.

f. Tax Assessment

Fiscal Year 2011

On 18 March 2016, the Company received a Tax Underpayment Assessment Letters (SKPKB) for corporate income tax, value added tax and various other taxes for fiscal year 2011 amounting to Rp 12,261, Rp 27,936 and Rp 123, respectively. In addition the company also received Tax Collection Letter (STP) from Tax Office amounting Rp 3,775.

On 15 April 2016, the Company has paid the tax underpayment to the Tax Office amounting to Rp 44,095 and has been recorded as income tax expense.

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Exhibit E/74

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15. BEBAN YANG MASIH HARUS DIBAYAR		15. ACCRUED EXPENSES		
	2016	2015		
Bunga	78.610	54.781		Interest
Bonus dan tunjangan	76.939	60.885		Bonus and allowance
Jasa tenaga ahli	1.551	7.301		Professional fees
Lainnya (saldo dibawah Rp 1.000)	33.140	17.619		Others (balance below Rp 1,000)
Jumlah	190.240	140.586		Total
16. UTANG LAIN-LAIN		16. OTHER PAYABLES		
	2016	2015		
Titipan konsumen	73.286	69.451		Customer deposits
Premi asuransi	29.097	11.094		Insurance premium
Utang kepada dealer	9.535	4.112		Payable to dealers
Utang pengurusan fidusia	1.024	657		Fiducia processing payables
Lainnya (saldo dibawah Rp 1.000)	26.972	24.177		Others (balance below Rp 1,000)
Jumlah	139.914	109.491		Total
17. MODAL SAHAM		17. SHARE CAPITAL		

Susunan pemegang saham Perusahaan pada tanggal 31 Desember 2016 dan 2015 berdasarkan laporan daftar pemegang saham dari PT Sirca Datapro Perdana, Biro Administrasi Efek, adalah sebagai berikut:

The composition of the shareholder of the Company based on the share register of PT Sirca Datapro Perdana, the share registrar, as of 31 December 2016 and 2015, are as follow:

	2016			
	Jumlah saham/ Number of shares	Nilai nominal/ Amount	%	
Pemegang saham				Shareholders
Trinugraha Capital & CO SCA	683.524.966	170.881	42,81	Trinugraha Capital & CO SCA
Lainnya (masing-masing di bawah 5%)	812.913.396	203.229	50,91	Others (each below 5%)
	1.496.438.362	374.110	93,72	
Saham treasuri	100.273.200	25.068	6,28	Treasury stock
Jumlah	1.596.711.562	399.178	100,00	Total
	2015			
	Jumlah saham/ Number of shares	Nilai nominal/ Amount	%	
Pemegang saham				Shareholders
Trinugraha Capital & CO SCA	683.524.966	170.881	43,65	Trinugraha Capital & CO SCA
Lainnya (masing-masing di bawah 5%)	880.861.796	220.216	56,25	Others (each below 5%)
	1.564.386.762	391.097	99,90	
Saham treasuri	1.572.800	393	0,10	Treasury stock
Jumlah	1.565.959.562	391.490	100,00	Total

Pada tanggal 31 Desember 2016 dan 2015, jumlah saham ditempatkan dan disetor penuh bertambah masing-masing sebanyak 30.752.000 saham dan 16.025.000 saham sebagai hasil eksekusi opsi saham dari program MESOP oleh manajemen dan karyawan (Catatan 19), dan berkurang masing-masing sebesar 100.273.200 saham dan 1.572.800 saham sebagai hasil dari pembelian kembali saham Perusahaan (buy-back).

As of 31 December 2016 and 2015, the number of issued and fully paid-up shares increase of 30,752,000 shares and 16,025,000 shares, respectively, as result by MESOP program exercised (Note 19), and decrease of 100,273,200 shares and 1,572,800 shares as result of repurchase of the Company's shares, respectively.

Ekshibit E/75

Exhibit E/75

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17. MODAL SAHAM (Lanjutan)

Saham Treasuri

Perusahaan telah melakukan pembelian kembali saham yang diperdagangkan di Bursa Efek Indonesia, yang diperkenankan sesuai Peraturan OJK No.2/POJK.04/2013 tanggal 23 Agustus 2013. Sampai dengan tanggal 31 Desember 2016, Perusahaan telah melakukan pembelian kembali saham sebanyak 98.700.400 lembar saham dengan nilai pembelian sebesar Rp 248.116, sehingga jumlah keseluruhan menjadi 100.273.200 lembar saham dengan nilai pembelian sebesar Rp 252.160 (2015: 1.572.800 lembar saham dengan nilai pembelian sebesar Rp 4.044).

Pelaksanaan pembelian kembali saham merupakan salah satu bentuk usaha Perusahaan untuk meningkatkan manajemen permodalan Perusahaan dimana pelaksanaannya akan meningkatkan nilai laba bersih per saham (*Earnings per Share/EPS*).

Jumlah saham yang dimiliki anggota dewan komisaris dan direksi Perusahaan berdasarkan laporan daftar pemegang saham dari PT Sirca Datapro Perdana, biro administrasi efek, adalah sebanyak 57.698.754 dan 26.133.478 saham, yang merupakan kepemilikan sebesar 3,61% dan 1,66% dari jumlah saham Perusahaan yang beredar masing-masing pada tanggal 31 Desember 2016 dan 2015 dengan rincian sebagai berikut:

Nama Anggota/ <i>Name of Members</i>	Jabatan/Positions	Jumlah Saham/Total Shares		%	
		2016	2015	2016	2015
Francis Lay Sioe Ho	Presiden Direktur/ <i>President Director</i>	38.988.508	13.208.232	2,44	0,84
Cornelius Henry Kho	Direktur/ <i>Director</i>	12.171.998	9.721.998	0,76	0,62
Sudjono	Direktur/ <i>Director</i>	3.338.000	2.203.000	0,21	0,14
Sutadi	Direktur/ <i>Director</i>	2.200.000	1.000.000	0,14	0,06
Sigit Hendra Gunawan	Direktur/ <i>Director</i>	1.000.000	-	0,06	-
Johanes Sutrisno	Komisaris/ <i>Commissioner</i>	248	248	0,00	0,00
Jumlah/ Total		57.698.754	26.133.478	3,61	1,66

18. TAMBAHAN MODAL DISETOR

Pada tanggal 31 Desember 2016 dan 2015, saldo akun ini masing-masing sejumlah Rp 553.286 dan Rp 475.176 merupakan selisih lebih antara hasil yang diterima dengan nilai nominal dari setoran modal, penawaran umum perdana dan konversi dari obligasi konversi termasuk penyesuaian saldo karena kuasi reorganisasi. Untuk tahun yang berakhir pada 31 Desember 2016 dan 2015, tambahan masing-masing sejumlah Rp 78.110 dan Rp 42.258 berasal dari pembayaran berbasis saham dari program Kompensasi Manajemen dan Karyawan Berbasis Saham (MESOP) (Catatan 19).

19. PROGRAM KOMPENSASI MANAJEMEN DAN KARYAWAN BERBASIS SAHAM (MESOP)

Program MESOP yang dilaksanakan oleh Perusahaan mengacu pada ketentuan Peraturan No. IX.D.4 Lampiran Keputusan Bapepam-LK No. 429/BL/2009 tanggal 9 Desember 2009 tentang "Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu" ("Peraturan No. IX.D.4").

17. SHARE CAPITAL (Continued)

Treasury stock

The Company has bought back its shares publicly traded on the Indonesia Stock Exchange, as allowed by OJK Regulation No.2/POJK.04/2013 dated 23 August 2013. As of 31 December 2016 and 2015, the Company had bought back 98,700,400 shares for a total purchase price of Rp 248,116, bringing the total becomes to 100,273,200 shares for a total purchase price of Rp 252,160 (2015: 1,572,800 shares for a total purchase price of Rp 4,044).

This repurchase transaction was intended to increase the Company's capital management where the implementation will increase the value of Earnings per Share (EPS).

The number of shares held by the member of the board of commissioners and directors of the Company based on the share register of PT Sirca Datapro Perdana, the share registrar, was 57,698,754 and 26,133,478 shares representing 3.61% and 1.66% of the total outstanding shares of the Company as of 31 December 2016 and 2015, respectively with detail as follows:

18. ADDITIONAL PAID-IN CAPITAL

On 31 December 2016 and 2015 balance of this account amounted to Rp 553,286 and 475,176 was the difference between amount received and par value from paid-in capital, initial public offering and conversion of convertible bonds including adjustments balance of quasi reorganization. For year ended 31 December 2016 and 2015, addition of Rp 78,110 and Rp 42,258, respectively, derived from payments of Management and Employee Stock Options Program (MESOP) (Note 19).

19. MANAGEMENT AND EMPLOYEE STOCK OPTIONS PROGRAM (MESOP)

MESOP Program implemented by the Company refers to regulation No. IX.D.4 as included in the Appendix of the Decision Decree of Bapepam-LK No. 429/BL/2009 dated 9 December 2009 regarding "Increase in Capital Without Pre-emptive Rights" ("Regulation No. IX.D.4").

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19. PROGRAM KOMPENSASI MANAJEMEN DAN KARYAWAN BERBASIS SAHAM (MESOP) (Lanjutan)

Berdasarkan keputusan Rapat Umum Pemegang Saham Luar Biasa Perusahaan (RUPSLB) pada tanggal 21 Juni 2012, pemegang saham telah menyetujui Pelaksanaan Program Kepemilikan Saham Manajemen dan Karyawan Perseroan melalui Program MESOP dengan menerbitkan Hak Opsi untuk membeli saham kepada Peserta Program MESOP sebanyak-banyaknya 5% dari jumlah saham yang ditempatkan dan disetor penuh dalam Perusahaan, yakni sebanyak-banyaknya sejumlah 38.016.500 saham dengan nilai nominal Rp 500 (nilai penuh) per saham, atau 76.033.000 saham dengan nilai nominal Rp 250 (nilai penuh) per saham setelah pelaksanaan pemecahan nilai nominal saham Tanpa Hak Memesan Efek Terlebih Dahulu.

Dalam RUPSLB juga telah disetujui penerbitan saham hasil pelaksanaan Program MESOP untuk Tahap I untuk periode sampai dengan tanggal 20 Juni 2014 dengan harga pelaksanaan yang mengacu kepada sebagaimana diatur dalam butir V.2 Peraturan Pencatatan No. I-A Lampiran Keputusan Direksi PT Bursa Efek Indonesia No. 305/BEJ/07-2004 tanggal 19 Juli 2004. Sesuai dengan Keterbukaan Informasi yang disampaikan ke Bapepam-LK melalui surat No. Corp./CH/L/VI/12-0129 tanggal 5 Juni 2012, jumlah saham yang akan diterbitkan pada tahap I adalah maksimal 80% dari jumlah MESOP yang telah disetujui atau sebanyak-banyaknya 60.826.400 saham.

Selanjutnya BEI melalui suratnya No. S-04847/BEI.PPJ/07-2012 tertanggal 6 Juli 2012 telah menyetujui pencatatan saham Perusahaan hasil pelaksanaan Program MESOP untuk tahap I secara pra-pencatatan sebanyak-banyaknya 60.826.400 saham dengan harga pelaksanaan sebesar Rp 2.100 (nilai penuh) per saham (sesudah pemecahan nominal saham) yang terdiri dari:

- Tahap I - *Grant Date* 1: sebanyak-banyaknya 22.809.900 saham dengan tanggal pelaksanaan 1 Mei 2013 sampai dengan 31 Mei 2013
- Tahap I - *Grant Date* 2: sebanyak-banyaknya 38.016.500 saham dengan tanggal pelaksanaan 1 Mei 2014 sampai dengan 31 Mei 2014

Dalam RUPSLB pada tanggal 6 Mei 2014, telah disetujui penerbitan saham baru hasil pelaksanaan hak opsi untuk Tahap II program MESOP untuk periode sampai dengan tanggal 30 Juni 2016 dengan harga pelaksanaan yang mengacu kepada sebagaimana diatur dalam butir V.1 Peraturan Pencatatan No. I-A Lampiran II Keputusan Direksi PT Bursa Efek Indonesia No. Kep-00001/BEI/01-2014 tanggal 20 Januari 2014. Jumlah saham yang akan diterbitkan pada tahap II adalah sebesar sisa saham yang telah dialokasikan di Program MESOP tahap I yang belum dilaksanakan ditambah alokasi hak opsi tahap II sebanyak 15.206.600 saham.

BEI melalui suratnya No. S-02280/BEI.PGI/06-2014 tertanggal 6 Juni 2014 telah menyetujui pencatatan saham Perusahaan hasil pelaksanaan Program MESOP untuk tahap II secara pra-pencatatan di BEI sebanyak-banyaknya 46.777.000 saham dengan harga pelaksanaan sebesar Rp 2.205 (nilai penuh) per saham yang terdiri dari:

- Tahap II - *Grant Date* 1: sebanyak-banyaknya 23.388.500 saham dengan tanggal pelaksanaan 1 Mei 2015 sampai dengan 31 Mei 2015
- Tahap II - *Grant Date* 2: sebanyak-banyaknya 23.388.500 saham dengan tanggal pelaksanaan 1 Mei 2016 sampai dengan 31 Mei 2016

19. MANAGEMENT AND EMPLOYEE STOCK OPTIONS PROGRAM (MESOP) (Continued)

Based on the resolution of the Extraordinary General meeting of Shareholders (EGM) of the Company dated 21 June 2012, the shareholders approved the implementation of Management and Employee stock options program (MESOP) with issuance of shares options to exercised by MESOP participants maximum 5% of issued and fully paid-up shares of the Company, which is maximum 38,016,500 shares with par value Rp 500 (full amount), or 76,033,000 shares with par value Rp 250 (full amount) after the implementation of the changes in par value of the Company's share Without Pre-Emptive Rights.

The EGM had also approved the issuance of shares for the implementation of the phase 1 up to 20 June 2014 with exercised price which referred to point V.2 Listing Regulation No. I-A as included in the Appendix of the Decision Decree of virtue of the Directors of PT Bursa Efek Indonesia No. 305/BEJ/07-2004 dated 19 July 2004. Based on the Company's disclosure letter No. Corp./CH/L/VI/12-0129 to Bapepam-LK dated 5 June 2012, the number of shares issued in phase I maximum 80% of the number approved or maximum 60,826,400 shares.

Moreover BEI through its letter No. S-04847/BEI.PPJ/07-2012 dated 6 July 2012 approved the registration of the Company's shares the results of the pre-listing MESOP program phase I maximum 60,826,400 shares with exercised price Rp 2,100 (full amount) (after the changes in par value) which consists of:

- Phase I - *Grant Date* 1: maximum 22,809,900 shares with grant date of 1 May 2013 up to 31 May 2013
- Phase I - *Grant Date* 2: maximum 38,016,500 shares with grant date of 1 May 2014 up to 31 May 2014

The EGM dated 6 May 2014, had approved the issuance of new shares the results of the implementation of the MESOP program phase II up to 30 June 2016 with exercised price which referred to point V.1 Listing Regulation No. I-A as included in the Appendix of the Decision Decree of virtue of the Directors of PT Bursa Efek Indonesia No. Kep-00001/BEI/07-2014 dated 20 January 2014. The number of shares to be issued in the phase II is equal to the remaining shares that have been allocated in the MESOP program phase I that has not exercised plus allocation shares options phase II maximum 15,206,600 shares.

BEI through its letter No. S-02280/BEI.PGI/06-2014 dated 6 June 2014 approved the registration of the Company's prelisting of its MESOP on the Stock Exchange for the implementation of phase II maximum 46,777,000 shares with exercised price Rp 2,205 (full amount) which consists of:

- Phase II - *Grant Date* 1: maximum 23,388,500 shares with grant date of 1 May 2015 up to 31 May 2015
- Phase II - *Grant Date* 2: maximum 23,388,500 shares with grant date of 1 May 2016 up to 31 May 2016

Ekshibit E/77

Exhibit E/77

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19. PROGRAM KOMPENSASI MANAJEMEN DAN KARYAWAN
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Rincian dan mutasi MESOP Tahap I untuk tahun yang
berakhir pada tanggal 31 Desember 2016 adalah sebagai
berikut:

19. MANAGEMENT AND EMPLOYEE STOCK OPTIONS PROGRAM
(MESOP) (Continued)

The details and movements of MESOP Phase I for the year
ended 31 December 2016 are as follows:

	Tanggal penerbitan/ Grant date	Jumlah opsi saham yang diberikan/ Number of share options granted	Jumlah opsi saham yang dieksekusi/ Number of share options exercised	Tahun eksekusi/ Exercise year	Harga eksekusi (nilai penuh)/ Exercise price (full amount)	Nilai wajar (nilai penuh)/ Fair value (full amount)
Tahap I - Grant Date 1	7 Juli/ July 2012	22.809.900 (	5.936.000)	2013 -2014	2.100	714
Tahap I - Grant Date 2	30 Juni/ June 2013	38.016.500 (	23.320.000)	2014	2.100	714
		<u>60.826.400 (</u>	<u>29.256.000)</u>			

Rincian dan mutasi MESOP Tahap II untuk tahun yang
berakhir pada tanggal 31 Desember 2016 adalah sebagai
berikut:

The details and movements of MESOP Phase II for the year
ended 31 December 2016 are as follows:

	Tanggal penerbitan/ Grant date	Jumlah opsi saham yang diberikan/ Number of share options granted	Jumlah opsi saham yang dieksekusi/ Number of share options exercised	Tahun eksekusi/ Exercise year	Harga eksekusi (nilai penuh)/ Exercise price (full amount)	Nilai wajar (nilai penuh)/ Fair value (full amount)
Tahap II - Grant Date 1	30 Juni/ June 2014	23.388.500 (	16.025.000)	2015	2.205	682
Tahap II - Grant Date 2	30 Juni/ June 2015	23.388.500 (	30.752.000)	2016	2.205	585
		<u>46.777.000 (</u>	<u>46.777.000)</u>			

Nilai wajar dari opsi yang diberikan oleh penilai independen
menggunakan model penentuan harga opsi Black Scholes
dengan asumsi utama yg digunakan dalam perhitungan nilai
wajar opsi adalah sebagai berikut:

The fair value of the options granted is determined by an
independent valuer using the Black Scholes option-pricing
model with key assumptions used in calculating the fair
value of the options are as follows:

Asumsi:	Tahap I Grant Date 1 dan 2	Tahap II Grant Date 1	Tahap II Grant Date 2	Assumption: Fair value (full amount)
Nilai wajar (nilai penuh)	714	682	585	Fair value (full amount)
Tingkat suku bunga bebas risiko (per tahun)	4,68%	7,02%	6,84%	Free risk interest rate (per annum)
Periode opsi (tahun)	2	2	1	Option period (annum)
Perkiraan ketidakstabilan harga saham (per tahun)	59,90%	56,46%	53,82%	Expected volatility of the share price (per annum)

"Beban gaji dan imbalan kerja" yang diakui sehubungan
dengan MESOP tersebut (Catatan 23) masing-masing sebesar
Rp 11.873 dan Rp 7.741 untuk tahun yang berakhir pada
tanggal 31 Desember 2016 dan 2015.

The amount recognized under "Salaries and employee
benefits" (Note 23) amounted to Rp 11,873 and Rp 7,741 for
the years ended 31 December 2016 and 2015, respectively.

Cadangan saham program kompensasi manajemen dan
karyawan berbasis saham sebesar Rp 6.117 pada tanggal
31 Desember 2015. Pada tanggal 31 Mei 2016, semua
cadangan saham program kompensasi manajemen dan
karyawan berbasis saham telah dieksekusi.

Management and employee stock options program share
reserve amounted to Rp 6,117 as of 31 December 2015. As of
31 May 2016 all management and employee stock options
program share reserve have been exercised.

Ekshibit E/78

Exhibit E/78

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20. PENDAPATAN PEMBIAYAAN KONSUMEN

Rincian pendapatan pembiayaan konsumen yang belum diakui adalah sebagai berikut:

	2016	2015
Pendapatan pembiayaan konsumen Pihak ketiga	1.275.759	1.593.899
Dikurangi: Bagian pendapatan yang dibiayai bank sehubungan dengan kerjasama penerusan pinjaman dan pembiayaan bersama (Catatan 31)	(207.149)	(354.410)
Pendapatan pembiayaan konsumen - bersih	1.068.610	1.239.489

Pada tahun 2016 dan 2015, amortisasi biaya transaksi yang diakui sebagai pengurang dari pendapatan pembiayaan konsumen masing-masing sebesar Rp 79.263 dan Rp 58.658.

Pada tahun 2016 dan 2015, tidak terdapat pendapatan pembiayaan konsumen yang melebihi 10% dari jumlah pendapatan kepada satu konsumen saja.

20. CONSUMER FINANCING INCOME

Details of unearned consumer financing income were as follows:

	2016	2015
Consumer financing income Third parties	1.275.759	1.593.899
Less: Portion of funds financed by banks in relation to channeling and joint financing cooperation (Note 31)	(207.149)	(354.410)
Consumer financing income - net	1.068.610	1.239.489

In 2016 and 2015, the amortization of transaction costs recognized as a reduction to consumer financing income amounting to Rp 79,263 and Rp 58,658, respectively.

In 2016 and 2015, the Company had no consumer financing income in excess of 10% of total revenues to a single customer.

21. PENDAPATAN SEWA PEMBIAYAAN

Pada tahun 2016 dan 2015, pendapatan sewa pembiayaan masing-masing sebesar Rp 1.332.174 dan Rp 884.977.

Pada tahun 2016 dan 2015, amortisasi biaya transaksi yang diakui sebagai penambah dari pendapatan sewa pembiayaan masing-masing sebesar Rp 18.544 dan Rp 16.164.

21. FINANCE LEASE INCOME

In 2016 and 2015, finance lease income amounted to Rp 1,332,174 and Rp 884,977, respectively.

In 2016 and 2015, the amortization of transaction costs recognized as a addition to finance lease income amounted to Rp 18,544 and Rp 16,164, respectively.

22. BEBAN BUNGA DAN KEUANGAN

	2016	2015
Bunga atas pinjaman yang diterima	558.146	540.234
Bunga atas surat berharga yang diterbitkan (Catatan 13)	227.682	165.216
Amortisasi biaya emisi atas surat berharga yang diterbitkan (Catatan 13)	4.851	4.061
Beban administrasi bank	1.602	2.612
Jumlah	792.281	712.123

22. INTEREST AND FINANCING CHARGES

	2016	2015
Interest on borrowings	558.146	540.234
Interest on securities issued (Note 13)	227.682	165.216
Amortization on securities issued (Note 13)	4.851	4.061
Bank administration charges	1.602	2.612
Total	792.281	712.123

23. BEBAN GAJI DAN TUNJANGAN

	2016	2015
Pihak ketiga		
Gaji dan imbalan kerja	626.338	551.753
Imbalan pasca-kerja (Catatan 28)	32.001	25.354
Cadangan opsi saham (Catatan 19)	7.491	6.082
	<u>665.830</u>	<u>583.189</u>
Pihak berelasi		
Gaji dan imbalan kerja	41.469	37.213
Imbalan pasca-kerja (Catatan 28)	4.085	4.263
Cadangan opsi saham (Catatan 19)	4.381	1.659
	<u>49.935</u>	<u>43.135</u>
Jumlah	715.765	626.324

23. SALARIES AND BENEFITS EXPENSES

	2016	2015
Third parties		
Salaries and Employee benefits	626.338	551.753
Post-employment benefits (Note 28)	32.001	25.354
Share options reserve (Note 19)	7.491	6.082
Related parties		
Salaries and employee benefits	41.469	37.213
Post-employment benefits (Note 28)	4.085	4.263
Share options reserve (Note 19)	4.381	1.659
Total	715.765	626.324

Lihat catatan 29 untuk rincian saldo dan transaksi dengan pihak berelasi.

Refer to note 29 for details of balances and transactions with related parties.

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Exhibit E/79

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24. BEBAN UMUM DAN ADMINISTRASI	2016	2015	
Penyusutan aset tetap (Catatan 8)	63.045	60.197	Depreciation of fixed assets (Note 8)
Jasa penerimaan angsuran	40.597	38.525	Installment collection fees
Perbaikan dan pemeliharaan	39.934	39.431	Repairs and maintenance
Asuransi	28.576	25.204	Insurance
Perjalanan dinas dan transportasi	26.552	26.310	Travel and transportation
Honorarium tenaga ahli	22.637	5.498	Professional fees
Pendidikan dan pelatihan	18.567	14.245	Training and education
Sewa kantor dan gudang	16.906	15.768	Office and warehouse rental
Perlengkapan kantor	16.204	15.097	Office supplies
Komunikasi	16.098	14.530	Communications
Pengiriman, perangko dan materai	14.350	14.022	Courier, postage stamp and stamp duty
Listrik dan air	12.476	12.362	Electricity & Water
Amortisasi aset tidak berwujud (Catatan 9)	8.211	8.296	Amortization of intangible assets (Note 9)
Pemasaran	4.472	3.948	Marketing
Lain-lain	63.690	47.834	Others
Jumlah	392.315	341.267	Total
<hr/>			
25. PENDAPATAN LAIN-LAIN			
Pendapatan lain-lain adalah pendapatan usaha lain-lain yang merupakan bagian dari pendapatan utama dari kegiatan usaha Perusahaan.			Other income is other business income that are part of the main revenue of the Company's operations.
	2016	2015	
Pendapatan administrasi	391.825	281.573	Administration income
Denda keterlambatan	217.027	184.747	Late charges
Pendapatan terminasi	102.210	76.076	Termination income
Pemulihan dari piutang yang dihapusbukkan	75.811	50.206	Recovery on written-off receivables
Keuntungan bersih atas penjualan aset tetap (Catatan 8)	4.511	3.852	Gain on disposal of fixed assets - net (Note 8)
Lain-lain	13.699	74.170	Others
Jumlah	805.083	670.624	Total
<hr/>			
26. BEBAN LAIN-LAIN			
Rincian beban lain-lain adalah sebagai berikut:			The details of other expenses are as follows:
	2016	2015	
Penghapusan piutang dalam proses penyelesaian	39.025	71.495	Written-off receivables in the settlement process
(Pemulihan) penyisihan kerugian penurunan nilai atas piutang dalam proses penyelesaian	(10.565)	13.760	(Recovery) provision for impairment losses of receivables in the settlement process
Jumlah	28.460	85.255	Total

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27. DIVIDEN KAS DAN SALDO LABA YANG TELAH DITENTUKAN
PENGGUNAANNYA

Berdasarkan Berita Acara Rapat Direksi PT BFI Finance Indonesia, Tbk pada tanggal 21 Nopember 2016, Perusahaan menetapkan pembagian deviden tunai interim untuk tahun buku 2016, sebesar Rp 150 (nilai penuh) per saham kepada para pemegang saham Perusahaan, yang telah dibagikan pada tanggal 16 Desember 2016.

Berdasarkan Berita Acara Rapat Umum Pemegang Saham Tahunan PT BFI Finance Indonesia Tbk pada tanggal 25 April 2016, Perusahaan menetapkan pembagian deviden tunai sebesar Rp 208 per saham. Setelah memperhitungkan deviden tunai interim sebesar Rp 138 (nilai penuh) per lembar saham atau setara dengan Rp 216.103 yang telah dibayarkan kepada pemegang saham pada tanggal 16 Desember 2015, sisanya sebesar Rp 70 (nilai penuh) per lembar saham atau setara dengan Rp 106.840 yang telah dibayarkan pada tanggal 25 Mei 2016. Perusahaan juga menyetujui untuk menyisihkan sebesar Rp 9.322 sebagai cadangan.

Berdasarkan Berita Acara Rapat Direksi PT BFI Finance Indonesia Tbk pada tanggal 19 Nopember 2015, Perusahaan menetapkan pembagian deviden tunai interim untuk tahun buku 2015, sebesar Rp 138 (nilai penuh) per saham atau setara dengan Rp 216.103 kepada para pemegang saham Perusahaan, yang telah dibagikan pada tanggal 16 Desember 2015.

Berdasarkan keputusan Rapat Umum Pemegang Saham Tahunan dan Luar Biasa Perusahaan pada tanggal 15 April 2015, Perusahaan mengumumkan pembagian deviden tunai yang berasal dari laba bersih tahun 2014 sebesar Rp 192 (nilai penuh) per saham atau setara dengan Rp 297.587 kepada para pemegang saham Perusahaan yang merupakan 49,8% dari laba bersih Perusahaan untuk tahun buku 2014, setelah memperhitungkan deviden tunai interim sebesar Rp 138 (nilai penuh) per saham atau setara dengan Rp 213.891 kepada para pemegang saham Perusahaan, yang telah dibagikan pada tanggal 15 Januari 2015. Sisanya sebesar Rp 54 (nilai penuh) atau setara dengan Rp 83.698 telah dibagikan pada tanggal 15 Mei 2015. Perusahaan juga menyetujui untuk menyisihkan sebesar Rp 7.374 sebagai cadangan dan sisa laba bersih untuk tahun buku 2014 sebesar Rp 292.130 dibukukan sebagai Saldo Laba.

Berdasarkan Berita Acara Rapat Direksi PT BFI Finance Indonesia Tbk pada tanggal 9 Desember 2014, Perusahaan menetapkan pembagian deviden tunai interim untuk tahun buku 2014, sebesar Rp 138 (nilai penuh) per saham atau setara dengan Rp 213.891 kepada para pemegang saham Perusahaan, yang telah dibagikan pada tanggal 15 Januari 2015.

27. CASH DIVIDENDS AND APPROPRIATION OF RETAINED
EARNINGS

Based on the Minutes of Meeting of the Board of Directors PT BFI Finance Indonesia, Tbk on 21 November 2016, the Company sets dividend interim cash for the financial year 2016, amounting to Rp 150 (full amount) per share, to the shareholders of the Company, which was distributed on 16 December 2016.

Based on the decision of Shareholders' Annual and Extraordinary General Meeting on 25 April 2016, the Company announced a cash dividend from net profit in 2015 amounted to Rp 208 (full amount) per share. After taking into account the interim cash dividend amounted to Rp 138 (full amount) per share amounting to Rp 216,103 to the shareholders of the Company, which has been distributed on 16 December 2015. The remaining balance amounted to Rp 70 (full amount) per share amounting to Rp 106,840 which has been distributed on 25 May 2016. The Company agreed to set aside Rp 9,322 for the reserve.

Based on the Minutes of the Meeting of the Board of Directors of PT BFI Finance Indonesia Tbk on 19 November 2015, the Company establishes an interim cash dividend for the financial year 2015, amounted to Rp 138 (full amount) per share, equivalent to Rp 216,103 to the shareholders of the Company, which have been distributed on 16 December 2015.

Based on the decision of Shareholders' Annual and Extraordinary General Meeting on 15 April 2015, the Company announced a cash dividend from net profit in 2014 amounted to Rp 192 (full amount) per share amounting to Rp 297,587 to the shareholders of the Company which is 49.8% of net profit for year 2014, after taking into account the interim cash dividend amounted to Rp 138 (full amount) per share amounting to Rp 213,891 to the shareholders of the Company, which has been distributed on 15 January 2015. The remaining balance amounted to Rp 54 (full amount) per share amounting to Rp 83,698 which has been distributed on 15 May 2015. The Company agreed to set aside Rp 7,374 for the reserve and the remaining balance of net profit for year 2014 amounted to Rp 292,130 was recorded as Retained Earnings.

Based on the Minutes of the Meeting of the Board of Directors of PT BFI Finance Indonesia Tbk on 9 December 2014, the Company establishes an interim cash dividend for the financial year 2014, amounted to Rp 138 (full amount) per share, equivalent to Rp 213,891 to the shareholders of the Company, which have been distributed on 15 January 2015.

Ekshibit E/81

Exhibit E/81

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28. IMBALAN PASCA-KERJA

Sesuai dengan UU 13/2003, Perusahaan wajib memberikan imbalan pasca-kerja kepada karyawannya pada saat pemutusan hubungan kerja atau pada saat karyawan menyelesaikan masa kerjanya. Imbalan pasca-kerja ini diberikan terutama berdasarkan masa kerja dan kompensasi karyawan pada saat pemutusan hubungan kerja atau selesainya masa kerja.

Perusahaan menyelenggarakan program pensiun untuk karyawan tetap yang sudah memenuhi kriteria yang ditetapkan Perusahaan, dimana program pensiun ini dikelola dan diadministrasikan oleh PT Asuransi Jiwa Manulife Indonesia.

Imbalan pasca-kerja lainnya meliputi uang jasa, uang pisah, pesangon dan kompensasi lainnya dihitung oleh PT Dayamandiri Dharmakonsilindo, aktuaris independen, dalam laporannya bertanggal 18 Januari 2017 dan 2 Februari 2016 masing-masing untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015, dengan menggunakan metode "Projected Unit Credit". Jumlah karyawan yang berhak memperoleh imbalan kerja tersebut untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015 masing-masing 5.316 dan 4.743 karyawan.

Rincian liabilitas atas imbalan pasca-kerja karyawan adalah sebagai berikut:

	2016	2015
Nilai kini kewajiban imbalan pasti	181.619	142.473
Nilai wajar aset program	(41.227)	(30.506)
Imbalan pasca-kerja	140.392	111.967

Mutasi nilai kini kewajiban imbalan pasti yang diakui pada laporan posisi keuangan sebagai berikut:

	2016	2015
Nilai kini kewajiban imbalan pasti pada awal periode	142.473	126.365
Biaya jasa kini	19.639	17.904
Biaya bunga	12.779	10.619
Pembayaran imbalan oleh Perusahaan (sesuai provisi yang dihitung)	(3.550)	(1.744)
Penyesuaian liabilitas akibat pengakuan masa kerja lalu	1.666	-
Pengukuran kembali atas nilai kini kewajiban imbalan pasti:		
- (Keuntungan) / kerugian atas perubahan asumsi ekonomis	13.694	(10.950)
- (Keuntungan) / kerugian atas penyesuaian pengalaman	(5.082)	279
Nilai kini kewajiban imbalan pasti pada akhir periode	<u>181.619</u>	<u>142.473</u>

28. POST-EMPLOYMENT BENEFITS

In accordance with Law UU 13/2003, the Company is required to provide post-employment benefits to its employees when their employment is terminated or when they retire. These benefits are primarily based on years of service and the employees' compensation at termination or retirement.

The Company has defined contribution pension program covering its qualified permanent employees who meets the Company's criteria, where the contribution pension program is defined and administered by PT Asuransi Jiwa Manulife Indonesia.

Other post-employment benefits include bonuses, cash severance, severance and other compensation is calculated by PT Dayamandiri Dharmakonsilindo, an independent actuary, in its report dated 18 January 2017 and 2 February 2016 for the years ended 31 December 2016 and 2015 by using the "Projected Unit Credit". Number of employees entitled for the employee benefits for the years ended 31 December 2016 and 2015 was 5,316 and 4,743 employees, respectively.

The details of the liability for post-employment benefits are as follows:

	2016	2015
Nilai kini kewajiban imbalan pasti	181.619	142.473
Nilai wajar aset program	(41.227)	(30.506)
Imbalan pasca-kerja	140.392	111.967

Movements in the present value of defined benefit obligation recognised in the statement of financial position are as follows:

	2016	2015
Nilai kini kewajiban imbalan pasti pada awal periode	142.473	126.365
Biaya jasa kini	19.639	17.904
Biaya bunga	12.779	10.619
Pembayaran imbalan oleh Perusahaan (sesuai provisi yang dihitung)	(3.550)	(1.744)
Penyesuaian liabilitas akibat pengakuan masa kerja lalu	1.666	-
Pengukuran kembali atas nilai kini kewajiban imbalan pasti:		
- (Keuntungan) / kerugian atas perubahan asumsi ekonomis	13.694	(10.950)
- (Keuntungan) / kerugian atas penyesuaian pengalaman	(5.082)	279
Nilai kini kewajiban imbalan pasti pada akhir periode	<u>181.619</u>	<u>142.473</u>

Ekshibit E/82

Exhibit E/82

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28. IMBALAN PASCA-KERJA (Lanjutan)

28. POST-EMPLOYMENT BENEFITS (Continued)

Mutasi nilai wajar aset program yang diakui pada laporan posisi keuangan sebagai berikut:

Movements in the fair value of plan asset in the statement of financial position are as follows:

	2016	2015	
Nilai wajar aset program pada awal periode	30.506	25.587	Fair value of plan assets at beginning of period
Pendapatan bunga atas aset program	3.116	2.516	Interest income on plan assets
Iuran Perusahaan	6.000	6.000	Company contribution
Imbal hasil aset program (tidak termasuk pendapatan bunga)	1.605	(3.597)	Return on plan assets excluding interest income
Nilai wajar aset program pada akhir periode	<u>41.227</u>	<u>30.506</u>	Fair value of plan assets at end of period

Mutasi liabilitas yang diakui pada laporan posisi keuangan sebagai berikut:

Movements in the liability recognised in the statement of financial position are as follows:

	2016	2015	
Saldo awal 1 Januari	111.967	100.778	Beginning balance as of 1 January
Iuran Perusahaan yang dibayarkan (aktual)	(6.000)	(6.000)	Contribution to plan made by the Company
Pembayaran imbalan oleh Perusahaan (sesuai provisi yang dihitung)	(3.550)	(1.744)	Benefits paid by the Company excluding excess benefits paid
Beban yang diakui pada laporan laba rugi	36.086	29.617	Expense recognized in profit loss statement
Beban yang diakui pada penghasilan komprehensif lain	7.007	(7.074)	Expense recognized in other comprehensive income
Biaya terminasi	(5.118)	(3.610)	Termination benefit
Liabilitas yang diakui di laporan posisi Keuangan	<u>140.392</u>	<u>111.967</u>	Liability recognized in statement of financial position

Jumlah yang diakui pada laporan laba rugi dan penghasilan komprehensif lain adalah sebagai berikut:

The amounts recognised in the statement of profit or loss and other comprehensive income are as follows:

	2016	2015	
Biaya jasa kini	19.639	17.904	Current service cost
Biaya bunga	12.779	10.619	Interest cost
Pendapatan bunga atas aset program	(3.116)	(2.516)	Interest income on plan assets
Penyesuaian liabilitas akibat pengakuan masa kerja lalu	1.666	-	Liability assumed due to recognition of past services
Biaya terminasi oleh Perusahaan	5.118	3.610	Termination benefit by Company
Jumlah beban	<u>36.086</u>	<u>29.617</u>	Total expenses

Riwayat penyesuaian pengalaman adalah sebagai berikut:

The history of experience adjustment are as follows:

	31 Desember/ December					
	2016	2015	2014	2013	2012	
Nilai kini kewajiban imbalan pasti	(181.619)	(142.473)	(126.365)	(86.199)	(43.152)	Present value of defined Obligation
Nilai wajar aset program	41.227	30.506	25.587	23.514	17.414	Fair value of plan assets
Defisit	<u>(140.392)</u>	<u>(111.967)</u>	<u>(100.778)</u>	<u>(62.685)</u>	<u>(25.738)</u>	Deficit
Penyesuaian pengalaman liabilitas program	5.082	(279)	(15.982)	(33.634)	5.130	Experience adjustment on plan liabilities
Penyesuaian pengalaman aset program	1.605	(3.597)	653	-	(973)	Experience adjustment on plan assets

Ekshibit E/83

Exhibit E/83

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28. IMBALAN PASCA-KERJA (Lanjutan)

Kategori utama aset program per 31 Desember 2016 dan 2015 sebagai persentase dari total aset program adalah pasar uang 50%, pendapatan tetap 30% dan saham 20%.

Tabel berikut menunjukkan sensitivitas atas kemungkinan perubahan tingkat suku bunga pasar, dengan variable lain dianggap tetap, terhadap kewajiban imbalan pasca-kerja dan beban jasa kini pada tanggal 31 Desember 2016 dan 2015:

28. POST-EMPLOYMENT BENEFITS (Continued)

The main categories of plan assets as of 31 December 2016 and 2015 as percentage of total plan assets was money market 50%, fixed income 30% and shares 20%.

The following table demonstrates the sensitivity to a reasonably possible change in market interest rates, with all other variables held constant, of the obligation for post-employment and current service cost as of 31 December 2016 and 2015:

	31 Desember/ December 2016		31 Desember/ December 2015		
	Kewajiban imbalan pasca-kerja/ Obligation for post-employment benefits	Biaya jasa kini dan biaya bunga/ Current service cost and interest cost	Kewajiban imbalan pasca-kerja/ Obligation for post-employment benefits	Biaya jasa kini dan biaya bunga/ Current service cost and interest cost	
Kenaikan suku bunga dalam 100 basis poin	(161.727)	(31.153)	(127.136)	(15.432)	Increase in interest rate in 100 basis point
Penurunan suku bunga dalam 100 basis poin	205.267	34.261	160.651	20.925	Decrease in interest rate in 100 basis point

Asumsi-asumsi utama yang digunakan dalam perhitungan di atas:

Key assumptions used in the above calculation:

2016		
Asumsi ekonomi:		Economic assumption:
- Tingkat diskonto per tahun	8,70% per tahun/ 8.70% per annum	Annual discount rate -
- Tingkat kenaikan penghasilan dasar per tahun	10% per tahun/ 10% per annum	Annual salary incremental rate -
Asumsi lainnya:		Other assumption:
- Tingkat kematian	Tabel Mortalisasi Indonesia - 2011/ Indonesian Mortality table - 2011 (TMI - 2011)	Mortality table -
- Tingkat cacat	10% dari Tabel Mortalisasi/ 10% of Mortality Table	Disability rate -
- Tingkat pengunduran diri peserta	10% per tahun sebelum usia 31 dan terus menurun menjadi 0% pada usia 55/ 10% per annum before the age of 31 and linearly decreasing to 0% per annum at age of 55.	Resignation rate -
- Usia pensiun normal	55 tahun/ 55 years old	Normal retirement age -
2015		
Asumsi ekonomi:		Economic assumption:
- Tingkat diskonto per tahun	9,30% per tahun/ 9.30% per annum	Annual discount rate -
- Tingkat kenaikan penghasilan dasar per tahun	10% per tahun/ 10% per annum	Annual salary incremental rate -
Asumsi lainnya:		Other assumption:
- Tingkat kematian	Tabel Mortalisasi Indonesia - 2011/ Indonesian Mortality table - 2011 (TMI - 2011)	Mortality table -
- Tingkat cacat	5% dari Tabel Mortalisasi/ 5% of Mortality Table	Disability rate -
- Tingkat pengunduran diri peserta	10% per tahun sebelum usia 31 dan terus menurun menjadi 0% pada usia 55/ 10% per annum before the age of 31 and linearly decreasing to 0% per annum at age of 55.	Resignation rate -
- Usia pensiun normal	55 tahun/ 55 years old	Normal retirement age -

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29. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI

Dalam menjalankan kegiatan usahanya, Perusahaan melakukan transaksi-transaksi dengan pihak-pihak berelasi tertentu sebagai berikut:

Pihak berelasi/Related parties	Sifat hubungan/ Nature of relationship	Transaksi/Transactions
Karyawan/Employee	Personil manajemen kunci/ Key management personnel	Imbalan kerja jangka-pendek/ Short-term employees' benefits Imbalan pasca-kerja/ Post-employment benefits Program kompensasi manajemen dan karyawan berbasis saham/Management and employee stock options program
Saldo dan transaksi-transaksi kepada/dari pihak yang berelasi adalah sebagai berikut:		Balances and transactions to or from a related party are as follows:
Beban gaji dan tunjangan		Salaries and employee benefits
	2016	2015
Personil manajemen kunci:		Key management personnel:
Imbalan kerja jangka-pendek	41.469	37.213
Imbalan pasca-kerja	4.085	4.263
Pembayaran berbasis saham	4.381	1.659
	49.935	43.135
Persentase terhadap jumlah beban	2,27%	2,16%
		Percentage of total expenses

Transaksi dengan pihak berelasi, kecuali beban gaji dan imbalan kerja kepada personil manajemen kunci, dilakukan dengan menggunakan persyaratan usaha normal.

Transaction with related parties, except salary expense and employee benefits to key management personnel, conducted by normal operations requirements.

30. INFORMASI SEGMENT

Segmen operasi Perusahaan dibagi berdasarkan produk: pembiayaan konsumen dan sewa pembiayaan. Segmen operasi dilaporkan sesuai dengan laporan internal yang disiapkan untuk pengambil keputusan operasional yang bertanggungjawab untuk mengalokasikan sumber daya ke segmen tertentu dan melakukan penilaian atas performanya.

Ringkasan berikut menjelaskan operasi masing-masing segmen dalam pelaporan segmen Perusahaan:

- Pembiayaan konsumen
Termasuk dalam pelaporan segmen pembiayaan konsumen adalah seluruh indikator penilaian segmen operasi yang secara nyata dapat diatribusikan sebagai bagian dari pembiayaan konsumen.
- Sewa pembiayaan
Termasuk dalam pelaporan segmen sewa pembiayaan adalah seluruh indikator penilaian segmen operasi yang secara nyata dapat diatribusikan sebagai bagian dari sewa pembiayaan.

Informasi mengenai hasil dari masing-masing pelaporan segmen disajikan di bawah ini sebagaimana dilaporkan dalam laporan internal manajemen yang direview oleh Manajemen Perusahaan. 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.

29. RELATED PARTY TRANSACTIONS

In carrying out its business activities, the Company enters into transactions with certain related parties as the followings:

Pihak berelasi/Related parties	Sifat hubungan/ Nature of relationship	Transaksi/Transactions
Karyawan/Employee	Personil manajemen kunci/ Key management personnel	Imbalan kerja jangka-pendek/ Short-term employees' benefits Imbalan pasca-kerja/ Post-employment benefits Program kompensasi manajemen dan karyawan berbasis saham/Management and employee stock options program
Saldo dan transaksi-transaksi kepada/dari pihak yang berelasi adalah sebagai berikut:		Balances and transactions to or from a related party are as follows:
Beban gaji dan tunjangan		Salaries and employee benefits
	2016	2015
Personil manajemen kunci:		Key management personnel:
Imbalan kerja jangka-pendek	41.469	37.213
Imbalan pasca-kerja	4.085	4.263
Pembayaran berbasis saham	4.381	1.659
	49.935	43.135
Persentase terhadap jumlah beban	2,27%	2,16%
		Percentage of total expenses

Transaction with related parties, except salary expense and employee benefits to key management personnel, conducted by normal operations requirements.

30. SEGMENT INFORMATION

The Company's operating segments are divided into products: consumer financing and finance leases. Operating segments are reported in accordance with the internal reporting provided to the chief operating decision maker, which is responsible for allocating resources to the reportable segments and assesses its performance.

The following summary describes the operations in each of the Company's reportable segments.

- Consumer financing
Included in consumer financing reporting are operating segments assessment indicators that can actually be attributed as a part of consumer financing.
- Finance lease
Included in the finance leases reporting are operating segments assessment indicators that can actually be attributed as a part of finance lease.

Information regarding the results of each reportable segment is included below as included in the internal management reports that are reviewed by the Company'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 the industry.

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30. INFORMASI SEGMENT (Lanjutan)

30. SEGMENT INFORMATION (Continued)

	2016				
	Sewa pembiayaan/ <i>Finance Lease</i>	Pembiayaan konsumen/ <i>Consumer financing</i>	Lain-lain/ <i>Others</i>	Jumlah/ <i>Total</i>	
Jumlah pendapatan	1.707.540	1.488.155	31.414	3.227.109	Total income
Hasil					Result
Pendapatan segmen	1.707.540	1.488.155	31.414	3.227.109	<i>Segment income</i>
Beban bunga dan keuangan	-	-	792.281	792.281	<i>Interest and financing charges</i>
Beban gaji dan tunjangan	-	-	715.765	715.765	<i>Salaries and benefits</i>
Beban umum dan administrasi	4.283	43.542	344.490	392.315	<i>General and administrative</i>
Penyisihan kerugian penurunan nilai	83.191	190.134	-	273.325	<i>Provision for impairment losses</i>
Beban lain-lain	11.837	16.623	-	28.460	<i>Other expenses</i>
Laba sebelum pajak penghasilan				1.024.963	<i>Profit before income tax</i>
Beban pajak penghasilan	-	-	226.598	226.598	<i>Income tax expense</i>
Laba tahun berjalan	-	-	-	798.365	<i>Profit for the year</i>
Penghasilan komprehensif lain					<i>Other comprehensive income net</i>
setelah pajak	-	-	(63.044)	(63.044)	<i>of tax</i>
Penghasilan komprehensif tahun berjalan	-	-	-	735.321	<i>Comprehensive income for the year</i>
Aset dan Liabilitas					Assets and Liabilities
Aset segmen	7.148.427	4.496.606	831.223	12.476.256	<i>Segment assets</i>
Liabilitas segmen	23.588	43.452	8.154.532	8.221.572	<i>Segment liabilities</i>
Informasi Segmen Lainnya					Other Segment Information
Pengeluaran modal:					<i>Capital expenditure:</i>
- Aset tetap berwujud	-	-	62.262	62.262	<i>Tangible fixed assets -</i>
Penyusutan aset tetap	-	-	71.255	71.255	<i>Depreciation of fixed assets</i>
Beban non kas lainnya:					<i>Other non - cash expense:</i>
- Imbalan pasca-kerja	-	-	36.086	36.086	<i>Post-employment benefits -</i>

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30. INFORMASI SEGMENT (Lanjutan)

30. SEGMENT INFORMATION (Continued)

	2015						
	Sewa pembiayaan/ Finance Lease	Pembiayaan konsumen/ Consumer financing	Lain-lain/ Others	Jumlah/ Total			
Jumlah pendapatan	1.091.564	1.650.141	88.912	2.830.617		Total income	
Hasil						Result	
Pendapatan segmen	1.091.564	1.650.141	88.912	2.830.617		Segment income	
Beban bunga dan keuangan	-	-	712.123	712.123		Interest and financing charges	
Beban gaji dan tunjangan	-	-	626.324	626.324		Salaries and benefits	
Beban umum dan administrasi	5.474	42.292	293.501	341.267		General and administrative	
Penyisihan kerugian penurunan nilai	88.560	141.594	-	230.154		Provision for impairment losses	
Beban lain-lain	37.465	47.790	-	85.255		Other expenses	
Laba sebelum pajak penghasilan	-	-	-	835.494		Profit before income tax	
Beban pajak penghasilan	-	-	185.206	185.206		Income tax expense	
Laba tahun berjalan	-	-	-	650.288		Profit for the year	
Penghasilan komprehensif lain setelah pajak	-	-	62.631	62.631		Other comprehensive income net of tax	
Penghasilan komprehensif tahun berjalan	-	-	-	712.919		Comprehensive income for the year	
Aset dan Liabilitas						Assets and Liabilities	
Aset segmen	5.281.632	4.707.426	1.781.356	11.770.414		Segment assets	
Liabilitas segmen	17.460	44.354	7.689.497	7.751.311		Segment liabilities	
Informasi Segmen Lainnya						Other Segment Information	
Pengeluaran modal:						Capital expenditure:	
- Aset tetap berwujud	-	-	86.938	86.938		Tangible fixed assets -	
Penyusutan aset tetap	-	-	68.493	68.493		Depreciation of fixed assets	
Beban non kas lainnya:						Other non - cash expense:	
- Imbalan pasca-kerja	-	-	29.617	29.617		Post-employment benefits -	
Segmen Geografis	Geographical Segments						
	2016						
	Jawa/ Java	Kalimantan/ Kalimantan	Sumatera/ Sumatera	Sulawesi/ Sulawesi	Lain-lain/ Others	Jumlah/ Total	
Jumlah Pendapatan	1.609.615	392.896	602.589	587.352	34.657	3.227.109	Total Revenues
Informasi Segmen Lainnya	Other Segment Information						
- Aset segmen	7.195.872	1.200.123	1.948.462	1.767.634	364.165	12.476.256	Segment assets -
Pengeluaran Modal	Capital expenditure						
- Aset tetap berwujud	29.713	5.075	18.003	9.471	-	62.262	Tangible fixed assets -
	2015						
	Jawa/ Java	Kalimantan/ Kalimantan	Sumatera/ Sumatera	Sulawesi/ Sulawesi	Lain-lain/ Others	Jumlah/ Total	
Jumlah Pendapatan	1.308.484	386.874	511.100	551.082	73.077	2.830.617	Total Revenues
Informasi Segmen Lainnya	Other Segment Information						
- Aset segmen	5.540.385	1.388.306	1.913.044	1.888.452	1.040.227	11.770.414	Segment assets -
Pengeluaran Modal	Capital expenditure						
- Aset tetap berwujud	32.691	16.252	13.415	24.559	-	86.917	Tangible fixed assets

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31. PERJANJIAN PENTING DAN KOMITMEN

Dalam kaitan untuk mendukung kebutuhan pendanaan untuk pengembangan usaha, Perusahaan juga melakukan berbagai kerjasama dengan perbankan, antara lain dalam bentuk perjanjian pembiayaan bersama (*joint financing*), penerusan pinjaman (*channelling*) dan perjanjian jual beli piutang yang dibukukan secara *off balance sheet*.

	2016	2015
Penerusan Pinjaman dan Jual Beli Piutang (a)		
PT Bank Rakyat Indonesia (Persero) Tbk (1)	3.248	51.560
Pembiayaan Bersama (b)		
PT Bank Mandiri (Persero) Tbk (1)	671.049	1.327.100
PT Bank Maybank Indonesia Tbk (d/h: PT Bank Internasional Indonesia Tbk)(2)	276.954	262.684
PT Bank Tabungan Pensiunan Nasional Tbk (3)	175.002	511.665
PT Bank Rakyat Indonesia (Persero) Tbk (4)	140.618	-
Jumlah Perjanjian Penting dan Komitmen	1.266.871	2.153.009
Dikurangi:		
Biaya transaksi yang belum diamortisasi	(6.254)	(9.311)
Perjanjian Penting dan Komitmen - Bersih	1.260.617	2.143.698

PT Bank Rakyat Indonesia (Persero) Tbk

(1) Pada tanggal 17 Februari 2010, Perusahaan menandatangani Perjanjian Pelayanan Kredit Kendaraan Bermotor Kerjasama dengan PT Bank Rakyat Indonesia (Persero) Tbk (BRI) dengan batas maksimum pembiayaan sebesar Rp 150.000 dan bersifat "*non-revolving*" dengan dasar "*without recourse*".

Berdasarkan perjanjian tersebut, BRI setuju untuk memberikan fasilitas pembiayaan kredit kendaraan bermotor dengan porsi pembiayaan sampai dengan 100% dari keseluruhan pembiayaan. Perusahaan bertanggungjawab untuk, antara lain, melakukan penagihan, memelihara pencatatan dan penyimpanan dokumen-dokumen. Perusahaan dapat menetapkan suku bunga tertentu kepada konsumen melebihi suku bunga yang dibayarkan Perusahaan kepada BRI. Jangka waktu perjanjian selama 24 (dua puluh empat) bulan.

Pada tanggal 13 Oktober 2010, Perusahaan dan BRI menandatangani Addendum Perjanjian Kerjasama Pembiayaan Kendaraan Bermotor tersebut, dimana dilakukan perubahan dan penambahan beberapa ketentuan-ketentuan, salah satunya mengubah jangka waktu fasilitas pembiayaan kendaraan menjadi maksimal 4 (empat) tahun untuk mobil bekas jenis penumpang dan kendaraan niaga.

Pada tanggal 27 Mei 2011, Perusahaan dan BRI menandatangani Addendum Perjanjian Kerjasama Pembiayaan Kendaraan Bermotor tersebut di atas, dimana batas maksimum pembiayaan ditingkatkan menjadi sebesar Rp 300.000 dan mengubah jangka waktu kerja sama menjadi maksimal 24 (dua puluh empat) bulan sejak tanggal 27 Mei 2011.

31. SIGNIFICANT AGREEMENTS AND COMMITMENT

In order to support funding needs for business expansion, the Company has also initiated cooperation with banking institutions, in the form of joint financing, channelling and receivables sales and purchase agreements which are accounted for as "*off balance sheet*" transactions.

	2016	2015
Channelling and Receivables Sales and Purchase (a)		
PT Bank Rakyat Indonesia (Persero) Tbk (1)	3.248	51.560
Joint Financing (b)		
PT Bank Mandiri (Persero) Tbk (1)	671.049	1.327.100
PT Bank Maybank Indonesia Tbk (formerly: PT Bank Internasional Indonesia Tbk) (2)	276.954	262.684
PT Bank Tabungan Pensiunan Nasional Tbk (3)	175.002	511.665
PT Bank Rakyat Indonesia (Persero) Tbk (4)	140.618	-
Total Significant Agreements and Commitments	1.266.871	2.153.009
Less:		
Unamortized transaction costs	(6.254)	(9.311)
Significant Agreements and Commitment - Net	1.260.617	2.143.698

PT Bank Rakyat Indonesia (Persero) Tbk

(1) On 17 February 2010, the Company entered into a Motor Vehicles Loans Care Cooperation Agreement with PT Bank Rakyat Indonesia (Persero) Tbk (BRI) with a maximum financing limit of Rp 150,000 and on a "*non-revolving*" and "*without-recourse*" basis.

Under the agreement, BRI agreed to provide motor vehicle financing facility with a financing portion of up to 100% of the total financing. The Company is responsible for, among others, collection, administration and custody of documents. The Company may apply interest rate to the customer exceeding the interest rate paid by the Company to BRI. The term of the agreement was 24 (twenty-four) months.

On 13 October 2010, the Company and BRI signed an Amendment to the Motor Vehicles Financing Cooperation Agreement to include several changes and addition of several provisions, which one of these is to change the term of the vehicles financing facility to a maximum of 4 (four) years for the used passenger cars and commercial vehicles.

On 27 May 2011, the Company and BRI signed an Amendment to the Motor Vehicles Financing Cooperation Agreement, whereby the maximum financing limit was increased to Rp 300,000 and to change the term of the agreements to a maximum of 24 (twenty-four) months from 27 May 2011.

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31. PERJANJIAN PENTING DAN KOMITMEN (Lanjutan)

a. Penerusan Pinjaman dan Jual Beli Piutang (Lanjutan)

PT Bank Rakyat Indonesia (Persero) Tbk (Lanjutan)

Pada tanggal 31 Desember 2015, jumlah keseluruhan pokok yang dibiayai oleh BRI sehubungan dengan perjanjian kerja sama tersebut sebesar Rp 436, sedangkan pendapatan pembiayaan konsumen yang merupakan bagian BRI adalah masing-masing sebesar Rp 45 dan Rp 407 untuk tahun yang berakhir pada tanggal 31 Desember 2016 dan 31 Desember 2015.

Pada tanggal 21 Mei 2013, Perusahaan menandatangani Perjanjian Kerjasama Pembiayaan Kendaraan Bermotor dengan PT Bank Rakyat Indonesia (Persero) Tbk (BRI) dengan batas maksimum pembiayaan sebesar Rp 600.000 dan bersifat "non-revolving" dengan dasar "without recourse".

Berdasarkan perjanjian tersebut, BRI setuju untuk memberikan fasilitas pembiayaan kredit kendaraan bermotor dengan porsi pembiayaan sampai dengan 100% dari keseluruhan pembiayaan. Perusahaan bertanggungjawab untuk, antara lain, melakukan penagihan, memelihara pencatatan dan penyimpanan dokumen-dokumen. Perusahaan dapat menetapkan suku bunga tertentu kepada konsumen melebihi suku bunga yang dibayarkan Perusahaan kepada BRI. Jangka waktu pencairan fasilitas sesuai perjanjian ini selama 24 (dua puluh empat) bulan.

Pada tanggal 31 Desember 2016 dan 2015, jumlah keseluruhan pokok yang dibiayai oleh BRI sehubungan dengan perjanjian kerja sama tersebut masing-masing sebesar Rp 3.248 dan Rp 51.124, sedangkan pendapatan pembiayaan konsumen yang merupakan bagian BRI adalah sebesar Rp 2.119 dan Rp 11.346 untuk tahun yang berakhir masing-masing pada tanggal 31 Desember 2016 dan 2015.

b. Pembiayaan Bersama

PT Bank Mandiri (Persero) Tbk

(1) Pada tanggal 10 Juni 2011, Perusahaan menandatangani Perjanjian Kerjasama dalam Rangka Pemberian Fasilitas Pembiayaan Bersama dengan PT Bank Mandiri (Persero) Tbk (Bank Mandiri) dengan batas maksimum pembiayaan sebesar Rp 125.000 dan bersifat "revolving" dengan dasar "without-recourse". Berdasarkan perjanjian tersebut, Bank Mandiri setuju untuk memberikan fasilitas pembiayaan kredit dengan porsi pembiayaan setinggi-tingginya sebesar 95% dari jumlah keseluruhan pembiayaan kepada nasabah, dan sisanya sebesar 5% dibiayai oleh Perusahaan. Jangka waktu fasilitas tersebut berlaku selama 3 (tiga) tahun dengan jangka waktu penarikan selama 18 (delapan belas) bulan sejak tanggal penandatanganan perjanjian.

Pada tanggal 22 September 2011, Perusahaan dan Bank Mandiri menandatangani Addendum Perjanjian Perjanjian Kerjasama dalam Rangka Pemberian Fasilitas Pembiayaan Bersama tersebut, dimana batas maksimum pembiayaan ditingkatkan menjadi sebesar Rp 245.000.

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31. SIGNIFICANT AGREEMENTS AND COMMITMENT (Continued)

a. *Chanelling and Receivables Sales and Purchase* (Continued)

PT Bank Rakyat Indonesia (Persero) Tbk (Continued)

As of 31 December 2015, the total principal amount financed by BRI in respect with the cooperation agreement amounted to Rp 436, while the total consumer financing income of BRI's portion amounted to Rp 45 and Rp 407 for the years ended 31 December 2016 and 31 December 2015, respectively.

On 21 May 2013, the Company entered into a Motor Vehicles Financing Cooperation Agreement with PT Bank Rakyat Indonesia (Persero) Tbk (BRI) with a maximum financing limit of Rp 600,000 and on a "non-revolving" and "without-recourse" basis.

Under the agreement, BRI agreed to provide motor vehicle financing facility with a financing portion of up to 100% of the total financing. The Company is responsible for, among others, collection, administration and custody of documents. The Company may apply interest rate to the customer exceeding the interest rate paid by the Company to BRI. The availability period for utilisation of this facility as defined in the agreement was 24 (twenty-four) months.

As of 31 December 2016 and 2015, the total principal amount financed by BRI in respect with the cooperation agreement amounted to Rp 3,248 and Rp 51,124, respectively, while the total consumer financing income of BRI's portion amounted to Rp 2,119 and Rp 11,346 for the years ended 31 December 2016 and 2015, respectively.

b. *Joint Financing*

PT Bank Mandiri (Persero) Tbk

(1) On 10 June 2011, the Company entered into a Cooperation Agreement in respect with the provision of Joint Financing Facility with PT Bank Mandiri (Persero) Tbk (Bank Mandiri) with a maximum financing limit of Rp 125,000 and on "revolving" and "without-recourse" basis. Under the agreement, Bank Mandiri agreed to provide financing facility with a maximum financing portion of 95% of the total financing to the customers, and the remaining 5% will be financed by the Company. The facility is valid for 3 (three) years with the drawdown period of 18 (eighteen) months from the signing date of the agreement.

On 22 September 2011, the Company and Bank Mandiri signed an Amendment to the Cooperation Agreement in respect with the provision of Joint Financing Facility, whereby the maximum financing limit was increased to Rp 245,000.

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31. PERJANJIAN PENTING DAN KOMITMEN (Lanjutan)

b. Pembiayaan Bersama (Lanjutan)

PT Bank Mandiri (Persero) Tbk (Lanjutan)

Pada tanggal 6 Desember 2012, Perusahaan menandatangani Perjanjian Kerjasama dalam Rangka Pemberian Fasilitas Pembiayaan Bersama dengan Bank Mandiri dengan batas maksimum pembiayaan sebesar Rp 250.000 dan bersifat "revolving" dengan dasar "without-recourse".

Berdasarkan perjanjian tersebut, Bank Mandiri setuju untuk memberikan fasilitas pembiayaan kredit dengan porsi pembiayaan setinggi-tingginya sebesar 95% dari jumlah keseluruhan pembiayaan kepada nasabah, dan sisanya sebesar 5% dibiayai oleh Perusahaan. Jangka waktu penarikan selama 18 (delapan belas) bulan sejak tanggal penandatanganan perjanjian.

Pada tanggal 7 Pebruari 2013, Perusahaan menandatangani Perjanjian Kerjasama dalam Rangka Pemberian Fasilitas Pembiayaan Bersama dengan Bank Mandiri dengan batas maksimum pembiayaan sebesar Rp 250.000 dan bersifat "revolving" dengan dasar "without-recourse". Berdasarkan perjanjian tersebut, Bank Mandiri setuju untuk memberikan fasilitas pembiayaan kredit dengan porsi pembiayaan setinggi-tingginya sebesar 95% dari jumlah keseluruhan pembiayaan kepada nasabah, dan sisanya sebesar 5% dibiayai oleh Perusahaan. Jangka waktu penarikan selama 16 (enam belas) bulan sejak tanggal penandatanganan perjanjian.

Pada tanggal 23 Agustus 2013, Perusahaan menandatangani Perjanjian Kerjasama dalam Rangka Pemberian Fasilitas Pembiayaan Bersama dengan Bank Mandiri dengan batas maksimum pembiayaan sebesar Rp 500.000 dan bersifat "revolving" dengan dasar "without-recourse". Berdasarkan perjanjian tersebut, Bank Mandiri setuju untuk memberikan fasilitas pembiayaan kredit dengan porsi pembiayaan setinggi-tingginya sebesar 95% dari jumlah keseluruhan pembiayaan kepada nasabah, dan sisanya sebesar 5% dibiayai oleh Perusahaan. Jangka waktu penarikan selama 18 (delapan belas) bulan sejak tanggal penandatanganan perjanjian.

Pada tanggal 21 Pebruari 2014, Perusahaan menandatangani Perjanjian Kerjasama dalam Rangka Pemberian Fasilitas Pembiayaan Bersama dengan Bank Mandiri dengan batas maksimum pembiayaan sebesar Rp 500.000 dan bersifat "revolving" dengan dasar "without-recourse". Berdasarkan perjanjian tersebut, Bank Mandiri setuju untuk memberikan fasilitas pembiayaan kredit dengan porsi pembiayaan setinggi-tingginya sebesar 95% dari jumlah keseluruhan pembiayaan kepada nasabah, dan sisanya sebesar 5% dibiayai oleh Perusahaan. Jangka waktu penarikan selama 12 (dua belas) bulan sejak tanggal penandatanganan perjanjian.

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31. SIGNIFICANT AGREEMENTS AND COMMITMENT
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b. Joint Financing (Continued)

PT Bank Mandiri (Persero) Tbk (Continued)

On 6 December 2012, the Company entered into a Cooperation Agreement in respect with the provision of Joint Financing Facility with Bank Mandiri with a maximum financing limit of Rp 250,000 and on "revolving" and "without-recourse" basis.

Under the agreement, Bank Mandiri agreed to provide financing facility with a maximum financing portion of 95% of the total financing to the customers, and the remaining 5% will be financed by the Company. The drawdown of the facility is from 18 (eighteen) months from the signing date of the agreement.

On 7 February 2013, the Company entered into a Cooperation Agreement in respect with the provision of Joint Financing Facility with Bank Mandiri with a maximum financing limit of Rp 250,000 and on "revolving" and "without-recourse" basis. Under the agreement, Bank Mandiri agreed to provide financing facility with a maximum financing portion of 95% of the total financing to the customers, and the remaining 5% will be financed by the Company. The withdrawal of the facility is from 16 (sixteen) months from the agreement date.

On 23 August 2013, the Company entered into a Cooperation Agreement in respect with the provision of Joint Financing Facility with Bank Mandiri with a maximum financing limit of Rp 500,000 and on "revolving" and "without-recourse" basis. Under the agreement, Bank Mandiri agreed to provide financing facility with a maximum financing portion of 95% of the total financing to the customers, and the remaining 5% will be financed by the Company. The withdrawal of the facility is from 18 (eighteen) months from the agreement date.

On 21 February 2014, the Company entered into a Joint Financing Facility Agreement with Bank Mandiri with a maximum financing limit of Rp 500,000 and on "revolving" and "without-recourse" basis. Under the agreement, Bank Mandiri agree to provide financing facility with a maximum financing portion of 95% of the total financing to the customers, and the remaining 5% will be financed by the Company. The withdrawal of the facility is from 12 (twelve) months from the agreement date.

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31. PERJANJIAN PENTING DAN KOMITMEN (Lanjutan)

b. Pembiayaan Bersama (Lanjutan)

PT Bank Mandiri (Persero) Tbk (Lanjutan)

Pada tanggal 26 Juni 2014, Perusahaan menandatangani Perjanjian Kerjasama dalam Rangka Pemberian Fasilitas Pembiayaan Bersama dengan Bank Mandiri dengan batas maksimum pembiayaan sebesar Rp 250.000 dan bersifat "revolving" dengan dasar "without-recourse". Berdasarkan perjanjian tersebut, Bank Mandiri setuju untuk memberikan fasilitas pembiayaan kredit dengan porsi pembiayaan setinggi-tingginya sebesar 95% dari jumlah keseluruhan pembiayaan kepada nasabah, dan sisanya sebesar 5% dibiayai oleh Perusahaan. Jangka waktu penarikan selama 18 (delapan belas) bulan sejak tanggal penandatanganan perjanjian.

Pada tanggal 6 Agustus 2014, Perusahaan menandatangani Perjanjian Kerjasama dalam Rangka Pemberian Fasilitas Pembiayaan Bersama dengan Bank Mandiri dengan batas maksimum pembiayaan sebesar Rp 250.000 dan bersifat "revolving" dengan dasar "without-recourse". Berdasarkan perjanjian tersebut, Bank Mandiri setuju untuk memberikan fasilitas pembiayaan kredit dengan porsi pembiayaan setinggi-tingginya sebesar 95% dari jumlah keseluruhan pembiayaan kepada nasabah, dan sisanya sebesar 5% dibiayai oleh Perusahaan. Jangka waktu penarikan selama 16 (enam belas) bulan sejak tanggal penandatanganan perjanjian.

Pada tanggal 16 Oktober 2014, Perusahaan menandatangani Perjanjian Kerjasama dalam Rangka Pemberian Fasilitas Pembiayaan Bersama dengan Bank Mandiri dengan batas maksimum pembiayaan sebesar Rp 250.000 dan bersifat "revolving" dengan dasar "without-recourse". Berdasarkan perjanjian tersebut, Bank Mandiri setuju untuk memberikan fasilitas pembiayaan kredit dengan porsi pembiayaan setinggi-tingginya sebesar 95% dari jumlah keseluruhan pembiayaan kepada nasabah, dan sisanya sebesar 5% dibiayai oleh Perusahaan. Jangka waktu penarikan selama 14 (empat belas) bulan sejak tanggal penandatanganan perjanjian.

Pada tanggal 12 Januari 2015, Perusahaan menandatangani Perjanjian Kerjasama dalam Rangka Pemberian Fasilitas Pembiayaan Bersama dengan Bank Mandiri dengan batas maksimum pembiayaan sebesar Rp 250.000 dan bersifat "revolving" dengan dasar "without-recourse". Berdasarkan perjanjian tersebut, Bank Mandiri setuju untuk memberikan fasilitas pembiayaan kredit dengan porsi pembiayaan setinggi-tingginya sebesar 95% dari jumlah keseluruhan pembiayaan kepada nasabah, dan sisanya sebesar 5% dibiayai oleh Perusahaan. Jangka waktu penarikan selama 11 (sebelas) bulan sejak tanggal penandatanganan perjanjian.

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31. SIGNIFICANT AGREEMENTS AND COMMITMENT (Continued)

b. Joint Financing (Continued)

PT Bank Mandiri (Persero) Tbk (Continued)

On 26 June 2014, the Company entered into a Joint Financing Facility Agreement with Bank Mandiri with a maximum financing limit of Rp 250,000 and on "revolving" and "without-recourse" basis. Under the agreement, Bank Mandiri agree to provide financing facility with a maximum financing portion of 95% of the total financing to the customers, and the remaining 5% will be financed by the Company. The withdrawal of the facility is from 18 (eighteen) months from the agreement date.

On 6 August 2014, the Company entered into a Joint Financing Facility Agreement with Bank Mandiri with a maximum financing limit of Rp 250,000 and on "revolving" and "without-recourse" basis. Under the agreement, Bank Mandiri agreed to provide financing facility with a maximum financing portion of 95% of the total financing to the customers, and the remaining 5% will be financed by the Company. The withdrawal of the facility is from 16 (sixteen) months from the agreement date.

On 16 October 2014, the Company entered into a Joint Financing Facility Agreement with Bank Mandiri with a maximum financing limit of Rp 250,000 and on "revolving" and "without-recourse" basis. Under the agreement, Bank Mandiri agreed to provide financing facility with a maximum financing portion of 95% of the total financing to the customers, and the remaining 5% will be financed by the Company. The withdrawal of the facility is from 14 (fourteen) months from the agreement date.

On 12 January 2015, the Company entered into a Joint Financing Facility Agreement with Bank Mandiri with a maximum financing limit of Rp 250,000 and on "revolving" and "without-recourse" basis. Under the agreement, Bank Mandiri agreed to provide financing facility with a maximum financing portion of 95% of the total financing to the customers, and the remaining 5% will be financed by the Company. The withdrawal of the facility is from 11 (eleven) months from the agreement date.

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31. PERJANJIAN PENTING DAN KOMITMEN (Lanjutan)

b. Pembiayaan Bersama (Lanjutan)

PT Bank Mandiri (Persero) Tbk (Lanjutan)

Pada tanggal 20 Pebruari 2015, Perusahaan menandatangani Perjanjian Kerjasama dalam Rangka Pemberian Fasilitas Pembiayaan Bersama dengan Bank Mandiri dengan batas maksimum pembiayaan sebesar Rp 500.000 dan bersifat "revolving" dengan dasar "without-recourse". Berdasarkan perjanjian tersebut, Bank Mandiri setuju untuk memberikan fasilitas pembiayaan kredit dengan porsi pembiayaan setinggi-tingginya sebesar 95% dari jumlah keseluruhan pembiayaan kepada nasabah, dan sisanya sebesar 5% dibiayai oleh Perusahaan. Jangka waktu penarikan selama 18 (delapan belas) bulan sejak tanggal penandatanganan perjanjian.

Pada tanggal 10 Juni 2015, Perusahaan menandatangani Perjanjian Kerjasama dalam Rangka Pemberian Fasilitas Pembiayaan Bersama dengan Bank Mandiri dengan batas maksimum pembiayaan sebesar Rp 500.000 dan bersifat "revolving" dengan dasar "without-recourse". Berdasarkan perjanjian tersebut, Bank Mandiri setuju untuk memberikan fasilitas pembiayaan kredit dengan porsi pembiayaan setinggi-tingginya sebesar 95% dari jumlah keseluruhan pembiayaan kepada nasabah, dan sisanya sebesar 5% dibiayai oleh Perusahaan. Jangka waktu penarikan selama 14 (empat belas) bulan sejak tanggal penandatanganan perjanjian.

Jumlah piutang pembiayaan konsumen Perusahaan yang dialihkan kepada Bank Mandiri masing-masing sebesar Rp 361.274 dan Rp 1.297.734 untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015.

Pada tanggal-tanggal 31 Desember 2016 dan 2015, jumlah keseluruhan pokok yang dibiayai oleh Bank Mandiri sehubungan dengan perjanjian kerja sama tersebut masing-masing sebesar Rp 671.049 dan Rp 1.327.100 serta pendapatan pembiayaan konsumen yang merupakan bagian Bank Mandiri adalah masing-masing sebesar Rp 120.148 dan Rp 192.356 untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015.

PT Bank Maybank Indonesia Tbk (d/h: PT Bank Internasional Indonesia Tbk)

- (2) Pada tanggal 21 Oktober 2013, Perusahaan menandatangani Perjanjian Kerjasama dalam Rangka Pemberian Fasilitas Pembiayaan Bersama dengan PT Bank Maybank Indonesia Tbk (d/h: PT Bank Internasional Indonesia Tbk) dengan batas maksimum pembiayaan sebesar Rp 150.000 dan bersifat "revolving" dengan dasar "without-recourse". Berdasarkan perjanjian tersebut, Maybank setuju untuk memberikan fasilitas pembiayaan kredit dengan porsi pembiayaan setinggi-tingginya sebesar 95% dari jumlah keseluruhan pembiayaan kepada nasabah, dan sisanya sebesar 5% dibiayai oleh Perusahaan. Jangka waktu penarikan selama 12 (dua belas) bulan sejak tanggal penandatanganan perjanjian.

31. SIGNIFICANT AGREEMENTS AND COMMITMENT (Continued)

b. Joint Financing (Continued)

PT Bank Mandiri (Persero) Tbk (Continued)

On 20 February 2015, the Company entered into a Joint Financing Facility Agreement with Bank Mandiri with a maximum financing limit of Rp 500,000 and on "revolving" and "without-recourse" basis. Under the agreement, Bank Mandiri agreed to provide financing facility with a maximum financing portion of 95% of the total financing to the customers, and the remaining 5% will be financed by the Company. The withdrawal of the facility is from 18 (eighteen) months from the agreement date.

On 10 June 2015, the Company entered into a Joint Financing Facility Agreement with Bank Mandiri with a maximum financing limit of Rp 500,000 and on "revolving" and "without-recourse" basis. Under the agreement, Bank Mandiri agreed to provide financing facility with a maximum financing portion of 95% of the total financing to the customers, and the remaining 5% will be financed by the Company. The withdrawal of the facility is from 14 (fourteen) months from the agreement date.

The total Company's consumer financing receivables transferred to Bank Mandiri amounted to Rp 361,274 and Rp 1,297,734 for the years ended 31 December 2016 and 2015, respectively.

As of 31 December 2016 and 2015, the total principal amount financed by Bank Mandiri in respect with the cooperation agreement amounted to Rp 671,049 and Rp 1,327,100, respectively, while the total consumer financing income of Bank Mandiri's portion amounted to Rp 120,148 and Rp 192,356 for the years ended 31 December 2016 and 2015, respectively.

PT Bank Maybank Indonesia Tbk (formerly: PT Bank Internasional Indonesia Tbk)

- (2) On 21 October 2013, the Company entered into a Joint Financing Facility Agreement with PT Bank Maybank Indonesia Tbk (formerly: PT Bank Internasional Indonesia Tbk) with a maximum limit of Rp 150,000 and on "revolving" and "without-recourse" basis. Under the agreement, Maybank agreed to provide financing facility with a maximum financing portion of 95% of the total joint financing facility to the costumers, and remaining 5% will be financed by the Company. The drawdown period of 12 (twelve) months from the signing date of the agreement.

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31. PERJANJIAN PENTING DAN KOMITMEN (Lanjutan)

b. Pembiayaan Bersama (Lanjutan)

PT Bank Maybank Indonesia Tbk (d/h: PT Bank Internasional Indonesia Tbk) (Lanjutan)

Pada tanggal 21 Oktober 2014, Perusahaan menandatangani addendum Perjanjian Kerjasama dalam Rangka Pemberian Fasilitas Pembiayaan Bersama dengan PT Bank Maybank Indonesia Tbk (d/h: PT Bank Internasional Indonesia Tbk) dengan penambahan plafon sebesar Rp 200.000 sehingga batas maksimum pembiayaan berubah menjadi sebesar Rp 350.000 dan bersifat "revolving" dengan dasar "without-recourse". Jangka waktu penarikan selama 12 (dua belas) bulan sejak tanggal penandatanganan addendum perjanjian tersebut.

Pada tanggal 17 Nopember 2016, Perusahaan menandatangani Akta Perjanjian Kerjasama Pembiayaan Bersama Fasilitas Kredit Kendaraan Bermotor dengan PT Bank Maybank Indonesia Tbk (d/h: PT Bank Internasional Indonesia Tbk) dengan batas maksimum pembiayaan sebesar Rp 500.000 dan bersifat "revolving" dengan dasar "without-recourse". Berdasarkan Perjanjian tersebut, PT Bank Maybank Indonesia Tbk setuju untuk memberikan fasilitas pembiayaan kredit dengan porsi pembiayaan setinggi-tingginya 95% dari jumlah keseluruhan pembiayaan kepada nasabah dan sisanya sebesar 5% dibiayai oleh Perusahaan. Jangka waktu penarikan selama 12 (dua belas) bulan sejak tanggal penandatanganan perjanjian tersebut. Perjanjian Kerjasama ini menggantikan seluruh Perjanjian kerjasama serupa dengan PT Bank Maybank Indonesia Tbk yang telah berjalan sebelumnya.

Jumlah piutang pembiayaan konsumen Perusahaan yang dialihkan kepada Maybank masing-masing sebesar Rp 218.397 dan Rp 96.673 untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015.

Pada tanggal-tanggal 31 Desember 2016 dan 2015, jumlah keseluruhan pokok yang dibiayai oleh BI sehubungan dengan perjanjian kerja sama tersebut sebesar Rp 276.954 dan Rp 262.684 serta pendapatan pembiayaan konsumen yang merupakan bagian Maybank adalah sebesar Rp 30.581 dan Rp 30.025 untuk tahun yang berakhir masing-masing pada tanggal 31 Desember 2016 dan 2015.

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31. SIGNIFICANT AGREEMENTS AND COMMITMENT (Continued)

b. Joint Financing (Continued)

PT Bank Maybank Indonesia Tbk (formerly: PT Bank Internasional Indonesia Tbk) (Continued)

On 21 October 2014, the Company entered into a Addendum to the Joint Financing Facility Agreement with PT Bank Maybank Indonesia Tbk (formerly: PT Bank Internasional Indonesia Tbk) with a additional limit of Rp 200,000, hence the total facility increase to Rp 350,000 and on "revolving" and "without-recourse" basis. The drawdown period of 12 (twelve) months from the signing date of the agreement.

On 17 November 2016, the Company entered into a Joint Financing Facility Agreement with PT Bank Maybank Indonesia Tbk (formerly: PT Bank Internasional Indonesia Tbk) with a maximum limit of Rp 500,000 and on "revolving" and "without-recourse" basis. Under the Agreement, PT Bank Maybank Indonesia Tbk agreed to provide financing facility with a maximum financing portion of 95% of the total financing to the customers and the remaining 5% will be financed by the Company. The withdrawal of the facility is from 12 (twelve) months from the signing date of the agreement. The Cooperation Agreement supersedes all similar cooperation agreement with PT Bank Maybank Indonesia who had walked earlier.

The total Company's consumer financing receivables financed by Maybank amounted to Rp 218,397 and Rp 96,673 for the years ended 31 December 2016 and 2015, respectively.

As of 31 December 2016 and 2015, the total principal amount financed by BI in respect with the cooperation agreement amounted to Rp 276,954 and Rp 262,684, respectively, while the total consumer financing income of Maybank's portion amounted to Rp 30,581 and Rp 30,025 for the years ended 31 December 2016 and 2015, respectively.

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31. PERJANJIAN PENTING DAN KOMITMEN (Lanjutan)

b. Pembiayaan Bersama (Lanjutan)

PT Bank Tabungan Pensiunan Nasional Tbk

(3) Pada tanggal 25 Agustus 2011, Perusahaan menandatangani Perjanjian Kerjasama Pemberian Fasilitas Pembiayaan Bersama yang diikuti dengan penandatanganan Perjanjian Kerjasama Pembiayaan dan Penunjukan Pengelola Fasilitas pada tanggal 8 Agustus 2012 dengan BTPN. Berdasarkan perjanjian tersebut, batasan maksimum pembiayaan adalah sebesar Rp 1.000.000, yang dapat digunakan untuk *joint financing* dan *refinancing* bersama-sama tidak melebihi Rp 1.000.000 dengan batasan maksimum *refinancing* tidak melebihi Rp 300.000. Jangka waktu penggunaan fasilitas berlaku sampai dengan tanggal 25 Agustus 2014.

Pada tanggal 21 Juni 2013, BTPN melalui suratnya No. S.157/RBFI/VI/2013, batas maksimum pembiayaan dinaikkan menjadi sebesar Rp 1.300.000 yang dapat digunakan untuk *joint financing* dan *refinancing* bersama-sama dengan ketentuan batasan pembiayaan *refinancing* tidak melebihi Rp 600.000. Jangka waktu penggunaan fasilitas tersebut tetap berlaku sampai dengan tanggal 25 Agustus 2014.

Pada tanggal 18 Agustus 2014, BTPN melalui suratnya No. S.122/DIR/TFI/VIII/2014, melakukan perpanjangan jangka waktu penggunaan fasilitas sampai dengan 25 Agustus 2016.

Jumlah piutang pembiayaan konsumen Perusahaan yang dialihkan kepada BTPN sebesar Rp 272.247 untuk tahun yang berakhir pada tanggal 31 Desember 2015.

Pada tanggal-tanggal 31 Desember 2016 dan 2015, jumlah keseluruhan pokok yang dibiayai oleh BTPN sehubungan dengan perjanjian kerja sama tersebut masing-masing sebesar Rp 175.002 dan Rp 511.665 serta pendapatan pembiayaan konsumen yang merupakan bagian BTPN masing-masing sebesar Rp 47.198 dan Rp 120.294 untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015.

PT Bank Rakyat Indonesia (Persero) Tbk

(4) Pada tanggal 3 Juni 2016, Perusahaan menandatangani Perjanjian Pelayanan Kredit Kendaraan Bermotor Kerjasama dengan PT Bank Rakyat Indonesia (Persero) Tbk (BRI) dengan batas maksimum pembiayaan sebesar Rp 600.000 dan bersifat "*non-revolving*" dengan dasar "*without recourse*".

Jumlah piutang pembiayaan konsumen Perusahaan yang dialihkan kepada bank BRI masing-masing sebesar Rp 178.060 untuk tahun yang berakhir pada tanggal 31 Desember 2016.

31. SIGNIFICANT AGREEMENTS AND COMMITMENT (Continued)

b. Joint Financing (Continued)

PT Bank Tabungan Pensiunan Nasional Tbk

(3) On 25 August 2011, the Company entered into a Cooperation Agreement in respect with the provision of Joint Financing Facility and appointment of stewards Agreement on 8 August 2012 with BTPN. Under the agreement, maximum financing limit of Rp 1,000,000, for the purpose of joint financing and refinancing with a maximum limit of Rp 1,000,000 with maximum refinancing limit of Rp 300,000. The facility was valid until 25 August 2014.

On 21 June 2013, BTPN through its letter No. S.157/RBFI/VI/2013, maximum financing limit was increased to Rp 1,300,000 for the purpose of joint financing and refinancing with maximum refinancing limit of Rp 600,000. The facility was valid until 25 August 2014.

On 18 August 2014, BTPN has notified by its letter No. S.122/DIR/TFI/VIII/2014, to extend the availability period of the facility until 25 August 2016.

The total Company's consumer financing receivables financed by BTPN amounted to Rp 272,247 for the year ended 31 December 2015.

As of 31 December 2016 and 2015, the total principal amount financed by BTPN in respect with the cooperation agreement amounted to Rp 175,002 and Rp 511,665, respectively, while the total consumer financing income of BTPN's portion amounted to Rp 47,198 and Rp 120,294 for the years ended 31 December 2016 and 2015, respectively.

PT Bank Rakyat Indonesia (Persero) Tbk

(4) On 3 June 2016, the Company entered into a Motor Vehicles Loans Care Cooperation Agreement with PT Bank Rakyat Indonesia (Persero) Tbk (BRI) with a maximum financing limit of Rp 600,000 and on a "*non-revolving*" and "*without-recourse*" basis.

The total Company's consumer financing receivables transferred to bank BRI amounted to Rp 178,060 for the year ended 31 December 2016.

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31. PERJANJIAN PENTING DAN KOMITMEN (Lanjutan)

b. Pembiayaan Bersama (Lanjutan)

PT Bank Rakyat Indonesia (Persero) Tbk (Lanjutan)

Pada tanggal 31 Desember 2016, jumlah keseluruhan pokok yang dibiayai oleh BRI sehubungan dengan perjanjian kerja sama tersebut Rp 140.618 serta pendapatan pembiayaan konsumen yang merupakan bagian Bank BRI adalah sebesar Rp 7.103 untuk tahun yang berakhir pada tanggal 31 Desember 2016.

Pembatasan dan Kewajiban

Atas fasilitas-fasilitas yang diterima Perusahaan, umumnya para kreditur mensyaratkan adanya pembatasan-pembatasan dan kewajiban tertentu yang harus dipenuhi oleh Perusahaan, yang pada umumnya meliputi:

- Menjaga *Debt to Equity Ratio* (DER) tidak melebihi atau sama dengan 10 (sepuluh) kali, atau
- Menjaga *Current Ratio* tidak boleh kurang atau sama dengan 1 (satu) kali, atau

Perusahaan mengadakan kerjasama dengan beberapa perusahaan asuransi seperti PT Asuransi Asoka Mas, PT Asuransi Astra Buana, PT Asuransi Bina Dana Arta Tbk, PT Asuransi Raksa Pratikara, PT Asuransi Sinarmas, PT Asuransi Wahana Tata, PT Asuransi FPG Indonesia, PT AIA Financial, PT Asuransi Cigna, PT Commonwealth Life dan PT FWD Life Indonesia untuk menutup risiko kerugian yang mungkin timbul atas hilangnya kendaraan yang dibiayai Perusahaan dan atau atas kerusakan kendaraan sesuai dengan pilihan polis konsumen. Dalam perjanjian tersebut, Perusahaan bertindak sebagai penerima ganti rugi yang utama (*preferred loss payee*).

Perusahaan mengadakan kerjasama dengan berbagai dealer (pedagang kendaraan bermotor) di seluruh Indonesia dalam membiayai kendaraan yang dijual oleh dealer tersebut kepada konsumen yang persyaratan kredit dan administratifnya memenuhi ketentuan Perusahaan. Sifat perjanjian tersebut tidak mengikat satu sama lain, di mana dealer tidak diwajibkan untuk memberikan seluruh dan atau sebagian penjualan kreditnya untuk dibiayai Perusahaan, atau sebaliknya Perusahaan juga tidak wajib untuk membiayai seluruh dan atau sebagian aplikasi kredit yang diajukan oleh *dealer* tersebut.

Perusahaan tidak mengadakan kerjasama dengan Agen Tunggal Pemegang Merk (ATPM).

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31. SIGNIFICANT AGREEMENTS AND COMMITMENT (Continued)

b. Joint Financing (Continued)

PT Bank Rakyat Indonesia (Persero) Tbk (Continued)

As of 31 Desember 2016, the total principal amount financed by BRI in respect with the cooperation agreement amounted to Rp 140,618, while the total consumer financing income of BRI's portion amounted to Rp 7,103 for the years ended 31 December 2016.

Covenants

On facilities received by the Company, the creditors generally entails restrictions and certain obligation that should be met by the Company, which generally include the followings:

- Maintaining a *Debt to Equity Ratio* (DER) shall not exceed or equal to 10 (ten) times, or
- Maintaining the *Current Ratio* should no less than or equal to 1 (one), or

The Company entered into partnership agreements with several insurance companies such as PT Asuransi Asoka Mas, PT Asuransi Astra Buana, PT Asuransi Bina Dana Arta Tbk, PT Asuransi Raksa Pratikara, PT Asuransi Sinarmas, PT Asuransi Wahana Tata, PT Asuransi FPG Indonesia, PT AIA Financial, PT Asuransi Cigna, PT Commonwealth Life and PT FWD Life Indonesia to cover losses that may arise from the damage and/or the loss of vehicles financed by the Company according to type of policies selected by the costumers. Under these agreements, the Company acts as the preferred loss payee.

The Company entered into cooperation agreements with various dealerships (dealers of motor vehicles) throughout Indonesia in financing the vehicles sold by the dealers to costumers who meet the Company's credit and administrative requirements. The agreements do not bind one another exclusively, whereby the dealers are not obliged to exclusively render the entire or part of the vehicles they sell to be financed by the Company, and vice versa, the Company is not obliged to exclusively finance all the credit application submitted by or through the dealers.

The Company does not enter into any agreement with Sole Agents (ATPM).

Ekshibit E/95

Exhibit E/95

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32. LABA PER SAHAM

Laba per saham dasar dihitung dengan cara membagi laba bersih yang tersedia bagi pemegang saham dengan rata-rata tertimbang saham biasa yang beredar pada tahun berjalan.

	2016	2015
Laba bersih untuk perhitungan laba per saham dasar	798.365	650.288
Jumlah rata-rata tertimbang saham	1.524.312.078	1.558.822.503
Laba bersih per saham dasar (nilai penuh)	524	417
Jumlah rata-rata tertimbang saham dilusian	1.524.312.078	1.559.493.673
Laba bersih per saham dilusian (nilai penuh)	524	417

32. EARNINGS PER SHARE

Earnings per share is calculated by dividing net profit available to shareholders by the weighted average common shares outstanding during the year.

Net profit for the computation of basic earning per shares

The weighted average of shares outstanding

Basic earnings per share (full amount)

The weighted average of diluted shares outstanding

Diluted earnings per share (full amount)

33. PENGHASILAN KOMPREHENSIF LAIN

Perubahan komponen penghasilan komprehensif lain yang tidak mempengaruhi laba rugi adalah sebagai berikut:

	2016	2015
Saldo awal tahun - sebelum pajak penghasilan tangguhan	(19.221)	(81.852)
Pos yang akan direklasifikasi ke laba rugi		
Bagian efektif dari perubahan nilai wajar instrumen lindung nilai arus kas	(71.798)	71.215
Pos yang tidak akan direklasifikasi ke laba rugi		
Keuntungan (kerugian) aktuarial program manfaat pasti	(7.007)	7.074
	(98.026)	(3.563)
Aset pajak tangguhan (Catatan 14c)	15.761	(15.658)
Saldo akhir tahun - setelah pajak penghasilan tangguhan	(82.265)	(19.221)

33. OTHER COMPREHENSIVE INCOME

The movement of other comprehensive income component that have not yet affected the profit and loss were as follows:

Balance at the beginning of the year - before deferred income tax

Items that will be reclassified to profit or loss
Effective portion of changes in fair value of cash flow hedging instruments

Items that will not be reclassified to profit or loss
Actuarial gain (loss) on defined benefit program

Deferred tax assets (Note 14c)

Balance at the end of the year - after deferred income tax

34. MANAJEMEN RISIKO

Pendahuluan dan gambaran umum

Perkembangan dunia *multifinance* yang disertai dengan meningkatnya kompleksitas aktivitas pembiayaan semakin mempertegas pentingnya tata kelola perusahaan yang sehat (*good corporate governance*) dan manajemen risiko yang dapat diandalkan. Kedua hal tersebut merupakan faktor penting yang menjadi perhatian para investor dalam penilaian pilihan target investasinya. Penerapan manajemen risiko di Perusahaan pada dasarnya sudah dilakukan sejak perusahaan berdiri, meskipun dengan cara yang masih konvensional dan berkembang sesuai dengan perkembangan kondisi internal dan eksternal.

34. RISK MANAGEMENT

Introduction and general description

The development in *multifinance* industry followed with the improvement in complexity of financing activity has emphasized more on the importance of good corporate governance and a reliable risk management. Such both matters are important factors, which bring the investors' attention in assessing their investment targeting. Basically, the implementation of risk management within the Company had been carried out since the establishment of the Company, eventhough the Company was still using a conventional manner and keep improving in accordance with the recent development of internal and external circumstances.

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34. MANAJEMEN RISIKO (Lanjutan)

Pendahuluan dan gambaran umum (Lanjutan)

Perusahaan menyadari bahwa risiko merupakan bagian yang tidak terpisahkan dari operasional Perusahaan dan dapat dikelola secara praktis dan efektif setiap hari, dengan empat tipe risiko utama:

1. Risiko kredit
2. Risiko pasar
3. Risiko pendanaan dan likuiditas
4. Risiko operasional

Pengelolaan risiko di Perusahaan mencakup keseluruhan lingkup aktivitas usaha di Perusahaan, yang didasarkan pada kebutuhan akan keseimbangan antara fungsi operasional bisnis dengan pengelolaan risikonya. Dengan kebijakan dan manajemen risiko yang berfungsi baik, maka manajemen risiko akan menjadi *strategic partner* bagi bisnis dalam mendapatkan hasil optimal dari operasi Perusahaan.

Dalam rangka pengembangan manajemen risiko yang sesuai, Perusahaan terus mengembangkan dan meningkatkan kerangka sistem pengelolaan risiko dan struktur pengendalian internal yang terpadu dan komprehensif, sehingga dapat memberikan informasi adanya potensi risiko secara lebih dini dan selanjutnya mengambil langkah-langkah yang memadai untuk meminimalkan dampak risiko.

Kerangka manajemen risiko

Kerangka manajemen risiko dituangkan dalam kebijakan, prosedur, batasan transaksi, kewenangan dan ketentuan lain serta berbagai perangkat manajemen risiko, yang berlaku di seluruh aktivitas lingkup usaha. Untuk memastikan bahwa kebijakan dan prosedur tersebut sesuai dengan perkembangan bisnis yang ada, maka evaluasi selalu dilakukan berkala sesuai dengan perubahan parameter risikonya.

Dalam penerapan manajemen risiko, Perusahaan menyadari pentingnya memiliki sebuah mekanisme yang memadai dalam mengakomodasi risiko-risiko yang dihadapi Perusahaan. Perusahaan bertumpu pada 4 (empat) pilar manajemen risiko sebagai berikut:

1. **Pengawasan aktif Dewan Komisaris dan Direksi**, yang mencakup:
 - Menyetujui dan melakukan evaluasi kebijakan manajemen risiko secara berkala;
 - Menetapkan kebijakan dan strategi Manajemen Risiko termasuk penetapan otoritas dalam pemberian batasan serta tinjauan atas kualitas portfolio secara berkala;
 - Terdapatnya Komite Audit dan Manajemen Risiko dalam melakukan fungsi pengawasan.
2. **Kebijakan dan penerapan batasan**

Perusahaan menyusun kebijakan-kebijakan manajemen risiko yang diperiksa secara berkala dan selalu disesuaikan dengan kondisi usaha terkini. Kebijakan tersebut diterjemahkan ke dalam Prosedur Operasi Standar, Ketentuan Umum dan Surat Keputusan Dewan Direksi, dan disosialisasikan kepada seluruh karyawan terkait. Perusahaan juga menerapkan batasan persetujuan atau otorisasi untuk transaksi kredit maupun yang bukan transaksi kredit.

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34. RISK MANAGEMENT (Continued)

Introduction and general description (Continued)

The Company realizes that risk is an integral part of its operational activity and can be managed practically and effectively day by day, with the following four particular risks:

1. Credit risk
2. Market risk
3. Funding and liquidity risk
4. Operational risk

Risk management within the Company includes overall scope of business activity within the Company, which based on the necessity of balance between business operational function and its risk management thereof. By means of proper risk management and policy, thus the risk management will become a strategic partner to the business in obtaining optimal outcome from the Company's course of operation.

In the event of development of proper risk management, the Company keeps developing and improving the integrated and comprehensive framework of risk management system and internal control structure, in order that they are able to provide information as an early warning of any potential risk and accordingly, take appropriate actions to mitigate the risk.

Framework of risk management

The framework of risk management is implemented under the form of policy, procedures, transactional limits, authorizations, and other rules as well as various risk management instruments applicable to entire business activity. In order to ensure that the policy and procedures is in line with the current business development, evaluation is frequently carried out in accordance with the change in its risk parameter.

In the implementation of risk management, the Company realizes the importance of having an adequate mechanism to accommodate the risks faced by the Company. The Company has a mechanism that is based upon 4 (four) risk management pillars, in which could be described as follows:

1. **Active supervision by the Board of Commissioners and Directors**, which includes:
 - Approving and evaluating risk management policies on a regular basis;
 - Establishing risk management policies and strategies, which include determining the authorization in limits and reviewing the quality of portfolio on a regular basis;
 - Presence of Audit Committee and Risk Management Committee in carrying out their supervisory functions.
2. **Policy and implementation limits**

The Company develops policies related to risk management, which are assessed periodically and aligned constantly to fit the most recent business situation. The policy is translated into Standard Operating Procedures and Internal Memo, which are being socialized to all employees. The Company also has policies concerning the level of authority on approval or authorization for both credit and non-credit transactions.

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34. MANAJEMEN RISIKO (Lanjutan)

Dalam penerapan manajemen risiko, Perusahaan menyadari pentingnya memiliki sebuah mekanisme yang memadai dalam mengakomodasi risiko-risiko yang dihadapi Perusahaan. Perusahaan bertumpu pada 4 (empat) pilar manajemen risiko sebagai berikut: (Lanjutan)

3. Identifikasi, pengukuran, pengawasan dan sistem informasi manajemen

Perusahaan memiliki perangkat untuk mengidentifikasi, mengukur dan mengawasi risiko, terutama risiko kredit dan operasional melalui mekanisme pelaporan dan sistem informasi manajemen. Untuk menjamin ketersediaan data risiko yang terkini dan komprehensif, Perusahaan telah melakukan pengkonversi sistem operasi Perusahaan yang ada menjadi *centralized system* yang dikenal dengan CONFINS. Selain itu, Perusahaan juga melakukan implementasi sistem informasi *business intelligence* agar data atau informasi risiko dapat disediakan secara cepat dan akurat kepada pihak manajemen atau pihak ketiga lainnya.

4. Pengendalian internal

Perusahaan memiliki Departemen Audit Internal yang secara independen melaporkan hasil pemeriksaannya kepada Dewan Komisaris dan Dewan Direksi. Tanggungjawab dari Departemen Audit Internal mencakup:

- Menyediakan penilaian atas kecukupan dan efektifitas dari proses bisnis yang ada di dalam Perusahaan;
- Melakukan pemeriksaan atas kepatuhan terhadap kebijakan-kebijakan risiko Perusahaan;
- Melaporkan masalah-masalah penting yang terkait dengan proses pengendalian di dalam Perusahaan termasuk rekomendasi perbaikan yang potensial terhadap proses tersebut; dan

Melakukan koordinasi strategis dengan fungsi pengendali dan pengawasan lainnya (manajemen risiko, hukum, sistem dan prosedur, dan audit eksternal).

Proses dan penilaian risiko

Pada dasarnya proses manajemen risiko dilakukan oleh masing-masing unit mengingat risiko yang dihadapi merupakan risiko individual yang melekat pada produk, transaksi maupun proses pada unit yang bersangkutan. Tugas utama dari Departemen Manajemen Risiko adalah menetapkan kebijakan dan prosedur manajemen risiko serta melakukan serangkaian proses untuk mengumpulkan, melakukan pengukuran dan pelaporan kepada Dewan Komisaris dan Dewan Direksi. Penetapan kebijakan manajemen risiko dilakukan melalui proses persetujuan Direksi.

34. RISK MANAGEMENT (Continued)

In the implementation of risk management, the Company realizes the importance of having an adequate mechanism to accommodate the risks faced by the Company. The Company has a mechanism that is based upon 4 (four) risk management pillars, in which could be described as follows: (Continued)

3. Identification, measurement, monitoring, and management information system

The Company has a set of tools to identify, measure, and monitor risks, particularly the credit risk and operational risk through the existing reporting and management information system mechanism. In order to ensure the availability of updated and comprehensive risk data, the Company had converted the existing operating system into a centralized system, which known as CONFINS. Moreover, the Company has also implemented business intelligence information system in order that data or risk information could be provided to the management or other third parties on a prompt and accurate manner.

4. Internal control

The Company has the Internal Audit Division in place, which independently reports on process and results of assessment to the Board of Commissioners and Directors. The responsibility of the Internal Audit Division includes:

- Providing assessment on the adequacy and effectiveness of the entire existing business process within the Company;
- Conducting examination on compliance to the Company's risk policies;
- Reporting on significant issues related to the control activities within the Company, including potential improvements to these processes; and

Coordinating with other controlling and supervisory functions (risk management, compliance, legal, system and procedures, and external auditor)

Process and risk assessments

Basically, risk management processes are carried out by each unit considering that the risk faced represents individual risks which are embedded into the products, transactions, as well as process in the related unit. The primary task of Risk Management Division is to determine policies and procedures as well as doing a series of processes of collecting, measuring, and reporting to the Board of Commissioners and Directors. The determination of risk management policies is carried out through approval process by the Board of Directors.

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34. MANAJEMEN RISIKO (Lanjutan)

Proses dan penilaian risiko (Lanjutan)

1. Risiko Kredit

Risiko kredit adalah risiko utama perusahaan, yaitu risiko yang timbul apabila konsumen tidak dapat memenuhi kewajibannya sesuai dengan perjanjian yang telah disepakati antara konsumen dengan Perusahaan.

Manajemen risiko yang telah diterapkan Perusahaan adalah sebagai berikut:

- Diversifikasi portofolio menurut wilayah, sektor ekonomi dan industri, merk dan tipe barang.
- *Risk Adjusted Pricing Method*, yaitu penetapan tingkat bunga pembiayaan berdasarkan risiko yang dihadapi, antara lain dinilai dari tingkat uang muka yang dibayar konsumen, usia kendaraan yang dibiayai, jenis penutupan asuransi yang dipilih dan lain sebagainya.
- Adanya *Key Performance Indicators* (KPI) sebagai "early warning system" atas suatu masing-masing produk pembiayaan maupun kantor cabang.
- Penanganan kontrak bermasalah yang dilakukan secara disiplin dan proaktif.
- Analisa atas kualitas portofolio secara periodik dan tindakan preventif dan sanksi bagi cabang-cabang yang kualitas portofolionya tidak sesuai target.

Tabel berikut menjelaskan eksposur maksimum sesuai dengan konsentrasi risiko kredit:

34. RISK MANAGEMENT (Continued)

Process and risk assessments (Continued)

1. Credit Risk

Credit risk is the main risk of the Company, that is the risk arising when the customer are unable to meet its obligation in accordance with the agreement as agreed upon between the customer and the Company.

Risk management that has been applied by the Company are as follows:

- Diversify the portfolio by region, economic sector and industry, brand and type of goods.
- *Risk Adjusted Pricing Method*, namely setting the interest rate of financing based on the risks faced by, among others, assessed based on the level of advances paid by consumers, age of vehicles financed, type of insurance coverage selected and so forth.
- The *Key Performance Indicators* (KPI) as an "early warning system" of an individual loan products as well as branch offices.
- Handling of problematic contracts in a discipline and proactive manner.
- Analysis of portfolio quality through periodic and preventive actions and sanctions for branches whose quality of its portfolio is not on target.

The following table illustrates the Company's maximum exposure based on credit risk concentration:

	2016				Eksposur maksimum/ Maximum exposure	
	Korporasi/ Corporate	Ritel/ Retail	Lain-lain/ Others			
Kas dan setara kas	165.388	-	-	-	165.388	Cash and cash equivalents
Investasi neto sewa pembiayaan	1.312.341	5.869.140	-	-	7.181.481	Net investments in finance Lease
Piutang pembiayaan konsumen	2.298	4.582.581	-	-	4.584.879	Consumer financing receivables
Aset derivatif	41.301	-	-	-	41.301	Derivative assets
Aset lain-lain	-	26.741	-	-	26.741	Other assets
	<u>1.521.328</u>	<u>10.478.462</u>	<u>-</u>	<u>-</u>	<u>11.999.790</u>	
	2015				Eksposur maksimum/ Maximum exposure	
	Korporasi/ Corporate	Ritel/ Retail	Lain-lain/ Others			
Kas dan setara kas	777.233	-	-	-	777.233	Cash and cash equivalents
Investasi neto sewa pembiayaan	1.122.267	4.170.417	-	-	5.292.684	Net investments in finance Lease
Piutang pembiayaan konsumen	2.878	4.782.094	-	-	4.784.972	Consumer financing receivables
Aset derivatif	440.832	-	-	-	440.832	Derivative assets
Aset lain-lain	-	31.200	-	-	31.200	Other assets
	<u>2.343.210</u>	<u>8.983.711</u>	<u>-</u>	<u>-</u>	<u>11.326.921</u>	

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34. MANAJEMEN RISIKO (Lanjutan)

Proses dan penilaian risiko (Lanjutan)

1. Risiko Kredit (Lanjutan)

Tabel berikut menjelaskan rincian aset keuangan Perusahaan yang dibedakan antara yang mengalami penurunan nilai dan yang tidak:

34. RISK MANAGEMENT (Continued)

Process and risk assessments (Continued)

1. Credit Risk (Continued)

The following table illustrates the detail of financial assets distinguished between those which impaired and not impaired:

	2016			
	Tidak Mengalami Penurunan nilai/ <i>Not impaired</i>	Mengalami penurunan nilai/ <i>Impaired</i>	Jumlah/ <i>Total</i>	
Kas dan setara kas	165.388	-	165.388	<i>Cash and cash equivalents</i>
Investasi neto sewa pembiayaan	7.127.656	53.825	7.181.481	<i>Net investments in finance lease</i>
Piutang pembiayaan konsumen	4.521.634	63.245	4.584.879	<i>Consumer financing receivables</i>
Aset derivatif	41.301	-	41.301	<i>Derivative assets</i>
Aset lain-lain	26.741	-	26.741	<i>Other assets</i>
	<u>11.882.720</u>	<u>117.070</u>	<u>11.999.790</u>	
Dikurangi: Cadangan kerugian penurunan nilai			(<u>183.001</u>)	<i>Less: Allowance for impairment losses</i>
			<u>11.816.789</u>	
	2015			
	Tidak mengalami penurunan nilai/ <i>Not impaired</i>	Mengalami Penurunan nilai/ <i>Impaired</i>	Jumlah/ <i>Total</i>	
Kas dan setara kas	777.233	-	777.233	<i>Cash and cash equivalents</i>
Investasi neto sewa pembiayaan	5.245.200	47.484	5.292.684	<i>Net investments in finance lease</i>
Piutang pembiayaan konsumen	4.673.194	111.778	4.784.972	<i>Consumer financing receivables</i>
Aset derivatif	440.832	-	440.832	<i>Derivative assets</i>
Aset lain-lain	31.200	-	31.200	<i>Other assets</i>
	<u>11.167.659</u>	<u>159.262</u>	<u>11.326.921</u>	
Dikurangi: Cadangan kerugian penurunan nilai			(<u>179.653</u>)	<i>Less: Allowance for impairment losses</i>
			<u>11.147.268</u>	

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34. MANAJEMEN RISIKO (Lanjutan)

Proses dan penilaian risiko (Lanjutan)

1. Risiko Kredit (Lanjutan)

Tabel berikut menjelaskan rincian aset keuangan Perusahaan yang penilaian penurunannya dibedakan antara yang dinilai secara individual dan kolektif.

34. RISK MANAGEMENT (Continued)

Process and risk assessments (Continued)

1. Credit Risk (Continued)

The following table illustrates the detail of financial assets distinguished between those assessed individually and collectively.

	2016			
	Individual/ Individual	Kolektif/ Collective	Jumlah/ Total	
Kas dan setara kas	165.388	-	165.388	Cash and cash equivalents
Investasi neto sewa pembiayaan	1.651.814	5.529.667	7.181.481	Net investments in finance lease
Piutang pembiayaan konsumen	-	4.584.879	4.584.879	Consumer financing receivables
Aset derivatif	41.301	-	41.301	Derivative assets
Aset lain-lain	26.741	-	26.741	Other assets
	<u>1.885.244</u>	<u>10.114.546</u>	<u>11.999.790</u>	
Dikurangi: Cadangan kerugian penurunan nilai			(183.001)	Less: Allowance for impairment losses
			<u>11.816.789</u>	
	2015			
	Individual/ Individual	Kolektif/ Collective	Jumlah/ Total	
Kas dan setara kas	777.233	-	777.233	Cash and cash equivalents
Investasi neto sewa pembiayaan	1.373.083	3.919.601	5.292.684	Net investments in finance lease
Piutang pembiayaan konsumen	-	4.784.972	4.784.972	Consumer financing receivables
Aset derivatif	440.832	-	440.832	Derivative assets
Aset lain-lain	31.200	-	31.200	Other assets
	<u>2.622.348</u>	<u>8.704.573</u>	<u>11.326.921</u>	
Dikurangi: Cadangan kerugian penurunan nilai			(179.653)	Less: Allowance for impairment losses
			<u>11.147.268</u>	

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34. MANAJEMEN RISIKO (Lanjutan)

Proses dan penilaian risiko (Lanjutan)

2. Risiko Pasar

Risiko pasar merupakan risiko yang terutama berkaitan dengan perubahan nilai suku bunga dan nilai tukar mata uang yang akan menyebabkan berkurangnya pendapatan, atau bertambahnya biaya modal Perusahaan. Dengan pola aktivitas usaha yang dijalankan Perusahaan saat ini, risiko pasar Perusahaan adalah minimal. Perusahaan tidak mempunyai kegiatan usaha pembiayaan konsumen dan sewa pembiayaan dalam bentuk maupun menggunakan mata uang asing, sementara seluruh utang Perusahaan dalam mata uang asing telah diproteksi dengan swap dalam jumlah dan tanggal jatuh tempo yang sama dengan utangnya. Dalam hal suku bunga, seluruh bunga yang dibebankan ke konsumen adalah suku bunga tetap (*fixed interest rate*), sementara utang yang diperoleh sebagian besar juga dalam suku bunga tetap dan hanya sebagian kecil utang dalam bentuk bunga mengambang (*floating interest rate*).

Manajemen risiko yang telah diterapkan oleh Perusahaan adalah sebagai berikut:

- Kewajiban untuk mengelola risiko perubahan nilai tukar mata uang asing.
- Melakukan penelaahan atas tingkat bunga pembiayaan yang dikaitkan dengan tingkat suku bunga pinjaman.
- Membatasi eksposur dalam investasi yang memiliki harga pasar yang fluktuatif.

Tabel berikut menjelaskan eksposur Perusahaan atas risiko nilai tukar mata uang asing pada tanggal 31 Desember 2016. Termasuk didalamnya adalah instrumen keuangan Perusahaan pada nilai tercatat, dikategorikan berdasarkan jenis mata uang.

	2016		
	USD (Nilai penuh)/ (Full amount)	Nilai (Rp)/ Equivalent (Rp)	
Liabilitas			Liabilities
Pinjaman yang diterima	182.260.270	2.448.849	Fund borrowings
Beban yang masih harus dibayar	2.410.077	32.382	Accrued expenses
Jumlah liabilitas	184.670.347	2.481.231	Total liabilities
Liabilitas bersih	184.670.347	2.481.231	Net liabilities
Kontrak valuta berjangka pertukaran mata uang asing	(184.670.347)	(2.481.231)	Foreign currency swap transactions Contract
Eksposur bersih dalam mata uang asing	-	-	Net exposure in foreign currency

Manajemen risiko tingkat suku bunga terhadap limit perubahan tingkat suku bunga dilengkapi dengan pemantauan atas sensitivitas aset dan liabilitas keuangan Perusahaan terhadap beberapa skenario suku bunga baku maupun non-baku.

34. RISK MANAGEMENT (Continued)

Process and risk assessments (Continued)

2. Market Risk

Market risk is the risk primarily due to changes in interest rates and exchange rates which could resulting in decrease in revenue, or increase in cost of capital of the Company. With the pattern of business activity currently operated by the Company, the market risk of the Company is mitigated to the minimum level. The Company has neither consumer financing nor finance lease business activity that denominated in foreign currencies, while all borrowings of the Company that denominated in foreign currencies have been protected by entering into swap transactions at amount and settlement date that similar to the borrowings thereof. In terms of interest rate, all interest rate charged to the customer is fixed interest rate, while most of the borrowings received bear fixed interest rate, and only a small portion the borrowings bear floating interest rate.

Risk management that has been applied by the Company are as follows:

- The requirement to cover risks of foreign exchange.
- Performing review over the interest rate on financing associated with interest rate on borrowings.
- Limiting exposure in the investment that has fluctuating market prices.

The following table illustrates the Company's exposure to foreign currency exchange rate risk as of 31 December 2016. Included in the table are financial instruments of the Company at carrying amounts, categorised by currency.

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Company's financial assets and liabilities to various standard and non-standard interest rate scenarios.

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34. MANAJEMEN RISIKO (Lanjutan)

Proses dan penilaian risiko (Lanjutan)

2. Risiko Pasar (Lanjutan)

Tabel berikut menjelaskan sensitivitas atas kemungkinan perubahan tingkat suku bunga pasar, dengan variabel lain dianggap tetap, terhadap pendapatan pembiayaan konsumen bersih dan investasi neto sewa pembiayaan:

34. RISK MANAGEMENT (Continued)

Process and risk assessments (Continued)

2. Market Risk (Continued)

The following table illustrates the sensitivity to a reasonably possible change in market interest rates, with all other variables held constant, of the net consumer financing income and net investments in finance lease:

	2016	2015	
<u>Pendapatan pembiayaan konsumen:</u>			<u>Consumer finance income:</u>
Kenaikan suku bunga 1% (100 basis poin)	47.247	56.588	Increase in interest rate by 1% (100 basis point)
Penurunan suku bunga 1% (100 basis poin)	(47.247)	(56.588)	Decrease in interest rate by 1% (100 basis point)
<u>Investasi neto sewa pembiayaan:</u>			<u>Net investments in finance lease:</u>
Kenaikan suku bunga 1% (100 basis poin)	58.345	39.809	Increase in interest rate by 1% (100 basis point)
Penurunan suku bunga 1% (100 basis poin)	(58.345)	(39.809)	Decrease in interest rate by 1% (100 basis point)

Tahun 2016/ Year 2016

	Tingkat bunga mengambang/ Floating rate		Tingkat bunga tetap/ Fixed rate				Jumlah Total	
	< 3 bulan/ months	3-36 bulan/ Months	> 3 bulan/ Months	3-12 bulan/ months	1-2 tahun/ Years	> 2 tahun/ years		
Aset keuangan								Financial assets
Kas dan setara kas	165.388	-	-	-	-	-	165.388	Cash and cash equivalents
Investasi sewa pembiayaan	-	-	1.264.401	2.822.215	2.305.717	789.149	7.181.482	Net investments in finance lease
Piutang pembiayaan konsumen	-	-	815.254	1.531.370	1.249.574	988.681	4.584.879	Consumer financing receivables
Jumlah aset keuangan	165.388	-	2.079.655	4.353.585	3.555.291	1.777.830	11.931.749	Total financial assets
Liabilitas keuangan								Financial liabilities
Pinjaman yang diterima	25.610	163.057	930.386	1.740.113	1.347.588	484.185	4.690.939	Fund borrowings
Surat berharga yang diterbitkan	-	-	-	886.726	739.502	1.339.067	2.965.295	Securities issued
Jumlah liabilitas keuangan	25.610	163.057	930.386	2.626.839	2.087.090	1.823.252	7.656.234	Total financial Liabilities
Bersih	139.778	(163.057)	1.149.269	1.726.746	1.468.201	(45.422)	4.275.515	Net

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34. MANAJEMEN RISIKO (Lanjutan)

Proses dan penilaian risiko (Lanjutan)

2. Risiko Pasar (Lanjutan)

Tabel berikut menjelaskan sensitivitas atas kemungkinan perubahan tingkat suku bunga pasar, dengan variabel lain dianggap tetap, terhadap pendapatan pembiayaan konsumen bersih dan investasi neto sewa pembiayaan: (Lanjutan)

34. RISK MANAGEMENT (Continued)

Process and risk assessments (Continued)

2. Market Risk (Continued)

The following table illustrates the sensitivity to a reasonably possible change in market interest rates, with all other variables held constant, of the net consumer financing income and net investments in finance lease: (Continued)

	Tahun 2015/ Year 2015						Jumlah Total	
	Tingkat bunga mengambang/ Floating rate			Tingkat bunga tetap/ Fixed rate				
	< 3 bulan/ months	3-36 bulan/ months	> 3 bulan/ months	3-12 bulan/ months	1-2 tahun/ Years	> 2 tahun/ years		
Aset keuangan								Financial assets
Kas dan setara kas	777.233	-	-	-	-	-	777.233	Cash and cash Equivalents
Investasi neto sewa pembiayaan	-	-	910.768	2.008.396	1.770.363	603.157	5.292.684	Net investments in finance lease
Piutang pembiayaan konsumen	-	-	924.335	1.610.538	1.222.843	1.027.256	4.784.972	Consumer financing Receivables
Jumlah aset keuangan	777.233	-	1.835.103	3.618.934	2.993.206	1.630.413	10.854.889	Total financial assets
Liabilitas keuangan								Financial liabilities
Pinjaman yang diterima	17.319	121.734	577.376	2.351.687	1.810.735	757.848	5.636.699	Fund borrowings
Surat berharga yang diterbitkan	-	-	-	707.460	373.883	599.773	1.681.116	Securities Issued
Jumlah liabilitas keuangan	17.319	121.734	577.376	3.059.147	2.184.618	1.357.621	7.317.815	Total financial Liabilities
Bersih	759.914	(121.734)	1.257.727	559.787	808.588	272.792	3.537.074	Net

3. Risiko Likuiditas

Risiko likuiditas merupakan risiko terkait dengan kemampuan sumber dana Perusahaan untuk memenuhi liabilitasnya pada jatuh tempo.

Manajemen risiko yang diterapkan oleh Perusahaan adalah sebagai berikut:

- Mendapatkan pinjaman dengan skedul pembayaran kembali pokok dan bunga yang sesuai dengan periode jatuh tempo piutang, sehingga tidak terjadi *mis-match*.
- Menjaga agar posisi kas dan Perusahaan selalu dalam posisi likuid untuk mendukung aktivitas pembiayaan selama minimal 7 hari.
- Memonitor posisi kas dan bank Perusahaan secara periodik, baik tahunan, bulanan, mingguan maupun harian, guna memastikan agar selalu terdapat surplus kas yang memadai.
- Menjaga agar jumlah piutang yang jatuh tempo pada periode tertentu lebih besar dibanding dengan utang yang jatuh tempo pada periode yang sama.

3. Liquidity Risk

Liquidity risk is the risk associated with the ability of the Company to meet its obligations when they fall due.

Risk management that has been applied by the Company are as follows:

- Obtaining borrowings with principal and interest repayment schedule that aligns with the original maturities of receivables, in order to prevent *mis-match*.
- Maintaining the cash and bank position of the Company to remain in a liquid position in supporting the financing activities for at least 7 days.
- Monitoring the cash and bank position of the Company in a regular basis, whether annually, monthly, weekly or daily, to ensure that there is always sufficient cash surplus.
- Manage to maintain the number of receivables due in a certain period keeps greater than the debts maturing in the same period.

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Proses dan penilaian risiko (Lanjutan)

3. Risiko Likuiditas (Lanjutan)

Tabel berikut menjelaskan profil perbedaan jatuh tempo atas aset dan liabilitas keuangan Perusahaan pada tanggal 31 Desember 2016 dan 2015:

34. RISK MANAGEMENT (Continued)

Process and risk assessments (Continued)

3. Liquidity Risk (Continued)

The following table illustrates the maturity gap profile of the Company's financial assets and liabilities as of 31 December 2016 and 2015:

		2016							
		Tidak memiliki jatuh tempo/ Don't have maturity	< 1 bulan/ month	1-3 bulan/ Months	>3-12 bulan/ Months	1-3 tahun/ years	>3 tahun/ years	Jumlah Total	
Aset keuangan									Financial assets
	Kas dan setara kas	165.388	-	-	-	-	-	165.388	Cash and cash equivalents
	Investasi neto sewa pembiayaan	-	547.021	717.380	2.822.214	3.067.902	26.964	7.181.481	Net investment in finance lease
	Piutang pembiayaan konsumen	-	401.801	413.453	1.531.370	1.932.563	305.692	4.584.879	Consumer financing receivables
	Aset derivatif	-	8.684	9.366	33.714	(10.463)	-	41.301	Derivative assets
	Piutang karyawan	-	129	786	3.144	11.029	11.653	26.741	Employees receivables
	Jumlah aset keuangan	165.388	957.635	1.140.985	4.390.442	5.001.031	344.309	11.999.790	Total financial assets
Liabilitas keuangan									Financial liabilities
	Pinjaman yang diterima Surat berharga yang diterbitkan	-	532.802	428.903	1.830.124	1.920.506	9.364	4.721.699	Fund borrowings
	Beban yang masih harus dibayar	-	-	525.000	367.000	1.950.000	133.000	2.975.000	Securities issued
	Utang premi asuransi	-	78.610	-	-	-	-	78.610	Accrued expenses
	Utang kepada dealer	-	10.534	9.193	7.104	2.226	-	29.097	Insurance premium payables
		-	9.535	-	-	-	-	9.535	Payable to dealers
	Jumlah liabilitas keuangan	-	631.481	963.096	2.204.228	3.872.732	142.364	7.813.941	Total financial liabilities
	Perbedaan jatuh tempo	165.388	326.154	177.889	2.186.214	1.128.299	201.945	4.185.849	Difference in maturity
		2015							
		Tidak memiliki jatuh tempo/ Don't have maturity	< 1 bulan/ month	1-3 bulan/ months	>3-12 bulan/ months	1-3 tahun/ years	>3 tahun/ years	Jumlah Total	
Aset keuangan									Financial assets
	Kas dan setara kas	777.233	-	-	-	-	-	777.233	Cash and cash equivalents
	Investasi neto sewa pembiayaan	-	399.610	511.158	2.008.396	2.349.927	23.593	5.292.684	Net investment in finance lease
	Piutang pembiayaan konsumen	-	478.569	445.765	1.610.538	1.953.767	296.333	4.784.972	Consumer financing receivables
	Aset derivatif	-	51.444	21.665	209.094	158.630	-	440.833	Derivative assets
	Piutang karyawan	-	25	107	7.319	10.826	12.923	31.200	Employees receivables
	Jumlah aset keuangan	777.233	929.648	978.695	3.835.347	4.473.150	332.849	11.326.922	Total financial assets
Liabilitas keuangan									Financial liabilities
	Pinjaman yang diterima Surat berharga yang diterbitkan	-	295.738	306.776	2.422.261	2.656.765	5.899	5.687.439	Fund borrowings
	Beban yang masih harus dibayar	-	-	555.000	155.000	975.000	-	1.685.000	Securities issued
	Utang kepada dealer	-	54.781	-	-	-	-	54.781	Accrued expenses
	Utang premi asuransi	-	4.112	-	-	-	-	4.112	Payable to dealers
		-	3.588	4.280	3.205	21	-	11.094	Insurance premium payables
	Jumlah liabilitas keuangan	-	358.219	866.056	2.580.466	3.631.786	5.899	7.442.426	Total financial liabilities
	Perbedaan jatuh tempo	777.233	571.429	112.639	1.254.881	841.364	326.950	3.884.496	Difference in maturity

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34. MANAJEMEN RISIKO (Lanjutan)

Proses dan penilaian risiko (Lanjutan)

4. Risiko Operasional

Risiko operasional adalah risiko yang berpotensi menyebabkan kerugian operasional karena kesalahan karyawan baik yang disengaja maupun tidak; kegagalan sistem dan proses operasional serta tidak berfungsinya sistem pengendalian internal dalam operasional Perusahaan sehari-hari.

Manajemen risiko yang diterapkan oleh Perusahaan adalah sebagai berikut:

- Menerapkan sistem yang tersentralisasi sehingga proses bisnis dapat dan terkontrol secara sistem dan dimonitor dari waktu ke waktu.
- Menyiapkan *backup* dan *Disaster Recovery Plan* yang memadai bila terjadi hal-hal yang tidak diinginkan atas sistem aplikasi utama Perusahaan, baik dari sisi *hardware* dan *software*.
- Menerapkan sistem audit kepatuhan yang berkelanjutan, baik di kantor cabang maupun kantor pusat.
- Menerapkan aturan kerja yang jelas (SOP) dan sanksi yang tegas atas penyimpangan yang terjadi, sesuai dengan tingkat kesalahan yang ditemukan.
- Adanya penanaman nilai-nilai dasar Perusahaan sejak dini kepada karyawan, sehingga dapat menghindari/ mengurangi potensi penyimpangan.
- Adanya penilaian kinerja yang *fair* dan transparan serta adanya kesempatan untuk pengembangan karir.

5. Risiko Permodalan

Tujuan Perusahaan dalam mengelola permodalannya adalah menjaga kelangsungan usaha Perusahaan untuk dapat memberikan hasil kepada pemegang saham dan manfaat kepada pemangku kepentingan lainnya, dan memelihara optimalisasi struktur permodalan untuk mengurangi biaya modal (*cost of capital*)

Dalam rangka memelihara atau menyesuaikan struktur permodalan, Perusahaan dapat menyesuaikan jumlah dividen yang dibayarkan kepada pemegang saham, imbalan hasil modal kepada pemegang saham atau menerbitkan saham baru untuk mengurangi pinjaman.

Konsisten dengan pelaku industri lainnya, Perusahaan memonitor permodalan berdasarkan gearing ratio. Rasio ini dihitung dari nilai bersih pinjaman (termasuk obligasi dan medium-term notes) dibagi dengan jumlah modal. Jumlah modal diambil dari ekuitas yang tercantum dalam laporan posisi keuangan.

Berdasarkan Peraturan Menteri Keuangan Republik Indonesia No. 84/PMK.012/2006 tanggal 26 September 2006 tentang Perusahaan Pembiayaan, jumlah maksimum gearing ratio adalah sebesar 10 kali dari total modal.

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34. RISK MANAGEMENT (Continued)

Process and risk assessments (Continued)

4. Operational Risk

Operational risk is the risk that could potentially cause an operating loss due to employee error whether intentional or not; system failures and operational processes as well as the malfunction of the internal control system in the day-to-day operations.

Risk management that has been applied by the Company are as follows:

- Implementing a centralized system in order that business processes can be controlled by the system and monitored from time to time.
- Preparing backup and Disaster Recovery Plan that is sufficient whenever unexpected event or condition occur towards the Company's major application systems, both in terms of hardware and software.
- Implementing a sustainable compliance audit system, both in branch offices or headquarters.
- Implementing a clear code of conduct (SOP) and strict sanctions for irregularities that occurred, according to level of error identified.
- Promoting the Company's core values to employees since the early stage, in order to avoid/reduce the potential for irregularities.
- Fair and transparent performance appraisal and opportunities for career development.

5. Capital Risk

The Company's objective in managing its capital is to keep the Company's capability in maintaining its going concern, so the Company could distribute the return to shareholders, and maintain the optimization of capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return for the results of capital to shareholders or issue new shares to reduce lending

Consistent with other players in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt (including bonds payable and medium-terms notes) divided by total capital. Total capital is calculated as equity as shown in the statements of financial position.

Based on Minister of Finance of the Republic of Indonesia Regulation No. 84/PMK.012/2006 dated 26 September 2006 regarding Multifinance Company, the maximum gearing ratio is 10 times from total capital.

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Proses dan penilaian risiko (Lanjutan)

5. Risiko Permodalan (Lanjutan)

Struktur Modal Keterangan	PMK No.84/ PMK.012/2006	Struktur Modal Perusahaan/ Company's Capital Structure	
		2016	2015
Modal Disetor (dalam miliar Rupiah)	Minimal Rp 100 miliar/ Minimum Rp 100 billion	399	391
Rasio Utang Bersih Terhadap Ekuitas	Maksimum 10x/ Maximum 10x	1,8	1,6

Tingkat rasio utang bersih terhadap ekuitas Perusahaan berada pada kondisi sehat, yaitu 1,8 kali pada tahun 2016, dibandingkan dengan 1,6 kali pada tahun 2015.

34. RISK MANAGEMENT (Continued)

Process and risk assessments (Continued)

5. Capital Risk (Continued)

Capital Structure Description	Struktur Modal Perusahaan/ Company's Capital Structure	
	2016	2015
Paid-up Capital (in billion Rupiah)	399	391
Net Debt to Equity Ratio	1,8	1,6

Net debt-to-equity ratio level of the Company was healthy at 1.8 times in 2016 compared to 1.6 times in 2015.

35. ASET DAN LIABILITAS KEUANGAN

Nilai wajar aset keuangan dan liabilitas keuangan

Pada tabel berikut ini, instrumen keuangan telah dialokasikan berdasarkan klasifikasinya. Kebijakan akuntansi penting pada Catatan 2d menjelaskan bagaimana setiap kategori aset keuangan dan liabilitas keuangan diukur dan bagaimana pendapatan dan beban, termasuk keuntungan dan kerugian (perubahan nilai wajar instrumen keuangan) atas nilai wajar diakui.

Pengelompokan aset keuangan telah diklasifikasikan menjadi aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi, dan pinjaman yang diberikan dan piutang. Demikian halnya dengan liabilitas keuangan telah diklasifikasikan sebagai liabilitas keuangan yang diukur pada biaya perolehan diamortisasi.

35. FINANCIAL ASSETS AND LIABILITIES

Fair value of financial assets and financial liabilities

In the following table, financial instrument have been allocated based on the classification. Significant accounting policies in Note 2d describes how each category of financial assets and financial liabilities are measured and how revenue and expenses, including gains and losses (changes in fair value of financial instruments) in the fair value is recognized.

The classification of financial assets has been classified as financial assets measured at fair value through profit and loss, and loans and receivables. So with the financial liabilities has been classified as financial liabilities measured at amortized cost.

2016	Nilai tercatat/ Carrying amount					2016
	Diukur pada nilai wajar melalui laporan laba rugi/ Fair value through profit and loss	Pinjaman yang diberikan dan piutang/ Loan and receivables	Liabilitas keuangan yang diukur pada biaya perolehan diamortisasi/ Financial Liabilities measured at amortized cost	Jumlah nilai tercatat/ Carrying value amount	Jumlah nilai wajar/ Fair value amount	
Aset keuangan						Financial assets
Kas dan setara kas	-	165.388	-	165.388	165.388	Cash and cash equivalents
Investasi neto sewa pembiayaan	-	7.121.175	-	7.121.175	7.121.175	Net investments in finance lease
Piutang pembiayaan konsumen	-	4.462.184	-	4.462.184	4.462.184	Consumer financing receivables
Aset derivatif	41.301	-	-	82.395	41.301	Derivative assets
Aset lain-lain	-	26.741	-	26.741	26.741	Other assets
Jumlah	41.301	11.775.488	-	11.857.883	11.816.789	Total
Liabilitas keuangan						Financial liabilities
Pinjaman yang diterima	-	-	4.690.939	4.690.939	4.690.939	Fund borrowings
Beban yang masih harus dibayar	-	-	190.240	190.240	190.240	Accrued expenses
Surat berharga yang diterbitkan	-	-	2.965.295	2.965.295	2.965.295	Securities issued
Utang lain-lain	-	-	139.914	139.914	139.914	Other payables
Jumlah	-	-	7.986.388	7.986.388	7.986.388	Total

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35. ASET DAN LIABILITAS KEUANGAN (Lanjutan)

Nilai wajar aset keuangan dan liabilitas keuangan
(Lanjutan)

Tabel berikut merupakan nilai tercatat dan nilai wajar dari aset keuangan dan liabilitas keuangan Perusahaan pada tanggal 31 Desember 2016 dan 2015: (Lanjutan)

35. FINANCIAL ASSETS AND LIABILITIES (Continued)

Fair value of financial assets and financial liabilities
(Continued)

The following table are the carrying value and fair value of financial assets and financial liabilities as of 31 December 2016 and 2015: (Continued)

2015	Nilai tercatat/ Carrying amount					2015
	Diukur pada nilai wajar melalui laporan laba rugi/ Fair value through profit and loss	Pinjaman yang diberikan dan piutang/ Loan and receivables	Liabilitas keuangan yang diukur pada biaya perolehan diamortisasi/ Financial Liabilities measured at amortized cost	Jumlah nilai tercatat/ Carrying value amount	Jumlah nilai wajar/ Fair value amount	
Aset keuangan						Financial assets
Kas dan setara kas	-	777.233	-	777.233	777.233	Cash and cash equivalents
Investasi neto sewa pembiayaan	-	5.209.847	-	5.209.847	5.209.847	Net investments in finance lease
Piutang pembiayaan konsumen	-	4.688.156	-	4.688.156	4.688.156	Consumer financing receivables
Aset derivatif	440.832	-	-	410.128	440.832	Derivative assets
Aset lain-lain	-	31.200	-	31.200	31.200	Other assets
Jumlah	440.832	10.706.436	-	11.116.564	11.147.268	Total
Liabilitas keuangan						Financial liabilities
Pinjaman yang diterima	-	-	5.636.699	5.636.699	5.636.699	Fund borrowings
Beban yang masih harus dibayar	-	-	140.586	140.586	140.586	Accrued expenses
Surat berharga yang diterbitkan	-	-	1.681.116	1.681.116	1.681.116	Securities issued
Utang lain-lain	-	-	87.490	87.490	87.490	Other payables
Jumlah	-	-	7.545.891	7.545.891	7.545.891	Total

Metode dan asumsi yang digunakan untuk estimasi nilai wajar adalah sebagai berikut:

- Nilai wajar kas dan setara kas, deposito berjangka, beban yang masih harus dibayar dan utang lain-lain mendekati nilai tercatat karena jangka waktu jatuh tempo yang singkat atas instrumen keuangan tersebut.
- Estimasi nilai wajar terhadap pinjaman yang diterima yang tidak memiliki kuotasi di pasar aktif ditetapkan berdasarkan diskonto arus kas dengan menggunakan suku bunga utang baru dengan sisa jatuh tempo yang serupa. Nilai wajar pinjaman yang diterima dengan tingkat suku bunga mengambang mendekati nilai tercatatnya karena tingkat suku bunganya sering ditinjau ulang.
- Investasi neto sewa pembiayaan, piutang pembiayaan konsumen dan aset lain-lain dinyatakan berdasarkan jumlah nilai tercatat setelah dikurangi oleh beban penurunan nilai. Estimasi nilai wajar mencerminkan jumlah diskonto dari estimasi kini dari arus kas masa depan yang diharapkan akan diterima. Arus kas yang diharapkan didiskontokan pada tingkat suku bunga pasar terkini untuk menentukan nilai wajar.

The following methods and assumptions are used to estimate the fair value:

- The fair values of cash and cash equivalents, time deposit, accrued expenses and other payables approximate their carrying amounts largely due to short-term maturities of these instruments.
- The estimated fair value of fund borrowings not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity. The fair value of floating rate fund borrowings approximate their carrying amounts because the interest rate is repriced frequently.
- Net investments in finance lease, consumer financing receivables and other assets are recorded at carrying amount net of charges for impairment. The estimated fair value represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

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35. ASET DAN LIABILITAS KEUANGAN (Lanjutan)

Nilai wajar aset keuangan dan liabilitas keuangan
(Lanjutan)

Metode dan asumsi yang digunakan untuk estimasi nilai
wajar adalah sebagai berikut: (Lanjutan)

- Nilai wajar untuk aset keuangan derivatif ditetapkan menggunakan harga pasar.
- Nilai wajar agregat untuk surat berharga yang diterbitkan dihitung berdasarkan harga pasar kuotasi. Jika informasi ini tidak tersedia, model diskonto arus kas digunakan berdasarkan kurva yield terkini yang sesuai dengan sisa periode jatuh temponya.

PSAK No. 60, "Instrumen Keuangan: Pengungkapan" mensyaratkan pengungkapan atas pengukuran nilai wajar dengan tingkat hirarki nilai wajar sebagai berikut:

- (a) harga kuotasian (tidak disesuaikan) dalam pasar aktif untuk aset atau liabilitas yang identik (tingkat 1);
- (b) input selain harga kuotasian yang termasuk dalam tingkat 1 yang dapat diobservasi untuk aset atau liabilitas, baik secara langsung (misalnya harga) atau secara tidak langsung (misalnya derivasi dari harga) (tingkat 2); dan
- (c) input untuk aset atau liabilitas yang bukan berdasarkan data pasar yang dapat diobservasi (input yang tidak dapat diobservasi) (tingkat 3).

Aset keuangan Perusahaan yang diukur dan diakui pada nilai wajar (tingkat 2) adalah aset keuangan derivatif.

36. LITIGASI

Gugatan PT Aryaputra Teguharta (APT) kepada Perusahaan, melalui Pengadilan Negeri Jakarta Pusat, yang menuntut pengembalian sebanyak 111.804.732 lembar saham Perusahaan, menuntut pembagian dividen dan juga menuntut kerugian immaterial, telah memperoleh Putusan yang berkekuatan hukum tetap berdasarkan Putusan Mahkamah Agung Republik Indonesia (MA) No. 240/PK/PDT/2006 tanggal 20 Februari 2007 (Putusan PK 240), dengan amar putusan pada intinya antara lain menyatakan Perusahaan dan Direksi Perusahaan dihukum untuk mengembalikan dan menyerahkan saham-saham APT kepada APT.

Terhadap Putusan PK 240 tersebut telah diajukan permohonan Sita Eksekusi oleh APT dan dari pelaksanaan Sita Eksekusi oleh Juru Sita Pengadilan Negeri Jakarta Pusat dan Jakarta Selatan, Ketua Pengadilan Negeri Jakarta Pusat menyatakan bahwa pelaksanaan eksekusi perkara atas putusan PK 240 tersebut tidak dapat dilaksanakan (*non-executable*) berdasarkan Penetapan Daft No. 079/2007/EKS tertanggal 10 Oktober 2007.

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35. FINANCIAL ASSETS AND LIABILITIES (Continued)

Fair value of financial assets and financial liabilities
(Continued)

The following methods and assumptions are used to
estimate the fair value: (Continued)

- The fair value for derivative financial assets is based on market rates.
- The aggregate fair values securities issued is calculated based on quoted market prices. For those notes where quoted market prices are not available, a discounted cash flow model is used based on a current yield curve appropriate for the remaining term of maturity.

SFAS No. 60, "Financial Instruments: Disclosures" requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Company's financial assets that are measured and recognised at fair value (level 2) are derivative financial assets.

36. LITIGATION

The lawsuit PT Aryaputra Teguharta (APT) to the Company, through the Central Jakarta District Court, demanding the return of as many as 111,804,732 shares of the Company, demanding payment of dividend and also demanded immaterial loss, has obtained a legally binding verdict based Decision Supreme Court of the Republic of Indonesia (MA) No. 240/PK/ PDT/2006 dated 20 February 2007 (Decision PK 240), with the verdict in essence, among others, the Company and its Directors were sentenced to return and submit the APT's shares to APT.

The Verdict Against PK 240 petition has been filed by the APT and Sita Execution of implementation Sita Bailiffs Execution by the Central Jakarta and South Jakarta District Court, the Chairman of the Central Jakarta District Control stated that the execution of the case against the decision of the PK 240 can not be executed pursuant to the Stipulation Daft No. 079/2007/EKS dated 10 October 2007.

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36. LITIGASI (Lanjutan)

APT telah berulang kali mengajukan permohonan kepada Ketua Pengadilan Negeri Jakarta Pusat untuk dilakukan Sita Eksekusi kembali terhadap putusan PK 240 tersebut dengan pembatalan dan/atau pencabutan Penetapan Non-Executable tersebut. Berdasarkan Penetapan Ketua Pengadilan Negeri Jakarta Pusat No.079/2007.Eks tanggal 23 September 2014 yang pada intinya menyatakan bahwa Penetapan Non-Executable tersebut di atas dicabut/dinyatakan tidak berlaku lagi serta menyatakan bahwa pelaksanaan eksekusi Putusan PK 240 dapat dilakukan (executable). Dalam rangka Eksekusi Putusan PK 240, Ketua Pengadilan Negeri Jakarta Pusat telah melakukan pemanggilan dan klarifikasi kepada pihak-pihak terkait (Otoritas Jasa Keuangan/OJK, Bursa Efek Indonesia/BEI dan Kustodian Sentral Efek Indonesia/KSEI).

Berdasarkan Surat dari KSEI No. KSEI-6536/DIR/1214 tanggal 11 Desember 2014 yang pada intinya menyatakan bahwa dalam administrasi KSEI tidak ada catatan penitipan saham Perusahan milik APT, Ketua Pengadilan Negeri Jakarta Pusat menyatakan bahwa pelaksanaan eksekusi atas Putusan PK 240 belum dapat dilaksanakan sesuai Surat No. W.10.u1/7284/079.2007.Eks/HT.02/VI/2015/01/BD tanggal 24 Juni 2015. Oleh karena itu manajemen berpendapat, perkara tersebut tidak akan mempengaruhi kegiatan operasional Perusahaan secara material.

36. LITIGATION (Continued)

APT has been repeated requests to the Chairman of the Central Jakarta District Court to do Sita Execution back against the decision of the PK 240 with the cancellation and/or revocation of the Stipulation of Non-Executable. Based on the Stipulation of the Chairman of the Central Jakarta District Court No.079/2007.Eks dated 23 September 2014 in essence states that the Stipulation of Non-Executable aforementioned revoked/declared invalid and declare that the execution of PK 240 decision can be done (executable). In order to Execution of PK 240 Decision, the Chairman of the Central Jakarta District Court had called and clarified related parties (Financial Services Authority/OJK, Stock Exchange Indonesia/BEI and Indonesian Central Securities Depository/KSEI).

Based on the Letter of KSEI No. KSEI-6536/DIR/1214 dated 11 December 2014 which basically states that in KSEI's administration, there is no storage record for the Company's shares owned by APT, the Chairman of the Central Jakarta District Court stated that the execution of the PK 240 decision could not be implemented in accordance to the Letter No. W.10.u1/7284/079.2007.Eks/HT.02/VI/2015/01/BD dated 24 June 2015. Therefore, the management believes that the case will not affect the Company's operations materially.

37. REKLASIFIKASI

Laporan keuangan tahun 2015 dan 2014 telah di reklasifikasi agar sesuai dengan penyajian laporan keuangan tahun 2016. Rincian reklasifikasi tersebut adalah sebagai berikut:

37. RECLASSIFICATIONS

The 2015 and 2014 financial statements have been reclassified to be consistent with the presentation of the 2016 financial statements. The details of the reclassifications are as follows

	Sebelum reklasifikasi/ <i>Before</i> <i>reclassification</i>	Reklasifikasi/ <i>Reclassification</i>	Sesudah reklasifikasi/ <i>After</i> <i>reclassification</i>	
<u>Aset</u>				<u>Asset</u>
2015				2015
Aset tetap	450.162 (	21.477)	428.685	Fixed Assets
Aset tidak berwujud	-	21.477	21.477	Intangible Assets
2014				2014
Aset tetap	446.831 (	30.979)	415.852	Fixed Assets
Aset tidak berwujud	-	30.979	30.979	Intangible Assets
<u>Beban umum dan administrasi</u>				<u>General and Administrative Expense</u>
2015				2015
Penyusutan aset tetap	68.493 (	8.296)	60.197	Depreciation of fixed assets
Amortisasi aset tidak berwujud	-	8.296	8.296	Amortization of intangible assets
2014				2014
Penyusutan aset tetap	55.971 (	6.345)	49.626	Depreciation of fixed assets
Amortisasi aset tidak berwujud	-	6.345	6.345	Amortization of intangible assets

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37. REKLASIFIKASI (Lanjutan)

Laporan keuangan tahun 2015 dan 2014 telah di reklasifikasi agar sesuai dengan penyajian laporan keuangan tahun 2016. Rincian reklasifikasi tersebut adalah sebagai berikut: (Lanjutan)

	Sebelum reklasifikasi/ <i>Before</i> <i>reclassification</i>	Reklasifikasi/ <i>Reclassification</i>	Sesudah reklasifikasi/ <i>After</i> <i>reclassification</i>	
Arus kas dari aktivitas investasi				Cash flow from investment activities
2015				2015
Pembelian aset tetap	86.939 (	4.827)	82.112	Acquisitions of fixed assets
Pembelian aset tak berwujud	- (	4.827)	4.827	Acquisitions of intangible assets

37. RECLASSIFICATIONS (Continued)

The 2015 and 2014 financial statements have been reclassified to be consistent with the presentation of the 2016 financial statements. The details of the reclassifications are as follows: (Continued)

38. KEJADIAN PENTING SETELAH TANGGAL LAPORAN POSISI KEUANGAN

Berdasarkan Surat Keterbukaan Informasi yang disampaikan oleh Perusahaan kepada Otoritas Jasa Keuangan No. Corp/SJN/L/III/17-0024 tanggal 1 Pebruari 2017 bahwa pada tanggal 31 Januari 2017, Perusahaan telah menerima surat pengunduran diri dari Cornelius Henry Kho selaku Direktur Perusahaan.

Sesuai dengan ketentuan dalam Peraturan Otoritas Jasa Keuangan Nomor 33/POJK.04/2014 tentang Direksi dan Dewan Komisaris Emiten atau Perusahaan Terbuka dan Anggaran Dasar Perusahaan, Perusahaan wajib menyelenggarakan Rapat Umum Pemegang Saham (RUPS) untuk memutuskan permohonan pengunduran diri tersebut paling lambat 90 (sembilan puluh) hari setelah diterimanya permohonan pengunduran diri dimaksud.

Untuk itu Perusahaan saat ini sedang menyusun rencana dan jadwal penyelenggaraan RUPS dimaksud sesuai dengan POJK Nomor 32/POJK.04/2014 tentang Rencana dan Penyelenggaraan Rapat Umum Pemegang Saham Perusahaan Terbuka dan Anggaran Dasar Perusahaan

38. SUBSEQUENT EVENTS

Based on the Letter of Disclosure Information submitted by the Company to the Financial Services Authority ("OJK") No. Corp/SJN/L/III/17-0024 dated 1 February 2017, that on 31 January 2017, the Company received a resignation letter from Cornelius Henry Kho as a Director of the Company.

In accordance with the provisions of the Regulation of Financial Services Authority No. 33/POJK.04/2014 about the Board of Directors and Board of Commissioners of the Issuer or a Public Company and the Company, the Company shall held a General Meeting of Shareholders ("RUPS") to decide on the resignation later than 90 (ninety) days after receipt of the resignation intended.

Therefor the Company is currently preparing a plan and schedule for the RUPS intended in accordance with POJK No. 32/POJK.04/2014 on the Planning and Organization of the General Meeting of Shareholders of Public Company and the Company.

39. PENERBITAN LAPORAN KEUANGAN

Disetujui untuk diterbitkan oleh Direksi pada tanggal 17 Pebruari 2017.

39. ISSUANCE OF THE FINANCIAL STATEMENTS

Authorized for issuance by Directors on 17 February 2017.

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DETERMINING REPORTING TOPICS

In order to select the topics to be discussed in this Integrated Annual Report, the Company has reviewed the topics discussed in BFI 2015 Sustainability Report and has redefined the material aspects to be presented in this report.

Data and financial information reported in the Integrated Annual Report are in accordance with the prevailing regulations, while other topics of discussion presented here are chosen from the Company's sustainability aspects deemed material based on the materiality matrix as shown in this following graphic.

Material aspects are determined based on discussions as well as internal and external opinions while preparing this report. In general, material aspects of this report are focused on business performance, customer service, and human capital management.

Chart 31 – BFI MATERIALITY MATRIX

Influence on BFI stakeholders' perceptions ↑	Very High			<ul style="list-style-type: none"> • Good Corporate Governance (page 174) • Business Development (page 128)
	High	<ul style="list-style-type: none"> • Environmental Conservation (page 307) 	<ul style="list-style-type: none"> • Social and Community Development* [page 296] • Human Resources* (page 96) • Education and Training* (page 99) • Responsibility to Consumers* (page 309) 	
	Medium		<ul style="list-style-type: none"> • Employee Productivity (page 105) 	
		Medium	High	Very High
	Impact to BFI's sustainability →			

Note: * the topic has been shown in previous report

In this report, there are several changes of material aspects from those of BFI 2015 Sustainability Report. Previously, the Company had emphasized only four BFI Social Responsibility fields, consisting of (1) environment, (2) employment practices, health and occupational safety, (3) social and community development, and (4) responsibility to consumers.

MATERIAL ASPECTS AND THE COMPANY'S SUPPLIER CHAIN

As a financial services company, BFI has a simple supply chain. The main BFI suppliers are automobile dealers and suppliers, automobile insurance companies,

notaries, consultants, information technology services companies, and suppliers of office goods and services. All of BFI's main business processes are executed only by internal parties.

In 2016 there were 789 suppliers in cooperation with BFI. As many as 784 or 99% of these suppliers are local suppliers, defined as those with a domicile in the country.

Table 130 – LIST OF MATERIAL TOPICS AND THEIR BOUNDARIES IN BFI

No. Topic	Internal		External	
	BFI	Customers	Suppliers	Public
1. Good Corporate Governance	√		√	
2. Business Development	√		√	
3. Social and Community Development	√			√
4. Employment	√			√
5. Education and Training	√			√
6. Responsibility towards Customers	√	√	√	
7. Employee Productivity	√			
8. Environmental Conservation	√			√

STAKEHOLDER ENGAGEMENT

The Company's stakeholders based on the level of engagement with the business, are the employees, customers, shareholders, suppliers and business partners, the public, and the regulators. The Company strives to build a transparent way of communication with the aim of creating and fostering mutual trust.

BFI cultivates effective dialog with various stakeholders to understand their needs and expectations, resolve issues, mitigate impacts, and identify opportunities to provide optimal benefit to all parties.

Table 131 – SUMMARY OF STAKEHOLDERS' ISSUES IN 2016

Stakeholder Group	Engagement Method	Issues Raised in 2016
Customers	Customer surveys, customers' complaints data	Customer service, product description, access to services
Employees	Employee survey, meetings with employee representatives, meetings, town hall meetings	Welfare and benefits, competence and career development, productivity
Shareholders	Quarterly and annual reports, investor road shows, general meeting of shareholders	Benefits, business development, governance and accountability, business financial soundness
Suppliers	Engagement based on contract	Continuity of supply, performance, timeliness
Business Partners	Engagement based on contract, performance appraisal	Performance, timeliness, contract evaluation
Public	Forums, meetings, partnerships with community institutions	Support to community's socioeconomic and environmental aspects
Regulators	Regular meetings, reporting	Compliance, business development, governance and accountability, business financial soundness

BFI also engages its stakeholders by participating in relevant external organizations that support the achievement of the Company's goals. BFI participates in the following organizations:

1. Indonesian Financing Companies Association (APPI) as member;
2. Indonesian Issuers Association (AEI) as member;
3. Indonesian Capital Market Arbitration Board (BAPMI) as member; and
4. Badan Mediasi Pembiayaan, Pegadaian dan Ventura Indonesia (BMPPVI) as member.

OJK CIRCULAR NO. 30/ SEOJK.04/2016 – FORM AND CONTENT OF ANNUAL REPORT OF PUBLIC COMPANIES

OJK Circular No. 30/SEOJK.04/2016		PAGE
ANNUAL REPORT FORMAT		
1. The Annual Report is presented in the form of a printed document as well as an electronic copy.		√
2. The Annual Report presented in printed document form is printed on brightly colored and good quality paper, A4 in size, bound and to be well-reproducible.		√
3. The Annual Report presented in electronic copy form is a converted file of the Annual Report in PDF format.		√
ANNUAL REPORT CONTENT		
1. General Requirements.		
a. The Annual Report must contain information regarding:		
1) Significant Financial Highlights.		10-11
2) Share Information (if any).		12-15
3) Board of Directors Report.		36-43
4) Board of Commissioners Report.		30-35
5) Company Profile.		46-93
6) Management Discussion and Analysis.		125-172
7) Corporate Governance.		173-293
8) Corporate Social and Environment Responsibility of Public Company.		295-315
9) Audited Financial Statements.		334-455
10) Statement from the Board of Directors and Board of Commissioners on the responsibility for the accuracy of the Annual Report's content.		329-331
b. The Annual Report may present information in the form of images, graphics, tables and/or diagrams by annotating clear title and description for easy read and understanding.		2-5
2. Elaboration of the Annual Report Contents.		
a. Significant Financial Highlights.		
Significant Financial Highlights contains information on Company's financial results of in the form of three (3) years comparison or from the start of business, if the Company has conducted business activities for less than 3 (three) years, and at least must contain:		
1) Revenue/Sales.		10
2) Gross profit.		10
3) Income (loss).		10
4) Total Income (loss) attributed to the shareholders of the holding company and the interest of the non-controlling.		10
5) Total comprehensive income (loss).		10
6) Total comprehensive income (loss) attributed to the shareholders of the holding company and the interest of the non-controlling.		10
7) Earnings per share.		10
8) Total assets.		10
9) Total liabilities.		10
10) Total equity.		10
11) Return on assets.		11
12) Return on equity.		11
13) Net profit (loss) margin.		11
14) Current ratio.		11
15) Liabilities to equity ratio.		11

OJK Circular No. 30/SEOJK.04/2016		PAGE
16) Liabilities to assets ratio.		11
17) Other information or financial ratios relevant to the company and the industry.		11
b. Share Information.		
Share information (if any) must contain at least:		
1) Shares that have been issued for every quarter (if any) presented in a comparative format for the past two years, at least including the following:		
a) Total number of shares outstanding.		12
b) Market capitalization.		12
c) Highest, lowest, and closing prices.		12
d) Trading volume.		12
2) In the event that any corporate action takes place, such as stock split, reverse stock, issuance of dividend shares, issuance of bonus shares, and reduction in the par value of the shares, the share price information as mentioned in no. 1) above must include information on, among others, the following:		
a) Date of corporate action.		12
b) Stock split ratio, reverse stock ratio, dividend shares, bonus shares, and changes in the shares' par value.		12
c) Total number of shares outstanding before and after the corporate action.		12
d) Share price before and after the corporate action.		12
3) In the event that the company's shares have been suspended at any point within the financial year, the annual report must contain an explanation as to the reason for the suspension.		N/A
4) In the event that the company's shares are presently suspended as mentioned in no. 3) as at the end of the annual reporting period, the company must provide the actions that have been taken to address the issue.		N/A
c. Report of the Board of Directors.		
The report of the board of directors must contain at least the following:		
1) Description on the company's performance, consisting at least:		
a) The Company's of strategic policy.		42
b) Comparison between the results achieved and the targets.		38
c) The challenges faced by the company.		37
2) Overview of the company's business prospect.		41
3) Implementation of corporate governance.		40
4) Changes in the composition of the board of directors and the reason for such changes (if any).		42
d. Report of the Board of Commissioners.		
The report of the board of commissioners must contain at least the following:		
1) Assessment of the directors' performance in managing the company.		31
2) Supervision on the implementation of the company's strategy.		32
3) View on the company's business prospect as prepared by the board of directors.		34
4) View on the company's governance implementation.		33
5) Changes in the composition of the Board of Commissioners and the reason for such changes (if any).		34
6) Frequency and mechanism for advising the members of the Board of Directors.		32
e. Company Profile.		
The company profile section must contain at least the following:		
1) The company's name including whether there have been changes to the name and reason for such changes and the effective date for the name change occurring in the reporting year.		46-48
2) Access to the company including branch offices or representative offices from which the public may obtain information regarding the company, among others: address, phone number, facsimile number, email, and website.		318-327
3) The company's brief history.		50 -51
4) The company's vision and mission.		47
5) The company's business activities as per the most recent articles of association, as well as the type of products and/or services provided.		52
6) The company's organization structure in the form of a chart, detailing at least one level under the board of directors, complete with the names and positions.		55

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7) Profiles of the members of the board of directors, including at least:		
a) Name and brief description on the duties and functions of each.		61
b) Latest photograph.		63-64
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e) Education history.		56-60
f) Employment history, including:		
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ii. Legal basis of initial appointment in the company as member of the board of commissioner, which is as independent commissioner at the company.		56-60
iii. Concurrent positions, either as director, commissioner, and/or committee member and other positions (if any).		56-60
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h) Disclosure on the affiliation with other members of the board of directors and the shareholders (if any).		210
i) Statement of independence of the independent commissioners, in the event that any of the independent commissioners have held the position for more than two periods (if any).		210-211
9) In the event that there have been changes to the composition of the board of directors and/or the Board of Commissioners occurring after the end of the reporting year up to the deadline for submission of the annual report, the composition that must be presented is the latest composition as well as the preceding one.		204-205
10) Number of employees and description on their level of education and age group within the reporting year.		108-113
11) Names of shareholders and the percentage of ownership of the company's shares as at the end of the reporting year, including information on:		
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12) Number of shareholders and percentage of ownership of the company's shares based on:		
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14) Names of subsidiaries, associated companies, joint ventures in which the company retains a joint controlling power, as well as the percentage of shares held, the businesses, total assets, and operational status of such entities (if any), and for subsidiaries, their addresses must be provided.		92

15) Chronology of share listing, number of shares outstanding, nominal value, and offering price from the time of the listing to the end of the reporting year as well as the name of the stock exchange on which the company's shares are listed (if any).	79
16) Chronology of listing of other securities, containing among others the name of the securities, year of issuance, maturity date, offering value, and the securities' ratings (if any).	79-82
17) Names and addresses of capital market supporting institutions and professions.	83
18) In the event that there are institutions and professions that periodically render services to the company, the information on the services rendered, the fees for such services, and the assignment period of the services, must be provided.	93
19) Awards and/or certifications obtained by the company, both on the national and international level within the reporting year (if any), containing:	
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4) The company's collectibility by providing the relevant ratios.	163
5) The company's capital structure and the management's policy for the capital structure and the basis for such policy.	164
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b) Source of funding to fulfill such commitments.	165
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d) Measures taken by the company to mitigate its risks arising from its foreign exchange position related to such commitments.	165
7) Description on the investments on capital goods realized within the last reporting year, at least including:	
a) Type of capital goods investment.	165
b) Purpose of capital goods investment.	165
c) Amount disbursed for the capital goods investment.	165
8) Material facts and information after the date of the audit of financial statements.	165
9) The company's business prospect related to the conditions in the industry, general economy, and international markets, which may be supported with quantitative data from reputable and reliable sources.	170-171
10) Comparison between the targets/forecasts at the beginning of the financial year and the results achieved, pertaining to:	
a) Revenue/sales.	N/A
b) Income (loss).	N/A
c) Capital structure.	N/A
d) Other aspects considered material for the company.	N/A

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11) Targets/projections for the next year, pertaining to:	
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c) Capital structure.	171
d) Dividend policy.	171
e) Other aspects considered material for the company.	171
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b) Date and amount of cash dividend payout and/or date of non-dividend distribution.	166
c) Amount of dividend per share (cash and/or non-cash).	166
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14) Realization of the utilization of public offering proceeds, under the following requirements:	
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b) In the event that there is a change to the proceeds utilization plan, as stipulated in POJK on LRPD, the company must provide an explanation on such change.	167
15) Material information (if any), among others as regards investment, expansion, divestment, merger/acquisition, debt/capital restructuring, transactions with related parties, transactions with conflict of interest, which occurred in the reporting year, with the descriptions on:	
a) Date, value, and object of the transaction.	167
b) Names of the parties involved in the transaction.	167
c) Nature of the affiliation (if any).	167
d) Fairness of the transaction.	167
e) Adherence to pertinent regulations.	167
16) Changes in the laws and regulations that significantly affect the company and the impacts on its financial statements (if any).	168
17) Changes in the accounting policy, reasons for such changes, and the impacts on the financial statements (if any).	169
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The corporate governance section must include brief description on at least the following:	
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c) Procedures of determination, basis for determination, structure, and amount of remuneration for each member of the board of directors and the relationship between remuneration and the company's performance.	232-233
d) The company's policy and its implementation regarding the meetings of the board of directors, including joint meetings with the board of commissioners and the attendance of members of the board of directors in these meetings.	230-231
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ii. Reasons should there be any resolutions that have not yet been realized.	190-201
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b) Statement that the board of commissioners has a board of commissioners guideline or charter.	204
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d) The company's policy and its implementation regarding the meetings of the board of commissioners, including joint meetings with the board of directors and the attendance of members of the board of commissioners in these meetings.	211-214

e) The company's policy on the board of directors' and the board of commissioners' performance assessment and the implementation thereof, at least including:	
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f) Performance assessment of the committees that support the execution of duties of the Board of Commissioners.	219
g) In the event that the board of commissioners has not establish a Nomination and Remuneration Committee, the following information must at least be presented:	
i. Reason for not establishing said committee.	N/A
ii. Nomination and remuneration procedures taking place in the reporting year.	N/A
3) Sharia supervisory board, if the company conducts its business based on the principles of sharia as stipulated in the articles of association, at least containing information on:	
a) Names.	N/A
b) Duties and responsibilities of the sharia supervisory board.	N/A
c) Frequency and mechanism for providing advice and recommendations as well as supervision of the company's fulfillment of the sharia principles in the capital market.	N/A
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b) Employment history, including:		
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2) In the event that the company provides information on social and environmental responsibility in a separate report such as a sustainability report, the company is exempted from the obligation to disclose information on the social and environmental responsibility in the annual report.	N/A
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i. Audited Financial Statements.	
The audited financial statements incorporated into the Annual Report must be prepared in accordance with the Financial Accounting Standards in Indonesia as audited by the accounting firm. The financial statements must include a statement on the responsibility on the financial statements as stipulated in POJK on the Board of Directors' Responsibility for the Financial Statements or in POJK on Periodic Reports of Securities Companies.	334-455
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GRI-G4 CORE INDEX

The BFI 2016 Sustainability Report and the material aspects contained herein have been prepared to be in accordance with the Sustainability Reporting Guidelines from the Global Reporting Initiatives G4 (GRI G4) and the Reporting Guidelines for Financial Services Sector Supplement, with the Core option.

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G4-33	policy and current practice with regard to seeking external assurance for the report	Not performed for this reporting period	

GENERAL STANDARD DISCLOSURES	DESCRIPTION	PAGE	OMISSIONS
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2016

INTEGRATED
ANNUAL REPORT



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