

Grow Leads, Create Value



2017

THE FUTURE OF A NATION IS DETERMINED

by the quality and potential of its next generation. Children are the leaders of the future and can contribute positively to society and the betterment of their country.

Education, character building, nurturing values such as discipline, perseverance, agility and honesty are important aspects of development for every child in order for them to reach their potential and improve their quality of life.

Similar to sports, traditional games often can teach children positive values through their activities. For example, the sack race, featured on the cover of BFI Finance 2017 Integrated Annual Report, teaches children alertness, persistence, as well as to enjoy healthy and joyful competitive spirit. The three children captured here are highly spirited and competitive.



This drive and determination to continuously improve oneself is what BFI Finance instills in its employees and business partners in the Company's pursuit to meet its strategic goal as well as to perpetuate its position as one of the leading financial providers in the market. Through 'Grow Leads, Create Value', our strategic theme for 2017, the Company aims to steadily expand its distribution and market share by continuously developing and nurturing leads to tap into a broader market using both traditional and digital methods.

DISCLAIMER

PT BFI Finance Indonesia Tbk ('BFI Finance' or 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 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.

Grow Leads, Create Value

TO CONTINUE TO BE RELEVANT IN AN EVOLVING SOCIETY, it is essential for any business to be focused on value creation.

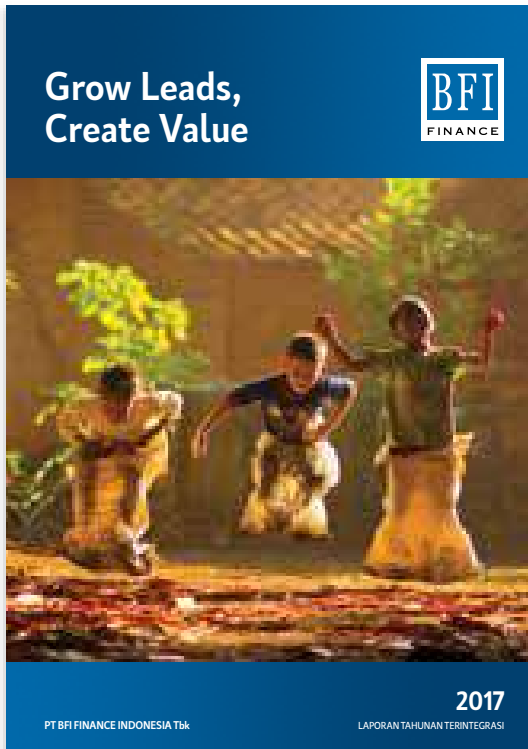
As a multifinance company, our primary objective is to provide access to financing to the public and play a part, no matter how small, to improve financial inclusion in Indonesia. Our ability to achieve this goal is therefore reliant on how we can quickly and efficiently penetrate all layers of society.

Given our population and demographics, we at BFI Finance see that there is large potential in this market and have made it our prime focus to harness and cultivate all leads and opportunities to help grow our business by expanding our reach, improve business efficiency, and continue to deliver value to our shareholders.

Internally, we try to achieve this by enhancing our human capital capabilities. We strive to elevate not only our employees' professionalism, work ethos and competencies, but also hone their leadership skills as we groom them to become future business leaders.

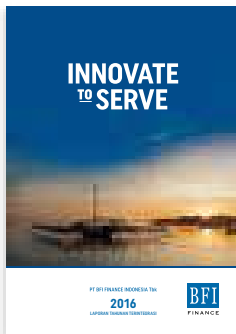
Externally, we are nurturing our relationships with our business partners, dealers, and agents, and by utilizing technology advancements to improve our booking and credit engines. This reflects our commitment to be one of the most transparent and competitive provider of financing in the market. This has and will continue to be the essence of our business in the future: serving Indonesia to improve the livelihood of its people.

THEME CONTINUITY



GROW LEADS, CREATE VALUE

The Company's efforts to create value by providing benefits to all stakeholders is made manifest in the Company's relentless pursuit to further improve its internal capabilities and expanding its business reach more optimally in the market.



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.



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.



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.



BUILDING A GREAT FRANCHISE

BFI Finance 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.

BFI FINANCE presents the 2017 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 Finance's long-term achievements and how we as a financial services company are focused on innovation and creating sustainable added value.

Reporting References

The 2017 Integrated Report of BFI Finance combines the Annual Report (including the financial statements from independent auditor) and the Sustainability Report. This practice has been performed since 2016, with the publication of the BFI Finance 2016 Integrated Report as the first edition of the Integrated Report, which was published on 24 March 2017.

The 2017 Integrated Report covers a reporting period spanning from 1 January 2017 until 31 December 2017. The Company publishes the Integrated Report once 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 this report in line with the prevailing Financial Accounting Standards in Indonesia.

Non-financial data and information are presented in line with of the Sustainability Reporting Guidelines from the GRI Standards. This report has been prepared in accordance with the GRI Standards: Core Option. The Company does not obtain any assurance from external parties on its 2017 Integrated Report.

The integration of the financial and nonfinancial 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 Finance and the views of its stakeholders. The theme of this report, 'Grow Leads, Create Value', have been chosen for reasons explained in the Theme Explanation section (see page 1).

Scope And Restatements

The reporting scope in the Company's 2017 Consolidated Financial Statements was all of the Company's business operations and its subsidiaries.

In this 2017 Integrated Reporting, the Company did not make any restatements on any of the data it had presented in its 2016 Integrated Report. The Company also did not make any substantial changes as regards the reporting scope and selection of material topics to be discussed in this report.

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.

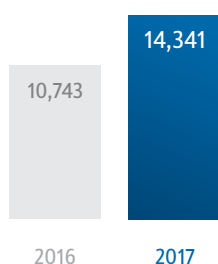
As the interaction of resources is regarded with a comprehensive view to create sustainable value, thus the information in this report is valuable not only for its financial purposes, but also is valuable for employees, customers, suppliers, partners, the public, regulators, and policymakers.

More on the IR framework and its supporting information is available on <https://integratedreporting.org>.

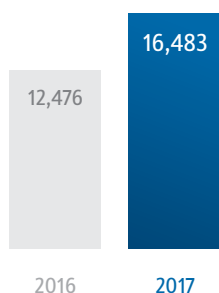
KEY HIGHLIGHTS 2017

FINANCIAL HIGHLIGHTS

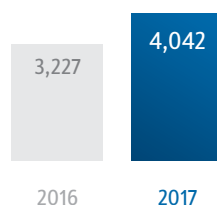
New Bookings **+34%**
(Rp billion)



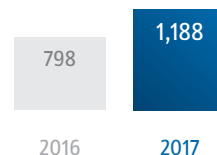
Total Assets **+32%**
(Rp billion)



Total Revenue **+25%**
(Rp billion)



Profit for the Year **+49%**
(Rp billion)



KEY RATIOS

10.3%

ROAA

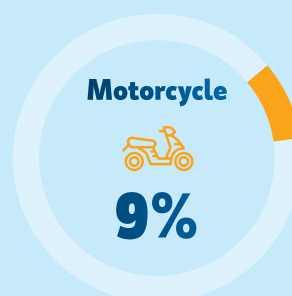
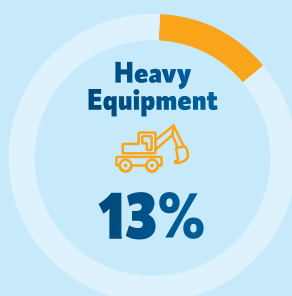
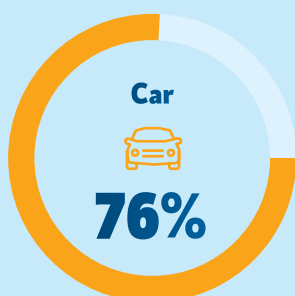
25.9%

ROAE

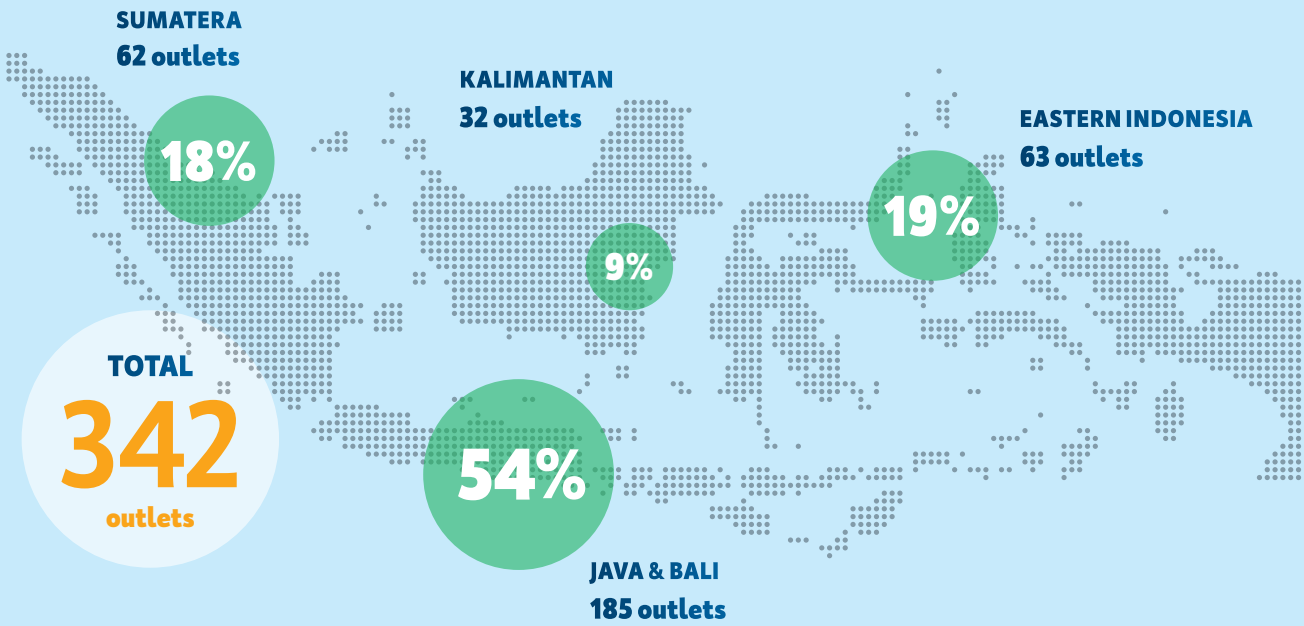
0.95%

NPF

MANAGED RECEIVABLES BY ASSET TYPE



DISTRIBUTION OF OUTLETS



RATING



AWARDS



**Excellent Financial Performance
in Ten Years Consecutively**

Platinum Trophy for Multifinance Company



**Best Companies to
Work For in Asia 2017**

HR Asia Awards Indonesia

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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	2015	2016	2017*
Consolidated Statement of Profit or Loss and Other Comprehensive Income			
Financing Income	2,667	3,112	3,936
Others	164	115	106
Total Income	2,831	3,227	4,042
Interest and Financing Charges	712	792	897
Salaries and Benefits	627	716	869
General and Administrative	341	392	481
Provision for Impairment Losses	230	273	303
Others	85	29	4
Total Expenses	1,995	2,202	2,554
Profit Before Tax	836	1,025	1,488
Income Tax Expense	186	227	300
Profit for the Year	650	798	1,188
Other Comprehensive Income for the Year - Net of Tax	63	-63	-29
Total Comprehensive Income for the Year	713	735	1,159
Consolidated Statement of Financial Position			
Cash and Cash Equivalents	777	165	225
Net Financing Receivables	9,898	11,583	15,352
Other Receivables - Net	141	171	237
Fixed Assets - Net	428	414	457
Intangible Assets - Net	22	20	20
Other Assets	504	123	192
Total Assets	11,770	12,476	16,483
Fund Borrowings	5,637	4,691	6,819
Securities Issued - Net	1,681	2,965	3,909
Other Payables	433	565	851
Total Liabilities	7,751	8,221	11,579
Equity	4,019	4,255	4,904
Total Liabilities and Equity	11,770	12,476	16,483

• Key Financial Highlights

• Share Highlights

• Summary of Bonds

• Important Events in 2017

• Awards and Achievements

Table 1: Key Financial Highlights and Ratios

DESCRIPTION	2015	2016	2017*
Shares Data			
Share Outstanding (million) **	15,659	15,967	15,967
Basic Earnings per Share (Full Amount of Rupiah) **	42	52	79
Dividend per Share (Full Amount of Rupiah) **	20.8	26.0	***
Ratios			
Profitability			
Return on Average Assets (ROAA)****	7.8%	8.5%	10.3%
Return on Average Equity (ROAE)^	17.1%	19.3%	25.9%
Profit for the Year/Total Income	23.0%	24.7%	29.4%
Asset Quality			
NPF (including Joint Financing)	1.33%	0.91%	0.95%
Allowance for Impairment Losses on Managed Receivables	1.5%	1.4%	1.5%
Coverage of NPF	1.1x	1.5x	1.6x
Liquidity			
Liquidity Ratio^^	1.6x	1.7x	1.5x
Asset Solvency^^^	0.7x	0.7x	0.7x
Gearing Ratio^^^^	1.8x	1.8x	2.2x
Other Information			
Number of Outlets	267	305	342
Number of Employees	7,924	8,941	9,884

* Consolidated since 2017

** Restated to reflect Stock Split of 1:10 in May 2017

*** Waiting for the resolution of the 2018 GMS

**** Profit Before Tax/Average Assets

^ Profit for the Year/Average Equity

^^ Current Assets/Current Liabilities

^^^ Total Liabilities/Total Assets

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

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
10-for-1 Stock Split	May 2017	14,370.4	15,967.1

Note:

MCB = Mandatory Convertible Bonds

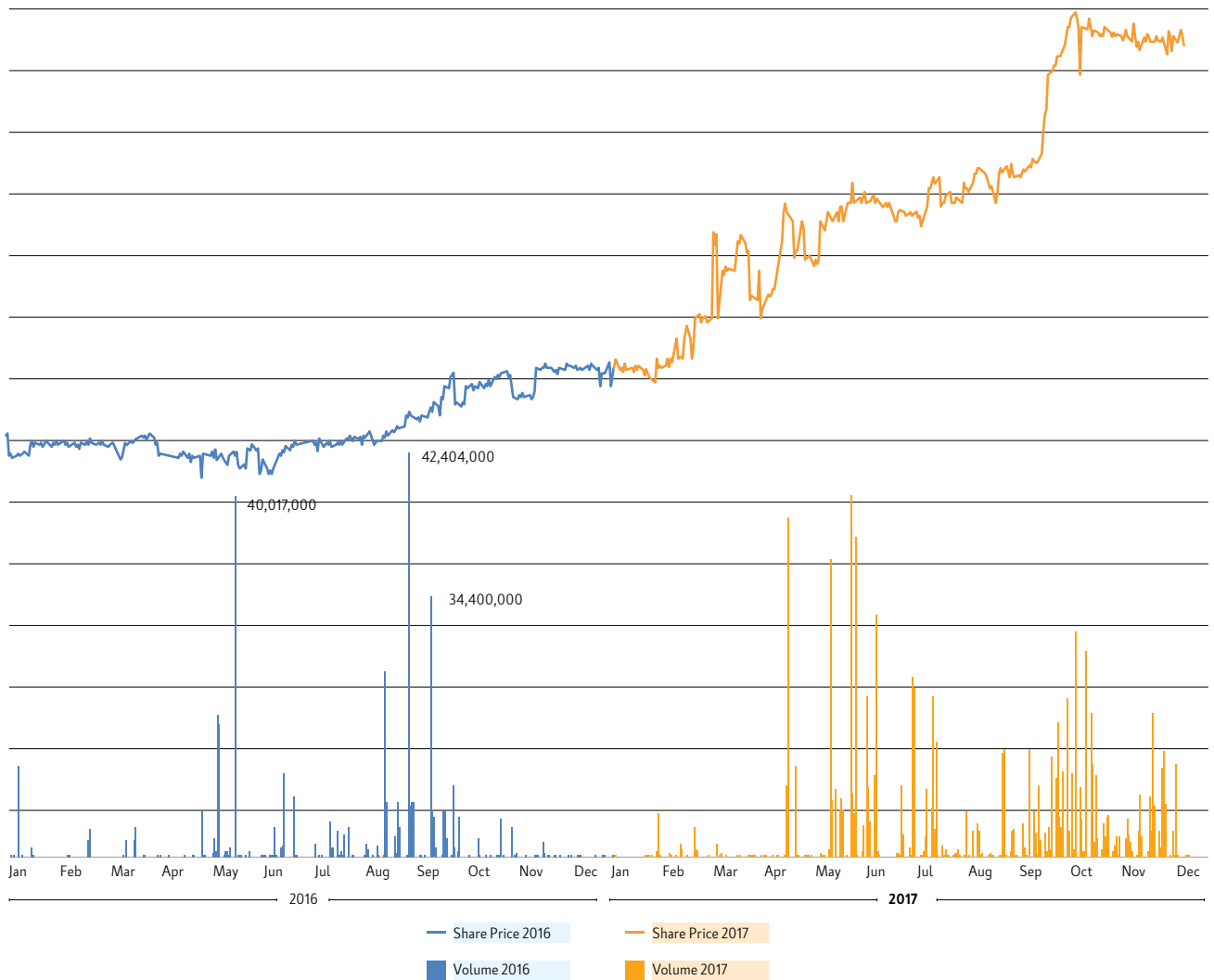
Table 3: Share Price Summary

PERIOD	SHARE PRICE				SHARES CIRCULATION IN REGULAR MARKET						MARKET CAPITALIZATION (Rp billion)	
	Highest (Rp)		Lowest (Rp)		Closing (Rp)		Transaction Volume (unit)		Transaction Value (Rp billion)			
	2016	2017*	2016	2017*	2016	2017*	2016	2017*	2016	2017*	2016	2017*
1 st Quarter	280	500	253	310	280	479	21,693,000	3,331,000	5.9	1.3	4,384.7	7,648.2
2 nd Quarter*	279	530	237	370	271	520	75,970,000	79,315,300	19.8	41.4	4,327.1	7,302.9
3 rd Quarter*	330	600	250	500	330	560	127,247,000	32,844,500	37.7	18.1	5,269.1	8,941.6
4 th Quarter*	360	735	312	560	350	680	13,720,000	38,608,900	4.6	26.4	5,588.5	10,857.6

* Denominations are adjusted to the last price after the stock split

- Key Financial Highlights
- Share Highlights
- Summary of Bonds
- Important Events in 2017
- Awards and Achievements

Graphic 1: Share Performance



The market capitalization of BFI Finance shares in Q4/2017 reached Rp10.8 trillion, up 94.3% from Rp5.6 trillion in Q4/2016.

Total volume of BFI Finance shares traded in 2017 reached 337,341,600 units of shares worth Rp232,025,840,000.

Comparison between Share Price Performance of BFI Finance (BFIN) and Composite Share Price Index in 2017

BFI Finance shares opened on 3 January 2017 with a closing price of Rp3,500 (before stock split) and closed on 29 December 2017 with a closing price of Rp680 per share (after stock split).

This showed a gain of 94.3%. IHSG 2017 opened at 5,275.97 points and closed at 6,355.65 points, up by 20.46%.

STRUCTURE OF SHAREHOLDERS

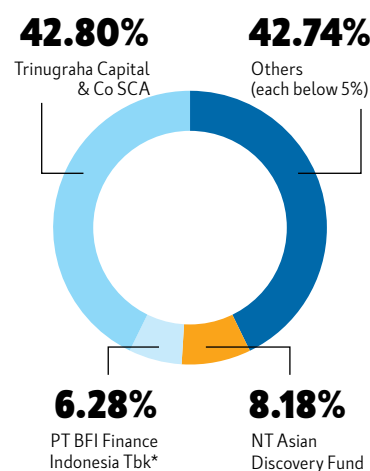
BFI Finance's shareholders with ownership of 5% or more as of 31 December 2017 are detailed below:

Table 4: Structure of Shareholders

SHAREHOLDERS	2017		
	Total Shares	Nominal Amount (Rp)	%
Trinugraha Capital & Co SCA	6,835,249,660	170,881,241,500	42.80
DB Spore DCS a/c NTAsian Discovery Maste Er Fund-864134218 (NT Asian Discovery Fund)	1,306,275,640	32,656,891,000	8.18
PT BFI Finance Indonesia Tbk*	1,002,732,000	25,068,300,000	6.28
Others (each below 5%)	6,822,858,320	170,571,458,000	42.74
Total of Issued and Fully Paid-up Capital	15,967,115,620	399,177,890,500	100.00

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

**Graphic 2:
Composition of Shareholders**



History of dividend payment by the Company for the last five years are detailed below:

Table 5: Dividend Payment History for the Last Five Years

FISCAL YEAR	2013*	2014*	2015*	2016*	2017
Date of BOD's Meeting/GMS	6 May 2014	9 December 2014/ 15 April 2015	19 November 2015/ 25 April 2016	21 November 2016/ 18 April 2017	21 November 2017
Dividend per Share (in full amount - rupiah currency)					
Interim**	-	14	14	15	23
Final***	13	5	7	11	***
Total	13	19	21	26	23
Pay Out Ratio	38.1%	49.6%	49.7%	48.7%	***
Payment Date					
Interim**	-	15 January 2015	16 December 2015	16 December 2016	18 December 2017
Final***	19 August 2014	15 May 2015	25 May 2016	18 May 2017	-
Total of Dividend (Rp billion)	193	298	323	389	344

* Restated to reflect Stock Split of 1:10 in May 2017

** Interim cash dividend was determined at the BOD Meeting

*** Any payment of final dividend for 2017 shall be determined during the 2018 GMS

- Key Financial Highlights
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SUMMARY OF BONDS

Debt securities listed on the IDX:

Table 6: Summary of Bonds

DEBT SECURITIES ISSUED	DATE LISTED AT IDX	EFFECTIVE DATE	BOND RATINGS	TOTAL (RP MILLION)	AMOUNT ISSUED (RP MILLION)	DUE DATE	STATUS
<i>Obligasi Berkelanjutan I BFI Finance Indonesia Tahap I Tahun 2012</i>	Series A:	13 June 2012	4 June 2012 (No. S-6878/BL/2012)	A(idn)	575.000	17 June 2013	Paid
	Series B:					12 June 2014	Paid
	Series C:					12 June 2015	Paid
<i>Obligasi Berkelanjutan I BFI Finance Indonesia Tahap II Tahun 2013</i>	Series A:	20 February 2013	4 June 2012 (No. S-6878/BL/2012)	A+(idn)	625.000	1 March 2014	Paid
	Series B:					19 February 2015	Paid
	Series C:					19 February 2016	Paid
<i>Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014</i>	Series A:	10 March 2014	28 February 2014 (No. S-121/D.04/2014)	AA-(idn)	500.000	17 March 2015	Paid
	Series B:					7 March 2016	Paid
	Series C:					7 March 2017	Paid
<i>Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015</i>	Series A:	20 March 2015	28 February 2014 (No. S-121/D.04/2014)	AA-(idn)	1.000.000	29 March 2016	Paid
	Series B:					19 March 2017	Paid
	Series C:					19 March 2018	Not yet paid off
<i>Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016</i>	Series A:	26 February 2016	28 February 2014 (No. S-121/D.04/2014)	AA-(idn)	1.000.000	5 March 2017	Paid
	Series B:					25 February 2018	Not yet paid off
	Series C:					25 February 2019	Not yet paid off
<i>Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016</i>	Series A:	26 October 2016	17 October 2016 (No. S588/D.04/2016)	AA-(idn)	1.000.000	5 November 2017	Paid
	Series B:					25 October 2019	Not yet paid off
	Series C:					25 October 2021	Not yet paid off
<i>Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017</i>	Series A:	3 March 2017	17 October 2016 (No.S-588/D.04/2016)	AA-(idn)	1.000.000	12 March 2018	Not yet paid off
	Series B:					2 March 2020	Not yet paid off
<i>Obligasi Berkelanjutan III BFI Finance Indonesia Tahap III Tahun 2017</i>	Series A:	10 November 2017	17 October 2016 (No.S-588/D.04/2016)	AA-(idn)	835.000	19 November 2018	Not yet paid off
	Series B:					9 November 2019	Not yet paid off
	Series C:					9 November 2020	Not yet paid off

Results of debt ratings on BFI Finance's long-term debt securities in accordance with Letter No. 245/DIR/RAT/XI//2017 issued on 22 November 2017 by PT Fitch Ratings Indonesia (Fitch Ratings) are as follows:

- The Company's Long-Term National Rating was 'AA-(idn)' with Stable Outlook.
- The Company's Short-Term National Rating was 'F1+(idn)'.
- The Long-Term National Rating for *Obligasi Berkelanjutan III Tahun 2016* was 'AA-(idn)' and the Short-Term National Rating for *Obligasi Berkelanjutan III Tahun 2016* was 'F1+(idn)'.
- The Long-Term National Rating for *Obligasi Berkelanjutan II Tahap II Tahun 2015* was 'AA-(idn)'.
- The Long-Term National Rating for *Obligasi Berkelanjutan II Tahap III Tahun 2016* was 'AA-(idn)'.
- The Long-Term National Rating for *Obligasi Berkelanjutan III Tahap I Tahun 2016* was 'AA-(idn)'.
- The Long-Term National Rating for *Obligasi Berkelanjutan III Tahap II Tahun 2017* was 'AA-(idn)'.
- The Long-Term National Rating for Medium Term Notes *III Tahun 2015* was 'AA-(idn)'.

Based on the letter from Fitch Ratings No. 224/DIR/RAT/X/2017 dated 17 October 2017, the Long-Term National Rating for *Obligasi Berkelanjutan III Tahap III Tahun 2017* was 'AA-(idn)'.

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Good Corporate Governance

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9 - 10 January

JANUARY

9 - 10 January

BFI Finance National Kick-off Meeting with 2017 National Agenda 'Grow Leads, Create Value' at ICE BSD City, South Tangerang.

23 January

BFI RUN 2017 press conference and media briefing in Jakarta.

24 January

Received the 'Top 5 Best Finance Company in 2016' award for the >Rp5 Trillion Asset Category at the APPI Appreciation and Members Gathering organized by the Indonesian Financial Services Association (APPI) in Jakarta.

29 January

UBER MILYARAN 2016 4th Period lucky draw and launching of UBER MILYARAN 2017 in Bali.



7 February

FEBRUARY

7 February

Inauguration of the 3rd branch office of BFI Finance in Sidoarjo, East Java.

16 February

Inauguration of the 2nd branch office of BFI Finance in Yogyakarta.

20 - 28 February

UBER MILYARAN 2017 press conference in Solo, Malang, Cirebon, and Jakarta.



20-28 February

24 February

Received Platinum Award at the 'Indonesia CSR Award 2017' organized by the *Economic Review* magazine in Jakarta.

25 February

'Lighting Character' Photography Coaching Clinic, Photo Exhibition, and BFI Finance Photo Competition 2017 Winner Announcement with Darwis Triadi in Jakarta.

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MARCH

10 March

- Signing of Rp450 billion Term Loan Facility Agreement with BCA in Jakarta.
- Signing of Term Loan Facility Enhancement Agreement (from Rp300 billion to Rp800 billion) with United Tractors in South Tangerang.

12 March

Penerbitan Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017 sebesar Rp1 triliun di Jakarta.

21 March

BFI RUN 2017 press conference in Jakarta.

30 March

Signing of Rp1 trillion Term Loan Facility Agreement with Bank Mandiri in Jakarta.



30 March



9 April



APRIL

4 April

Signing of USD20 million Short Term Loan Facility Agreement with Standard Chartered Bank in Jakarta.



18 April

5 April

Received the 'TOP CSR 2017' award from the *BusinessNews Indonesia* magazine in Jakarta

9 April

BFI RUN 2017, celebrating BFI Finance's 35th anniversary and UBER MILYARAN 2017 1st Period lucky draw in BSD City, South Tangerang

17 April

Received the 'IICD Award 2017' from the Indonesian Institute for Corporate Directorship (IICD) as 1st Rank in the Best Overall Issuer – Public Company with the Best Good Corporate Governance (GCG), in Jakarta.

18 April

Annual and Extraordinary General Meetings of Shareholders at The Dharmawangsa Hotel, Jakarta.

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29 May



9 June



28 August



16 September



19 September

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MAY

19 May

Received the 'HR Asia Best Companies to Work for in Asia 2017' award from *HR Asia* magazine in Jakarta.

24 May

Received the 'Indonesia's 100 Most Valuable Brand 2017' award from Brand Finance in collaboration with *SWA* magazine in Jakarta.

29 May

Leader's Talk with Erwin Tenggono with the theme 'Leading in the Disruptive Era' at BFI Finance Learning Center, BSD City, South Tangerang.

JUNE

9 June

Received the 'Corporate Image Award 2017' for the Best in Building and Managing Corporate Image in Heavy Equipment Leasing category, organized by Frontier Consulting Group in Jakarta.

10 - 12 June

Ramadan CSR Activity 'Movement of 1,000 School Uniforms' in Kupang and Maumere, East Nusa Tenggara.

12 June

Signing of USD100 million Syndicated Term Loan Facility Agreement with three banks: Standard Chartered Bank, Sumitomo Mitsui Banking Corporation, and Bank of Tokyo Mitsubishi UFJ in Jakarta.

13 June

Signing of Rp250 billion Term Loan Facility with Bank Panin in Jakarta.

16 June

Received the 'Indonesia Digital Innovation Award 2017' for Multifinance Company with >Rp5 Trillion Asset Category from *Warta Ekonomi* magazine in Jakarta.

JULY

29 July

UBER MILYARAN 2017 2nd Period lucky draw in Manado, North Sulawesi.

AUGUST

13 August

Participated in Stockcode Funwalk 2017 organized by the Indonesian Stock Exchange in Jakarta.

18 August

Participated in Stockcode Funwalk 2017 organized by the Indonesian Stock Exchange in Jakarta.

22 August

Signing of Rp250 billion Term Loan Facility Agreement with Bank Jabar & Banten in BSD City, South Tangerang.

25 August

BFI Finance Workshop with the theme 'Mixing Coffee with Sekopi' in collaboration with Yayasan Cinta Anak Bangsa (YCAB) in BSD City, South Tangerang.

28 August

Received the Bisnis Indonesia Financial Awards (BIFA) 2017 as 'The Best Multifinance Company' in the Large Multifinance Company Category (>Rp10 trillion asset) in Jakarta.

SEPTEMBER

2 September

'Qurban with BFI' CSR program for the Eid al-Adha celebration at BFI Finance Head Office, BSD City, South Tangerang.

8 - 9 September

Participated in the Indonesia Career Expo 2017 at ICE BSD City, South Tangerang.

14 September

Received the 'Infobank 13th Multifinance Awards 2017' as the first rank in Multifinance Companies with >Rp10 Trillion Asset Category (2016 financial performance) and Platinum Trophy as the multifinance company with 'Extraordinary Financial Performance for Ten Consecutive Years' in Jakarta.

16 September

Organized Financial Literacy 2017 Seminar in Malang, East Java.

19 September

Received the '50 Best of the Best Performing Indonesian Companies' award from *Forbes Indonesia* magazine in Jakarta.

20 September

Inauguration of the 4th branch office of BFI Finance in Surabaya, East Java.

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17 October



25 October



31 October

OCTOBER

6 October

Signing of Syndicated Term Loan Facility Enhancement Agreement (from USD100 million to USD125 million) with three banks: Standard Chartered Bank, Sumitomo Mitsui Banking Corporation, and Bank of Tokyo Mitsubishi UFJ in Jakarta.

17 October

Inauguration of the 3rd branch office of BFI Finance in Cirebon, West Java.

21 October

UBER MILYARAN 2017 3rd Period lucky draw in Makassar, South Sulawesi.

24 October

Signing of Rp100 billion Term Loan Facility Agreement with Bank Nusantara Parahyangan in BSD City, South Tangerang.

25 October

EGMS at Grand Zuri Hotel, BSD City, South Tangerang.

31 October

- 'BFI Learning on the Uncertainty Day' or BFI LOUD Program with the theme 'Design Thinking' with Tubagus Hanafi Soeriaatmadja, M.B.A., M.Si. at BFI Finance Learning Center, BSD City, South Tangerang.
- Received the 'Multifinance Company with Excellent Performance' award in the Indonesia Multifinance Consumer Choice Award 2017, for the >Rp10 Trillion Asset Ownership Category from *Warta Ekonomi* magazine in Jakarta.

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NOVEMBER

9 November

Issuance of *Obligasi Berkelanjutan III BFI Finance Indonesia Tahap III Tahun 2017* with a principal amount of Rp835 billion in Jakarta.

14 November

Signing of USD16 million Term Loan Facility Agreement with Bank CTBC Indonesia in Jakarta.

18 November

'Mangrove Seeds Planting' CSR activity in collaboration with Habitat for Humanity Indonesia (HFH-Indonesia) in Marga Mulya, Mauk, Tangerang.

20 November

Signing of Money Market Loan Facility Enhancement Agreement (from Rp400 billion to Rp500 billion) with BTPN in Jakarta.



11 December



14 December

DECEMBER

1 December

Participated in Multifinance Day 2017 organized by APPI at Botani Square Mall, Bogor, West Java.

11 December

- Inauguration of the 2nd branch office of BFI Finance in Bandar Lampung, Lampung.
- Inauguration of the branch office of BFI Finance in North Luwu, South Sulawesi.

14 December

BFI Finance received the 'Top 5 Best Multifinance Companies 2017' award for >Rp5 Trillion Asset Category at 'APPI Appreciation and Member Gathering 2017' in Jakarta.

16 December

- Inauguration of the 3rd branch office of BFI Finance in Semarang, Central Java
- Inauguration of the 3rd branch office of BFI Finance in Palembang, South Sumatera

18 December

Signing of Rp400 billion Term Loan Facility Agreement with Bank Permata in Jakarta

AWARDS AND ACHIEVEMENTS

2017



01

Platinum Award in 'Indonesia CSR Award 2017' for Public Multifinance Company Category by *Economic Review* magazine, held on 24 February 2017 at Balai Kartini, South Jakarta

02

'Indonesia Most Innovative Business Award 2017' for the Multifinance Category by *Economic Review* magazine, held on 24 February 2017 at Pullman Jakarta Indonesia Thamrin CBD Hotel

03

TOP CSR 2017 for the Special Category of SDGs Poor & Dropouts Children Empowerment and TOP Leader on CSR Commitment for Mr. Francis Lay Sioe Ho (President Director & CEO of BFI Finance) by *BusinessNews Indonesia* magazine, held on 5 April 2017 at Balai Kartini, South Jakarta

04

First Prize in 'The IICD CG Appreciation' in the Best Overall Category and the Top 50 Public Companies with Middle Market Capitalization and the Best GCG Practices (Top 50 MidCap PLCs) by the Indonesian Institute for Corporate Directorship (IICD), held on 17 April 2017 at Pullman Jakarta Indonesia Thamrin CBD Hotel

05

'Indonesia Most Admired Companies (IMACO) Award 2017' for the Multifinance Category by *Warta Ekonomi* magazine, held on 19 May 2017 at Pullman Jakarta Indonesia Thamrin CBD Hotel

06

HR Asia Awards Indonesia 'Best Companies to Work for in Asia 2017' by HR Asia, held on 19 May 2017 at JW Marriott Hotel, South Jakarta

07

Indonesia's Top 100 Most Valuable Brands 2017 by Brand Finance and SWA magazine, held on 24 May 2017 at Shangri-La Hotel, Jakarta

08

Corporate Image Award 2017 'The Best in Building and Managing Corporate Image' for the Heavy Equipment Leasing category by Frontier Consulting Group in collaboration with *TEMPO* magazine based on Indonesia's Most Admired Companies (IMAC) 2017 survey results, held on 9 June 2017 at Hotel Mulia Senayan, Jakarta

09

'Indonesia Digital Innovation Award 2017' for the Multifinance Category by *Warta Ekonomi* magazine, held on 16 June 2017 at Pullman Jakarta Indonesia Thamrin CBD Hotel

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10

Best Multifinance Company for the Large Multifinance Company category (assets above Rp10 trillion) in 'Bisnis Indonesia Financial Award 2017' (BIFA 2017) by Bisnis Indonesia Daily, held on 28 August 2017 at Raffles Jakarta Hotel

11

Marketing Award 2017 for 'The Best Innovation in Marketing' category by *MARKETING* magazine, held on 13 September 2017 at Hotel Mulia Senayan, Jakarta

12

Infobank Multifinance Awards 2017 as the Multifinance Company with Excellent Financial Performance in 2016 and ranked Number One for the category of 'Multifinance Companies with Assets of Rp10 trillion and above' by *Infobank* magazine, held on 14 September 2017 at Hotel AYANA Midplaza Jakarta

13

Platinum Trophy for Multifinance Company with Excellent Financial Performance in Ten Years Consecutively (2007-2016) by *Infobank* magazine, held on 14 September 2017 at Hotel AYANA Midplaza Jakarta

14

'Best of the Best Awards 2017' ranked 29th of the Top 50 Best Performing Listed Companies in Indonesia from *Forbes Indonesia* magazine, held on 19 October 2017 at Shangri-La Hotel, Jakarta

15

'Indonesia GCG Award-III-2017' ranked *Gold* by *Economic Review* magazine, held on 26 October 2017 at Hotel Crowne Plaza Jakarta

16

'Indonesia Multifinance Consumer Choice Award 2017' as the Multifinance Company with Outstanding Performance for the Category of Assets above Rp10 Trillion by *Warta Ekonomi* magazine, held on 31 October 2017 at Balai Kartini, South Jakarta

17

Nomination for Mr. Francis Lay Sioe Ho, President Director and CEO of BFI Finance, as the 'Industry Marketing Champion 2017 for the Multifinance Sector' in Marketeer of the Year Award 2017 from MarkPlus, Inc., held on 7 December 2017 at The Ritz-Carlton Jakarta, Pacific Place

18

'The Best Five Multifinance Companies in 2017' for the category of assets above Rp5 trillion by APPI, held on 14 December 2017 at The Westin Jakarta

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2016



Nominated for the “Sustainable Finance Award (SFA) 2016” in the Category of Non-Bank Financial Industry (IKNB) – Other Financial Service Institution by OJK.

2015



Indonesia Human Capital Study (IHCS) Award 2015 by Dunamis Human Capital and *BusinessNews* Indonesia magazine in the category of Appreciation of Human Capital Management System Improvement.

- Lifetime Achievement in Multifinance Industry 2015 for Mr. Francis Lay Sioe Ho, President Director of BFI Finance, by Indonesian Financial Services Association (APPI/IFSA).
- Market Conduct 2015 as the Financial Services Company that Have Implemented the Principles of Consumer Protection in Financial Services Sector based on 2015 Self Assessment by Otoritas Jasa Keuangan (OJK).
- Indonesia Human Capital Study (IHCS) 2016 for the category of The Best Human Capital Initiatives (The Best Recruitment System Initiative) by Dunamis Human Capital and *BusinessNews Indonesia* magazine.
- Appreciation to Mr. Francis Lay Sioe Ho, President Director and CEO of BFI Finance, as one of the Finalists of “CNBC 15th Asia Business Leaders Awards (ABLA) 2016” from CNBC Asia.
- Infobank Digital Brand Awards 2016 by *Infobank* magazine based on survey results by Infobank and Isentia Research during 2015.
- Indonesia’s Top 100 Most Valuable Brands 2016 by Brand Finance and *SWA* magazine.
- 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 Indonesia’s Most Admired Companies (IMAC) 2015 survey results.
- Infobank Multifinance Awards 2015 as the Multifinance Company with Excellent Financial Performance in 2014 and ranked Top Ten of The Best Multifinance Companies by *Infobank* magazine.
- Golden Trophy for Multifinance Company with Excellent Financial Performance in Five Years Consecutively (2010-2014) by *Infobank* magazine.

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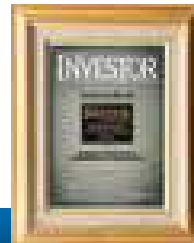
2014

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 Indonesia’s Most Admired Companies (IMAC) 2014 survey results.



2013

The 2013 *Tokoh Finansial Indonesia* (Indonesia’s Financial Figure) by *Investor* magazine presented to Mr. Francis Lay Sioe Ho, President Director of BFI Finance, nominated as the “Top Executive of Multifinance Company”.



- “Maju Berkat Kredit” by the Indonesian Financial Services Association (APPI/IFSA) based on the Company’s performance in assisting its customers to achieve success due to the financing facility from BFI Finance.
- Infobank Multifinance Awards 2014 as the Multifinance Company with Excellent Financial Performance in 2013 and ranked Top Ten of The Best Multifinance Companies by *Infobank* magazine.
- Golden Trophy for Multifinance Company with Excellent Financial Performance in Five Years Consecutively (2009-2013) by *Infobank* magazine.
- “Investor Awards Best Listed Companies 2014” by *Investor* magazine as one of the Best Issuers listed on IDX for the full-year performance in 2013 until the first quarter of 2014.
- “The Best Five Multifinance Companies in 2014” by the Indonesian Financial Services Association (APPI/IFSA) for the category of assets above Rp5 trillion.
- 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 Indonesia’s Most Admired Companies (IMAC) 2013 survey results.
- Infobank Multifinance Awards 2013 as the Multifinance Company with Excellent Financial Performance in 2012 and ranked Top Ten of The Best Multifinance Companies by *Infobank* magazine.
- Golden Trophy for Multifinance Company with Excellent Financial Performance in Five Years Consecutively (2008-2012) by *Infobank* magazine.
- 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”.

BOARD OF COMMISSIONERS' REPORT

ESTEEMED SHAREHOLDERS AND STAKEHOLDERS,

On behalf of the BOC, I convey gratitude for the remarkable achievement of BFI Finance in 2017. Our achievements in such a challenging year for the multifinance industry demonstrate the excellence of a disciplined strategy implementation by the BOD and the management, along with the support from the stakeholders.

Aligned with our strategic theme for 2017 'Grow Leads, Create Value', the BOC believes that there are many opportunities in the future to develop innovative products. These will result in maximum added value for all stakeholders, especially through the enhancement of IT and financing product diversification in order to expand our market. High quality human capital plays a crucial role for the success of BFI Finance. Therefore, the quality improvement of our human

capital shall create a prospective future for a sustainable financing business and enhance the work culture in BFI Finance's environment.

2017 ECONOMY AND INDUSTRY OVERVIEW

The global economy in 2017 grew at a rate of 3.0%, higher than 2.4% in 2016. Economic growth in Asia Pacific was relatively more stable compared to 2016, with China as the major driving force. Indonesia's economy was in a relatively good shape, although the growth of about 5.1% in 2017 had failed to be as impressive as many had expected. Inflation was maintained at 3.6% and the rupiah's exchange rate was fairly stable throughout 2017. Indonesia's sovereign credit rating was upgraded to investment grade ('BBB-') by Standard & Poor's, reaffirming the investment rating upgrade made earlier by Fitch Ratings and Moody's.

Indonesia's economic growth in 2017 was bolstered by the rise of commodities' prices, i.e. coal and palm oil, contributing to the increase of non-oil and gas export value. On the other hand, household consumption, which experienced a modest growth, and the single-digit growth in bank lending, failed to invigorate the public's purchasing power. Meanwhile, the multifinance industry managed to grow by 7.1% in 2017, showing a significant recovery after having experienced a contraction in 2016.

As a multifinance company targeting mainly individual consumers and SMEs, the economic turbulence on the global level did not significantly affect BFI Finance's activities. In contrast, the Company's business grew rapidly through market expansion, product focus, systems enhancement, and improvement of service to customers and business partners.

KUSMAYANTO KADIMAN:

“The quality improvement of our human capital shall create a prospective future for a sustainable financing business and enhance the work culture in BFI Finance’s environment”

The BOC believes that throughout 2017 BFI Finance managed to expand its business by wider customer reach, development of better product offerings, new booking, outlet expansion, and the utilization of IT. In addition, BFI Finance will continue to provide financing in target sectors per the Company’s strategy.

The BOC recognizes that the utilization of technology in this business is one of the more challenging areas currently faced by BFI Finance. The BOC hopes that the optimization of technology in BFI Finance will reach a wider market to encourage faster business growth, along with improved risk management practices. Prudent and disciplined implementation of IT shall optimize efficiency of credit transaction origination costs, as well as maintain stable NPF.

In order to maintain competitiveness and excellence, while developing our business strategy for the medium term, BFI Finance engaged a leading strategy consultant to formulate the Company’s strategy and focus. The achievements in 2017 were in part due the successful implementation of this strategy. We expect that such a continuous development will bolster the Company in 2018 to continue to grow above the industry’s growth, and to outperform its competitors.



BOD'S PERFORMANCE ASSESSMENT

The BOC recognizes the performance of the BOD and all employees of BFI Finance in successfully establishing business policies and strategy that ensured business growth continuity, and in consistently outperforming the industry. This was demonstrated by, amongst others, the growth of Total Managed Receivables recorded by BFI Finance in 2017, which was up by 22.3% compared to industry average growth of 7.1%. This success was also reflected in a number of awards for BFI Finance as the best multifinance company in financial management and performance category, among others *Bisnis Indonesia's Best Multifinance Company 2017*, *Warta Ekonomi's Multifinance Company with Outstanding Performance*, *Infobank's Platinum Trophy for Multifinance Company with Excellent Financial Performance in Ten Years Consecutively (2007–2016)*, and *APPI's Best Five Multifinance Companies in 2017*. BFI Finance's success in developing its business was also reflected in its expanding market share in the multifinance industry by end of 2017.

Not only recording a robust financial performance, BFI Finance has also made great strides in the aspect of CSR and GCG implementation. The Company's CSR efforts were acknowledged with the receipt of the *Platinum Award for Publicly Listed Multifinance Companies*



at the *Indonesia CSR Award 2017*, from *Economic Review*. And it is a great honor for us that in 2017 the *Indonesian Institute for Corporate Directorship (IICD)* bestowed the Company with the *IICD CG Appreciation as the First in Best Overall Category and the Top 50 Public Companies with Middle Market Capitalization and the Best GCG Practices*, recognizing the Company's resolve in the continuous improvement of corporate governance.

The BOC values highly the BOD and the management's transparency in reporting on the strategy and follow up of the BOC counsel through monthly joint meetings of the BOD and the BOC. Therefore, in no instance did the BOD and the BOC fail to exercise control over issues that could potentially adversely affect business performance, credibility, or stability of the Company.



1. **Kusmayanto Kadiman**
President Commissioner
2. **Alfonso Napitupulu**
Commissioner (Independent)
3. **Emmy Yuhassarie**
Commissioner (Independent)
4. **Johanes Sutrisno**
Commissioner (Independent)
5. **Cornellius Henry Kho**
Commissioner
6. **Dominic John Picone**
Commissioner
7. **Sunanta Tjiterosampurno**
Commissioner

The level of compliance of the BOD with the company regulations and government regulations in business has also been exemplary. Success in maintaining such strict compliance was reflected through the award that BFI Finance received as the best company in terms of GCG implementation. Furthermore, throughout 2017, BFI Finance did not receive any reprimand from the government, OJK, or IDX.

GCG IMPLEMENTATION

The BOC emphasizes the implementation of GCG principles in every aspect of the Company's business. Based on our consideration, the management has operationally managed the Company in accordance with GCG principles in order to ensure business sustainability. We are aware that there remain certain aspects that can yet be improved in this area.

Therefore, together with the BOD, we are committed to continuing the effort in 2018.

The BOC has reviewed the BOD's adherence to its tasks and responsibilities as stipulated in the Articles of Association and the prevailing regulations, and saw that the management has fulfilled their

The BOC appreciates the performance of the BOD and all employees of BFI Finance in successfully establishing business policies and strategy that ensured business growth continuity, and in consistently outperforming the industry

tasks and responsibilities in 2017. The BOC has been focusing on supervising business continuity, and has not been involved at all in the Company's management, as it is the remit of the BOD. Over the time, the BOC has provided assistance to the BOD in maintaining good rapport with external parties. In 2017, the Independent Commissioners managed to carry out the mandate and duties given, i.e. to represent minority and external interests, so at every GMS there has been no issue nor complaint from the shareholders regarding any losses that must be borne by the shareholders or other external parties.

PERFORMANCE OF COMMITTEES UNDER THE BOARD OF COMMISSIONERS IN 2017

In carrying out the supervisory function on the business activities, the BOC is assisted by three committees, namely Audit Committee, Risk Management Committee, and Nomination and Remuneration Committee. Based on the BOC's appraisal, all three committees have performed their function and duties accordingly, especially in the supervision and submission of recommendations to the BOC to help with decision-making.

Audit Committee

In 2017, the Audit Committee conducted quarterly meetings with the BOD and Internal Control Division in order to perform its function of ensuring internal supervision. In addition, the Audit Committee also reviewed and discussed the Company's financial statements and ensured compliance with the relevant financial regulations, as well as the conduct of the Company's business. In relation to the external auditor, aside from appraising the external auditor's performance, the Audit Committee supervised the implementation of audit standards and the preparation of the Company's financial statements in accordance with the applicable accounting standards.

Risk Management Committee

In 2017, the Risk Management Committee conducted quarterly meetings with the BOD to ensure that the monitoring of various risks faced by the Company as stipulated by OJK had been properly conducted. Furthermore, the Risk Management Committee carried out an evaluation to ensure that all risks were properly mapped and managed, so that the management was able to thoroughly anticipate all the risks involved in the Company's business activities.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee conducted meetings with the BOD once every semester, or at any time when deemed necessary. The meeting results were then reported to the BOC to aid the decision-making process. The Nomination and Remuneration Committee had established procedures related to the appointment of the BOD and BOC, provided recommendations to the BOC related to the changes in the composition of the BOD and BOC, as well as members of the Committee. The Nomination and Remuneration Committee also reviewed the amount of remuneration for members of the BOD, the BOC, and the Committees, and advised the BOC accordingly.

VIEW ON BUSINESS PROSPECTS IN 2018

As mandated by our shareholders, the BOC continues to represent the interests of the shareholders, who expect that BFI Finance continues to grow and generate ample returns, as well as to enhance its value for all stakeholders. In facing the challenges and business opportunities in 2018,

the BOC has evaluated the plans and strategies conceptualized by the BOD. We support the direction of policies prepared by the BOD, and advocate a continuous implementation of effective risk management.

One of the Company's business development plans in 2018 is sharia financing business. In that regard, the obligations required by OJK have been fully met. The BOC is confident and wholly supportive of this plan, taking into consideration the promising prospect in the sharia financing market.

CHANGES IN THE COMPOSITION OF THE BOARD OF COMMISSIONERS

In this special opportunity, we welcome Cornellius Henry Kho, who has joined the BOC since mid-April 2017, after having served as member of the Company's BOD. We are certain that his contribution will contribute to the optimal performance of other BOC' members in carrying out the supervisory and advisory functions on BFI Finance's business.

APPRECIATION AND CLOSING

In conclusion, the BOC conveys its gratitude and highest appreciation to the BOD, the management, and all employees who have given their utmost to record an outstanding performance in 2017. Our sincere appreciation goes to all shareholders, customers, the government, and the surrounding communities in BFI Finance's business environment for, their unending support to the Company's business. We are confident that with its 2017 achievements, BFI Finance now enjoys a robust financial position and retains an enormous potential to continue developing its services for the public, and to address the challenges of the global and national economy in the coming years. May BFI Finance foster ever more meaningful relationships with every stakeholder, and perform even better in 2018.

On behalf of the BOC of PT BFI Finance Indonesia Tbk,



Kusmayanto Kadiman
President Commissioner

BOARD OF DIRECTORS' REPORT

DEAR STAKEHOLDERS AND SHAREHOLDERS,

We are pleased to present to you our performance report for the 2017. This report will showcase our financial performance as well as key initiatives and developments the Company implemented throughout this financial year. For BFI Finance, 2017 was significantly a rewarding year as we managed to grow our balance sheet amidst concerns of slow household consumption as well as lackluster car sales.

We continued to invest in our people, in innovation, and expand our market opportunities and all the while maintaining our commitment to shareholder return, where we saw a robust 51.9% growth in EPS during the year. We maintained our 'AA-(idn)' rating by Fitch Ratings Indonesia, an affirmation of our efforts to build a solid and robust business model.

We booked an increase in total assets by 32.1% and in managed receivables by 22.3%, reaching Rp16,483 billion and Rp15,936 billion, respectively, by end of 2017. New financing in 2017 amounted to Rp14,341 billion. As a result of a disciplined implementation of our strategy for operational and financial excellence, our net profit for 2017 grew

to Rp1,188 billion, an increase of 48.9% compared with the previous year's performance. This came with another satisfactory outcome—despite the strong increase in financing receivables, our overall asset quality, as measured by NPF ratio, well maintained below 1%, with only a slight increase to 0.95% from 0.91% in the previous year.

We are grateful for the confidence placed in us by our bankers, investors, bondholders, and other business partners as we successfully issued Rp1.8 trillion of bonds during the year and procured various loan agreements with domestic and international banks, worth a total of Rp6.8 trillion in 2017. Our share price, meanwhile, soared by 94% during the year, closing at Rp680/share at year end.

This 2017 Annual Report marks the second year that we are issuing an integrated Annual and Sustainability Report, combining both our financial and non-financial performance. Our team at BFI Finance aims to operate as a sustainable and socially responsible business that not only caters to the needs of our customers, employees, and business network, but also to the development of surrounding communities and environmental stewardship.

Through 'Grow Leads, Create Value', our strategic theme for 2017, our team aimed to expand our market share by continuously developing and nurturing leads to tap into a broader market using both traditional and digital methods. This theme continues as an extension of the Golden Bamboo project implemented in the previous year, where we honed our operational capabilities to provide better infrastructure for lead generation and management. We focused reviewing and improving our strategies for and the management of our agency network and other distribution channels, our messaging and brand image for both online and offline, as well as exploring new origination channels, including partnerships with several e-commerce businesses.

ECONOMIC AND INDUSTRY REVIEW

The Indonesian economy in 2017 showed improvement on several counts. GDP growth was recorded at 5.1%, a slight increase from last year's growth of 5.0%. Inflation, at 3.6%, remained within Bank Indonesia's target of 3–5%, and the average exchange rate of rupiah to the USD in 2017, Rp13,384/USD,

FRANCIS LAY SIOE HO:

“Through ‘Grow Leads, Create Value’, our strategic theme for 2017, our team aimed to expand our market share by continuously developing and nurturing leads to tap into a broader market using both traditional and digital methods”

was in line with the government’s target of Rp13,400/USD. Furthermore, enactment of more growth-oriented economic and fiscal management policies by the government successfully stimulated the investment climate in Indonesia. To support improvement in banking intermediation and accelerate the ongoing domestic economic recovery, Bank Indonesia cut its 7-day (reverse) repo rate twice or 0.50% in 2017, to 4.25%. However, we believe these measures will take some time before their effects become fully palpable, as evidenced in subdued domestic consumption and credit growth. A pick-up in the coming year is expected as we see greater consumer confidence, and more stable macroeconomic indicators should set the stage for higher confidence amongst corporations as well.



In line with the slower bank loans growth in Indonesia, the multifinance industry only grew by a mere 7.1% in 2017. Total receivables increased to Rp414.8 trillion in December 2017, from Rp387.5 trillion at end of 2016. Industry NPF at the end of December 2017 was 2.96%, an improvement from the 3.26% recorded at end of 2016.

Lower-than-expected growth of the domestic economy weighed down on the public's purchasing power. Growth in sales of new cars and motorcycles in 2017 was subdued, with a 1.6% growth in car sales and 0.8% drop in motorcycle sales. Car sales is a key indicator of economic health, given the country's low per capita car ownership. However, with government policies in place to further boost consumption, we hope to see this improve in the coming year.

2017 FINANCIAL PERFORMANCE

Despite a subdued economic condition, BFI managed to produce financial results that reflect the dynamism and robustness of our business. Total Receivables grew by 22.3%, beating industry growth of 7.1%. This was driven by 33.5% growth in New Financing to Rp14,341 billion, driven mainly by Used Car Financing that climbed 30.1% to Rp10,155 billion. We are consistent in our strategy over the years to focus mainly on Used Cars, particularly in the financing of used cars as collateral. Other strong growth products include our Used Motorcycle Financing and Heavy Equipment Financing, which grew by 55.9% to Rp1,877 billion, and 42.9% to Rp1,695 billion, respectively. Heavy Equipment Financing grew thanks to the improvement in commodities prices and activities, whilst Used Car



and Motorcycle Financing were mostly driven, amongst others, by our growing distribution footprint and deeper market penetration.

This culminated in stronger-than-expected 2017 Total Revenue and Net Profit of Rp4,042 billion and Rp1,188 billion, respectively, representing top-line and bottom-line growth of 25.3% and 48.9%. Our bottom-line achievement is a result of several factors: the successful shift to a higher yield product, savings in financing cost due to better credit rating and lower interest rate environment, improvements in cost of credit,

and better overall operational cost management. Whilst origination and lead generation is a key enabler, the understanding of risk is the heart of our business. It is therefore not surprising that our strategic focus over the years have keenly been on these two areas, and shall remain so. NPF remained low at 0.95% in spite of strong origination growth, as we continue to strive to hone our risk management capabilities both on underwriting and collection.

These results confirm our ongoing commitment to enhancing shareholder value, with ROAA of 10.3%, amongst the highest in the industry, and ROAE of 25.9%.



1. **Andrew Adjiwanto**
Operations and Human Capital Director
2. **Sudjono**
Finance Director
3. **Francis Lay Sioe Ho**
President Director
4. **Sutadi**
Business Director
5. **Sigit Hendra Gunawan**
Enterprise Risk Director (Independent)

2017 OPERATIONAL PERFORMANCE

With 342 outlets and a workforce of 9,884 personnel, we have one of the widest coverage in the country, and with size, we are challenged with an increasingly complex and diverse organization. Coupled with competition in a highly fragmented industry, operational excellence remains a crucial element in our business. A majority of our outlets, about 54% Java and Bali, 18% in Sumatera, 9% in Kalimantan, and 19% in Eastern Indonesia. We

added 37 outlets in 2017, basing our criteria on population density, pace of business development, availability of transportation facilities, and the noticeable presence of tourism, agricultural, and construction industries.

Other than branch expansion, data management remains central to our operational improvement initiatives. Improvement in operational data warehousing and management is key to understanding and shaping our collaborations with business partners,

such as dealers, agents, and other partners. We spent a large part of the year looking into better agency management and striving to improve conversion rates, culminating in a more disciplined and effective approach to managing our agents. We have, over the years, established strong business relationships with new and used car dealers. As a result, more than 6,000 agents throughout Indonesia have been registered as active partners with BFI Finance by end of 2017.

“It is worth noting that while we recorded rapid growth, with a 33.5% growth in bookings and 32.1% growth in assets, in 2017, we managed to maintain NPF at 0.95%, below the industry average of 2.96%.”

We have also started digital marketing to enhance the penetration of our products in the market. In this regard, we optimized our target market strategy to include digital campaigns, social media involvement, and profiling activities based on the demographic composition of the population. At the same time, we continue to focus on Small and Medium Enterprises (SME) to widen our customer base as well as support the government’s effort to empower this sector. We have done this since 2016 by selectively targeting low-to middle-income players in the creative industry.

As a form of value-added service, and a gesture of appreciation, to our customers, we unveiled new customer loyalty programs as we kept our popular customer relationship activities running, chief of which being the UBER MILYARAN sweepstakes, held in every quarter. The UBER MILYARAN program has proven to be a major booster to BFI Finance’s growth in new financing.

GCG

All our business endeavours have always been underpinned by our committed implementation of GCG principles and best practices in the industry. We hold ourselves to a high standard in terms of prudent management and governance, for we realize that by paying attention to the aspects of governance, our business continuity in the long run can be ensured.

Thus, in 2017 we further improved our governance functions, and formulated new policies and standard operating procedures to keep abreast with the latest developments in the industry. We have a sound internal control system in place, supported by a whistleblowing system managed by the Internal Audit Department, to continually ensure that our business practices have always been compliant with the regulations.

RISK MANAGEMENT

It is worth noting that while we recorded rapid growth, with a 33.5% growth in bookings and 32.1% growth in assets, in 2017, we managed to maintain NPF at 0.95%, below the industry average of 2.96%. Significant achievements in risk management in 2017 include the improvement of quality of financing with the utilization of Credit Bureau and the development of a more objective and tested Probability of Default method (Credit Scoring) as well as the improvement of the quality of billing by developing more effective and efficient infrastructure.

Our current rating of ‘AA-(idn)’ from Fitch Ratings Indonesia is testament to our financial performance and robust balance sheet in the midst of slower than expected economic recovery. We demonstrate this in the improvement of our profitability ratios and capitalization. Our rating also reflects the strong stand-alone profile of BFI Finance as one of the largest independent finance companies in Indonesia.

HUMAN CAPITAL

Our people are important to us. We value each and every employee's contribution to our Company and are committed to developing them further through education and training. In 2017, we continued to focus on reorganizing, strategizing, utilizing knowledge management, and establishing organizational learning infrastructure. This was done through several initiatives, including co-operation with both local and foreign universities for the development of employee-level managerial courses, setting up Learning Centers in branches, as well as re-engineering of core and non-core processes for optimum productivity. We also honed our information management capabilities through the development of additional modules in our Human Capital Information System to better manage remuneration, job applications, training, as well as performance management.

SUSTAINABILITY AND CSR

BFI Finance's CSR activities has been focused on providing educational assistance. In 2017, the Company's CSR education programs were directed on cultivating entrepreneurship. This is in line with the Company's 3P concept of Profit, People, and Planet. Through educational assistance, BFI Finance persists in improving human resources quality which will prove to be valuable in the future, for the long term. This came in the form of scholarships given

by BFI Finance to the underprivileged. In addition, the Company also carried out a number of go-green activities as the manifestation of our focus on the planet. Such activities included mangrove planting and waste management programs.

2018 BUSINESS OUTLOOK AND STRATEGIC PLANS

With society becoming increasingly economically empowered, with better education, improved livelihoods, and strong support from the government through its infrastructure-driven programs, domestic consumption is set to pick up in the coming years. We are aware of this steady trend and believe that we are best positioned to benefit from this, especially with the government's push for multipurpose financing which is in line with our business strategy. We continue to address the issue of our core competence, how to continue to strengthen this through technology and better execution. Visioning what kind of company will BFI Finance be in the future becomes more critical now as we deploy resources and energy towards those goals.

We continue to work together with proven consultants in IT, Human Capital, and Strategic Management. We realize that over the near future transformation in parts of the business by adopting technology is a must, therefore, spending increasing resources to scale up our IT capabilities is of primary importance.

BFI Finance will also be targeting to continue with our network expansion as we maintain our focus on collateral-based financing, a business that has proven to be robust and profitable over the years.

CLOSING AND ACKNOWLEDGMENTS

I would like to use this opportunity to welcome Andrew Adiwijanto as our new Operations & Human Capital Director. We believe that Andrew's roles and contribution to the BOD will bring positive impact on the Company, especially in enhancing operational performance.

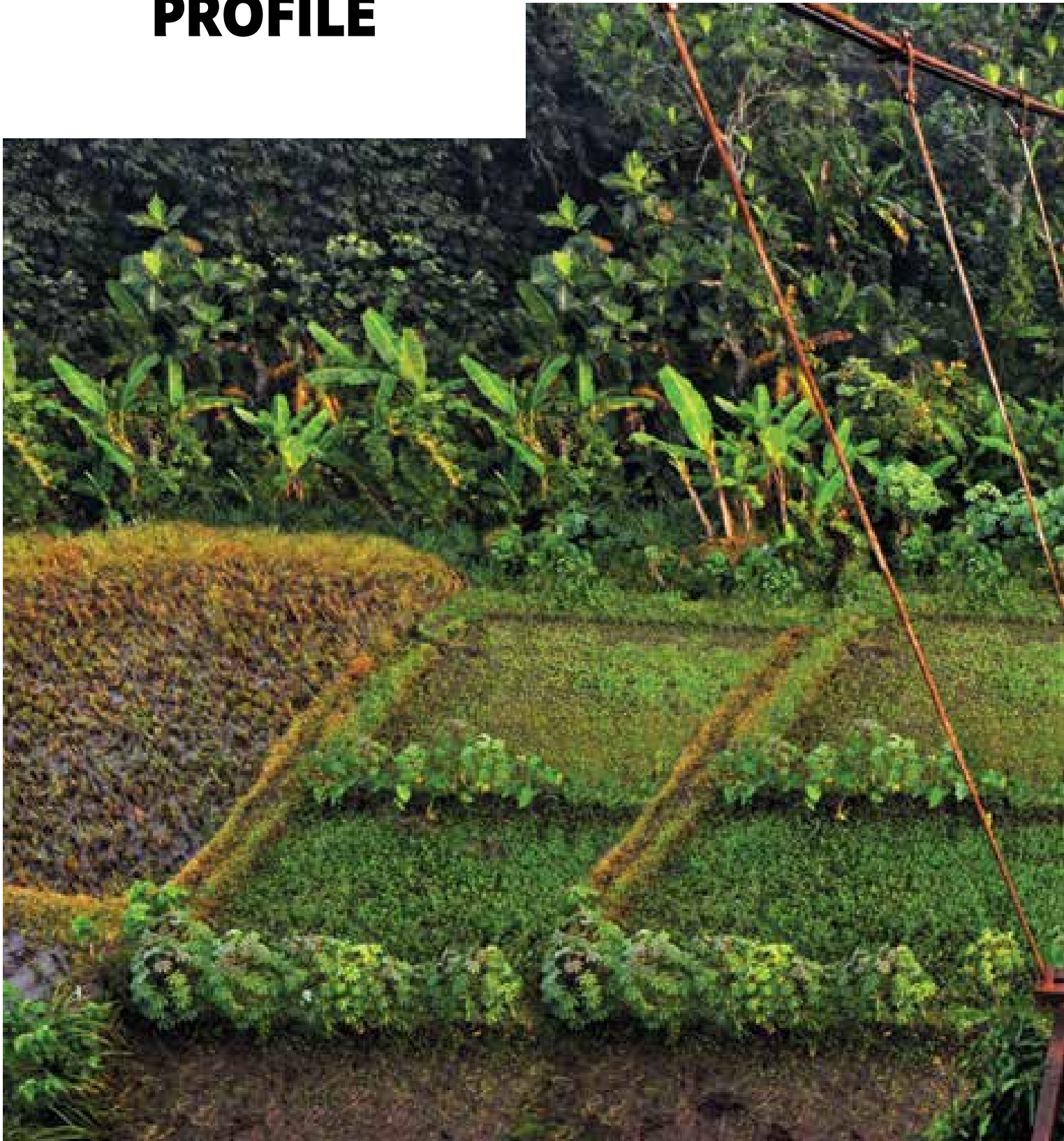
The BOD would like to convey its gratitude and appreciation to the Board Commissioners for their supervision and partnership throughout 2017 and to all shareholders, customers, the government, and the surrounding community of BFI Finance's operational areas, for their trust and tireless support. And finally, we hold in high regard all employees for their hard work, commitment, and dedication to BFI Finance. We hope that the exceptional progress the Company has attained in 2017 will continue.

On behalf of the BOD of PT BFI Finance Indonesia Tbk,



Francis Lay Sioe Ho
President Director

COMPANY PROFILE





COMPANY IDENTITY



COMPANY NAME

PT BFI Finance Indonesia Tbk
(abbreviated as 'BFI Finance')

DOMICILE

South Tangerang, Banten Province, 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 Finance shares listed and traded on the IDX.

DATE OF SHARE REGISTRATION

16 May 1990

SHARE TICKER SYMBOL

BFIN

AUTHORIZED CAPITAL

Rp500 billion

ISSUED AND FULLY PAID-UP CAPITAL

Rp399,2 billion

OWNERSHIP

- Trinugraha Capital & Co SCA: 42.80%
 - NT Asian Discovery Fund: 8.18%
 - PT BFI Finance Indonesia Tbk*: 6.28%
 - Public/Others (each below 5%): 42.74%
- *Result of the Company's stock buyback program in line with the resolution of the EGMS on 15 April 2015

MEMBERSHIPS IN ASSOCIATIONS

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

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 bffinance

PT BFI Finance Indonesia Tbk

bffinance

MAIN BUSINESS ACTIVITIES

Investment Financing, Working Capital Financing, Multipurpose Financing



342

Total Outlets

218 branches | 124 kiosks



9,884

Total Employees

CONTACT US

HEAD OFFICE

PT BFI Finance Indonesia Tbk

BFI Tower
Sunburst CBD Lot 1.2
Jl. Kapt. Soebijanto Djojohadikusumo
BSD City – South Tangerang 15322
Indonesia

Phone:
(62-21) 2965 0300, 2965 0500

Facsimile:
(62-21) 2966 0757, 2966 0758

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COMPANY VISION AND MISSION

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

The Company's Vision and Mission have been reviewed comprehensively to keep them up to date with the Company's dynamic business development. The BOC and the BOD have approved this new Vision and Mission to be the Company's objective of its business activities.

CORE VALUES AND CORPORATE CULTURE

BFI Finance upholds a set of core values that are enforced as the Corporate Culture and summarized into the acronym 'GREAT'. In line with the Company's Vision and Mission, BFI has defined these values and the key characters to be implemented by all GREAT People consistently. The GREAT values adopted by BFI Finance consist of:

G

1. Grow And Improve Continuously

Definition: All employees shall continue to improve themselves as a contribution to the Company.

This value is adapted into three Main Behaviors, which will be the basis of conducting the Company's business and organization, as follows:



Studious

We are continuously active in searching for knowledge to consistently step up our performance.



Innovative

We focus on our continuous efforts to improve work processes.



Proactive

We grow into better persons and take on active roles in bringing the Company onward and upward.

R

2. Respect And Care

Definition: All employees shall cultivate mutual respect and care to maintain a positive work environment.

This value is adapted into three Main Behaviors, which will be the basis of conducting the Company's business and organization, as follows:



Respectful

We show mutual respect to both internal and external customers.



Positive Solutions

We give positive solutions to answer the needs of internal and external customers.



Caring

We take on active roles in improving society's life quality.

E

3. Excellent Service

Definition: All employees shall give the best service to ensure internal and external customers' satisfaction.

This value is adapted into three Main Behaviors, which will be the basis of conducting the Company's business and organization, as follows:



Positive Attitude

We are always friendly and polite in providing our services.

Responsive



We provide fast, precise, responsive, and accurate responses.

Professional



We ensure internal and external customers' satisfaction which complies with the Company's service standards.



GREAT
We're Proud of It

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A

4. Absolute Integrity

Definition: All employees shall always keep their integrity in every action to maintain professional reputation of themselves and the Company's.

This value is adapted into three Main Behaviors, which will be the basis of conducting the Company's business and organization, as follows:



Honest

Our actions are based upon honesty.



Consistent

We ensure our words match our actions.



Compliant

We act in accordance with the Company's regulations as well as the norms and ethics upheld by society.

T

5. Trust And Team Spirit

Definition: All employees shall have a spirit of cooperation and mutual trust to achieve mutual goals.

This value is adapted into three Main Behaviors, which will be the basis of conducting the Company's business and organization, as follows:



Communicative

We always communicate well and trust each other in conducting our work.



Cooperative

We establish excellent cooperation with all parties.



Synergistic

We maintain the spirit of cooperation and support each other.

The Core Values underlying the Corporate Culture have been reviewed comprehensively to keep them up to date with the Company's dynamic business development. The BOC and the BOD have approved the Core Values and Corporate Culture to be the key guidelines for all employees in achieving the Company's objectives of its business activities.

The Corporate Culture is disseminated, internalized, and continuously implemented at all levels of the Company.

For dissemination and internalization, BFI Finance trusts the heads of both head office and branches as role models in ensuring the success of the dissemination, internalization, and implementation of those values.

In 2017, dissemination and internalization of the Corporate Culture were done in several phases, starting from the top level (Director level) to staff level.

To ensure that the Corporate Culture and the 15 Main Behaviors are always implemented by all GREAT People in BFI Finance's work environment, regular monitoring and evaluation are carried out through these programs: Morning Session GREAT Day, Culture Sharing, GREAT Course, GREAT Journal, GREAT Forum on November 2017, GREAT Index on end of 2017, and GREAT Festive that is planned for 2018.

Table 7: Dissemination and Internalization of Corporate Culture

SCHEDULE	PLACE	FACILITATOR	PURPOSE	PARTICIPANT	NUMBER OF PARTICIPANT
17 April 2017	Head Office	Experd	Obtaining commitment	BOD, Department Heads, Regional Managers	52
May 2017	Head Office	BOD	Dissemination and Training for Trainers	Department Heads, Associate Department Heads, Regional Managers, Area Managers	137
June - July 2017	Head Office and Areas	Department Heads / Associate Department Heads / Regional Managers / Area Managers	Dissemination and Training for Trainers	Unit Heads, Head Office Supervisors, Branch Managers	477
August - October 2017	Head Office and Branches	Unit Heads / Head Office Supervisors / Branch Managers	Dissemination and internalization	Head Office Specialists and Staff, Branch Office Heads and Staff	9,110

BRIEF COMPANY HISTORY

ESTABLISHMENT

PT BFI Finance Indonesia Tbk ('BFI Finance' or 'the Company') is one of the pioneers in the financing sector in Indonesia. Initially established as PT Manufacturers Hanover Leasing Indonesia, a joint venture with Manufacturer Hanover Leasing Corporation from the United States, the Company was established on 7 April 1982 under the Deed No. 57 made before Kartini Muljadi, S.H., a 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. PT Manufacturers Hanover Leasing Indonesia's shareholding in the Company was 70%, while the rest was owned by Indonesian nationals.

The Company was granted the 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 PT Manufacturers Hanover Leasing Indonesia's ownership of the Company, and later changed the Company name to PT Bunas Intitama Leasing Indonesia, under the Deed made before Inge Hendarmin, S.H., a Notary in

Jakarta, dated 17 September 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.

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DEVELOPMENT

In 1990, the Company became one of the first multifinance companies to list its shares at the Jakarta Stock Exchange and Surabaya Stock Exchange (now IDX, with the share ticker symbol of BFIN. The Company's name and status was accordingly changed to PT Bunas Finance Indonesia Tbk.

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

After overcoming 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., a 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 the Decree No. KEP-038/KM.5/2006 to amend the business license previously granted to PT Bunas Finance Indonesia Tbk to the date of the approval of the Company's 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 Company's Articles of Association have been amended several times. The latest amendment to the Company's Articles of Association was made under the Deed No. 7 dated 25 October 2017, made before Hema Gunawan, S.H.M.Kn, a Notary in Tangerang, on the approval of the amendment of Article 3 by the Minister of Law and Human Rights of the Republic of Indonesia through its Decree No. AHU-0024031.AH.01.02.TAHUN 2017 dated 16 November 2017 and amendments of Article 20, Article 21, Article 23, and Article 24 that were received and recorded by the Minister of Law and Human Rights of the Republic of Indonesia as evidenced in Acceptance Letter of Deed of Amendment of Articles of Association No. AHU-AH.01.03-0191568 dated 16 November 2017. Up to the completion date of this Integrated Annual Report, the amendment has not been published on the State Gazette.

BFI FINANCE TODAY

BFI has now grown into one of the largest multifinance companies in Indonesia with the widest network and product range, supported by 9,884 employees in 218 branches and 124 kiosks all across Indonesia.

BFI shows sustainable growth trajectory and has won numerous awards, including the title of 'Multifinance Company with Excellent Financial Performance' from *InfoBank* magazine for twelve consecutive financial years (2006–2017).

As of 31 December 2017, Trinugraha Capital & Co SCA, a Luxembourg-based financial institution, became the majority shareholder of BFI Finance, with a 42.80% stake.

Since 2013, the Company's head office has been located in BFI Tower, Sunburst CBD Lot 1.2, Jl. Kapt. Soebijanto Djohadikusomo, BSD City, South Tangerang, Banten Province.

MILESTONES

1982

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

1994

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

2006

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

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 IDX) with share ticker symbol of 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's status and name was changed to PT Bunas Finance Indonesia Tbk.

2001

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

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2011

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

2016

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

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)'

2015

- Conducted stock buyback program to improve the Company's capital management

Establishment of a subsidiary, PT Finansial Integrasi Teknologi (FIT), a company that provides IT-based money borrowing and lending services. Up to the end of 2017, FIT had yet to commence operations.

2017

BUSINESS ACTIVITIES

BUSINESS ACTIVITIES

In accordance with POJK No. 29/POJK.5/2014 on Execution of Finance Companies' Businesses (POJK 29), the Company's scope of business covers the following:

- Investment Financing;
- Working Capital Financing;
- Multipurpose Financing; and
- Other business activities approved by OJK.

The scope of business of each of the above is carried out through these means:

- Finance Lease;
- Sale and Leaseback;
- Installment Financing, or also known as Consumer Financing;
- Factoring (with recourse);
- Project Financing and others.

Currently, the Company is engaged in the following business activities:

Type of Business Activities	Means of Financing				
	Finance Lease	Sale and Leaseback	Consumer Financing	Factoring	Project Financing and Others
Investment Financing	√	√	√	x	x
Working Capital Financing	x	√	x	x	x
Multipurpose Financing	√	x	√	x	x
Others	x	x	x	x	x

The Company's business scope was changed again with the approval of Amendment to the Company's Articles of Association in the Company's EGMS on 25 October 2017, notarized with the Deed No. 6 dated 25 October 2017 *juncto* Deed No. 7 dated 25 October 2017, both were made before Herna Gunawan, S.H., M.Kn., a Notary in Tangerang, that decided, among others, to change Article 3 of the Company's Articles of Associations, namely to add a financing business activity of the Company that is based on Sharia principles, which had been approved by the Minister of Law and Human Rights of the Republic of Indonesia through Letter No. AHU-0024031. AH.01.02.TAHUN 2017 dated 16 November 2017.

Therefore, the Company can carry out the following main business activities based on sharia principle:

- Buy-Sell Financing;
- Investment Financing; and/or
- Service Financing.

Up to the completion date of this Integrated Annual Report, the Company was still on the process of applying for operational permit to related agencies. Therefore, no Sharia financing operational activities have been carried out by the Company.

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BUSINESS SEGMENTS

As there have not been any specific regulations issued regarding financing classification under POJK 29, the Company's categorization of business segments still refers to the Company's activities under PMK 84, i.e. Consumer Financing and Finance Lease.

Consumer Financing

Consumer Financing includes the financing of new cars purchased via dealers, and used cars and used motorcycles purchased via dealers or sales representatives (non-dealers) of the Company.

1. Financing of New and Used Cars (via Dealers)

New and used car financing (via dealers) has been BFI's core business for more than 20 years. This product, offered in almost all branches, provides financing facilities for new and used cars purchased via dealer partners. The financing term ranges from one to up to four years, with a fixed interest rate.

2. Financing of Used Cars and Used Motorcycles (via Non-Dealers)

Non-dealer financing was first introduced in 2006 to serve the financing needs of the customers (car and motorcycle owners) directly, as well as 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 Company's target market is the low-to-middle income segment.

Finance Lease

Finance Lease business includes financial services aimed at individual and corporate customers who purchase or engage in sale and leaseback of heavy equipment, machineries, motor vehicles, and other equipment, in new or used condition. Customers of the Company's Finance Lease business generally come from the mining, trading, construction, services, agriculture, manufacturing, transportation, infrastructure, and other sectors.

PRODUCT BY ASSET TYPE

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

1. **New cars**
2. **Used cars**
3. **Used motorcycles**
4. **Heavy equipment and others, consisting of:**
 - heavy equipment
 - truck and public transportation
 - machinery
 - others
5. **Property**

Further explanation on the Company's product portfolio is presented in the Management Discussion and Analysis chapter of this Integrated Annual Report (page 119-125).



“I really feel that BFI Finance is like my own family, always ready to come up with solutions to my problems”

I am very satisfied in my partnership with BFI Finance in offering used car financing products to my customers. At first, a friend of mine introduced me to BFI Finance. As soon as I joined as a dealer, beside its competitive interest rates and quick approval process, the attractive rewards also won my heart. BFI Finance team is always enthusiastic and ready to conduct surveys even on non-working days. It is also thanks to BFI Finance that I have been able to expand my dealership. I hope that in the future BFI Finance will continue to improve its performance and further speed up the processes of serving their customers.

Fendi Irawan

Karya Usaha Motors, East Java
Used Car Dealer, Partner of BFI Finance

MAP AND OPERATIONAL NETWORK

Currently BFI Finance has 1 head office and 342 outlets to serve its consumers and customers spread across almost all provinces in Indonesia

SUMATERA

45 & 17
Branches Kiosks

KALIMANTAN

23 & 9
Branches Kiosks

GREATER JAKARTA

28 & 31
Branches Kiosks

JAVA & BALI

80 & 46
Branches Kiosks



Medan branch, North Sumatera



Tiga Raksa branch, Banten



Cirebon branch, West Java

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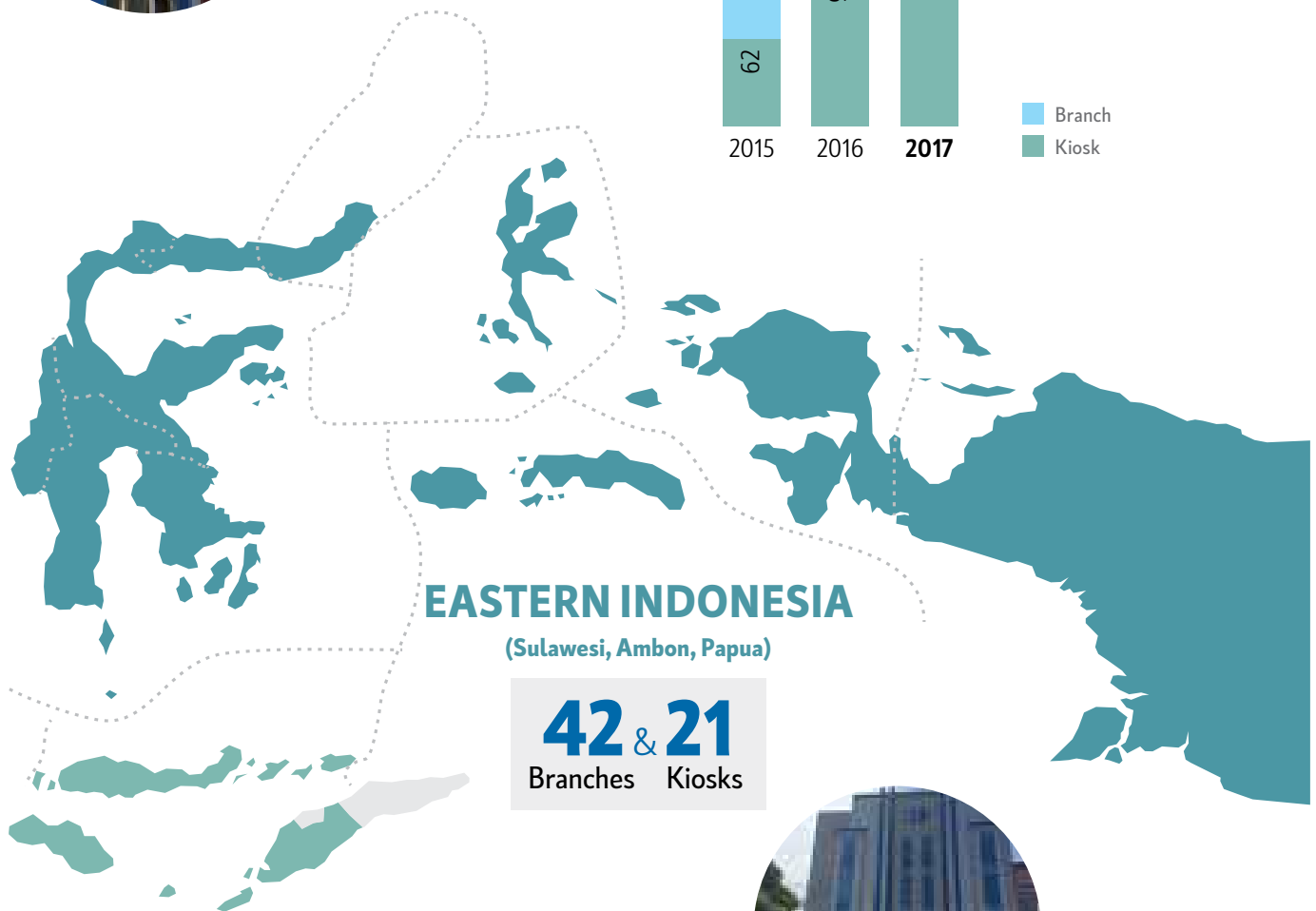
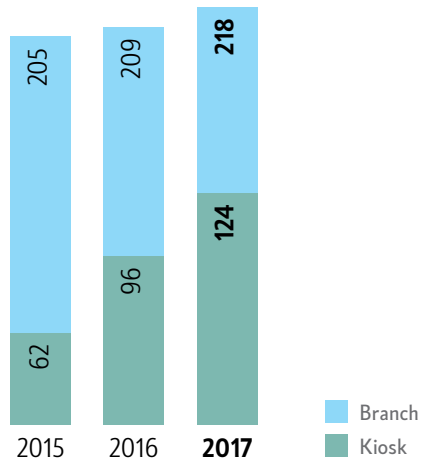
Share Ownership Composition

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Penjam Paser Utara branch, East Kalimantan



Graphic 3: Distribution of Branches and Kiosks

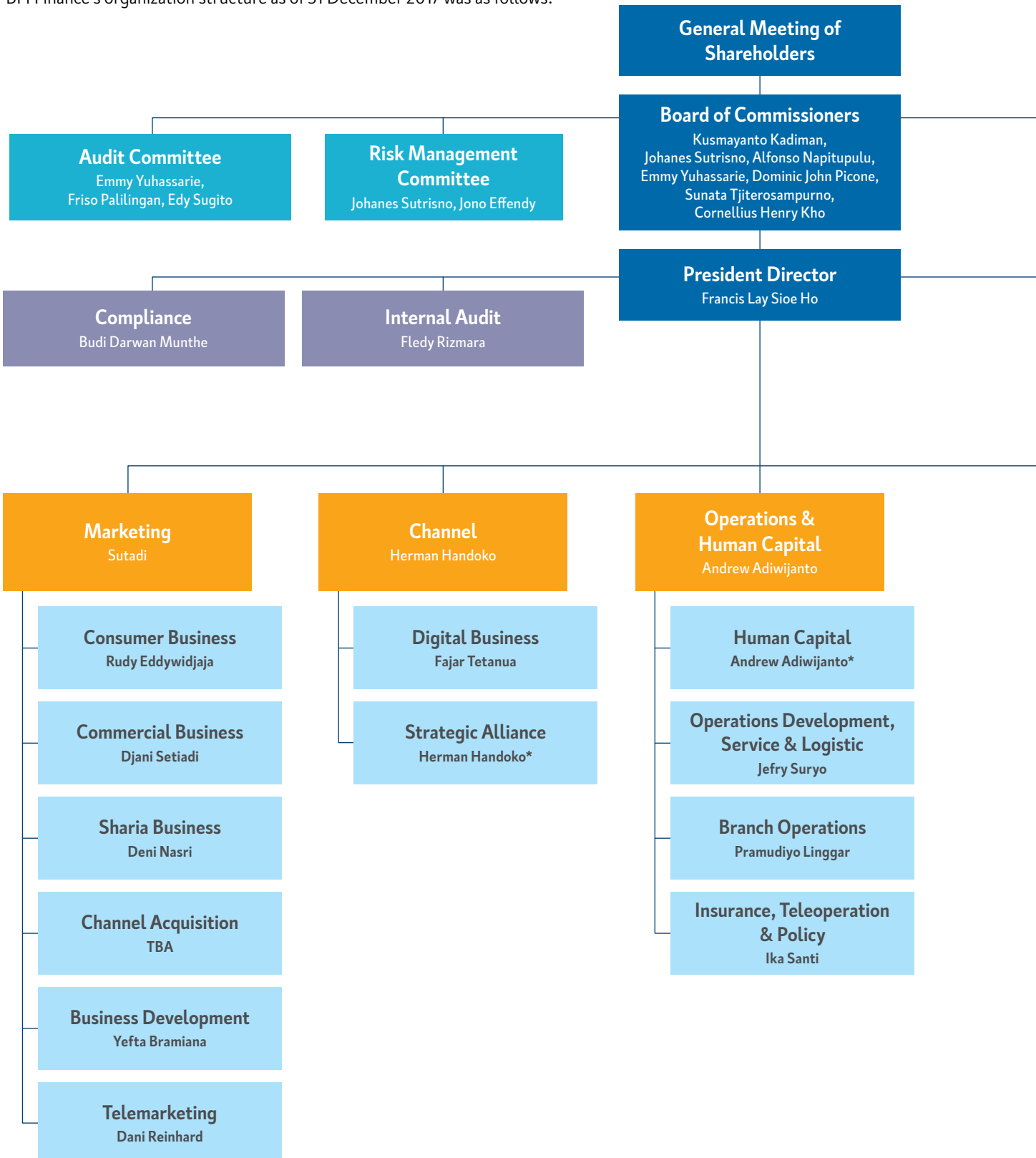


Makassar Branch, South Sulawesi



ORGANIZATION STRUCTURE

BFI Finance's organization structure as of 31 December 2017 was as follows:

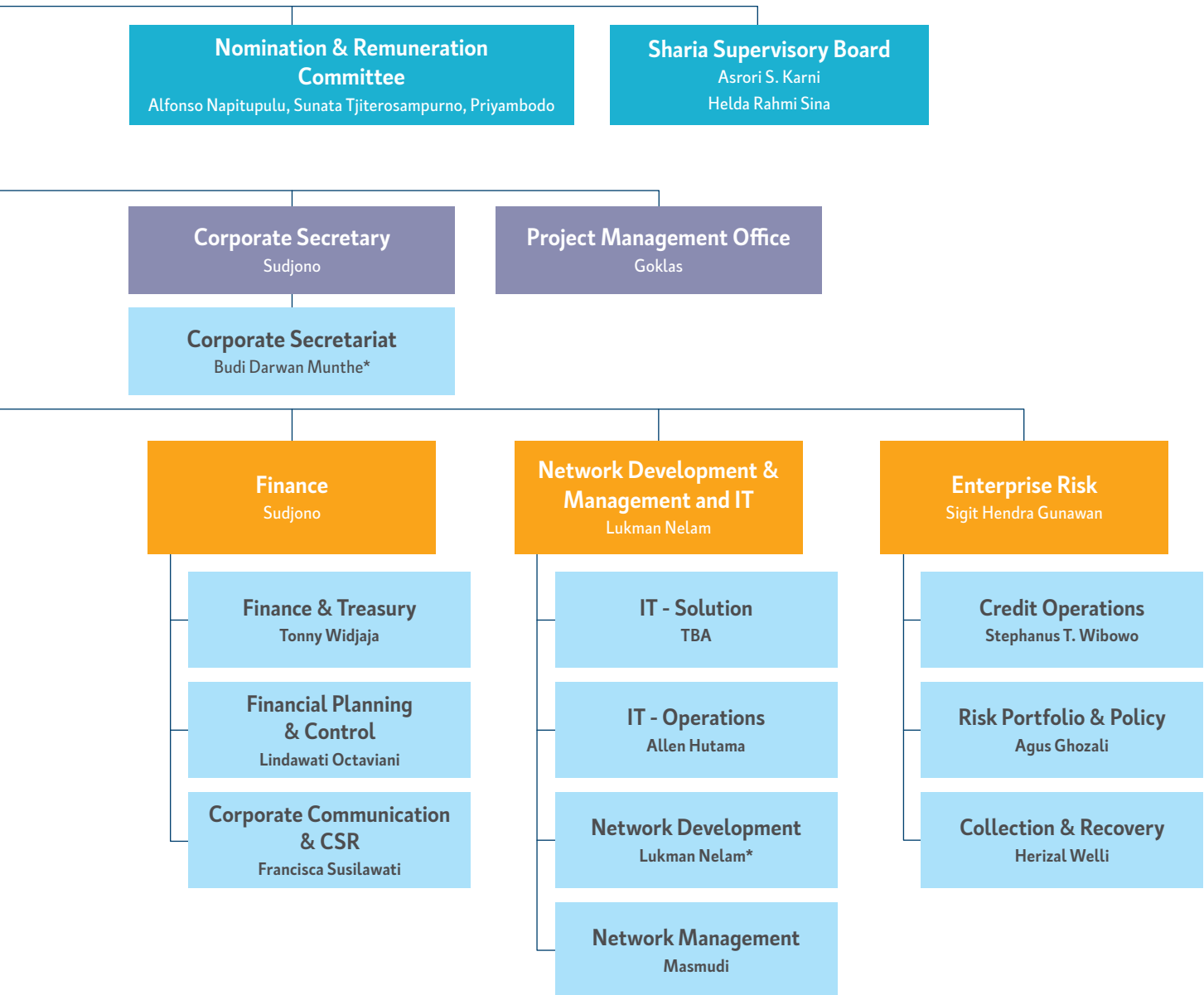


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* Jabatan rangkap

BOARD OF COMMISSIONERS

Left to Right :

Sunata Tjiterosampurno
Commissioner

Dominic John Picone
Commissioner

Alfonso Napitupulu
Independent Commissioner

Johanes Sutrisno
Independent Commissioner

Emmy Yuhassarie
Independent Commissioner

Cornellius Henry Kho
Commissioner

Kusmayanto Kadiman
President Commissioner



BOARD OF DIRECTORS

Left to Right :

Sigit Hendra Gunawan
Enterprise Risk Director
(Independent)

Sutadi
Business Director

Francis Lay Sioe Ho
President Director

Sudjono
Finance Director

Andrew Adiwijanto
Operations and
Human Capital Director



BOARD OF COMMISSIONERS' PROFILES



Name: Kusmayanto Kadiman
Citizenship: Indonesia
Age: 63 year
Domicile: Jakarta, DKI 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 Setiabudi Investment Management, and Commissioner of PT Profesional Telekomunikasi Indonesia (Protelindo). Prior to serving as the President Commissioner of BFI Finance, 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 Control Laboratory 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.



Name: Johannes Sutrisno
Citizenship: Indonesia
Age: 66 year
Domicile: Jakarta, DKI 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 and as Chairman of the Risk Management Committee. He once served as a member of the Audit Committee of PT Bentoel Internasional Investama Tbk from 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, then joined Mutual International Finance Corporation (1980–1982), and worked 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.

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Name: Alfonso Napitupulu

Citizenship: Indonesia

Age: 67 year

Domicile: Jakarta, DKI 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 and as 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 Board of Advisors of Perhimpunan Advokat Indonesia (PERADI). 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.



Name: Emmy Yuhassarie

Citizenship: Indonesia

Age: 67 year

Domicile: Jakarta, DKI 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 and as 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 (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 Airlangga University, Surabaya, in 1979.



Name: **Dominic John Picone**

Citizenship: **Australia**

Age: **39 year**

Domicile: **Singapore**

He serves as the Company's **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 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 Law in 2003 and Bachelor of Commerce (Honours–Finance) in 2001 from University of Melbourne, Australia.



Name: **Sunata Tjiterosampurno**

Citizenship: **Indonesia**

Age: **45 year**

Domicile: **Jakarta, DKI Jakarta**

He serves as the Company's **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 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 since 2009, Commissioner of PT Delta Dunia Makmur Tbk since 2011, and Commissioner of PT Trimegah Sekuritas Indonesia Tbk since 2013. 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) from London Business School, UK, in 2002, and Bachelor of Business Administration (Distinction) from University of Wisconsin–Madison, USA, in 1995.

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Name: Cornellius Henry Kho
Citizenship: Indonesia
Age: 51 year
Domicile: Jakarta, DKI Jakarta

He serves as the Company's **Commissioner** for the period of 2017–2022 pursuant to the Deed of Minutes of EGMS No. 25 dated 18 April 2017 in conjunction with the Deed of Meeting Resolutions Statement No. 15 dated 13 June 2017. Previously, he had served as the Company's 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, from which position he resigned on 31 January 2017. He once served as the Operations Director which began in May 2014 and supervised the Company's Operations Division, Network Development and Corporate Business, as the Director that supervised various departments in BFI Finance from 2007 until 2014, 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 also served as the Head of Financial Control and Treasury of BFI Finance (1996–1997), Financial Control of BFI Finance (1992–1996), and an Auditor at Prasetio, Utomo and Co. (1989–1992). He obtained his Bachelor of Economics degree in Accounting from Trisakti University, Jakarta, in 1990.

BOARD OF DIRECTORS' PROFILES



Name: **Francis Lay Sioe Ho**

Citizenship: **Indonesia**

Age: **69 year**

Domicile: **Jakarta, DKI Jakarta**

He was appointed as **Director** of the Company in 1983 and later served as President Director in 1986. He was reappointed to the position of President Director pursuant to the Deed of Minutes of AGMS No. 80 dated 15 June 2011 for the period of 2011–2016 and the Deed of Minutes of EGMS No. 43 dated 25 April 2016 for the period of 2016–2021. Prior to joining BFI Finance, he worked as an Executive Officer at the Ministry of Finance in Singapore in 1972–1973, then joined PT Indovert in 1975 as Treasury Officer, served as Credit Manager until 1980, and Credit Department Head in 1980–1983. He earned his Bachelor of Business Administration (B.B.A.) degree from the University of Singapore (now the National University of Singapore or 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.



Name: **Sudjono**

Citizenship: **Indonesia**

Age: **47 year**

Domicile: **Tangerang Selatan, Banten**

He serves as the Company's **Finance Director** pursuant to the Deed of Minutes of AGMS No. 18 dated 6 May 2014 in conjunction with Deed of Meeting Resolutions Statement No. 3 dated 25 June 2014 for the period of 2014–2019, and concurrently holds the position of Corporate Secretary based on the Board of Directors' Decree No. BOD–BOC/VI/2014–0011 dated 24 June 2014. Previously, he had concurrently held the position of Information Technology Director from May 2014 to end of May 2017. Prior to his appointment as Director, he served as Head of Finance and Information Technology Division and other positions at BFI Finance from 1993 until April 2014, and Member of the Risk Management Committee from 2003 until 2013. Prior to joining BFI Finance, he had served as Senior Auditor at the Public Accounting Firm of Hans Tuanakotta Mustofa – member firm of Deloitte Touche Tohmatsu International in 1991–1993. He obtained his Enterprise Risk Manager (ERM™) certification from Asia Risk Management Institute (AriMI) and the National University of Singapore (NUS) in Singapore in 2009, and his Master of Business Administration (M.B.A.) degree from Institut Pengembangan Manajemen Indonesia (IPMI), Jakarta, in 2006, and Bachelor of Economics degree, majoring in Accounting, from Tarumanagara University, Jakarta, in 1993.

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Name: Sutadi
Citizenship: Indonesia
Age: 43 year
Domicile: Tangerang, Banten

He has been serving as the Company's **Business Director** 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 the Company, among others, Retail Business Head 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 had served as Sales Executive in Marketing Export at PT Tjiwi Kimia Pulp & Paper since (1999–2000), and Collection & Credit Analyst Officer of PT Bunas Finance Indonesia (1997– 1999). He earned his Bachelor of Industrial Engineering degree from Trisakti University, Jakarta, in 1998.



Name: Andrew Adiwijanto
Citizenship: Indonesia
Age: 49 year
Domicile: Jakarta, DKI Jakarta

He has been serving as the Company's **Operations and Human Capital Director** since April 2017 pursuant to the Deed of Minutes of EGMS No. 25 dated 18 April 2017 in conjunction with the Deed of Meeting Resolutions Statement No. 17 dated 11 August 2017 for the period of 2017–2022. Previously, he was Member of the Nomination and Remuneration Committee from April 2015 to April 2017 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, as well as Operations & Control Head (2012–2017) and Compensation & Benefit Head (2014–2017). He joined BFI Finance in 1993 as Marketing Officer and has held various other positions, among others, Branch Manager in Makassar, Denpasar, and Palembang, Regional Manager for Sumatra region, and Department Head for Quality Service, Corporate Services, Human Resources 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, Jakarta, in 2013. He holds a special certificate for joining "Human Capital Management: Making HR & Business Partnership Work", an intensive course from the Asian Institute of Management (AIM) in Manila, Philippines, in 2008.



Name: **Sigit Hendra Gunawan**

Citizenship: **Indonesia**

Age: **49 year**

Domicile: **Tangerang, Banten**

He has been serving as the Company's **Enterprise Risk Director (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 the Company as Enterprise Risk Head 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 earned his Certified Business Management in 2004 and Certified Business Management–Operation in 2003, both from Prasetya Mulya Business School, Jakarta. He obtained his Bachelor of Industrial Engineering degree from Trisakti University, Jakarta, in 1993.

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SHARIA SUPERVISORY BOARD'S PROFILES

By 31 December 2017, the Deed of Statement of Meeting Resolutions No. 19 dated 21 December 2017 had not been accepted and recorded by the Ministry of Law and Human Rights of the Republic of Indonesia as the Sharia Supervisory Board of the Company was still in the process of undergoing OJK's fit and proper test.



Name: Asrori S. Karni
Citizenship: Indonesia
Age: 42 year
Domicile: Jakarta, DKI Jakarta

He serves as the Company's **Chairman of Sharia Supervisory Board** pursuant to the Deed of Minutes of EGMS No. 6 dated 25 October 2017 in conjunction with the Deed of Meeting Resolutions Statement No. 19 dated 21 December 2017 for the period of 2017–2022. He currently also serves as the Lecturer at the Faculty of Sharia and Law in the Legal Studies Program of UIN Syarif Hidayatullah Jakarta, the Lecturer of Sharia Banking Program at Sekolah Tinggi Agama Islam Nahdlatul Ulama (STAINU) Jakarta, Vice Chairman of Qanuniah (Islamic Law) at Lembaga Bahtsul Masail Pengurus Besar Nahdlatul Ulama (PBNU), and Chairman of the Information and Communications Committee at the Indonesian Ulema Council Headquarters. He obtained a Master of Law degree majoring in Economic Law from University of Indonesia in 2010, and graduated from the Faculty of Sharia and Law at Institut Agama Islam Negeri (IAIN), now Universitas Islam Negeri (UIN) Syarif Hidayatullah, Jakarta, in 1998.



Name: Helda Rahmi Sina
Citizenship: Indonesia
Age: 44 year
Domicile: Jakarta, DKI Jakarta

She serves as the Company's **Sharia Supervisory Board Member** pursuant to the Deed of Minutes of EGMS No. 6 dated 25 October 2017 in conjunction with the Deed of Meeting Resolutions Statement No. 19 dated 21 December 2017 for the period of 2017–2022. Her concurrent positions include as Secretary of Yayasan Pendidikan Fatahillah Jakarta (YPFJ), Postgraduate Program Lecturer at Sekolah Tinggi Ilmu Ekonomi Indonesia (STEI) Rawamangun, East Jakarta, and Consultation and Development of Sharia Financial Program Division Head at the International Center for Development in Islamic Finance – Lembaga Pengembangan Perbankan Indonesia (ICDIF–LPPI). Previously, she served as Member of the Sharia Economics Expert Board at University of Az Zahrah in East Jakarta (2010–2014), Lecturer of Sharia Contracts & Products class of the MBA in Sharia Banking & Finance program at Bandung Institute of Technology (2009–2015), Sharia Financial Program Implementation Department Head at ICDIF–LPPI (2008–2014), and President of Sekolah Tinggi Ekonomi Islam Tiara (STEI Tiara) Rawamangun, East Jakarta (2006–2008). She graduated with a Master in Islamic Economics (M.A.) degree from the Faculty of Sharia, Universiti Kebangsaan Malaysia in 2007, and Bachelor in Syariah Islamiyyah (Lc) degree from the Faculty of Islamic Studies and Arabic Language, Al-Azhar University, in Cairo, Egypt, in 1996.

COMMITTEES UNDER THE BOARD OF COMMISSIONERS' PROFILES

AUDIT COMMITTEE



Name: **Emmy Yuhassarie**
 Citizenship: **Indonesia**
 Age: **67 year**
 Domicile: **Jakarta, DKI Jakarta**

Her position as **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 Independent Commissioner, having been reappointed pursuant to the Deed of Minutes of EGMS No. 43 dated 25 April 2016 for the period of 2016–2021. Her profile is presented in the BOC's Profiles section (page 55).



Name: **Friso Palilingan**
 Citizenship: **Indonesia**
 Age: **34 year**
 Domicile: **Jakarta, DKI Jakarta**

He serves as **Member of the Audit Committee** 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 Senior Partner at the Certified Public Accounting Firm (KAP) Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan (member of PKF International), Vice Chairman at NBP Capital, member of the Financial Accounting Standards Board of the Indonesian Institute of Accountants (IAI), member of the Audit Committees of PT Intiland Development Tbk, PT Duta Intidaya Tbk, and PT Medikaloka Hermina 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 the Indonesian Institute of Business and Informatics) in Jakarta. He earned 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.



Name: **Edy Sugito**
 Citizenship: **Indonesia**
 Age: **53 year**
 Domicile: **Jakarta, DKI Jakarta**

He serves as 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 Chief Commissioner of PT Gayatri Kapital Indonesia and as Independent Commissioner in several other companies, among others, PT PP London Sumatra Indonesia Tbk, PT Wismilak 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 Trisakti University, Jakarta, in 1991.

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RISK MANAGEMENT COMMITTEE



Name: Johanes Sutrisno
Citizenship: Indonesia
Age: 66 year
Domicile: Jakarta, DKI Jakarta

He was appointed as **Chairman of the Risk Management 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 Independent Commissioner, having been reappointed pursuant to the Deed of Minutes of EGMS No. 43 dated 25 April 2016 for the period of 2016-2021. His profile is presented in the BOC's Profiles section (page 54).



Name: Jono Effendy
Citizenship: Indonesia
Age: 43 year
Domicile: Jakarta, DKI Jakarta

He was appointed as **Member of the Risk Management Committee** in April 2015 pursuant to the BOC Decree No. BOC/SK/IV/2015-0081 dated 13 April 2015 and was reaffirmed by the BOC Decree No. BOC/SK/VI/2016-05 dated 21 June 2016 for the period of 2016-2021. He is Co-Founder and Managing Director of PT Kiran Resources Indonesia (since June 2004). Currently he is also serving as Independent Commissioner and Risk Monitoring Committee Chairman at PT Commonwealth Life, Member of Audit Committee and Risk Monitoring Committee at PT Bank Commonwealth (since March 2013) and PT Bank BNP Paribas Indonesia (since July 2007). From July 2001 until February 2004, he served in various positions at the Indonesian Bank Restructuring Agency (BPPN). He began his career at PT Tanjung Johor Wood Industry, Jakarta (December 1993-July 1996) as Accountant, then as Senior Auditor at Arthur Andersen, Jakarta (August 1996-July 1998), and then as Senior Consultant at Deloitte Touche, Jakarta (December 1998-July 2001). He obtained the Master in Finance degree from Pelita Harapan University in Tangerang in 2003, Bachelor of Economics degree from Tarumanagara University in Jakarta in 1996, Risk Management Certification Level 3 from Badan Sertifikasi Manajemen Risiko (BSMR) in Indonesia, dan International Certificate in Banking and Regulation from Global Association of Risk Professionals (GARP) in 2011. He also earned the Risk Management Certification for Insurance Company Level 5 from Asosiasi Ahli Manajemen Asuransi Indonesia (AAMAI) in 2015, and Certified in Enterprise Risk Governance (CERG) from Enterprise Risk Management Academy (ERMA), Singapore, in 2017.

NOMINATION AND REMUNERATION COMMITTEE



Name: **Alfonso Napitupulu**
 Citizenship: **Indonesia**
 Age: **67 year**
 Domicile: **Jakarta, DKI Jakarta**

His position as **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 Independent Commissioner, having been reappointed pursuant to the Deed of Minutes of EGMS No. 43 dated 25 April 2016 for the period of 2016–2021. His profile is presented in the BOC's Profiles section (page 55).



Name: **Priyambodo**
 Citizenship: **Indonesia**
 Age: **64 year**
 Domicile: **Jakarta, DKI 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 was part of BFI Finance 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.



Name: **Sunata Tjiterosampurno**
 Citizenship: **Indonesia**
 Age: **45 year**
 Domicile: **Jakarta, DKI Jakarta**

He serves as the **Member of the Nomination and Remuneration Committee** pursuant to the Board of Commissioners' Decision Letter No. BOC/VI/2017-0103 dated 2 June 2017 for the period up to 2021. He also serves as 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. His profile is presented in the BOC's Profiles section (page 56).

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SENIOR MANAGEMENT PROFILES

HEAD OFFICE

The following are the Head Office Senior Management members under the BOD:



Name: **Djani Setiadi**
Citizenship: **Indonesia**
Age: **50 year**
Domicile: **Tangerang, Banten**

Joined BFI Finance in 1997. He has been serving as **Commercial Business Head** which covers Corporate Business and Inventory Management since 2016.



Name: **Herizal Welli**
Citizenship: **Indonesia**
Age: **48 year**
Domicile: **Jakarta, DKI Jakarta**

Joined BFI Finance in 1996. He has been serving as **Collection and Recovery Head** since September 2016.



Name: **Herman Handoko**
Citizenship: **Indonesia**
Age: **39 year**
Domicile: **Jakarta, DKI Jakarta**

Joined BFI Finance in 2003. He has been serving as **Channel Head** since 2017.



Name: **Lukman Nelam**
Citizenship: **Indonesia**
Age: **52 year**
Domicile: **South Tangerang, Banten**

Joined BFI Finance in 1995. He has been serving as **Network Development & Management and IT Head** since 2017.



Name: **Tan Rudy Eddywidjaja**
Citizenship: **Indonesia**
Age: **47 year**
Domicile: **Jakarta, DKI Jakarta**

Joined BFI Finance in 1997. He has been serving as **Consumer Business Head** since 2017.



Name: **Tonny Widjaja**
Citizenship: **Indonesia**
Age: **50 year**
Domicile: **Jakarta, DKI Jakarta**

Joined BFI Finance in 1994. He has been serving as **Finance & Treasury Head** since 1996.

REGIONAL OFFICE

The following are the Senior Management members serving as Regional Managers:



Name: **Susinto Tenggono Then**
 Citizenship: **Indonesia**
 Age: **44 year**
 Domicile: **South Tangerang, Banten**

Joined BFI Finance in 1994. He has been serving as **Regional Manager** covering **Jakarta** and **Tangerang** areas since 2017.



Name: **Stefanus Wibowo**
 Citizenship: **Indonesia**
 Age: **36 year**
 Domicile: **Bandung, West Java**

Joined BFI Finance in 2003. He has been serving as **Regional Manager** covering **Bandung** and **Cirebon** areas since 2015.



Name: **John Piter Sinaga**
 Citizenship: **Indonesia**
 Age: **48 year**
 Domicile: **Tangerang, Banten**

Joined BFI Finance in 1997. He has been serving as **Regional Manager** covering **Bogor** and **Bekasi** areas since 2017.



Name: **Rachmadi**
 Citizenship: **Indonesia**
 Age: **47 year**
 Domicile: **Semarang, Central Java**

Joined BFI Finance in 2006. He has been serving as **Regional Manager** of **Central Java** and **Yogyakarta** Special Region since 2011.



Name: **Tan Eng Han**
 Citizenship: **Indonesia**
 Age: **42 year**
 Domicile: **Surabaya, East Java**

Joined BFI Finance in 1997. He has been serving as **Regional Manager** covering **Surabaya** and **Sidoarjo** areas since 2016.



Name: **I Kadek Tirtayasa**
 Citizenship: **Indonesia**
 Age: **46 year**
 Domicile: **Denpasar, Bali**

Joined BFI Finance in 1997. He has been serving as **Regional Manager** covering **Kediri** area in **East Java, Bali** and **Nusa Tenggara** since 2014.

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Name: **Sudi Hartono**
 Citizenship: **Indonesia**
 Age: **46 year**
 Domicile: **Medan, North Sumatera**

Joined BFI Finance in 1994. He has been serving as **Regional Manager** covering **Medan** and **Pekanbaru** areas since 2014.



Name: **Iwan**
 Citizenship: **Indonesia**
 Age: **47 year**
 Domicile: **Palembang, South Sumatera**

Joined BFI Finance in 1995. He has been serving as **Regional Manager** covering **Palembang, Jambi** and **Lampung** areas since 2005.



Name: **Stanly Darisang**
 Citizenship: **Indonesia**
 Age: **46 year**
 Domicile: **Banjarmasin, South Kalimantan**

Joined BFI Finance in 1996. He has been serving as **Regional Manager** covering **Banjarmasin** and **Pontianak** areas since 2017.



Name: **Hernandi Kusno**
 Citizenship: **Indonesia**
 Age: **48 year**
 Domicile: **Samarinda, East Kalimantan**

Joined BFI Finance in 1994. He has been serving as **Regional Manager** covering **East** and **North Kalimantan** Provinces since 2007.



Name: **Khenriek Tjandra**
 Citizenship: **Indonesia**
 Age: **44 year**
 Domicile: **Makassar, South Sulawesi**

Joined BFI Finance in 2002. He has been serving as **Regional Manager** covering **Makassar** and **Palu** areas since 2015.



Name: **Agusnen Silalahi**
 Citizenship: **Indonesia**
 Age: **45 year**
 Domicile: **Tangerang, Banten**

Joined BFI in 1999. He has been serving as **Regional Manager** covering **Manado** and **Ambon–Papua** areas since 2017.

SHARE OWNERSHIP COMPOSITION

Based on the Shareholders Register issued by PT Sirca Datapro Perdana as the Share Registrar, the composition of BFI Finance shareholders as of 31 December 2017 was as follows:

Table 8: Composition of Shares and Shareholders

DESCRIPTION	PRICE PER SHARE RP25		
	Total Shares	Face Value (Rp)	% SHARES
Authorised Capital	20,000,000,000	500,000,000,000	100.00
Issued and Fully Paid-up Capital	15,967,115,620	399,177,890,500	79.84
Share Capital in Portepel	4,032,884,380	100,822,109,500	20.16
Shareholders:	15,967,115,620	399,177,890,500	100.00
Trinugraha Capital & Co SCA	6,835,249,660	170,881,241,500	42.80
DB Spore DCS a/c NTAsian Discovery Maste Er Fund-864134218 (NT Asian Discovery Fund)	1,306,275,640	32,656,891,000	8.18
PT BFI Finance Indonesia Tbk*	1,002,732,000	25,068,300,000	6.28
Others (each below 5%)	6,822,858,320	170,571,458,000	42.74
Total	15,967,115,620	399,177,890,500	100.00

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

Share ownership of members of the BOC and the BOD as of 31 December 2017 was as follows:

Table 9: Share Ownership of Members of the BOC and the BOD

NAME	POSITION	TOTAL SHARES	% SHARES
Francis Lay Sioe Ho	President Director	389,885,080	2.44
Kusmayanto Kadiman	President Commissioner	300,000	0.00
Sudjono	Director	33,380,000	0.21
Sutadi	Director	22,000,000	0.14
Sigit Hendra Gunawan	Director (Independent)	10,000,000	0.06
Andrew Adiwijanto	Director	12,120,000	0.08
Cornellius Henry Kho	Commissioner	121,719,980	0.76
Johanes Sutrisno	Commissioner (Independent)	2,480	0.00
Total		589,407,540	3.69

PT BFI Finance Indonesia Tbk's ownership structure, as of end of 2017, was made up of a total of 1,023 individuals and institutions, of which, 81.35% were registered abroad and 18.65% locally. There are two institutions that own shares exceeding 5%. These are Trinugraha Capital & Co SCA, Luxembourg, with a 42.80% stake, DB Spore DCS a/c NTAsian Discovery Master Fund-86413421 with an 8.18% stake, and PT BFI Finance Indonesia Tbk, with 6.28%. The shares in the name of PT BFI Finance Indonesia Tbk resulted from the Company's share buyback program.

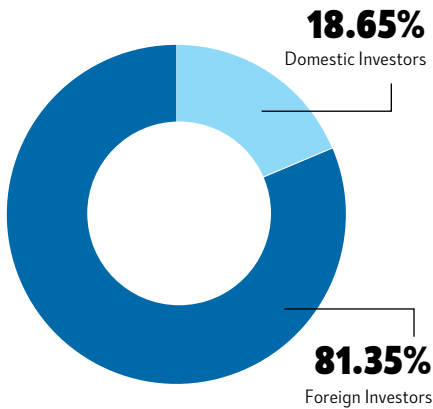
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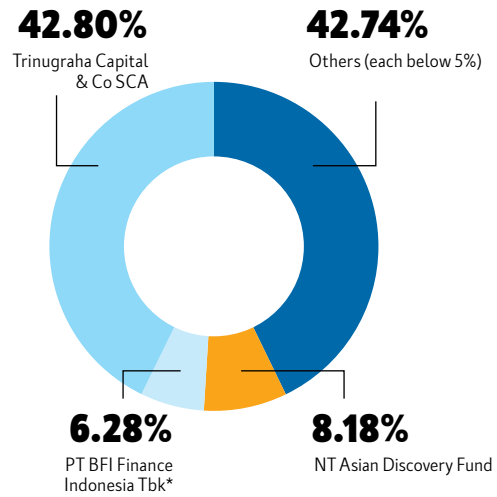
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Graphic 4:
Shareholding Composition by Nationality



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

Graphic 5:
Shareholding Composition by Corporate Structure



MAJORITY SHAREHOLDER'S PROFILE

TRINUGRAHA CAPITAL & Co SCA

MANAGER

Trinugraha Capital (TC Sarl)

SUPERVISORY BOARD

Member:

Garibaldi Thohir
John Viola
Doug Puckett

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 been amended several times with the latest amendment being effective based on the resolutions of TC&Co's EGMS, 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, partnerships, or other forms of business entity. 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 successfully achieve its objectives.

MANAGERS AND SUPERVISORS OF TC&Co

In accordance with its articles of association, TC&Co is managed by one or more managers who are the unlimited liability shareholders/*commandite*. TC Sarl, a *societe a responsabilite limitee*, was appointed as 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.

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 shares on the Jakarta Stock Exchange and the Surabaya Stock Exchange (now 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, 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 the 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.

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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 on the Jakarta Stock Exchange and Surabaya Stock Exchange.

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 were registered in the register of shareholders on 21 February 1994, 1 (one) new share will be given as dividend.

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 was 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. Of that authorized capital, the authorized issued and fully paid-up capital amounted to 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 and Financial Institutions Supervisory Agency or Bapepam-LK and then as OJK) through letter No. S-639/PM/1994 with regard to the First Limited Public Offering (Rights Issue I) with Preemptive Rights (HMETD) of the Company for 28,829,558 shares, whereby each 1 (one) share was entitled to 1 (one) new share.

On 9 May 1994, the Company listed 28,829,558 of its shares on the Jakarta Stock Exchange and Surabaya Stock Exchange, bringing the Company's total outstanding shares to 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 was 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, bringing the Company's total outstanding shares to 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 increase in the total outstanding shares of the Company, from 172,977,348 shares to 345,954,696 shares.

On 3 November 1997, after said Stock Split, the Company listed 172,977,348 of its shares on the Jakarta Stock Exchange and Surabaya Stock Exchange, bringing the Company's total outstanding shares to 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.

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 Company's Articles of Association regarding the change of the 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 said Stock Split, the Company listed 760,339,281 of its shares on IDX, bringing the Company's total outstanding shares to 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 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 that the total outstanding shares of the Company became 1,526,614,562 shares.

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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 that the total outstanding shares of the Company became 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 on 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 that the total outstanding shares of the Company became 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 that the total outstanding shares of the Company became 1,596,711,562.

15. Company's Stock Buyback

On 15 April 2015, the 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 a maximum of 154,993,456 shares. The funds being reserved for shares repurchase for a maximum period of 18 (eighteen) months since the EGMS were not to exceed Rp341,000,000,000.

By 31 December 2016, the Company had repurchased 100,273,200 shares with a purchase value of Rp252,160,169,658.

16. Stock Split

Based on the Deed No. 25 dated 18 April 2017 made before Aryanti Artisari, S.H., M.Kn., Notary in Jakarta, the shareholders of the Company approved the amendment to Article 4 paragraphs 1 and 2 of the Company's Articles of Association concerning the changes in par value of the Company's share (stock split) from Rp250 per share to Rp25 per share, thus resulting in the increase in the total Company's outstanding shares from 1,596,711,562 shares to 15,967,115,620 shares.

The stock split was approved by the Indonesian Stock Exchange (IDX) by virtue of letter No. S-02820/BEI.PP1/05-2017 dated 23 May 2017.

On 5 June 2017, after the Stock Split, the Company listed 14,370,404,058 of its shares at IDX, thus resulting in the total Company's outstanding shares of 15,967,115,620 shares.

CHANGES IN NUMBER OF SHARES

Based on the above description, 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 10: Chronological Listing of Shares and Changes 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	IDX	7 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	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	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	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	IDX	31 May 2016	30,752,000	1,596,711,562	399,177,890,500
Stock Split	IDX	5 June 2017	1,596,711,562	15,967,115,620	399,177,890,500

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OTHER SECURITIES LISTING

LISTING OF BOND AND MEDIUM TERM NOTES

Table 11 – Bond Listing Summary

DEBT SECURITIES ISSUED	DATE LISTED AT IDX	EFFECTIVE DATE	BOND RATINGS	TOTAL (RP MILLION)	AMOUNT ISSUED (RP MILLION)	DUE DATE	STATUS	
<i>Obligasi Berkelanjutan I BFI Finance Indonesia Tahap I Tahun 2012</i>	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
<i>Obligasi Berkelanjutan I BFI Finance Indonesia Tahap II Tahun 2013</i>	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
<i>Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014</i>	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	Paid
<i>Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015</i>	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	Paid
	Series C:					550.000	19 March 2018	Not yet paid off
<i>Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016</i>	Series A:	26 February 2016	28 February 2014 (No. S-121/D.04/2014)	AA-(idn)	1.000.000	200.000	5 March 2017	Paid
	Series B:					142.000	25 February 2018	Not yet paid off
	Series C:					658.000	25 February 2019	Not yet paid off
<i>Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016</i>	Series A:	26 October 2016	17 October 2016 (No. S588/D.04/2016)	AA-(idn)	1.000.000	317.000	5 November 2017	Paid
	Series B:					550.000	25 October 2019	Not yet paid off
	Series C:					133.000	25 October 2021	Not yet paid off
<i>Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017</i>	Series A:	3 March 2017	17 October 2016 (No. S-588/D.04/2016)	AA-(idn)	1.000.000	540.000	12 March 2018	Not yet paid off
	Series B:					460.000	2 March 2020	Not yet paid off
<i>Obligasi Berkelanjutan III BFI Finance Indonesia Tahap III Tahun 2017</i>	Series A:	10 November 2017	17 October 2016 (No. S-588/D.04/2016)	AA-(idn)	835.000	335.000	19 November 2018	Not yet paid off
	Series B:					100.000	9 November 2019	Not yet paid off
	Series C:					400.000	9 November 2020	Not yet paid off

LISTING OF BONDS

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 IDX 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:

UNDERWRITERS

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
Jl. Jend. Sudirman Kav. 79
Jakarta 12910, Indonesia

Phone: (62-21) 5795 7300
Fax: (62-21) 5795 7301

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.

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 IDX 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:

*new address is listed in the bond issuance info 2017

COMPANY PROFILE

- Company Identity
- Company Vision and Mission
- Core Values and Corporate Culture
- Brief Company History
- Milestones
- Business Activities

- Map and Operational Network
- Organization Structure
- Board of Commissioners' Profiles
- Board of Directors' Profiles
- Sharia Supervisory Board's Profiles
- Committees under the Board of Commissioners' Profiles
- Senior Management Profiles

- Share Ownership Composition
- Majority Shareholder's Profile
- Chronological Listing of Shares and Changes in Number of Shares
- Other Securities Listing
- Corporate Structure
- Subsidiary and Associated Company
- Capital Market Supporting Institutions and Professions

UNDERWRITERS**PT Danareksa Sekuritas****PT Indo Premier Securities****PT Kim Eng Securities****PT Kresna Graha Sekurindo Tbk.****TRUSTEE****PT Bank Mega Tbk.****PUBLIC ACCOUNTANT****Tanubrata Sutanto Fahmi & Rekan****LEGAL CONSULTANT****Jusuf Indradewa & Partners***

Rukan Arjuna Square
Jl. Arjuna Utara No. 7D & 7E
Jakarta 11510, Indonesia

Tel.: (62-21) 5694 3722
Fax: (62-21) 5694 3701

NOTARY**Fathiah Helmi, S.H.****BOND RATING AGENCY****PT Fitch Ratings Indonesia**

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 IDX 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:

UNDERWRITERS**PT Danareksa Sekuritas****PT Indo Premier Securities****PT Kresna Graha Sekurindo Tbk****PT Trimegah Sekuritas Indonesia 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.****PUBLIC ACCOUNTANT****Tanubrata Sutanto Fahmi & Rekan****LEGAL CONSULTANT****Jusuf Indradewa & Partners****NOTARY****Fathiah Helmi, S.H.****BOND RATING AGENCY****PT Fitch Ratings Indonesia**

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 7 March 2017, the Company has fully paid all of the principal balance of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014* C Series.

As of 31 December 2017, the Company has fully paid all the principal balances of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014* A Series, B Series, and C Series.

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 IDX 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:

UNDERWRITERS

PT Danareksa Sekuritas

PT Indo Premier Securities

PT Kresna Graha Sekurindo Tbk.

PT Trimegah Sekuritas Indonesia Tbk

TRUSTEE

PT Bank Mega Tbk.

PUBLIC ACCOUNTANT

Tanubrata Sutanto Fahmi & Rekan

LEGAL CONSULTANT

Jusuf Indradewa & Partners

NOTARY

Fathiah Helmi, S.H.

BOND RATING AGENCY

PT Fitch Ratings Indonesia

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 19 March 2017, the Company has fully paid all the principal balance of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015 B Series*.

As of 31 December 2017, the outstanding principal balance of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015* has amounted to Rp550 billion.

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 IDX 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:

UNDERWRITERS

PT Danareksa Sekuritas

PT Indo Premier Securities

PT Trimegah Sekuritas Indonesia Tbk

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

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 & Rekan

Prudential Tower, 17th Floor
Jl. Jend. Sudirman Kav. 79

Jakarta 12910, Indonesia

Phone: (62-21) 5795 7300

Fax: (62-21) 5795 7301

LEGAL CONSULTANT

Jusuf Indradewa & Partners

NOTARY

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

Jl. Panglima Polim V/11 Kebayoran Baru
Jakarta 12160, Indonesia

Tel.: (62-21) 739 2801

Fax: (62-21) 726 5090

BOND RATING AGENCY

PT Fitch Ratings Indonesia

As of 5 March 2017, the Company has fully paid all the principal balance of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016 A Series*.

As of 31 December 2017, the outstanding principal balance of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016* has amounted to Rp800 billion.

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 IDX on 26 October 2016. These bonds were rated 'AA-(idn)'. The Continuous Public Offering of *Obligasi Berkelanjutan III*

COMPANY PROFILE

- Company Identity
- Company Vision and Mission
- Core Values and Corporate Culture
- Brief Company History
- Milestones
- Business Activities

- Map and Operational Network
- Organization Structure
- Board of Commissioners' Profiles
- Board of Directors' Profiles
- Sharia Supervisory Board's Profiles
- Committees under the Board of Commissioners' Profiles
- Senior Management Profiles

- Share Ownership Composition
- Majority Shareholder's Profile
- Chronological Listing of Shares and Changes in Number of Shares
- Other Securities Listing
- Corporate Structure
- Subsidiary and Associated Company
- Capital Market Supporting Institutions and Professions

BFI Finance Indonesia Tahap I Tahun 2016 was supported by the following institutions and capital market professionals:

UNDERWRITERS**PT Danareksa Sekuritas****PT Mandiri Sekuritas****PT Trimegah Sekuritas Indonesia Tbk****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

TRUSTEE**PT Bank Tabungan Negara (Persero) Tbk****PUBLIC ACCOUNTANT****Tanubrata Sutanto Fahmi Bambang & Rekan****PUBLIC ACCOUNTANT****Jusuf Indradewa & Partners****NOTARY****Ir. Nanette Cahyanie Handari Adi Warsito, S.H.****BOND RATING AGENCY****PT Fitch Ratings Indonesia**

As of 5 November 2017, the Company has fully paid all the principal balance of *Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016 A Series*.

As of 31 December 2017, the outstanding principal balance of *Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016* has amounted to Rp683 billion.

2017

Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017 A Series, and B Series at a nominal value of Rp1 trillion were listed at the Indonesian Stock Exchange on 3 March 2017. These bonds were rated at 'AA-(idn)'. The Continuous Public Offering of *Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017* was supported by the following institutions and capital market professionals:

UNDERWRITERS**PT Danareksa Sekuritas****PT DBS Vickers Securities Indonesia****PT Mandiri Sekuritas****PT Trimegah Sekuritas Indonesia Tbk****TRUSTEE****PT Bank Tabungan Negara (Persero) Tbk****PUBLIC ACCOUNTANT****Tanubrata Sutanto Fahmi Bambang & Rekan****LEGAL CONSULTANT****Jusuf Indradewa & Partners**

Menara BCA (Grand Indonesia) 50th Floor
Jl. M.H. Thamrin No.1
Jakarta Pusat 10310, Indonesia
Phone: (62-21) 2254 4117 (Hunting)
Fax: (62-21) 2254 4367

NOTARY**Ir. Nanette Cahyanie Handari Adi Warsito, S.H.****BOND RATING AGENCY****PT Fitch Ratings Indonesia**

As of 31 December 2017, the outstanding principal balance of *Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017* has amounted to Rp1 trillion.

2017

Obligasi Berkelanjutan III BFI Finance Indonesia Tahap III Tahun 2017 A Series, B Series and C Series at a nominal value of Rp835 billion were listed at the Indonesian Stock Exchange on 10 November 2017. These bonds were rated at 'AA-(idn)'. The Continuous Public Offering of *Obligasi Berkelanjutan III BFI Finance Indonesia Tahap III Tahun 2017* was supported by the following institutions and capital market professionals:

UNDERWRITERS**PT Trimegah Sekuritas Indonesia Tbk****TRUSTEE****PT Bank Tabungan Negara (Persero) Tbk****PUBLIC ACCOUNTANT****Tanubrata Sutanto Fahmi Bambang & Rekan**

LEGAL CONSULTANT

Jusuf Indradewa & Partners

NOTARY

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

BOND RATING AGENCY

PT Fitch Ratings Indonesia

As of 31 December 2017, the outstanding principal balance of *Obligasi Berkelanjutan III BFI Finance Indonesia Tahap III Tahun 2017* amounted to Rp835 billion.

Table 12 – MTN Listing Summary

DEBT SECURITIES ISSUED		DATE LISTED AT IDX	MTN RATINGS	TOTAL (RP MILLION)	DUE DATE	STATUS
Medium Term Notes BFI Finance Indonesia I Tahun 2012	Series A:	Not listed on stock exchange	A+(idn)	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	14 June 2015	Paid
Medium Term Notes BFI Finance Indonesia III Tahun 2015	Series A:	Not listed on stock exchange	AA-(idn)	50,000	13 April 2017	Paid
	Series B:			50,000	13 May 2018	Not yet paid off
Medium Term Notes BFI Finance Indonesia IV Tahun 2015		Not listed on stock exchange	-	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.

The issuance of MTN I was supported by the following institutions and capital market professionals:

ARRANGERS AND/OR PLACEMENT AGENTS

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

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

COMPANY PROFILE

- Company Identity
- Company Vision and Mission
- Core Values and Corporate Culture
- Brief Company History
- Milestones
- Business Activities

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- Board of Directors' Profiles
- Sharia Supervisory Board's Profiles
- Committees under the Board of Commissioners' Profiles
- Senior Management Profiles

- Share Ownership Composition
- Majority Shareholder's Profile
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- Subsidiary and Associated Company
- Capital Market Supporting Institutions and Professions

NOTARY**Fathiah Helmi, S.H.**

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.

The issuance of MTN II was assisted by the following institutions and capital market professionals:

ARRANGER AND/OR PLACEMENT AGENT**PT Trimegah Sekuritas Indonesia Tbk**

Monitoring Agent and Security Agent
PT Bank Bukopin Tbk.
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

Phone: (62-21) 723 1675
Fax: (62-21) 726 1676

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

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.**

The Company has fully paid the principal balance of MTN III A Series on 13 April 2017.

As of 31 December 2017, the outstanding principal balance of MTN III has amounted to Rp50 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.

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

ARRANGER

PT Ciptadana Securities

MONITORING AGENT

PT Bank Rakyat Indonesia (Persero) Tbk.

LEGAL CONSULTANT

Wiyono Partnership

NOTARY

Mardiana, S.H., Sp.N.

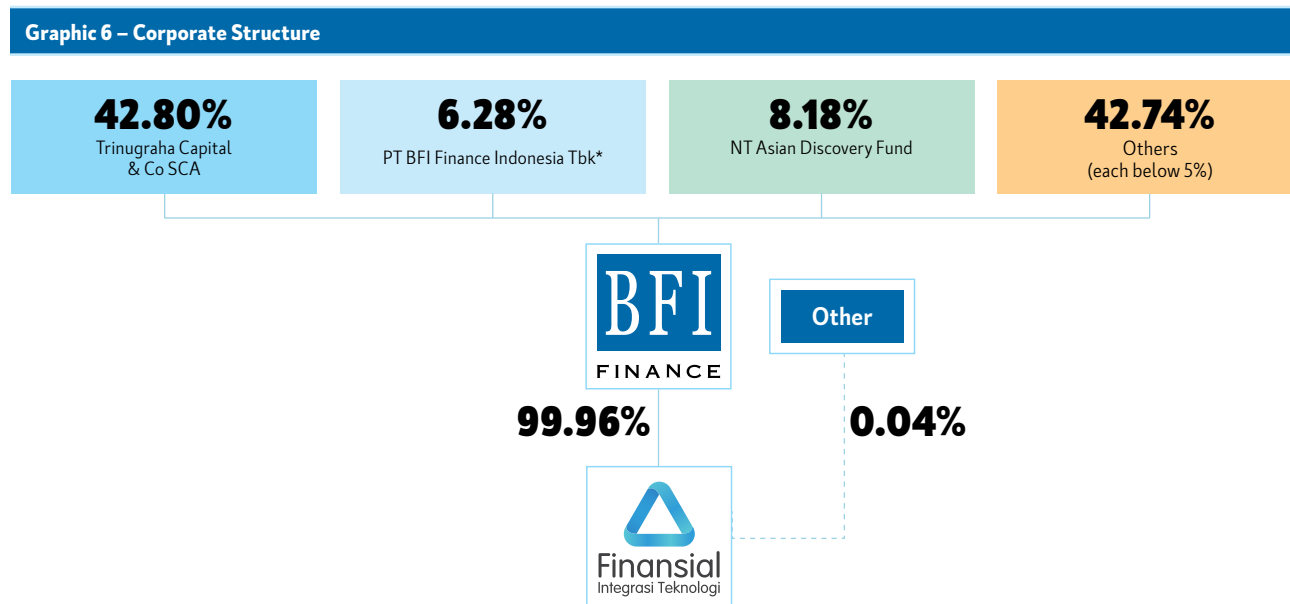
Jl. K.H. Atim I No. 25, RT 02/RW 04
Sunan Kalijaga, Pasar Rangkasbitung
Kp. Kebon Kelapa - Rangkasbitung Lebak 42314, Indonesia

Phone: (62-252) 206126

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

CORPORATE STRUCTURE

BFI Finance's corporate structure as of 31 December 2017 was as follows:



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

COMPANY PROFILE

- Company Identity
- Company Vision and Mission
- Core Values and Corporate Culture
- Brief Company History
- Milestones
- Business Activities

- Map and Operational Network
- Organization Structure
- Board of Commissioners' Profiles
- Board of Directors' Profiles
- Sharia Supervisory Board's Profiles
- Committees under the Board of Commissioners' Profiles
- Senior Management Profiles

- Share Ownership Composition
- Majority Shareholder's Profile
- Chronological Listing of Shares and Changes in Number of Shares
- Listing of Other Securities
- Corporate Structure
- Subsidiary and Associated Entities
- Capital Market Supporting Institutions and Professions

SUBSIDIARIES AND ASSOCIATED ENTITIES

THE COMPANY ESTABLISHED A SUBSIDIARY, PT Finansial Integrasi Teknologi (FIT), under the Notarial Deed of Herna Gunawan, S.H., M.Kn. No. 4 of 15 September 2017, and approved by the Minister of Law and Human Rights of the Republic of Indonesia under the Letter No. AHU-0043022.AH.01.01.Tahun 2017 dated 29 September 2017.

FIT is a company that offers IT-based money borrowing and lending services. The Company is the founding shareholder and one of the shareholders of FIT, with a 99.96% stake in FIT's issued and paid-in capital.

As of the completion date of this Integrated Annual Report, FIT was in the process of applying for its operational permit. Therefore, no operational activities have been conducted by FIT.

FIT's head office is located in BFI Tower 2nd Floor, Sunburst CBD Lot 1.2, Jalan Kapten Soebijanto Djojohadikusumo, BSD City, South Tangerang 15322.

CAPITAL MARKET SUPPORTING INSTITUTIONS AND PROFESSIONS

TRUSTEES

PT Bank Mega Tbk

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

Service fee for the appointment period of 2017–2018 was 0.0033% of the total proceeds from the associated bonds.

PT Bank Tabungan Negara (Persero) Tbk

Menara BTN
Jl. Gajah Mada No. 1
Jakarta 10130, Indonesia
Phone: (62-21) 633 6789 ext. 1844-1847
Service fee for the appointment period of 2017–2018 ranged from 0.0044%-0.0660% of the total proceeds from the associated bonds.

LEGAL CONSULTANT

Jusuf Indradewa & Partners

Menara BCA (Grand Indonesia) 50th Floor
Jl. M.H. Thamrin No.1 Jakarta Pusat 10310, Indonesia
Phone: (62-21) 2254 4117 (Hunting)
Fax: (62-21) 2254 4367

Service fee for the appointment period of 2017–2018 ranged from 0.0132%-0.0165% of the total proceeds from the associated bonds.

PUBLIC ACCOUNTING FIRM

Tanubrata Sutanto Fahmi Bambang & Partners

Prudential Tower, 17th Floor Jl. Jend. Sudirman Kav. 79 Jakarta 12910, Indonesia
Phone: (62-21) 5795 7300
Fax: (62-21) 5795 7301

Service fee for the audit of 2017 financial statements was Rp625 million.

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

Service fee for the appointment period of 2017–2018 was Rp94 million.

HUMAN CAPITAL





HUMAN CAPITAL MANAGEMENT

HUMAN CAPITAL (HC) IS THE COMPANY'S MOST VALUABLE ASSET that helps determine the continuity of its business. HC's role in mobilizing and empowering other resources to achieve the Company's vision and mission is irreplaceable.

The Company's HC quality shall be continuously improved in order for the Company to successfully cope with external conditions and overcome challenges, while still taking advantage of the opportunity for growth.

In addition to quality improvement, the Company also strives to scout the best talents in multifinance industry, placing them in the right career path according to their characters and interests, as well as guaranteeing their welfare, engagement, and comfort in the workplace, and ensuring the fulfillment of their rights as employees.

The management of HC in the Company is under the remit of the HC Department which supports the business development of the Company. The HC Department shall align the business requirements of the Company with HC management strategies in order to create an effective, productive, and efficient organization which is fully supported by all employees.

The HC Department has developed an integrated management strategy – from the recruitment, management and development, performance management, work culture management, reward and remuneration management, to the termination and retirement management. These strategies are shown in the following HC Roadmap:

Graphic 7: Human Capital Roadmap



HUMAN CAPITAL

• HC Management

- Recruitment Management
- Pengembangan Sumber Daya Manusia
- Performance Management
- Career Development
- Employee Welfare Program

- Human Capital Information System
- Employee Programs and Activities
- Industrial Relations
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- Employee Demographics



The Company's HC management is aligned with the strategies described in the above HC Roadmap, based on the Company's Vision and Mission. This alignment manifested is the GREAT organizational cultural values, which, the Company believes, are able to develop and create *GREAT People*—employees who demonstrate the Company's key characteristics and desirable behaviors.

The Company's Core Values concept which became the Corporate Culture (GREAT) is explained in the Company's Core Values and Culture section in the Company Profile chapter, page 40-41.

BFI Finance regularly measures its employees' level of understanding on the Corporate Culture through the GREAT Awareness Review program. In 2017, the program demonstrated a 91% understanding level at the national level. This was highly satisfactory, for it showed that the initial step in the transformation of BFI Finance to create "the second home" for all employees has been carried out as planned.

In the second semester of 2017, to adapt with the requirements and development of its business, BFI Finance decided to restructure its organization, by changing several directorates to create a new organization structure. Through this transformation, the Company expects to facilitate business processes and make them more purposeful, expeditious, and effective. The impact of the reorganization is expected to be seen in 2018, in the increase of productivity and financial performance compared to the previous year's.

RECRUITMENT MANAGEMENT

IN ORDER TO FULFILL THE INCREASING DEMAND FOR WORKFORCE,

BFI Finance carries out several recruitment strategies, such as work characteristics differentiation, recruitment partners expansion, social media utilization, and technological utilization to expedite selection process. By utilizing technologies in the selection process, processing time can be reduced to 50%, enabling the recruitment team to work more efficiently and effectively. These strategies have supported the Company in ensuring the availability of sufficient labor to fulfill the demands in various job positions that arise in order to facilitate business development or in order to fill the vacancies resulting from reasonable employee turnover in day-to-day business operations.

Based on work characteristics in BFI Finance, HC recruitment can be differentiated into three positions: strategic, trainee, and non-strategic positions. Recruitment processes for strategic (managerial level) and trainee positions are conducted at the head office. The trainee position consists of external trainee (new employees) and internal trainee (existing employees). Recruitment process for non-strategic positions is conducted at the branch offices.

BFI Finance expands its sourcing partner by collaborating with internal and external parties. The Company empowers its employees through the employee-get-employee program,



which gives rewards to employees who have successfully brought in new people into BFI Finance that remain employed in the Company for a minimum of 6 months. The employee-get-employee program is by far the most successful recruitment method with a 95% join rate, compared to other methods.

BFI Finance establishes relationships with various universities throughout Indonesia by awarding scholarships, conducting apprenticeship programs, campus hiring, and campus awareness through seminars presented by the BOD and Management.

BFI Finance also utilizes various social media and websites in the sourcing of talents, such as Facebook, Twitter, Instagram, Career.com, LinkedIn, and Jobstreet.

Sourcing is often conducted directly at places frequently visited by non-strategic employees, such as sales force and collection staff. In this way,

the Company is able to obtain as many candidates as possible that fit the requirements of the organization.

The employee selection process uses the BFI Jobs mechanism, with which employees can directly submit the prerequisites for employee selection process (filling in the job application form and completing the psychology test) online through the Job Fit Assessment system. In addition, job applicants can track their job application status directly using the Applicant Tracking System.

With its excellent corporate image, BFI Finance is able to optimally attract new employees from external sources, as well as fostering a sense of pride in its employees. BFI Finance's success in this regard is reflected by the "Best Company to Work For in Asia 2017" award the Company received from Business Media International.

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HUMAN CAPITAL DEVELOPMENT



BFI FINANCE'S BUSINESS DEVELOPMENTS

in 2017 warranted the support of high-quality HC. To ensure this, HC management in BFI Finance is conducted on all 9,884 employees across its 218 branch offices and 124 outlets throughout Indonesia. BFI Finance continuously strives to ensure that all employees receive equal opportunity to develop their competences.

The key strategy for HC development is training: both internally and externally, and involving BFI Finance's business partners. To fulfill its workforce's training needs, BFI Finance has established the BFI Learning Institute, which focuses on building a learning organization in developing comprehensive training programs which shall be continuously improved and adjusted to the needs of the organization.

The initiatives of BFI Learning Institute in 2017 were focused on reorganizing, restrategizing, knowledge management utilization, and organization learning infrastructure building. These initiatives were brought into action through:

1. Collaboration with several universities, both in Indonesia and overseas, to develop competence of employees at the managerial level or above.
2. Implementation of knowledge management to utilize knowledge assets within the organization. Relevant activities carried out in 2017 include Sharing Sessions (Leader's Talk, 70 to 30), Knowledge Mapping, and Change Advocate Forum.
3. Development of in-class and off-class (e-learning) training and development methods, with the following learning strategies:
 - a. 20%:80% concept, which consists of 20% in-class learning and 80% on-the-job training, assignment, or other methods;
 - b. Game-based learning, i.e. a fun game-based learning method in the classroom, which is aimed to increase participants' comprehension; and
 - c. Applicable, in that the lessons given are not only conceptual but also directly applicable to their jobs.
4. Implementation of HC learning and development strategies across two general training categories, i.e.:
 - a. Internal Training, aimed at career preparation and competence improvement. This training stream consists of two programs:

- **Career Programs**
Career empowerment for all employees throughout their career, from the staff level to director level. This career preparation program is called the Great Leader Program (GLP), which consists of 7 series, Series I to VII. GLP is carried out on a tiered basis, starting from Series I, which is a training program to improve the competence of employees and prepare them for Job Grades 8-10, up to Series VII, which trains and improves the competence of employees at the director level.

- **Enhancement Programs**
These are periodic training programs for employees of a certain work period aimed at increasing employee competence. The programs consist of Enhancement Program Series 0 to 10 and are implemented in synergy with GLP for employees at Job Grade 8 to director level. Throughout 2017, the BFI Learning Institute and its business partners organized 106 training sessions at the head office, area offices, and branch offices throughout Indonesia.



- b. **External Training**, aimed at increasing the knowledge and skills of the employees, which consists of:
 - **Public Training**
Intended for employees of certain positions to enhance their competence according to the organization's needs.
 - **Professional Education Aid**
An educational scholarship program for employees who wish to pursue postgraduate studies.
 - **Certification Training**
Intended to certify certain skills according to the employee position. In 2017, BFI Learning Institute organized four certification training sessions in collaboration with external parties.

For its HC developmeny throughout 2017, the Company spent Rp28.5 billion, a 49% increase compared to HC expenditures in 2016, which amounted to Rp19.1 billion. This was used to fund training programs, training participants' accommodation, and other supporting expenses. The total number of training participants in 2017 was 11,206 employees, with an average of 41.8 training hours per employee per year. The increase in HC development efforts in 2017 demonstrated the strong commitment of BFI Finance to serve as a place of learning for its employees, across a broad range of subjects.

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Table 13: Training And Educational Programs

DESCRIPTION	TRAINING CATEGORY	NUMBER OF PROGRAM
Internal Training	10	632
External Training	44	48
Total	54	680

Table 14: Training Participants By Position Level

POSITION LEVEL	INTERNAL TRAINING	EXTERNAL TRAINING
BOC & BOD	-	21
Senior Manager	54	106
Junior Manager	378	137
Officer	2,012	32
Staff	8,011	455
Total	10,455	751

Table 15: Average Training Hours

POSITION LEVEL	Training Hours	Number of Employees per 31 December 2017	Average Training Hours per Employee
BOC & BOD	168	12	14.0
Senior Manager	4,224	145	29.1
Junior Manager	10,280	496	20.7
Officer	47,128	2,593	18.2
Staff	351,702	6,638	53.0
Total	413,502	9,884	41.8

PERFORMANCE MANAGEMENT

BFI FINANCE RELIES ON ITS EMPLOYEES

in the mitigation of various risks and problems the Company faces at all times. The Company's ability to direct, develop, and encourage the best abilities of its employees is crucial in responding to challenges and continuously adapting to the dynamic demands of the market.

To maintain and monitor its business performance, the Company has to regularly measure its HC performance. There are two types of productivity index assessments:

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

In order to increase productivity, in mid-2017, BFI Finance reengineered its business processes for its partners' employees. The process is aimed to re-evaluate all positions in core and non-core processes in order to optimize its production.

The HC Department has arranged a systematic and automated performance management system for individual employees in its Human Capital Information System (HCIS), which shall be further explained in the next section. This performance assessment system consists of three sections:

a. Employee Goal Setting (EGS)

This section requires all employees to formulate KPI which will serve as indicators for their performance assessment. BFI Finance uses a KPI sharing system, which means that the KPIs of one section is coordinated to the KPIs of other sections. Currently, the EGS formulation is consolidated in each Human Capital Strategic & Policy (HCSP) in each area and is subsequently uploaded into the HCIS system.

b. Performance Review

In this section, all employees, both permanent and contract, and their superiors shall assess the agreed KPIs. This process is conducted every July as a mid-year performance assessment, and the result shall be used as data in the employee promotion system.

c. Performance Appraisal

In this appraisal, employees and their superiors are assessed for their performance throughout the year. The assessment result will be used as reference for incentive payments and profit sharing. The Company also imposes sanctions with the objective of teaching and reprimanding employees so as to enhance their performance in accordance with the Company's Core Values.

In 2017, by implementing various HC performance improvement programs, BFI Finance successfully recorded a productivity increase in its employees by 25%, based on the ratio between new contract value and number of employees.

Table 16: Employee Productivity

DESCRIPTION	2016	2017	CHANGE
Total Number of Employees	8,941	9,884	11%
Total Number of Outlets	305	342	13%
Employees/Network	29.3	28.9	-2%
New Contracts/Number of Employees	31.6	39.3	25%

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CAREER DEVELOPMENT

EACH EMPLOYEE OF THE COMPANY IS CONSTANTLY ENCOURAGED TO PURSUE A CAREER PATH that corresponds to their interest, ability, and capability, by taking business requirements and development of the Company into consideration. By ensuring that its employees pursue the right career paths, the Company expects to maximize its HC capabilities in order to optimize its performance in all aspects.

The Company has formulated an employee development management program by taking into account the competency standards (core competency, leadership, functional, and technical) and mapping of employee potentials (Human Asset Value or HAV Map) in creating career planning and their development programs. Talent management in BFI Finance consists of two main paths: GREAT Talent Review and People Development.

GREAT Talent Review (GTR) is a mapping of all employees on the basis of their performance and competence. Their performance is measured using the scoring method, while their competence is observed by an assessment process for each position. GTR is conducted once every six months to prepare leadership generation in head and branch offices. GTR result is used as input in work promotion process.

People Development is a competence development process aimed to increase the performance of an employee. This program is conducted internally (to employees) and externally (to business partners) according to the Company’s needs. In 2017, BFI Finance carried out several internal training sessions, such as Breakfast Meeting, Executive Coaching for managerial level, university scholarship for managerial level, and BFI Leader Inspiring—a knowledge-sharing program that brings together employees and BFI Finance management representatives from all branch offices.

Table 17: Employees Participating In Talent Management And Succession Programs

POSITION LEVEL	2016			2017			Chang
	Male	Female	Total	Male	Female	Total	
Managerial and above	60	7	67	56	18	74	11%
Supervisor	49	41	90	85	31	116	29%
Total	109	48	157	141	49	190	22%



“BFI Finance has always been deeply concerned with the development of its human capital quality.”

I have been employed at BFI Finance for 10 years now, and for that long I have always been impressed with the core values of the Company that are also embedded in every individual that works here. Furthermore, I savor the feeling of kinship and cooperation with other BFI Finance employees. My superior has also been very supportive of my career and competence enhancement. I feel that every individual here has an equal opportunity to improve, due to the Company’s strong regeneration culture. May in the coming years the Company can maintain its openness and adaptability in creating a work environment that is well suited to the mindset and behaviors of the present and future generations.

Baskoro F. Wafdana
Non-Dealer Car Financing Product Head

EMPLOYEE WELFARE PROGRAM

THE COMPANY STRIVES TO STRENGTHEN ITS EMPLOYEES' LOYALTY, increase their productivity, and retain the best talents in the industry by ensuring the welfare of all employees at an adequate level that can be continuously improved. In that regard, the Company has formulated comprehensive and attractive remuneration packages for its employees. From time to time, these packages are adjusted to the economic condition in BFI Finance's operational areas and to the local minimum wage increase as well as the average remuneration in similar industries.

The calculation of salary structure and performance bonus is based on the level or position of the employee in addition to their achievements and contributions to the Company. Performance achievement is measured on the basis of several factors: individual, group or team, and corporate. The Company shall adjust the salary of its employees to the economic condition to ensure proper living standards for them. The Company also observes the standard minimum wage determined by the government.

In addition to the basic salary and transportation allowance, the Company

also provides various facilities and allowances, such as: Motorcycle Ownership Program (MOP), Car Ownership Program (COP), and work-supporting facilities ownership program such as digital camera, laptop, financial calculator, and smartphone.

Various allowances provided by the Company for its employees include: housing allowances, homecoming allowances, and allowances for employees stationed outside their original domiciles, hardship allowances for employees stationed in remote areas; annual religious holiday allowances, and reimbursement of outpatient and inpatient expenses for employees and their family members. In addition, the Company also grants maternity leave for eligible employees.

The Company registers its employees in a number of protection schemes provided by BPJS Ketenagakerjaan, which include Work Accident Insurance, Old Age Insurance, and Life Insurance. All employees are also included in Personal Accident and Life Insurance programs. This protection shall be further explained in the forthcoming Occupational Health and Safety section.



“As an employee, I feel really valued by the Company. Employee competence development is always so thoroughly structured and comprehensive.”

From my experience working here, I have realized that BFI Finance has a distinct character as a company that never stops innovating, is always responsive to change, and highly dynamic. This character is manifesting in not only the workplace and the work culture, but also in my habits, as well as in everyone else's who work at BFI Finance. The working environment is warm and egalitarian even between superiors and their subordinates, thus allowing us to foster a harmonious rapport with each other. I also find BFI Finance's allowances and benefits greatly beneficial. I hope in the coming years BFI Finance can provide more scholarships for high-performing employees so that they can further their studies, thus enhancing their capabilities and career.

Antonius Heru Santoso
Branch Manager of North Jakarta

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HUMAN CAPITAL INFORMATION SYSTEM

THE GEOGRAPHICAL CONDITION AND AREA DISTRIBUTION OF BFI FINANCE'S OPERATIONAL ACTIVITIES,

with its branch offices spread across Indonesia, require the use of adequate IT to guarantee the effectiveness and efficiency of its business. Therefore, the IT of the Company is constantly adapted to the new technological developments to meet its operational and non-operational business needs.

BFI Finance has been implementing HCIS since 2015 to supplant the previous system. The HCIS's scope covers all employees and partners of BFI Finance. Modules in the HCIS are continuously developed according to the needs of the Company and are further integrated to streamline all processes in BFI Finance.

As of the end of 2017, the following HCIS modules have been developed:

1. Employee Self Service, especially designed for BFI Finance's partners, is a system developed for all partners

in order to maintain a database that is valid at all times. This module also provides supporting data for payment of remuneration to all BFI's partners.

2. Job Fit Assessment, an online psychology test that can be accessed by job applicants. The result is shown within one hour. This system has significantly reduced the time required for the process and has increased the quality of the test.
3. Applicant Tracking System a tracking system for all job applicants that can be used to directly track the progress of their application in the recruitment process.
4. Learning Management System the development of the current Employee Self Service system, to support training registration. Its data is centralized at the BFI Learning Institute.
5. Performance Management System, aimed at developing the EGS system. Each employee can directly input and update their KPIs in the performance planning process.

EMPLOYEE PROGRAMS AND ACTIVITIES

TO FOSTER TOGETHERNESS AND TO ENCOURAGE HARMONIOUS INTERACTIONS and eliminate structural boundaries, the Company organizes various interaction activities, such as health and fitness programs, including basketball, badminton, table tennis, indoor soccer, zumba, and running.

In addition, the Company periodically organizes outings that involve all employees from head and branch offices, and encourages community activities, such as BFI Radio, Music Corner, and Movie Events. In the month of Ramadan, the Company often organizes breaking of the fast (iftar) which involves all employees.

Through these interaction activities, the Company hopes to cultivate a sharing culture, as a foundation in the extensive implementation of Knowledge Management initiative of the Company.

INDUSTRIAL RELATIONS

BFI FINANCE MAINTAINS SOUND AND HARMONIOUS INDUSTRIAL RELATIONS with its employees. Through the solid industrial relations, the Company will be able to realize the rights and obligations of the employees in accordance with the prevailing laws and regulations, based on the agreements between the Company and its employees.

The main industrial relations topics include employment practices, working conditions and social security, consultation, as well as HC development and training improvement. The Company upholds the principles of equality and fairness in interacting with its employees.

BFI Finance protects the rights of its employees in accordance with the prevailing laws and regulations. The rights and obligations of the management and employees are stipulated in the Company Regulations, which has been ratified by the Ministry of Manpower of the Republic of Indonesia. A total of 5,982 permanent employees or 61%

of the total number of employees as of 31 December 2017 (9,884 employees) have their interests protected under the Company Regulations. Contract employees have their interests protected under the cooperation agreements.

To ensure harmonious relations with its employees, BFI Finance provides a wide range of information channels for the employees to access information and express their aspirations directly, through the email and phone of the Hotline HC Care, or through direct communication to the management of the Company. Management visits to branch offices are conducted periodically through the “BFI Leaders Inspire” activity.

By end of 2017, there were no labor unions formed within BFI Finance. With the existing employment condition, the employees of BFI Finance have not considered it necessary to establish a labor union as a channel to express their aspirations effectively.

HANDLING OF EMPLOYMENT-RELATED GRIEVANCES

BFI FINANCE CONSIDERS ITS EMPLOYEES AS STAKEHOLDERS OF THE COMPANY, AND BY EXERCISING THE PRINCIPLE OF EQUALITY. Any grievance or complaint related to work relations, employment practices, or human rights violations, shall be immediately resolved by the Company’s management, which shall find an appropriate and satisfactory solution for all parties.

The Company receives complaints that are submitted orally or in writing. Each complaint shall be resolved in stages, in accordance with the organizational structure of the Company. With this approach based on the principle of equality, industrial relations within BFI Finance has been established and well-maintained. BFI Finance and its employees are able to foster a conducive working environment, and therefore, there were no grievances related to industrial relations in 2017.

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OCCUPATIONAL HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY (OHS) is a top priority for BFI Finance and is inseparable from good employment practices. By ensuring an excellent OHS status, BFI Finance strives to create a safe and convenient working environment to support employees' activities and optimize their performance. Employees are a key factor in BFI Finance's business, and therefore, the Company needs to maintain a healthy workforce that is always ready to work.

BFI Finance implements the OHS Management System and policies to protect all employees from occupational risks. This includes the application of SOPs that are aligned with the risks as well as activities to increase OHS awareness in each employee. The implementation of OHS policies and procedures is a joint effort of the HC Department and the Infrastructure Development Unit under the Operations Division.

EMPLOYEE PROTECTION ARRANGEMENTS

OHS regulations have been adopted by the Company through a Collective Labor Agreement, which includes the occupational safety clauses, stipulated in Article 39 concerning Prevention and Mitigation. Article 39 maintains that:

1. Each employee shall prevent and avoid any work accident, fire, theft, and other situations that could endanger the safety of employees, incur damage to Company's assets and the environment.
2. Each employee shall mitigate any work accident, fire, flood, theft, and other situations that could endanger and/or incur damage to Company's assets.
3. Off-site employees using motorcycles for work purposes shall wear helmets as safety protection.

In addition to the OHS policies, SOPs, and regulations, the Company protects its employees further with health and accident insurance policies, to ensure that employees feel safe and comfortable when carrying out their daily activities. The work accident protection for employees includes:

1. BPJS Ketenagakerjaan through the 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.

BUILDING OHS IMPLEMENTATION

BFI Finance's nature of business is centered in office administration and out-of-office activities. BFI Finance strives to create a safe and comfortable working environment for its employees, customers, and assets, both in the head office and branch offices.

BFI Finance aims to obtain all necessary building safety permits, such as those related to electrical systems (for the utility grid and the generators), transport systems (lifts and gondolas); lightning protection system; fire systems; and waste treatment systems in the form of Sewage Treatment Plant. All permits related to building facilities have been obtained and regularly updated in accordance with the applicable laws and regulations.

The Company's head office, BFI Finance Tower, is the largest building operated by the Company, with an area of 20,000 m². To minimize safety risks in relation to the operational activities of the building, throughout 2017 BFI Finance implemented the following OHS programs:

1. Provision of First Aid Kit and fire disaster rescue system on each floor;
2. Establishment of Fire Brigades, involving Security, Building Maintenance and Cleaning Service personnel, employees, and tenants of the building;
3. Periodic emergency evacuation drills involving all parties;
4. Testing of firefighting equipment (sprinklers, hydrants, and alarm systems);
5. Routine maintenance of building facilities, such as lifts, diesel pumps, generators, gondolas, and fire systems; and
6. Electrical systems inspection.

Emergency response team has been established to conduct periodic evacuation drills. These drills are carried out based on potential hazard that has been identified at the head office, namely fire risks in a high-rise building.

OCCUPATIONAL HEALTH AND SAFETY PRACTICE FOR FIELD EMPLOYEES

Field employees who carry out their work duties and responsibilities out of the office face a high risk of work accidents. Field employees, including marketing, collecting, and other units in operations are exposed to a high level of traffic accident risk. There were 22 traffic accidents recorded in 2017, compared to 20 accidents in 2016.

Table 18: Occupational Accidents In 2017

OCCUPATIONAL ACCIDENT SEVERITY	FIELD EMPLOYEES	OTHER EMPLOYEES	TOTAL
Major Accident	0	0	0
Minor Accident	16	6	22
Total Number of Cases	16	6	22

HEALTH CAMPAIGN

BFI Finance runs a campaign to promote the prevention of occupational diseases to increase employees' awareness on the potential occupational diseases resulted from their daily activities. Included in this campaign is the regular medical check-up for employees at certain job levels. The Company also conducts health campaigns in areas experiencing outbreaks of endemic diseases such as dengue fever and malaria, or areas with adverse environmental conditions, such as forest fire and smoke.

The Company promotes its healthy living campaign by providing sports facilities for employees, such as badminton, basketball, table tennis, and gymnastics hall for zumba.

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

ASSET SECURITY

In addition to employee safety, BFI Finance protects and secures its assets, particularly customers' documents, in Custodian Center. This is crucial in order to maintain long-term trust and loyalty of its customers.

To protect and secure these documents, BFI Finance has built an earthquake- and fire-proof storage room at BFI Finance's Head Office at BFI Finance Tower with 24-hour security protection.

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EMPLOYEE DEMOGRAPHIC

IN LINE WITH THE DEVELOPMENT OF ITS BUSINESS, BFI Finance continuously increases its workforce size. As of 31 December 2017, the Company employed a total of 9,884 employees, an 11% increase from the number in 2016 of 8,941 employees. More than half of the workforce (61%) are permanent employees. The increase in the number of employees was seen in almost all directorates.

Based on their education level, there was an increase in the number employees with Diploma, Bachelor's, Master's, and Doctorate degrees. They made up 72% of total employees of BFI Finance in 2017.

Based on age group, more than two-thirds (70%) of BFI Finance's employees are below 30. The workforce age distribution is pyramid-like, which shows that employee regeneration has been successful in BFI Finance.

A large proportion of BFI Finance's employees (93%) or 9,884 employees are in staff or officer levels. They are the key factors in the business growth of the Company as they interact directly with the market. The high proportion of staff and officer level employees ensures the ability of the Company to meet the demands of the customers and to provide high-quality and satisfactory services to customers.

Table 19: Total Employees

DESCRIPTION	2016	2017	Change
Total Employees	8,941	9,884	11%

Table 20: Number of Employees by Directorate

DESCRIPTION	2016		
	Male	Female	Total
BOC	5	1	6
BOD	5	-	5
CEO Directorate (President Director)	376	112	488
Retail Business Directorate	3,205	641	3,846
Operational & Corporate Business Directorate	983	1,187	2,170
Enterprise Risk Directorate	2,035	264	2,299
Finance & Information Technology Directorate	82	45	127
Total	6,691	2,250	8,941

Table 21: Number of Employees by Directorate

DESCRIPTION	2017		
	Male	Female	Total
BOC	6	1	7
BOD	5	-	5
CEO Directorate (President Director)	666	417	1,083
Business & Channel Directorate	3,609	446	4,055
Operations & Human Capital Directorate	601	1,169	1,770
Enterprise Risk Directorate	2,503	403	2,906
Finance Directorate	21	37	58
Total	7,411	2,473	9,884

Table 22: Number of Employees by Employment Status

EMPLOYMENT STATUS	2016			2017			Change
	Male	Female	Total	Male	Female	Total	
Permanent	3,825	1,497	5,322	4,319	1,663	5,982	13%
Contract	1,229	310	1,539	1,712	445	2,157	41%
BFI Partner (Mitra)	1,637	443	2,080	1,380	365	1,745	-17%
Total	6,691	2,250	8,941	7,411	2,473	9,884	11%

Table 23: Number of Employees by Employment Contract

TYPE OF EMPLOYMENT CONTRACT	2016			2017			Change
	Male	Female	Total	Male	Female	Total	
Full Time	6,691	2,250	8,941	7,411	2,473	9,884	11%
Part Time	0	0	0	0	0	0	
Total	6,691	2,250	8,941	7,411	2,473	9,884	11%

Table 24: Number of Employees by Region

REGION	2016			2017			Change
	Male	Female	Total	Male	Female	Total	
Head Office	453	290	743	430	335	765	3%
Java & Bali	3,210	945	4,155	3,700	1,080	4,780	16%
Sumatera	1,175	414	1,589	1,272	433	1,705	8%
Kalimantan	699	214	913	736	212	948	4%
Eastern Indonesia	1,154	387	1,541	1,273	413	1,686	10%
Total	6,691	2,250	8,941	7,411	2,473	9,884	11%

Table 25: Number of Employees by Level of Education

LEVEL OF EDUCATION	2016			2017			Change
	Male	Female	Total	Male	Female	Total	
Master's & Doctoral degrees	33	9	42	33	13	46	10%
Bachelor' degrees	3,628	1,523	5,151	4,181	1,715	5,896	15%
Diplomas	753	356	1,109	799	380	1,179	7%
High School and below	2,277	362	2,639	2,398	365	2,763	5%
Total	6,691	2,250	8,941	7,411	2,473	9,884	11%

Table 26: Number of Employees by Position Level

POSITION LEVEL	2016			2017			Change
	Male	Female	Total	Male	Female	Total	
BOC & BOD	10	1	11	11	1	12	10%
Senior Manager	105	22	127	113	32	145	15%
Junior Manager	356	79	435	402	94	496	15%
Officer	1,565	599	2,164	1,882	711	2,593	20%
Staff	4,655	1,549	6,204	5,003	1,635	6,638	7%
Total	6,691	2,250	8,941	7,411	2,473	9,884	11%

Table 27: Number of Employees by Age Group

AGE GROUP	2016			2017			Change
	Male	Female	Total	Male	Female	Total	
< 25 Year	1,193	679	1,872	1,290	750	2,040	9%
25-30 Year	3,316	1,132	4,448	3,711	1,259	4,970	12%
31-40 Year	1,942	377	2,319	2,139	403	2,542	10%
41-50 Year	219	55	274	245	53	298	9%
> 50 Year	21	7	28	26	8	34	22%
Total	6,691	2,250	8,941	7,411	2,473	9,884	11%

Table 28: Number of Employees by Tenure

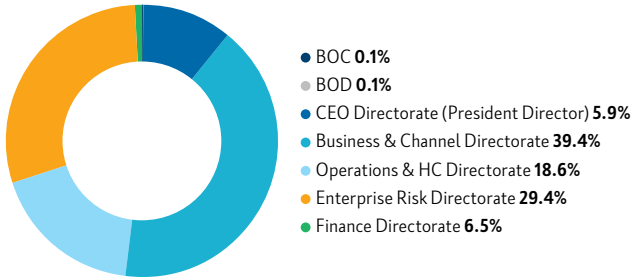
TENURE	2016			2017			Change
	Male	Female	Total	Male	Female	Total	
< 3 Year	4,374	1,279	5,653	4,790	1,389	6,179	10%
3-5 Year	1,339	516	1,855	1,461	551	2,012	9%
6-10 Year	728	342	1,070	879	404	1,283	20%
> 11 Year	250	113	363	281	129	410	13%
Total	6,691	2,250	8,941	7,411	2,473	9,884	11%

HUMAN CAPITAL

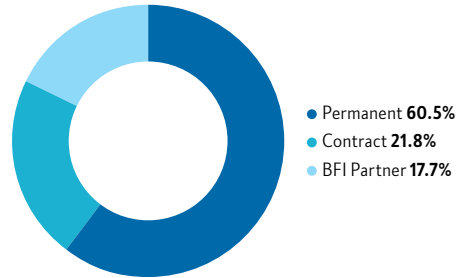
- HC Management
- Recruitment Management
- Human Capital Development
- Performance Management
- Career Development
- Employee Welfare Program

- Human Capital Information System
- Employee Programs and Activities
- Industrial Relations
- Handling of Employee-Related Grievances
- Occupational Health and Safety
- Employee Demographics

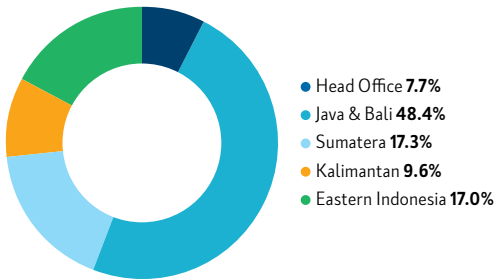
Graphic 8: Number of Employees by Directorate



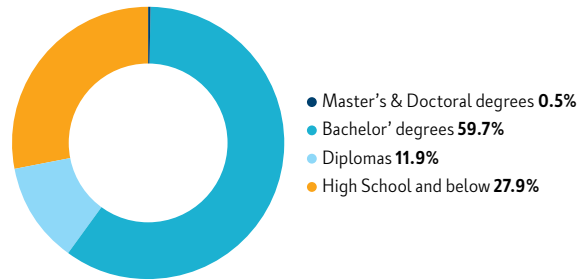
Graphic 9: Number of Employees by Employment Status



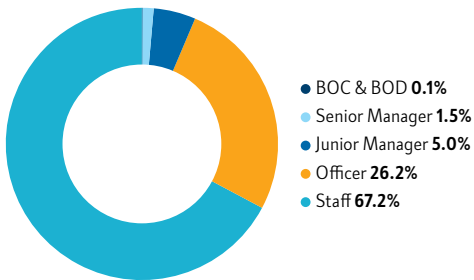
Graphic 10: Number of Employees by Region



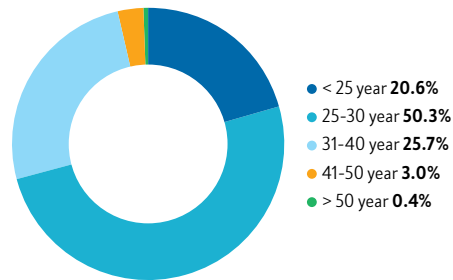
Graphic 11: Number of Employees by Level of Education



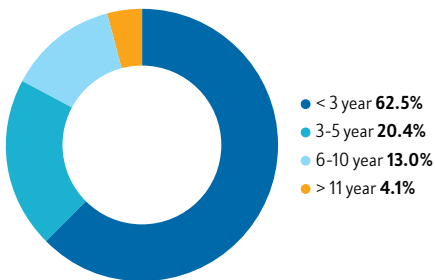
Graphic 12: Number of Employees by Position Level



Graphic 13: Number of Employees by Age Group



Graphic 14: Number of Employees by Tenure



BUSINESS SUPPORT UNIT





NETWORK AND OPERATIONS

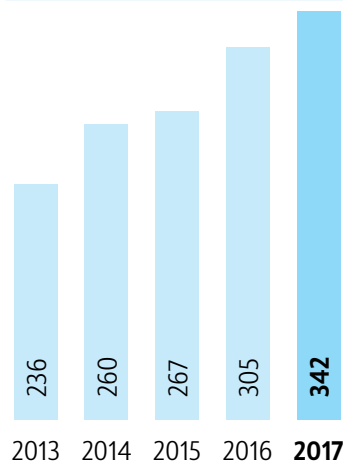
NETWORK EXPANSION

To support its business growth, one of the strategies adopted by BFI Finance has been market penetration optimization through geographic expansion. BFI Finance expands its operational network by adding new network nodes in serviced areas and targeting new areas with a huge potential to be served by the Company.

BFI Finance's network expansion strategy in 2017 focused more on technology utilization to improve overall service quality for customers, allowing it to create added value for both BFI Finance and its customers. Simultaneously, BFI Finance also opened a number of new outlets in the areas where BFI Finance's physical representation was required.

At the end of 2017, BFI Finance operated 342 outlets, consisting of 218 branches and 124 kiosks, an increase of 37 outlets or 12% from 305 outlets in the previous period. Most of BFI Finance's new outlets were opened in Java, due to the high demand from this region. From 2013 to 2017, the total number of BFI Finance outlets had increased with a CAGR of 9.7% per year.

Graphic 15: Jumlah Outlet



OPTIMIZATION OF OPERATIONS AND PRODUCTIVITY

BFI Finance also focused its efforts on improving its manpower utilization efficiency in every outlet within its network. By employing a more sophisticated system and IT in various fields and functions in branches, the productivity of each branch could be increased without resorting to additional manpower or other resources. Meanwhile, the efficacy of every function carried out in the branches—sales, billing, and other operations—was also optimized through stricter management and oversight performed on an ongoing basis.

In 2017, these steps were taken as part of the continuous implementation of the Golden Bamboo project, which was initiated in 2016 to boost productivity, customer service quality, and operational efficiency through automation and digital technology.

With a number of improvements in IT in 2017, BFI Finance can now identify roots of problems faster, starting with pinpointing matters that hinder productivity, to analyzing and finding solutions for future implementation.

The Golden Bamboo Project has enabled the Company to offer competitive processing time, transparency, and quality as its attractive Unique Value Propositions. These were indeed well received by customers, agents, and partners. In 2017, the Company continued its improvement efforts by carrying out various initiatives that revolved around the following three pillars:

- Network and Operations
- Customer Service
- Information Technology



1. **Business process streamlining and centralization**

Operational process optimization in the Company is carried out by integrating processes from branch level to area level. With this integration, control could be centralized and performed with greater convenience, while, at the same time, service to customers, consumers, and the public could be further improved.

2. **Functions automation at outlets**

This step was undertaken to ensure a more transparent supply of information at every level of the

Company, so that improvement in service quality for customers and consumers can be attained. One of the programs that became the focus of automation in 2017 was the development of the e-Procurement system for goods and services, which was integrated with the Fixed Asset Management system.

3. **Transition into cashless society**

The Company has continued to facilitate its customers and consumers in paying their financing installments through digital payment options. This has been done through cooperation with

e-commerce sites in Indonesia, enabling customers and consumers to pay their installments without having to visit one of the Company's physical outlets.

Various efforts in the aforementioned three pillars will continue in 2018. The Company's operational development focus in 2018 will aim to continue the operational process integration and optimize the cashless payment system initiated in 2017. The implementation of these steps are expected to significantly improve the efficiency and efficacy of the Company's business processes.

CUSTOMER SERVICE

CUSTOMER SATISFACTION IS ONE OF THE CRITICAL FACTORS for BFI Finance in sustaining its business. With the ever-tougher competition in the multifinance industry, BFI Finance must consistently refine its services to provide swift and proper responses that satisfy its customers.

BFI Finance continues to improve its service and protection to customers as the embodiment of the Company's compliance with Law No. 8/1999 on Consumer Protection, OJK Regulation (POJK) No. 1/POJK.07/2013 on Consumer Protection in Financial Services Sector, and other relevant regulations. All of these have been summarized in the Company's Service Quality Strategy framework, which aims to comprehensively improve the Company's service.

SERVICE QUALITY STRATEGY



The Service Quality Strategy framework consists of four main steps, namely:

- Sustaining Service Insight;
- Customer Relationship & Engagement;
- Converting Customer Service into Sales; and
- Complaint Handling & Service Recovery.

”



“ I am happy with the service of BFI Finance, particularly its simple administrative requirements”

I became a customer of BFI Finance's heavy equipment financing in 2013, on my colleague's recommendation, and I have since experienced its many benefits. In addition, BFI Finance offers a wide-range of financing products. I hope that in the future, BFI Finance can continuously improve its performance, especially by reducing processing time and maintaining competitive interest rates.

Robertus Armada

Director of PT Armada Trans Surabaya
Heavy Equipment Financing Customer

SUSTAINING SERVICE INSIGHT

BFI Finance has formulated its core values of service to boost quality and set a standardized service procedure for its employees in serving customers, consumers, and the public. These core values are called Service Insight and are instilled in all employees, especially in the units that directly deal with customers and consumers.

Service Insight is aligned with one of the Company's Core Values, namely Excellent Service – providing the best service for internal and external consumers' satisfaction. Service Insight is applied in the following five service dimensions:

- **Tangibles:** physical facilities' appearance, equipment, employees, and communication materials;
- **Reliability:** Ability to provide the promised services reliably and accurately;
- **Responsiveness:** Sincerity in helping consumers and providing fast service;
- **Assurance:** Knowledge and courteousness of employees that make them trustworthy;
- **Empathy:** Special attention and care to customers.

To support the implementation of Service Insight, the Company has provided a dedicated web page for its employees, called the Service Insight Community (SIC). Through this web page, the employees can improve their knowledge on customer and consumer services and support the Service Go Digital 2018 campaign, which was instigated by the Company in line with its transition towards a cashless society.



CUSTOMER RELATIONSHIP & ENGAGEMENT

To serve the customers even better, BFI Finance constantly equips all employees, especially frontliners, with new competencies and understanding regarding service quality and customers' needs identification. Through this continuous effort, BFI Finance has been able to foster strong relations with its customers as well as made its customers more loyal to BFI Finance.

Service-related training programs given to BFI Finance employees in 2017 encompassed topics such as communication skills, response speed, and means to uphold integrity based on the Company's core values. In 2017, customer service employees also attended the Service Insight training.

BFI Finance offered similar programs to BFI Finance Priority customers and other customers in 2017, as in the previous years. In 2017, as part of its aftersales service, BFI Finance established cooperation with a number of popular merchants in each region, from where all BFI Finance customers in that area were eligible to get special discounts while shopping at the merchants' outlets. By the end of 2017, BFI Finance had partnered with 92 merchants in food & beverage, health service, and beauty care segments, even with five-star hotels.

To commemorate the National Customer Day, BFI Finance conducted the Special Treatment program for motorcycle financing customers with Excellent merit, by presenting them with special hampers and a visit from the branch's representative. Also to commemorate the National Customer Day, special treatment was given by the Company's employees to all customers, namely by addressing them with a special greeting on that particular day, and through the "BM Goes to Front Office" program, where all Branch Managers joined the front-office staff to serve all customers at BFI Finance's offices. This customer service program has become an annual tradition at BFI Finance's branches since 2015.

CONVERTING CUSTOMER SERVICE INTO SALES

In 2017, BFI Finance empowered the on-the-ground Customer Service (CS) staff so that they would not only focus on customer service activities, but also contribute to product marketing. To support this, in 2017 the Company provided CS staff with added competencies related to product promotion, marketing, and quality service.

COMPLAINT HANDLING & SERVICE RECOVERY

The complaints received by the Company were all followed up by the Customer Care Unit, in cooperation with other units that were related to each complaint. Therefore, every customer's complaint could be resolved quickly, accurately, thoroughly, and satisfyingly. Excellent communication and integration between the Customer Care Unit and the branches has allowed customer feedback to be handled effectively.

Table 29: Customer Complaints Received

NO.	FEEDBACK ASPECT	2015	2016	2017
1.	Consumer understanding of product characteristics	1,936	2,652	1,825
2.	Inadequate product information	603	794	518
3.	Device and IT system disruption/failure	45	33	19
4.	Changes/termination of contract/agreement	10	0	1
5.	Consumer's negligence	235	217	156
6.	Financial service institution's negligence	0	0	0
7.	Financial service institution's criminal act	0	0	0
8.	Others (internal service process less than optimum)	1,368	1,640	1,448
9.	Others (service failures from third parties/partners of the Company)	387	507	187
Total		4,574	5,843	4,154

On a yearly basis, BFI Finance records all customer feedbacks submitted through all of the available channels. In 2017, as stated in Table 29, the total number of customer feedbacks—in the form of complaint, suggestion, and others—decreased by 29%, from 5,843 feedbacks in 2016 to 4,154. The largest decrease was related to understanding of product characteristics, amounting to 31%. All nine feedback aspects categorized by the Company experienced a decrease in the total number of feedbacks received in 2017.

In 2017, the Company did not accept any complaints from its customers related to violation of customer privacy rights and customer data.

BFI Finance has determined an SLA in the form of a response period for every complaint received by the Company. The provisions in the SLA are in line with the Company's internal policies and related regulations applicable in Indonesia. In 2017, the Company's SLA's achievement was maintained; every complaint received in 2017 was resolved completely within 20 days.

Table 30: Handling of Customers' Feedback

NO.	DESCRIPTION	2015	2016	2017
Consumer Understanding of Product Characteristics				
1.	Completed	4,574	5,843	4,154
2.	In Process	0	0	0
Total		4,574	5,843	4,154
SLA on Complaints				
1.	≤ 20 Days	4,571	5,843	4,154
2.	20 Days < X ≤ 40 Days	3	0	0
3.	> 40 Days	0	0	0
Total		4,574	5,843	4,154

ESTABLISHING COMMUNICATION WITH CUSTOMERS

The Company provides a number of channels to facilitate communication with its customers and consumers, enabling them to access information, ask question to the Company, and submit complaints or questions related to issues in using BFI Finance financing services and products. The channels are:



Customer Care Hotline

1500018



SMS Customer Care

0815.8767.234



Email Customer Care

customer care@bfi.co.id

The Customer Care service is a means for BFI Finance to monitor the public's reactions and responses to the many aspects of BFI Finance's services in various media.

CUSTOMER SATISFACTION MEASUREMENT

BFI Finance consistently measures the success of its customer service programs by measuring the Customer Satisfaction Index or CSI periodically.

In 2017, the customer service measurement was performed by involving 218,350 customers as the

respondents, resulting in a CSI Score of 4.54 (out of a maximum scale of 5). This shows that the customers' assessment of the Company's service has been 'highly satisfactory'. The 2017 CSI Score was slightly lower than in 2016, and the Company is currently evaluating it so that it can later on formulate the necessary steps to improve customer and consumer services to be implemented in the coming years.

Graphic 16: CSI Score

2017	4.54
2016	4.62
2015	4.33

INTERNAL CUSTOMER CARE

To improve service quality for external consumers, BFI Finance realizes that service quality for the Company's internal consumers must also be continuously improved. For this reason, the Company has created Internal Customer Care program. Through this program, complaints from internal consumers, among others, assessment by branch employees of their head office colleagues' performance and vice versa can be identified and handled effectively.

2018 CUSTOMER SERVICE FOCUS

BFI Finance has launched the following programs to enhance its service to customers and to guarantee customer satisfaction:

1. Continuous development in service training;
2. Added values and facilities for BFI Finance Priority customers in the form of special treatments;
3. Stronger aftersales service by establishing cooperations with more merchant partners that bring greater benefits to consumers; and
4. Extra service to mark special occasions, such as public holidays and the Company's anniversary.



To me, the service and attention given by BFI Finance staff to their customers have been exemplary. They are not only polite and friendly but also have an extensive knowledge of the products they offer.

Sri Rejeki
Riau

INFORMATION TECHNOLOGY

INFORMATION TECHNOLOGY STRATEGY

All business processes at BFI Finance are run systematically and in a computerized manner, involving an IT platform that consists of IT infrastructure, systems, and procedures that are regularly updated and refined.

The main purpose of utilizing IT comprehensively is to support all of BFI Finance's business processes, to ensure that they are run effectively and efficiently: from processing of prospective consumers to performance assessment evaluation of individuals and companies, as well as to maintain the accuracy and reliability of data used by the management in decision-making process.

Eventually, the IT platform assists BFI Finance in implementing the Company's strategic plans for the short term, medium term, as well as long term, by always taking into account the level of risk that the Company is willing to be exposed to.

CORE SYSTEM FUNCTIONALITY

All business processes at BFI Finance are underpinned by an integrated core system that has been running since 2010 and is regularly maintained and improved in accordance with BFI Finance's business development.

The current core system has a web-based interface functionality that is integrated with other support systems. Thus BFI Finance is able to ensure that all key business processes in every operational locations of the Company can be monitored and compared with the targets determined in the SLA.

By the end of 2017, these were the systems integrated into BFI Finance's core system: Accounting System (GL), Salestrax, Telesales, TeleCollection, Procurement, Fixed Asset Management, Finance & Treasury Control System; Mobile Applications for customers, dealers, and agents, as well as Mobile Survey. In addition, support from the Datawarehouse and Business Intelligence features have substantially improved strategic decision-making processes.

With this integrated and multifunctional core system, BFI Finance has ascertained that all of the following operational processes can be conducted systematically and their monitoring can be carried out in real time:

- Customer-acquisition process & marketing simulation: financing simulation, 'negative list' check, credit status check for customers;
- Account acquisition: survey results reporting, financial structuring, credit management & approval, credit appeal;
- Disbursement & finance: centralized payment for suppliers, financial recording for all activities up to branch level;
- Account maintenance & collection: monitoring of all customers' installment payment transactions and collection management;
- Centralized financial reporting: integrated recording of all financial transactions;
- Fixed asset management: comprehensive company-wide asset management;

- Network and Operations
- Customer Service
- Information Technology



- Loan management: relationship management with banks for joint financing, asset purchases, and term loan transactions recording as well as related cashflow monitoring;
- Human capital management: management of all aspects related to human capital, using the Human Capital Information System (HCIS) platform.

BFI Finance’s core system facilitates business processes along the series of interactions between the Company and various parties, namely customers, agents, and dealers. Expansion to the core system integration consists of the utilization of Payment Points to facilitate customers’ installment payments, Electronic Data Capture (EDC) to improve security of billing process, as well as Document Management System to guarantee the quality of document management, supported by an adequate custody system.

INTEGRATED IT INFRASTRUCTURE

BFI Finance is operating a data center that is requisite for the expansion of its business scale and scope for at least the next ten years. This data center has fulfilled the Tier 2+ standard’s requirements, which include availability of redundant power source, redundant network, and redundant cooling system.

To improve IT platform's performance as well as to reduce cost for operating the platform, BFI Finance has applied server virtualization system to support the IT team in managing the Company's ever-expanding servers, especially in terms of quantity. Moreover, server virtualization has also increased the system's high availability and the IT service's SLA whenever a hardware disruption occurs. As the second layer of defense for IT platform, BFI Finance has implemented a Disaster Recovery Planning (DRP), which has been developed and is maintained continuously by the Company.

Online data backup process is carried out continuously through real-time mirroring mechanism between the parent database system and the backup database system housed in the Data Recovery Center (DRC). The Company's DRC facility is managed by an independent and external vendor with a sound reputation in DRC management and provision in Indonesia with a DRC Tier 3 standard. This standard requires an adequate redundant infrastructure capacity, redundant power source, and concurrent maintenance site for the DRC.

On the other hand, offline data backup is regularly carried out by copying data into the external storage media, to be subsequently stored in a location outside of BFI Finance's head office.

High availability system guarantees that the DRC shall be activated when the Company's IT platform experiences disruption—for example, physical failure or communication disruption. In this case, the core system, which normally runs on the main server, will be diverted to the prepared facility in the DRC. This ensures that the whole routine business processes, taking place in the head office and in all branches, can run without serious interruption, while the failure or disruption that has occurred in the core system or its infrastructure is being resolved.

The reliability of the DRP mechanism and DRC functionality is tested multiple times every year by a planned testing system. Meanwhile, the measures to assure the security of BFI Finance's IT system are compliant with the ISO 27001 security standards.

IT IMPLEMENTATION & DEVELOPMENT IN 2017

Since mid-2017, IT functions at BFI Finance have been categorized into two main fields, i.e. IT Operations and IT Solutions. The function of IT Operations is related to the operational aspect of the Company's system, consisting of IT Support, IT Production, IT Quality Management, and IT Infrastructure (including hardware, physical security, and network reliability) employed by BFI Finance. Meanwhile, the function of IT Solutions is associated with the maintenance and development of software to cater to the users' needs.

BFI Finance has enriched its core system's functionalities by adding more automated business processes. The 2017 IT solutions development priority was focused on continuing the efforts that had been implemented in the Golden Bamboo Project, i.e. Booking Engine, Credit Engine, and Agency Management.

BFI Finance is currently developing an application for mobile devices that will be able to be used by three parties, namely customers, agents, and dealers. The application's interface is customizable according to the user type. Therefore, the customers, agents, and dealers of BFI Finance can perform functions consistent with their respective roles in a more timely and efficient manner, since these can be performed at any time and in any place, without being limited by the employees' physical presence. The beta version of this application was launched on April 2017 (for customers) and August 2017 (for dealers), and BFI Finance is encouraging them to utilize this application more intensively.

2018 INFORMATION TECHNOLOGY DEVELOPMENT PLAN

For 2018, BFI Finance has conceived plans to develop IT system and infrastructures that are in line with the Company's strategic business plans. These plans consist of:

1. Adequate preparation of functionality and infrastructure availability to market new products as part of a new business segment that will be explored by BFI Finance in 2018;
2. Replacement of Loan Origination System with Business Process Management and Rule Engine as a long-term plan with duration of more than one year;
3. Capacity and capability development of existing systems to increase general business process performance in general;
4. Storage capacity improvement using Solid State Drive technology for all critical systems, to ensure the best performance and measurable damage anticipation;
5. Integration of the single login feature into BFI Finance's information system;
6. Skype for Business utilization for alternative communication channel with branches; and
7. Centralized and integrated telemarketing system implementation.

MANAGEMENT DISCUSSION AND ANALYSIS





ECONOMIC & INDUSTRY REVIEW

THE INDONESIAN ECONOMY IN 2017 EXPANDED ON COMMODITY TAILWINDS AND STRONGER DOMESTIC AND EXTERNAL DEMAND.

Rising crude oil prices had a significant impact on the prices of many other commodities during the year. In addition, rise in export driven by economic growth in Indonesia's key trading partners, such as China and Singapore, boosted trade for Indonesia. Indonesia GDP reached 5.07% at end of 2017, slightly improved from 5.03% in 2016.

Throughout 2017, the government focused on strengthening domestic consumption, investment, export, and government spending. Investment growth rose to its highest level in more than four years and foreign direct investment recorded the largest net inflow in more than seven years. Export and import volumes registered double-digit growth for the first time since 2012. We saw improvement in confidence in Indonesia, hence the reduced volatility in the currency as well as more vibrancy in the bond market.

This was further spurred by Indonesia's sovereign rating upgrade to Investment Grade by Standard & Poor's to complete previous Investment Grade granted by Fitch Ratings and Moody's Investors Service.

Indonesia recorded inflation of 3.61% in 2017, within Bank Indonesia's target of 3–5%. The prevailing interest rate set by Bank Indonesia as of December 2017 was 4.25%, following two rate cuts, respectively by 0.25%, in August and September 2017. The rupiah's exchange rate against the USD, based on Bank Indonesia's JISDOR data, weakened by 0.6% from 2016's average. Rupiah's volatility was 3%, better than 8% in 2016, and the average exchange rate of rupiah against the USD in 2017, at Rp13,384 per USD, was in line with the government's target of Rp13,400 per USD.

Bank credit grew by 8.2% in 2017, slightly higher than 7.9% in 2016, whilst the multifinance industry grew by 7.1%. Total financing receivables rose from Rp387,505 billion at the end of 2016 to Rp414,836 billion by end of 2017, whilst the industry's Net NPF was 2.96%, compared to 3.26% recorded in 2016.

Table 31: Multifinance Industry Receivables

DESCRIPTION (Rp billion)	2015	2016	2017
Receivables	363,273	387,505	414,836

Source: Financing Institution Statistic, OJK

Total multifinance receivables can be broadly divided into two categories—Conventional (comprising 93% of the total) and Sharia (7%). Under Conventional financing receivables, 63% was classified under Multipurpose Financing, 31% as Investment Financing, and the balance of 6% as Working Capital and Other Financing. Multipurpose and Investment Financing grew at 6% and 13%, respectively, in 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

Economic and Industry Review

- Business Review
- Marketing Aspects
- Financial Performance Review
- Debt Repayment Ability
- Receivables Collectibility (Receivables Quality)

- Capital Structure (Capital Adequacy)
- Material Investment on Capital Goods
- Subsequent Events
- Dividend Policy and Payment
- Use of Public Issuance Proceeds
- Investment, Divestment, Merger & Acquisition, and Debt or Capital Restructuring

- Transactions with Potential Conflicts of Interest and Related Parties
- Impact from Regulatory Changes on the Company
- Accounting Policy Changes
- 2018 Business Prospects



Table 32: Multifinance Industry Receivables

DESCRIPTION (Rp billion)	2016	2017
Financing Receivables – Net	387,505	414,836
a. Conventional Financing Receivables – Net	356,138	386,080
i. Investment Financing Receivables – Net	104,986	119,041
ii. Working Capital Financing Receivables – Net	20,977	22,827
iii. Multipurpose Financing Receivables – Net	230,154	244,084
iv. Other Financing Receivables upon OJK's Approval – Net	21	128
b. Sharia Financing Receivables – Net	31,367	28,757
i. Sharia Sale-and-Purchase Financing Receivables – Net	29,742	25,339
ii. Sharia Investment Financing Receivables – Net	0	15
iii. Sharia Service Financing Receivables – Net	1,625	3,402

Source: Financing Institution Statistic, OJK

Growth in sales of new cars and motorcycles in 2017 was weaker than that of 2016. This was largely attributable to the stagnating growth of the domestic economy, which weighed down on the public's purchasing power.

Total sales of new cars in Indonesia by end of 2017 reached 1,079,534 units, up slightly by 1.6% from 1,062,716 units in 2016. This increase was driven mainly by the 17.2% growth in commercial vehicle segment (mainly pick-ups and trucks). Other car types such as MPV and 4x2 as well as low cost segment were flat, whilst sales of sedans and 4x4s dropped this year. Motorcycle sales in Indonesia fell slightly in 2017, recording a 0.8% decrease to 5,886,103 units in 2017, an improvement from the 8.4% decline in the preceding year.

Table 33: Car & Motorcycle Sales in Indonesia

DESCRIPTION (unit)	2015	2016	2017
Cars	1,013,518	1,062,716	1,079,534
Passenger	736,797	861,987	844,224
Commercial	276,721	200,729	235,310
Motorcycles	6,480,155	5,931,585	5,886,103

Source: files.gaikindo.co.id

Lackluster car and motorcycle sales in 2017 were offset by the flourishing mining sector, which subsequently contributed positively to boosting demand for commercial vehicles, as mining companies gradually replaced their aging heavy equipment with new ones. The heavy equipment sector posted a robust double-digit growth in sales, on the back of stronger commodity prices throughout the year. In accordance with this, we saw Investment Financing in 2017 grow by 13% from Rp104,986 billion by end of 2016 to Rp119,041 billion in 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

- Economic and Industry Review

- Business Review

- Marketing Aspects

- Financial Performance Review

- Debt Repayment Ability

- Receivables Collectibility (Receivables Quality)

- Capital Structure (Capital Adequacy)

- Material Investment on Capital Goods

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- Dividend Policy and Payment

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- Investment, Divestment, Merger & Acquisition, and Debt or Capital Restructuring

- Transactions with Potential Conflicts of Interest and Related Parties

- Impact from Regulatory Changes on the Company

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BUSINESS REVIEW

THE COMPANY'S BUSINESS ACTIVITIES ARE IN ACCORDANCE WITH POJK NO. 29/POJK.05/2014 DATED 19 NOVEMBER 2014 on the Business Operations of Financing Companies, which states that the scope of a finance company may comprise investment financing, working capital financing, multipurpose financing, and other financing activities under OJK's approval. In addition to these four areas, a finance company may undertake operating lease and/or fee-based activities as long as it is not in conflict with the prevailing regulations in the financial services sector.

The focus of BFI Finance's current business activities is on financing of cars (new and used), motorcycles (used), as well as heavy equipment, machinery, and other equipment. Since 2015, BFI Finance has been offering property-backed financing. These receivables are recorded in the financial statements under Consumer Financing and Finance Lease. For the purposes of this review, however, the Company discusses its products based on its four main types of assets (Cars, Motorcycles, Heavy Equipment and Property).

The Company's receivables as they are recorded in the financial statements are shown below. These receivables can be further broken down to asset type, as is shown after this in Table 35.

Table 34: New Financing & Managed Financing Receivables Based on Receivable Type

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
New Financing				
Finance Lease	6,824	9,232	2,408	35.3%
Consumer Financing	3,919	5,109	1,190	30.4%
Total New Financing	10,743	14,341	3,598	33.5%
Managed Receivables				
Finance Lease	7,182	9,521	2,339	32.6%
Consumer Financing	5,844	6,415	571	9.8%
Total Managed Receivables	13,026	15,936	2,910	22.3%
DESCRIPTION (unit)				
New Financing				
Finance Lease	65,989	85,883	19,894	30.1%
Consumer Financing	216,841	303,080	86,239	39.8%
Total New Financing	282,830	388,963	106,133	37.5%
Managed Receivables				
Finance Lease	91,113	119,968	28,855	31.7%
Consumer Financing	271,796	348,785	76,989	28.3%
Total Managed Receivables	362,909	468,753	105,844	29.2%

Table 35: New Financing & Managed Financing Receivables Based on Types of Assets

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
New Financing				
Used Cars Financing	7,805	10,155	2,350	30.1%
New Cars Financing	359	414	55	15.3%
Cars Financing	8,164	10,569	2,405	29.5%
Used Motorcycles Financing	1,204	1,877	673	55.9%
Heavy Equipment Financing	1,186	1,695	509	42.9%
Property Financing	189	200	11	5.8%
Total New Financing	10,743	14,341	3,598	33.5%
Managed Receivables				
Used Cars Financing	8,980	11,280	2,300	25.6%
New Cars Financing	1,380	928	-452	-32.8%
Cars Financing	10,360	12,208	1,848	17.8%
Used Motorcycles Financing	868	1,378	510	58.8%
Heavy Equipment Financing	1,544	2,017	473	30.6%
Property Financing	254	333	79	31.1%
Total Managed Receivables	13,026	15,936	2,910	22.3%
DESCRIPTION (Unit)				
New Financing				
Used Cars Financing	88,512	111,354	22,842	25.8%
New Cars Financing	1,978	1,705	(273)	-13.8%
Cars Financing	90,490	113,059	22,569	24.9%
Used Motorcycles Financing	189,174	271,693	82,519	43.6%
Heavy Equipment Financing	2,372	3,224	852	35.9%
Property Financing	794	987	193	24.3%
Total New Financing	282,830	388,963	106,133	37.5%
Managed Receivables				
Used Cars Financing	145,506	171,962	26,456	18.2%
New Cars Financing	18,311	11,937	(6,374)	-34.8%
Cars Financing	163,817	183,899	20,082	12.3%
Used Motorcycles Financing	193,933	277,224	83,291	42.9%
Heavy Equipment Financing	4,077	5,892	1,815	44.5%
Property Financing	1,082	1,738	656	60.6%
Total Managed Receivables	362,909	468,753	105,844	29.2%

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NEW FINANCING

The Company posted a total of new financing amounting to Rp14,341 billion in 2017. This marked an increase of 33.5% from the total new financing of Rp10,743 billion in 2016. The biggest contributor to this increase was financing booked under the category of Finance Lease, amounting to Rp9,232 billion, or up by 35.3% compared with the amount posted in 2016. Analysis based on asset type shows that the increase of new financing was driven by used car financing, which amounted to Rp10,155 billion or 70.8% of total new financing in 2017.

Car Financing

Cars is the largest asset type of the Company's portfolio.

New car sales in Indonesia increased by a mere 1.6% in 2017, driven mainly by the commercial vehicle segment (such as pick-ups and trucks). Sales of other car types such as the MPV and 4x2 as well as low cost segment were flat, whilst sales of sedans and 4x4s dropped this year. Total sales of new cars in Indonesia by end of 2017 reached 1,079,534 units, up from 1,062,716 units in 2016.

It is worth noting, however, that only 5.8% of the Company's Total Managed Receivables is directly correlated to new car sales. The Company's focus is on financing of used cars instead of new, and the bulk of the Company's business is related to financing backed by used cars as collateral, which is mostly driven by working capital needs or multi-purpose of the middle to low population segment which the Company is focused on.

The Company's car portfolio comprises new and used cars with different financing purposes—for purchase of new and used cars as well as financing backed by used cars as collateral. In total, car financing in 2017 reached Rp10,569 billion or equal to 73.7% of total new financing recorded by the Company. This amount experienced an increase of 29.5% compared to 2016, amounting to Rp8,164 billion.

In terms of asset category, 73.5% of the Company's new financing was donated by passenger car with 33.1% growth booked during the year; as such, only 26.5% new financing was in the commercial car category, which recorded 20.3% increase respectively. Moreover, in term of car type, about 49.3% of the total car financing posted by the Company in 2017 were MPVs, followed by 17.9% Jeeps, 15.1% Trucks, 10.6% Pick-Up and the remainder being the Sedan, and Bus types.

About 96.6% of the cars financed by BFI Finance are Japanese brands which constitute broader second hand market with better resale value. In particular, the Toyota brand contributed 35.9% to the Company's new total financing in 2017.

The Company's market share in the used car sector cannot be accurately measured, due to the limited data on used car sales and circulation in Indonesia.

Table 36: New Financing of Cars (New and Used) by Car Category and Type

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Passenger Car	5,836	7,769	1,933	33.1%
Commercial Car	2,328	2,800	472	20.3%
Total	8,164	10,569	2,405	29.5%
Percentage of Total				
Passenger Car	71.5%	73.5%	n/a	2.0%
Commercial Car	28.5%	26.5%	n/a	-2.0%
Total	100.0%	100.0%		
Minibus/MPV	3,926	5,209	1,283	32.7%
Jeep	1,422	1,887	465	32.7%
Truck	1,280	1,595	315	24.6%
Pick-up	993	1,130	137	13.8%
Sedan	488	673	185	37.9%
Bus	55	75	20	36.4%
Total	8,164	10,569	2,405	29.5%
Percentage of Total				
Minibus/MPV	48.1%	49.3%	n/a	1.2%
Jeep	17.4%	17.9%	n/a	0.5%
Truck	15.6%	15.1%	n/a	-0.5%
Pick-up	12.2%	10.6%	n/a	-1.6%
Sedan	6.0%	6.4%	n/a	0.4%
Bus	0.7%	0.7%	n/a	0.0%
Total	100.0%	100.0%		

Table 37: New Financing of Cars (New and Used) by Brand

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Toyota	2,885	3,790	905	31.4%
Mitsubishi	1,416	1,677	261	18.4%
Daihatsu	994	1,299	305	30.7%
Honda	915	1,284	369	40.3%
Suzuki	801	986	185	23.1%
Isuzu	180	186	6	3.3%
Other Japanese Brand	684	991	307	44.9%
Non-Japanese Brand	289	356	67	23.2%
Total	8,164	10,569	2,405	29.5%

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Table 37: New Financing of Cars (New and Used) by Brand

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Percentage of Total				
Toyota	35.3%	35.9%	n/a	0.6%
Mitsubishi	17.4%	15.9%	n/a	-1.5%
Daihatsu	12.2%	12.3%	n/a	0.1%
Honda	11.2%	12.1%	n/a	0.9%
Suzuki	9.8%	9.3%	n/a	-0.5%
Isuzu	2.2%	1.7%	n/a	-0.5%
Other Japanese Brand	8.4%	9.4%	n/a	1.0%
Non-Japanese Brand	3.5%	3.4%	n/a	-0.1%
Total	100.0%	100.0%		

Motorcycle Financing

The Company's motorcycle business consists of financing backed by used motorcycles as collateral. The Company does not finance the purchase of motorcycles, and as such, is not directly affected by new motorcycle sales. As in its car financing business, the Company's motorcycle financing is driven instead by general consumption and working capital needs of the middle to low income class population.

Total used motorcycle financing in 2017 reached Rp1,877 billion, or 13.1% of the Company's total new financing. This amount is 55.9% higher than the achievement in 2016 of Rp1,204 billion.

Over 90% of the Company's motorcycle financing focuses on two most popular brands in Indonesia; Honda and Yamaha, with each contributing 51.3% and 39.6% to total new financing, respectively.

Table 38: New Financing of Used Motorcycles by Brand

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Honda	595	962	367	61.7%
Yamaha	498	743	245	49.2%
Suzuki	78	117	39	50.0%
Others	33	55	22	66.7%
Total	1,204	1,877	673	55.9%
Percentage of Total				
Honda	49.4%	51.3%	n/a	1.9%
Yamaha	41.4%	39.6%	n/a	-1.8%
Suzuki	6.5%	6.2%	n/a	-0.3%
Others	2.7%	2.9%	n/a	0.2%
Total	100.0%	100.0%		

Financing of Heavy Equipment, Machinery, and Others

The Company finances the purchase of heavy equipment, machinery, and others, through finance lease arrangements. These assets are used in various industries, including mining, construction, services, and agriculture.

Demand for the Company's heavy equipment financing, therefore, is affected by fluctuations in commodity prices. The commodities downturn of 2013 had adversely affected the demand for heavy equipment for a few years. The recent increase in global coal prices has resulted in recovery in the heavy equipment sector.

In 2017, the Company's financing of heavy equipment, machinery, and other equipment amounted to Rp1,695 billion, higher by 42.9% compared with the achievement in 2016 of Rp1,186 billion. The popular type of asset financed in 2017 was excavators, at 42.5%; followed by various machinery at 31.4% of the Company's new financing.

Table 39: New Financing of Heavy Equipment, Machinery, and Other Equipment Based on Industry

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Mining	167	423	256	153.3%
Construction	324	377	53	16.4%
Services	248	359	111	44.8%
Industrial and Manufacturing	166	206	40	24.1%
Forestry	129	112	-17	-13.2%
Plantation	67	91	24	35.8%
Trade and Distribution	40	79	39	97.5%
Others	45	48	3	6.7%
Total	1,186	1,695	509	42.9%
Percentage of Total				
Mining	14.1%	25.0%	n/a	10.9%
Construction	27.3%	22.2%	n/a	-5.1%
Services	20.9%	21.2%	n/a	0.3%
Industrial and Manufacturing	14.0%	12.2%	n/a	-1.8%
Forestry	10.9%	6.5%	n/a	-4.4%
Plantation	5.6%	5.4%	n/a	-0.2%
Trade and Distribution	3.4%	4.7%	n/a	1.3%
Others	3.8%	2.8%	n/a	-1.0%
Total	100.0%	100.0%		

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Table 40: New Financing of Heavy Equipment, Machinery, and Other Equipment Based on Equipment Type

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Excavator	452	720	268	59.3%
Truck	34	121	87	255.9%
Bulldozer	73	96	23	31.5%
Forklift	49	36	-13	-26.5%
Other Heavy Equipment	168	167	-1	-0.6%
Total Heavy Equipment	776	1,140	364	46.9%
Machinery	388	533	145	37.4%
Others	22	22	0	0.0%
Total	1,186	1,695	509	42.9%
Percentage of Total				
Excavator	38.1%	42.5%	n/a	4.4%
Truck	2.8%	7.1%	n/a	4.3%
Bulldozer	6.2%	5.7%	n/a	-0.5%
Forklift	4.1%	2.1%	n/a	-2.0%
Other Heavy Equipment	14.2%	9.9%	n/a	-4.3%
Total Heavy Equipment	65.4%	67.3%	n/a	1.9%
Machinery	32.7%	31.4%	n/a	-1.3%
Others	1.9%	1.3%	n/a	-0.6%
Total	100.0%	100.0%		

Property Financing

The Company is also engaged in financing backed by property as collateral. This product is fairly new, and has proven to be a relatively challenging segment for the Company. In 2017, the Company revamped its internal business processes related to property financing and limited this product to only five branches located in greater Jakarta and Surabaya, East Java.

In 2017, the total new financing portfolio for property was Rp200 billion, experiencing an increase of 5.8% compared with the total new financing in this segment in 2016, amounting to Rp189 billion. Most of the new booking was extended for financing of houses at 93.5%.

Table 41: Diversification of Property New Financing by Property Type

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
House	172	187	15	8.7%
Shop House	17	13	-4	-23.5%
Total	189	200	11	5.8%
Percentage of Total				
House	91.0%	93.5%	n/a	2.5%
Shop House	9.0%	6.5%	n/a	-2.5%
Total	100.0%	100.0%		

MARKETING ASPECT

MARKETING ACTIVITIES ARE TARGETED AT HELPING THE COMPANY EXPAND ITS BUSINESS,

penetrate new markets, anticipate competition with other multifinance industry players, observe and drive business trends, and offer new products to compete in an increasingly dynamic market. BFI Finance employs multiple marketing sources and networks to build a strong business and acquire even greater market share.

TARGET MARKET AND MARKETING STRATEGY

Typically, the Company's target market for its car and motorcycle financing is small entrepreneurs and middle to low income population in diverse economic sectors. In determining its target market for such financing, BFI Finance meticulously selects the market and formulates the product specialization, whereby the Company evaluates market segmentation based on the geography, demography, and behavior of its consumers prior to setting up its product positioning.

BFI Finance is committed to building its non-dealer business as a key part of its product diversification strategy. BFI Finance carries out market penetration by offering attractive, excellent products, and its prompt services have enabled the Company to improve its market share in several sectors, namely SME, trade, services, infrastructure, commodities (agriculture, mining, etc), manufacturing, food and beverage, and transportation industries in a number of regions throughout Indonesia. The Company also targets corporate customers, heavy equipment users, as well as public transportation and engineering businesses. To these market segments, BFI Finance offers a range of competitive advantages, such as innovative product marketing packages, fast processing time, and strong operational support throughout the Company's network.

BFI Finance's marketing strategy in 2017 included efforts to continue the expansion of its branch network, optimization of quality of database management, and strengthening of relationships with dealers, agents and partners. Distribution is one of the key success factors for BFI Finance. The Company must foster strong and effective relationships with dealers, agents, and telesales employees, as the extension of its trained staff and wide corporate branch network.

Furthermore, the Company relies on several marketing strategies to generate optimal revenue in each product segment. The main source in creating business and distribution is through branch networks, dealers, agents, and telemarketing.

BFI Finance's distribution encompasses all of Indonesia, with 54% of its current outlets focused in Java and Bali. Population density, rate of business development, the availability of infrastructure and transportation, strength of local economy, agricultural facilities, are key determining factors of location of the Company's outlets. The Company also believes there is much potential for business development and customer base expansion in outer islands of Sumatera, Kalimantan, and Sulawesi where the presence of a thriving construction industry that is expanding rapidly will create demand for heavy equipment and other capital goods and continues to rise, along with the development of capital-intensive industries, such as mining and plantations.

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“I am very happy with the service and the quick decision-making process of BFI Finance. Its sales advertising, through banners and other media, is very effective.”

I have been in partnership with BFI Finance for a very long time and I have obtained many rewards, from cash to tour packages. I hope BFI Finance can continue to offer competitive interest rates, faster service, and improved quality in the future. Moreover, the mutually beneficial relationship between BFI Finance and its dealers should always be fostered and strengthened, among others, by providing more interesting reward programs.

Mulyadi, S.Sos.

Batavia Motor, East Java
Used Car Dealer, Partner of BFI Finance

BRANCH NETWORK EXPANSION, DATABASE MANAGEMENT, AND TELESALES

At the end of 2017, BFI Finance operated 342 outlets, consisting of 218 branches and 124 kiosks across Indonesia. The composition of outlets distribution by area is 17.0% in Greater Jakarta (including Banten), 37.1% in Java and Bali (including Nusa Tenggara), 18.1% in Sumatera, 18.4% in Eastern Indonesia (including Sulawesi, Moluccas and Papua), and 9.4% in Kalimantan.

BFI Finance has also optimized its target market strategy related to digital channels through digital marketing campaigns, social media, and profiling activities based on the demographic composition of the population. The Company is strongly committed to continuing to expand its business in order to reach out to a wider market segment in other areas of Indonesia.

The Company employs in-house telemarketing service in various areas to promote the Company's products and services to prospective customers by phone, short message service (SMS), and hotline number 1500018, where customers can access information on the financing process and submit complaints related to the Company's services. Identification of prospective customers is carried out through BFI Finance's existing customer database, and also through the database compiled by the Internal Sales team.

Database management plays an important role in the marketing strategy to support the Company in reaching out to a wider range of customers in different areas. This measure is effective in terms of time and cost efficiency for attracting new customers. BFI Finance's Telemarketing Team also provides One Stop Solutions service that provides customers with quick and accurate information.

RELATIONSHIP WITH DEALERS

In running its new and used car financing business activities, BFI Finance has established strong business relationships with a number of new and used car dealers over the years. In order to maintain a sustainable business relationship, the Company provides various attractive reward and incentive programs for dealers, under the BFI Partnership Loyalty campaign.

BFI Finance provides training programs for the dealers' marketing representatives, as the Company's business partners, in order to augment their skills in marketing the Company's products to prospective customers. In 2017, BFI Finance's consolidation process of its new car financing has completed and only focus in certain geographic areas where there is an adequate risk adjusted margin contribution from this business. At the same time, the Company emphasis the growth on used car financing where the Company's value proposition fits better to the target market. As of end of 2017, the Company cooperated with 1,500 car dealers throughout Indonesia.

The BFI Partnership Loyalty campaign in 2017 took place through the following activities:

- Incentive Tour and Gathering
BFI Finance provided "JAPAN TRIP" travel and gathering for its dealer partners as a form of reward and appreciation for their target achievement and contribution in 2017. There were 50 dealers and showroom partners from all over Indonesia who participated in this program.
- Marketing Reward
Reward for marketing performance was also given to BFI Finance's dealers in order to strengthen their loyalty and motivation amidst growing competition in the business.

AGENCY NETWORK STRENGTHENING & EXTENSION

In the development of its retail business, the non-dealer used car and motorcycle financing in particular, BFI Finance relies on the leads application from agents. An agent, which is BFI Finance's business partner, is either an individual or a company who works independently to provide the source of application for the Company. In 2017, BFI Finance's agents focused on multipurpose financing based on used cars and motorcycles as collateral.

The Company provides attractive commission schemes for agents who contributes to the approved and disbursed applications. As of end of 2017, more than 6,000 agents throughout Indonesia were registered as active partners with BFI Finance to market its products.

In line with BFI Finance's strategy to maintain and enhance the agent' loyalty, the Company consistently conducts loyalty programs for agents that have demonstrated quality, transparency, and optimum promptness in carrying out their business operations. Some of the loyalty programs are Reward Points and Star Club for agents with the highest sales achievements. In addition, the Company also conducts training programs for agents, such as communication skill enhancement and product knowledge training.

Annually, BFI Finance convenes with its business partners to reward agents who have given their utmost contribution. The reward is given as an incentive and motivation for all BFI Finance's business partners.

CORPORATE BUSINESS DEVELOPMENT

BFI Finance strives to foster solid relationships with the suppliers of heavy equipment, machinery, trucks, and other commercial vehicles. Relationships with suppliers and customers in this corporate business segment are managed by corporate marketing executives and branch managers. The Company maintains professionalism and a strong integrity in providing services to suppliers and end users alike.

To bolster its marketing strategy in this segment, the Company carried out the following programs in 2017:

- Establish vendor subsidized financing program with the largest heavy equipment supplier, where BFI Finance is the only non-related party who was granted this program
- Expanding cooperation with new suppliers and strengthening relationships with existing suppliers
- Participating in national events, such as heavy equipment and machinery exhibitions and the gatherings conducted by suppliers
- Expanding machinery financing to new segments such as laundry, tourism, and food and beverage industries
- Developing priority programs with supplier partners
- Increasing market share in printing industry by conducting exhibition package program

The success achieved by BFI Finance's Corporate Business in 2017 was reflected in the following:

- Booking growth of 43% YoY in 2017
- BFI Finance recorded as the highest contributor for non-Astra's Komatsu heavy equipment financing
- BFI Finance became the major financing provider to the printing industry

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PRODUCT PROMOTION

BFI Finance undertakes various product promotion initiatives through its Product Promotion Unit. The Company's products are promoted via a number of activities, both locally and nationwide, at every branch. Its goal is to support the achievement of sales target determined by the product management units.

The Product Promotion Unit conducts the following activities:

- Coordinating, supervising, and analyzing the marketing strategies and national promotion strategy for a given time period in accordance with the Company's policies;
- Designing the national promotion strategy based on results of analyses and preparing the associated promotion units;
- Directing and coordinating events organized by external parties (such as the Company's business partners) attended by the Company, to promote the Company's financing products;
- Implementing various tasks related to the achievement of promotion and marketing targets; and
- Ensuring that all product promotional designs and materials are in line with the characteristics of the Company's corporate identity, as stipulated in the Company's Brand Guidelines.

The Company's attractive promotional programs are further supported by their publication on the media, which serves beyond promoting the products but also as a token of appreciation for its customers and the greater public. All of the Company's marketing and product promotion activities are undertaken

by fully harnessing the four aspects of branding, sales, entertainment, and customer experience.

CUSTOMER RELATIONSHIP

As a form of the Company's appreciation to its customers, in 2017 the Company partnered with local merchants and businesses in the areas where the Company's branches are located. Through this partnership, local merchants could offer attractive packages or discounts to all BFI Finance customers visiting their outlets.

The Company also gave special service treatment to its motorcycle financing customers and conducted the 'Branch Manager Goes to Front Office' program, on the National Customer Day. It is the Company's intent to have the special service treatment replicated by all of its service staff on their day-to-day dealings with the customers and other external parties.

UBER MILYARAN

The Company continued its annual sweepstakes program called 'UBER MILYARAN' in 2017. The 'UBER MILYARAN 2017' was held for the duration of one full year, and the winners were drawn at random from a total of 242,223 participants, i.e. BFI Finance customers. Prizes for the winners include 350 smartphones, 35 units of Honda Beat, and the main prizes of 4 units of Toyota Calya and 1 unit of All New Kijang Innova. The UBER MILYARAN 2017 program was promoted intensively through four press conferences held in major cities in Indonesia, i.e. Solo, Malang, Cirebon, and Jakarta, throughout February 2017.

The prize-drawing ceremony for UBER MILYARAN 2017 was held once every three months, and took place in:

- First Period of January to March 2017, in Tangerang on 9 April 2017, in conjunction with the launching of the BFI-ku application.
- Second Period of April to June 2017, in Manado on 29 July 2017.
- Third Period of July to September 2017, in Makassar on 21 October 2017.
- Fourth Period of October to December 2017, in Yogyakarta on 21 January 2018.

Such customer loyalty programs like UBER MILYARAN are intended to expand the customer base of the Company and thus ensuring its long-term, sustainable business growth.

BFI RUN

As one of its marketing initiatives, BFI Finance held a race titled BFI RUN 'Raise Up Nation' 2017 which was attended by more than 3,500 participants. With 'Run Together, Create Value' as the race's theme, BFI Finance aimed to build a better bond through the fun run session that was held along with the 35th anniversary of the Company. The event took place at QBig Mall, BSD City, South Tangerang.

BFI RUN 2017 is the second race event where the race itself was categorized into three sections: 21.1K (half marathon) national, 10K national, and 5K national with registration only done online via www.bfirun.id. Long before the end of the registration period, all ticket sales were officially closed due to sold out.



In addition to the total prize of hundreds of millions cash, this event is getting vibrant with the existence of series attractive activities such as Zumba for Cooling Down, door prizes, musical entertainment from Maliq & D'Essentials, and a row of culinary foods and beverages that can be enjoyed only by swiping Mandiri e-Money cards that have been received at the time of collection race pack.

DIGITAL BUSINESS AND MARKETING

Considering the growing development of technology, BFI Finance strives to strengthen its marketing channels and enhance its services through digitalization, in order to meet the needs and adjust to changes in market behavior. In 2017, BFI Finance implemented a more integrated target market strategy regarding digital channels through, among others, search engine optimization, digital marketing campaigns, social media campaigns,

and demographic profiling. After its success in its initial implementation in greater Jakarta area in 2016, BFI Finance carried on with this strategy in 2017 by expanding its coverage across Indonesia.

Such expansion was followed by improvements in various aspects, among others:

- The Company's website optimization by enhancing key marketing strategies.
- Digital partnership development by expanding cooperation with various digital partners.
- Efficiency improvement in internal processing related to service speed and quality.

BFI Finance also used social media as a means to distribute various information on the Company's activities and updates as well as to strengthen relationship between the Company and public, especially the customers of BFI Finance. The contents distributed through

the Company's official social media accounts are classified into a several types, i.e. the Company's latest news and activities, product promotion, and general contents such as financial tips, entrepreneurial tips, health and safety information, and latest news updates.

2018 FOCUS

In 2018, BFI Finance's marketing strategy will focus on, among others, the following initiatives:

1. Expanding the physical distribution network via branches and outlets.
2. Increasing transactions for used car financing from end customers (customer-to-customer or C2C mechanism).
3. Developing loyalty programs to foster relationships with partnering dealers, agents, and customers.
4. Continuing to explore and grow new channels.
5. Intensifying more effective and innovative marketing strategies in addressing the needs and meeting the expectations of customers.
6. Enhancing the Company's website's features, improving the performance of data processing, and developing strategic digital partnerships.
7. Intensifying business collaboration with other corporates in order to maximise cross selling and lead management enhancement.
8. To continue the vendor subsidized financing program to boost the heavy equipment financing.

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FINANCIAL PERFORMANCE REVIEW

STATEMENTS OF FINANCIAL POSITIONS

Assets

Table 42: Total Assets

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Cash and Cash Equivalents	165	225	60	36.4%
Net Finance Lease Receivables	7,121	9,435	2,314	32.5%
Net Consumer Financing Receivables	4,462	5,917	1,455	32.6%
Total Net Receivables	11,583	15,352	3,769	32.5%
Other Receivables - Net	171	237	66	38.6%
Derivative Assets	41	0	-41	-100.0%
Prepaid Expenses and Advances	43	43	0	0.0%
Fixed Assets - Net	414	457	43	10.4%
Intangible Assets - Net	20	20	0	0.0%
Deferred Tax Assets	37	66	29	78.4%
Other Assets	2	83	81	4050.0%
Total Assets	12,476	16,483	4,007	32.1%
Percentage of Total				
Cash and Cash Equivalents	1.3%	1.4%	n/a	0.1%
Net Finance Lease Receivables	57.1%	57.2%	n/a	0.1%
Net Consumer Financing Receivables	35.8%	35.9%	n/a	0.1%
Total Net Receivables	92.9%	93.1%	n/a	0.2%
Other Receivables - Net	1.4%	1.4%	n/a	0.0%
Derivative Assets	0.3%	0.0%	n/a	-0.3%
Prepaid Expenses and Advances	0.3%	0.3%	n/a	0.0%
Fixed Assets - Net	3.3%	2.8%	n/a	-0.5%
Intangible Assets - Net	0.2%	0.1%	n/a	-0.1%
Deferred Tax Assets	0.3%	0.4%	n/a	0.1%
Other Assets	0.0%	0.5%	n/a	0.5%
Total Assets	100.0%	100.0%		

Total Assets as of 31 December 2017 amounted to Rp16,483 billion, increasing by 32.1% from the previous year. Net Receivables contributed the largest portion to 2017 assets with Rp15,352 billion (93.1% of total assets).

Total Net Receivables

In the financial statements, Total Net Receivables are presented as Net Finance Lease Receivables and Net Consumer Financing Receivables. Total Net Receivables experienced a 32.5% growth in 2017, from Rp11,583 billion as of end of 2016 to Rp15,352 billion as of end of 2017.

Table 43: Net Receivables

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Net Finance Lease Receivables	7,121	9,435	2,314	32.5%
Net Consumer Financing Receivables	4,462	5,917	1,455	32.6%
Total Net Receivables	11,583	15,352	3,769	32.5%

Both components of Net Receivables, i.e. Net Finance Lease Receivables and Net Consumer Financing Receivables, increased from their respective figures in 2016. Net Finance Lease Receivables grew by 32.5% from Rp7,121 billion in 2016 to Rp9,435 billion in 2017. Net Consumer Financing Receivables experienced similar growth, i.e. 32.6%, from Rp4,462 billion in 2016 to Rp5,917 billion in 2017. Growth in Net Finance Lease Receivables is driven by two factors. One is due to the increase in the financing of Heavy Equipment thanks to improvement in commodities prices and activities, as well as the increase in the financing of used cars,

which is booked under Finance Lease Receivables. Increase in Net Consumer Financing Receivables was driven by the increase in financing of used cars as well as in financing of used motorcycles. These are explained in further detail below, where we discuss the changes in Receivables based on asset type.

In addition to using bank loans and issued Debt Securities, BFI Finance also co-operates with banks to perform joint financing arrangement. For joint financing transactions, only the portion of receivables financed by the Company is recorded in the

statements of financial positions as consumer financing receivables. The rest of the receivables are recorded in the partnering bank's book. In order to give a clearer picture, we will firstly explain the relationship between the receivables stated in the Statements of Financial Positions with the Company's Total Managed Receivables in Table 44 below. Hereafter, the discussions 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 44: Managed Receivables vs. Net Receivables

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Finance Lease Receivables	7,182	9,521	2,339	32.6%
Consumer Financing Receivables	5,844	6,415	571	9.8%
Total Managed Receivables	13,026	15,936	2,910	22.3%
Less Joint Financing - booked by third parties	(1,260)	(524)	736	-58.4%
Add Channeling - booked by the Company	-	177	177	n/a
Total Receivables Before Allowance	11,766	15,589	3,823	32.5%
Allowance for Impairment Losses	183	237	54	29.5%
Total Receivables - Net	11,583	15,352	3,769	32.5%

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Total Receivables – Net in 2017 stood at Rp15,352 billion, increasing by 32.5% or amounting to Rp3,769 billion from the previous year’s figure. Total Managed Receivables increased by 22.3% or Rp2,910 billion from 2016 to Rp15,936 billion, while there was a 58.4% decline in Joint Financing from Rp1,260 billion in 2016 to Rp524 billion in 2017. Allowance for Impairment Losses rose by 29.5% from Rp183 billion in 2016 to Rp237 billion in 2017.

Table 45: Diversification of Financing Portfolio by Asset Type

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Used Cars Financing	8,980	11,280	2,300	25.6%
New Cars Financing	1,380	928	-452	-32.8%
Cars Financing	10,360	12,208	1,848	17.8%
Heavy Equipment Financing	1,544	2,017	473	30.6%
Used Motorcycles Financing	868	1,378	510	58.8%
Property Financing	254	333	79	31.1%
Total Managed Receivables	13,026	15,936	2,910	22.3%
Percentage of Total				
Used Cars Financing	68.9%	70.8%	n/a	1.9%
New Cars Financing	10.6%	5.8%	n/a	-4.8%
Cars Financing	79.5%	76.6%	n/a	-2.9%
Heavy Equipment Financing	11.9%	12.7%	n/a	0.8%
Used Motorcycles Financing	6.7%	8.6%	n/a	1.9%
Property Financing	1.9%	2.1%	n/a	0.2%
Total	100.0%	100.0%		

The largest contributor to Total Managed Receivables based on asset type in 2017 was Used Cars Financing, representing 70.8% of Total Managed Receivables, while receivables derived from Heavy Equipment, New Cars, Used Motorcycles, Property and Others Financing covered 29.2% of Total Managed Receivables.

Total Managed Receivables – Cars

BFI Finance provides Used Cars Financing service through both finance lease and consumer financing arrangements. Car financing is the largest segment in the Company's portfolio, which contributed 76.6% to Total Managed Receivables as of end of 2017 and 79.5% of Total Managed Receivables as of end of 2016. The cars portfolio is a mixture of the financing of the purchase of new and used cars, as well as financing with used cars as collateral.

Total car receivables portfolio increased by 17.8% from Rp10,360 billion in 2016 to Rp12,208 billion in 2017. This growth was driven by the hike of Used Cars Financing by 25.6% from Rp8,980 billion in 2016 to Rp11,280 billion in 2017 which more than offset the 32.8% decline in the New Cars Financing in 2017.

BFI Finance's car financing is diversified and comprises different types of cars, including Minibus/MPV, Truck, Pick-up, Jeep, Sedan, and Bus. The Minibus/MPV financing contributed the highest portion to the total cars financing portfolio of 49.4%. Further details are as follows:

Table 46: Diversification of Cars Financing Portfolio by Type of Car

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Minibus/MPV	4,888	6,034	1,146	23.4%
Jeep	1,553	1,974	421	27.1%
Truck	1,710	1,893	183	10.7%
Pick-up	1,572	1,481	-91	-5.8%
Sedan	578	744	166	28.7%
Bus	59	82	23	39.0%
Total	10,360	12,208	1,848	17.8%
Percentage of Total				
Minibus/MPV	47.2%	49.4%	n/a	2.2%
Jeep	15.0%	16.2%	n/a	1.2%
Truck	16.5%	15.5%	n/a	-1.0%
Pick-up	15.2%	12.1%	n/a	-3.1%
Sedan	5.6%	6.1%	n/a	0.5%
Bus	0.5%	0.7%	n/a	0.2%
Total	100.0%	100.0%		

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BFI Finance's car financing also covers various brands, with Japanese brands making up 97.1%, amounting to Rp11,842 billion, of the Company's total car financing portfolio.

BFI Finance focuses on brands with strong demand in Indonesian market and promising resale value. The tenure or time period for BFI Finance's car financing ranges from 12 to 48 months.

Table 47: Diversification of Cars Financing Portfolio by Brand

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Toyota	3,525	4,304	779	22.1%
Mitsubishi	1,868	2,009	141	7.5%
Daihatsu	1,356	1,591	235	17.3%
Honda	1,036	1,387	351	33.9%
Suzuki	1,219	1,247	28	2.3%
Isuzu	205	210	5	2.4%
Other Japanese Brand	848	1,094	246	29.0%
Non-Japanese Brand	303	366	63	20.8%
Total	10,360	12,208	1,848	17.8%
Percentage of Total				
Toyota	34.0%	35.3%	n/a	1.3%
Mitsubishi	18.0%	16.5%	n/a	-1.5%
Daihatsu	13.1%	13.0%	n/a	-0.1%
Honda	10.0%	11.4%	n/a	1.4%
Suzuki	11.8%	10.2%	n/a	-1.6%
Isuzu	2.0%	1.7%	n/a	-0.3%
Other Japanese Brand	8.2%	9.0%	n/a	0.8%
Non-Japanese Brand	2.9%	2.9%	n/a	0.0%
Total	100.0%	100.0%		

Total Managed Receivables – Used Motorcycles

BFI Finance provides Used Motorcycles Financing service through consumer financing. Used Motorcycles financing contributed Rp1,378 billion or 8.6% of Total Managed Receivables in 2017, and Rp868 billion or 6.7% in 2016. This signifies a growth of 58.8% or equivalent to Rp510 billion.

Table 48: Diversification of Used Motorcycles Financing Portfolio by Brand

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Honda	430	708	278	64.7%
Yamaha	358	547	189	52.8%
Suzuki	56	84	28	50.0%
Others	24	39	15	62.5%
Total	868	1,378	510	58.8%
Percentage of Total				
Honda	49.5%	51.4%	n/a	1.9%
Yamaha	41.2%	39.7%	n/a	-1.5%
Suzuki	6.5%	6.1%	n/a	-0.4%
Others	2.8%	2.8%	n/a	0.0%
Total	100.0%	100.0%		

The largest portions based on brand were Honda and Yamaha, accounting for 51.4% and 39.7% of the total portfolio of Used Motorcycle Financing respectively. The tenure for BFI Finance's motorcycle financing ranges from 6 to 24 months.

Total Managed Receivables – Heavy Equipment, Machinery, and Others

The financing of Heavy Equipment, Machinery, and Others is booked under finance lease and accounted for 12.7% of Total Managed Receivables in 2017, increasing by 30.6%

from Rp1,544 billion in 2016 to Rp2,017 billion in 2017. BFI Finance covers diversified industries, with construction industry followed by mining industry donated the biggest share with 23.9% and 22.7% respectively. There was a major increase of 96.1% in financing to mining industry, from Rp233 billion in 2016 to Rp457 billion in 2017. This was driven by the steady recovery of coal prices in mid-2016 that continued until the end of 2017. In term of asset type, excavator constitutes 42.3% of the total asset financed by the Company in this segment, followed by machinery with 29.9% contribution.

Table 49: Diversification of Heavy Equipment, Machinery, and Others Financing Portfolio by Asset Type

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Excavator	555	852	297	53.5%
Truck	62	128	66	106.5%
Buldozer	117	124	7	6.0%
Forklift	66	55	-11	-16.7%
Other Heavy Equipment	239	234	-5	-2.1%
Total Heavy Equipment	1,039	1,393	354	34.1%
Machinery	447	601	154	34.5%
Others	58	23	-35	-60.3%
Total	1,544	2,017	473	30.6%
Percentage of Total				
Excavator	35.9%	42.3%	n/a	6.4%
Truck	4.0%	6.3%	n/a	2.3%
Buldozer	7.6%	6.1%	n/a	-1.5%
Forklift	4.3%	2.7%	n/a	-1.6%
Other Heavy Equipment	15.5%	11.6%	n/a	-3.9%
Total Heavy Equipment	67.3%	69.0%	n/a	1.7%
Machinery	28.9%	29.9%	n/a	1.0%
Others	3.8%	1.1%	n/a	-2.7%
Total	100.0%	100.0%		

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Table 50: Diversification of Heavy Equipment, Machinery, and Others Financing Portfolio by Industry

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Construction	408	482	74	18.1%
Mining	233	457	224	96.1%
Services	265	399	134	50.6%
Industrial and Manufacturing	261	247	-14	-5.4%
Forestry	177	178	1	0.6%
Plantation	96	113	17	17.7%
Trade and Distribution	45	75	30	66.7%
Others	59	66	7	11.9%
Total	1,544	2,017	473	30.6%
Percentage of Total				
Construction	26.4%	23.9%	n/a	-2.5%
Mining	15.1%	22.7%	n/a	7.6%
Services	17.2%	19.8%	n/a	2.6%
Industrial and Manufacturing	16.9%	12.2%	n/a	-4.7%
Forestry	11.5%	8.8%	n/a	-2.7%
Plantation	6.2%	5.6%	n/a	-0.6%
Trade and Distribution	2.9%	3.7%	n/a	0.8%
Others	3.8%	3.3%	n/a	-0.5%
Total	100.0%	100.0%		

Total Managed Receivables – Property

BFI Finance's Property Financing experienced growth by 31.1% from Rp254 billion in 2016 to Rp333 billion in 2017. This type of asset represented 2.1% of Total Managed Receivables in 2017.

Joint Financing and Channeling

BFI Finance continues to foster partnership with several banks to carry out Joint Financing activity. Generally, the Company's portion of Joint Financing is between 5–10%, with the banks financing the rest. The Company is responsible as a servicer, whose task is 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 used as collateral. The banks' Joint Financing portion in 2017 was Rp524 billion, while it was Rp1,261 billion in 2016. The decline was due to lower cost alternatives of funding from banks as well as the debt markets, amidst the low interest rate environment.

Table 51: Joint Financing

DESCRIPTION (Rp billion)	2016	2017	BFI PORTION
Receivables Sales and Purchase			
PT Bank Rakyat Indonesia (Persero) Tbk	3	-	0%
Joint Financing			
PT Bank Rakyat Indonesia (Persero) Tbk	140	335	5%
PT Bank Mandiri (Persero) Tbk	666	140	5%
PT Bank Tabungan Pensiunan Nasional Tbk	175	49	10%
PT Bank Maybank Indonesia Tbk	277	-	5%
Total	1,261	524	

The Company entered into a cooperation agreement with PT Finacel Teknologi Indonesia (Finacel), a technology company, for the purpose of channeling a digital-based financing through Kredivo application. Finacel provide guarantee over the loan payment from customer through a buy back mechanism for past due accounts over 60 days.

On 31 December 2017, total outstanding loans which represents channeling loans by the Company through Kredivo application was amounting to Rp177 billion for receivables due from end user with past due up to 60 days and amounting to Rp459 million for the receivables which need to be settled by Finacel for the past due accounts of more than 60 days.

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.

There was a 29.5% increase in Allowance for Impairment Losses by Rp54 billion, from Rp183 billion in 2016 to Rp237 billion in 2017. This increase is in line with the increase in total managed receivables and the probability of default of the portfolio. Current level of allowance is equivalent to 1.6x of NPF, which demonstrate the Company's ability to provide adequate provision to sustain future credit loss without bringing a further negative impact to its financials.

Cash and Cash Equivalents

There was an increase of 36.4% in Cash and Cash Equivalents, from Rp165 billion as of end of 31 December 2016 to Rp225 billion as of end of 31 December 2017. This increase was driven by time deposit used for registration of UUS, the Company's Sharia Business Unit and the preparation for funding needs in the early of the following year.

Derivative Assets (Liabilities)

BFI Finance has foreign currency loans as one of funding sources, particularly offshore USD loans. To anticipate interest rate risk and currency exchange risk, the Company has implemented a strict hedging policy for the loans it received in foreign currency and floating interest rates. The hedging policy is generally performed through cross currency swap agreements with banks of sound 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.

As of end of 2017, the position of Derivative Assets was changed to a Derivative Liabilities from Rp41 billion as of end of 2016 to Rp1 billion. This was a result of the implementation of the hedging accounting standards on hedging, in which the value of derivative assets (liabilities) is measured by market value.

Table 52: Derivative Assets (Liabilities)

DESCRIPTION	2016		2017	
	USD Notional amount (full amount)	Derivative Asset (Rp billion)	USD Notional amount (full amount)	Derivative Liabilities (Rp billion)
Standard Chartered Bank, Jakarta Branch	62,760,270	66	84,078,341	(2)
The Bank of Tokyo Mitsubishi UFJ, Ltd, Jakarta Branch	10,000,000	(1)	65,000,000	12
PT Bank Permata Tbk	79,500,000	(31)	37,500,000	(11)
PT Bank ANZ Indonesia	30,000,000	7	30,000,000	3
PT Bank CIMB Niaga Tbk	-	-	23,500,000	(3)
Total	182,260,270	41	240,078,341	(1)

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Other Receivables – Net

Other Receivables consist of, among others, account receivables in the settlement process, which are the book value of asset collateral returned by or exercised from consumers unable to continue serving their obligations, employee receivables, other receivables and consumer instalment receipt receivables.

Total Other Receivables – Net in 2017 experienced an increase of 38.6%, from Rp171 billion in 2016 to Rp237 billion in 2017. This increase was driven by receivable from KSEI on dividend tax and temporary timing differences arisen from the consumer instalment receipts paid through online consumer payment channel (payment point) whereby the payment have been acknowledged by banks yet the effective funds only credited to the Company's bank account on the next working day.

Table 53: Other Receivables

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Receivables in the Settlement Process - Net	58	67	9	15.5%
Receivables from KSEI on dividend tax	-	58	58	n/a
Customer Installment Receipt Receivables	25	44	19	76.0%
Employee Receivables	27	25	-2	-7.4%
MESOP Receivables	50	22	-28	-56.0%
Insurance Premium	4	5	1	25.0%
Other Receivables	7	16	9	128.6%
Total	171	237	66	38.6%

Deferred Tax Assets

Deferred Tax Assets are restatements due to timing differences between the financial reporting standard with recognition of revenues and expenses according to the fiscal method. Deferred Tax Assets in 2017 stood at Rp66 billion, reflecting a 78.4% increase, or Rp29 billion, from the previous year's figure of Rp37 billion. This increase was driven by temporary differences between recognition in accounting and fiscally related with the provision of post-employment benefits; unamortized transaction cost on finance lease and consumer financing receivables.

Liabilities**Table 54: Liabilities**

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Fund Borrowings	4,691	6,819	2,128	45.4%
Securities Issued - Net	2,965	3,909	944	31.8%
Accrued Expenses	190	294	104	54.7%
Post-employment Benefits Liabilities	140	200	60	42.9%
Taxes Payable	94	140	46	48.9%
Other Payables	141	217	76	53.9%
Total	8,221	11,579	3,358	40.8%

Total Liabilities as of 31 December 2017 stood at Rp11,579 billion, increasing by 40.8% from Total Liabilities as of end of 2016. Fund Borrowings and Securities Issued – Net comprised of 92.7% of the total 2017 Liabilities.

Table 55: Source of Funds

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Fund Borrowings				
Foreign Currency Borrowings	2,426	3,231	805	33.2%
Rupiah Borrowings	2,265	3,588	1,323	58.4%
Total Fund Borrowings	4,691	6,819	2,128	45.4%
Securities Issued				
Bond Payable	2,865	3,859	994	34.7%
Medium Term Notes	100	50	-50	-50.0%
Total Securities Issued - Net	2,965	3,909	944	31.8%
Total Source of Funds	7,656	10,728	3,072	40.1%

Fund Borrowings

Total Fund Borrowings in 2017 increased by 45.4% from Rp4,691 billion in 2016 to Rp6,819 billion in 2017. This amount represented 58.9% of Total Liabilities as of end of 2017. About 47.4% or Rp3,231 billion of Total Fund Borrowings in 2017 were in foreign currencies, while the remainder of 52.6% or Rp3,588 billion were rupiah borrowings.

Table 56: Fund Borrowings

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR
Borrowings (US Dollar)			
Standard Chartered Bank (Facility Agent)	1,372	2,184	812
Standard Chartered Bank, Jakarta Branch	-	271	271
PT Bank ANZ Indonesia	-	270	270
PT Bank CTBC Indonesia	-	216	216
Qatar National Bank SAQ, Singapore Branch	400	134	-266
JA Mitsui Leasing Singapore Pte. Ltd.	-	101	101
Standard Chartered Bank, Singapore Branch	200	29	-171
Emirates NBD Bank PJSC (Facility Agent)	77	26	-51
The Korea Development Bank (Facility Agent)	243	-	-243
The Bank of Tokyo Mitsubishi UFJ, Ltd, Jakarta Branch	134	-	-134
Total Borrowings (US Dollar)	2,426	3,231	805
Borrowings (Rupiah)			
PT Bank Mandiri (Persero) Tbk	754	1,354	600
PT United Tractors Tbk	217	536	319
PT Bank Central Asia Tbk	-	343	343
PT Bank KEB Hana Indonesia	184	285	101
PT Bank Pembangunan Daerah Jawa Barat & Banten Tbk	295	244	-51
PT Bank Pan Indonesia Tbk	-	208	208
PT Bank CIMB Niaga Tbk	50	173	123
PT Bank Nusantara Parahyangan Tbk	-	95	95
PT Bank Tabungan Pensiunan Nasional Tbk	-	95	95
Bank of China Limited, Jakarta Branch	137	87	-50
PT Bank Permata Tbk	225	73	-152
PT Bank Danamon Indonesia Tbk	82	48	-34

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Table 56: Fund Borrowings

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR
PT Bank Negara Indonesia (Persero) Tbk	269	47	-222
PT Bank CTBC Indonesia	52	0	-52
Total Borrowings (Rupiah)	2,265	3,588	1,323
Borrowings – net	4,691	6,819	2,128

This mix of foreign and local currency borrowing is in line with the Company's strategy to keep diversified sources of funds, both on- and offshore. BFI Finance is currently one of few multifinance companies in Indonesia able to tap offshore funding at competitive rates. In addition, the Company continues to foster strong relationships with banks in Indonesia to support the Company's funding needs, in line with its business growth and strategic direction.

With regards to foreign currency borrowings, they are denominated in USD and with floating interest rates. However, the Company mitigates its currency risk with hedging mechanisms such as cross-currency swaps so there are no open foreign currency risk exposures.

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. The Total Securities Issued – Net as of end of 2017 increased by 31.8% from Rp2,965 billion in 2016 to Rp3,909 billion in 2017 consisting of Bond Payable of Rp3,859 billion and Medium Term Notes of Rp50 billion.

Table 57: Securities Issued

DESCRIPTION (Rp billion)	2016	2017
Bonds		
Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014	220	-
Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015	655	550
Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016	1,000	800
Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016	1,000	683
Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017	-	1,000
Obligasi Berkelanjutan III BFI Finance Indonesia Tahap III Tahun 2017	-	835
Total Nominal Value	2,875	3,868
Less unamortized Bond Issuance Cost	10	9
Total - Net	2,865	3,859
Medium Term Notes		
Medium Term Notes BFI Finance Indonesia III Tahun 2015	100	50
Total Nominal Value	100	50
Total Securities Issued	2,965	3,909

From the total limit of Public Offering of Obligasi Berkelanjutan III BFI Finance Indonesia amounting Rp5 trillion as stated in OJK's letter dated 17 October 2016, the Company has issued Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I, Tahap II, and Tahap III, with total amount of Rp2,835 billion and the remaining limit of Rp2,165 billion is available for the issuance of the subsequent tranches of Obligasi Berkelanjutan III BFI Finance Indonesia until 17 October 2018.

Taxes Payable

BFI Finance's Taxes Payable grew by 48.9% from Rp94 billion in 2016 to Rp140 billion in 2017. Such increase was derived from estimated corporate income tax payable at the financial position of 31 December 2017 compared with that of 31 December 2016, and tax payable on interim dividend declared in December 2017.

Accrued Expenses

Accrued Expenses consist of operating expenses and interest expenses calculated on an accrual basis up to the balance sheet date. As of end of 2017, BFI Finance's Accrued Expenses rose by 54.7% from Rp190 billion in 2016 to Rp294 billion. Such increase was derived from employees' bonuses and allowances as well as professional fees for consultant recognized and accrued at of the end of 2017.

Post-employment Benefits Liabilities

Post-employment Benefits Liabilities are obligations to be served by the Company in order to meet the rights of the employees who have served until their retirement period, or sooner, according to the prevailing labor regulations.

BFI Finance's Post-employment Benefits Liabilities increased by 42.9% from Rp140 billion as of end of 2016 to Rp200 billion as of end of 2017. This increase was due to a material actuarial assumption that resulted in a change in discount rate (p.a.) from 8.7% as of end of 2016 to 7.7% as of end of 2017 and an increase in the number of permanent employees. The number of employees entitled to Post-employment Benefits on 31 December 2017 was 5,971 employees, an increase of 12.3%.

Equity

BFI Finance's Statements of Equity is presented in the following table:

Table 58: Equity				
DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Share Capital	399	399	-	0.0%
Additional Paid-in Capital - Net	553	553	-	0.0%
Treasury Stock	(252)	(252)	-	0.0%
Other Comprehensive Income				
Cumulative Loss on Derivative Instrument for Cash Flows Hedges - Net	(33)	(36)	(3)	9.1%
Loss on Defined Benefit Actuarial Program	(49)	(76)	(27)	55.1%
Retained Earnings				
Appropriated	32	73	41	128.1%
Unappropriated	3,605	4,243	638	17.7%
Total	4,255	4,904	649	15.3%

As of end of 2017, BFI Finance's Total Equity increased by 15.3% from Rp4,255 billion in 2016 to Rp4,904 billion.

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Issued and Paid-up Capital

The Issued and Paid-up Capital of BFI Finance as of 31 December 2017 and 2016 comprised 15,967,115,620 shares (after stock split). This corresponds to a Share Capital of Rp399 billion. The stock split was approved by IDX on 23 May 2017 pursuant to the Company’s EGMS dated 25 April 2017 where the Company’s shareholders approved the par value split of the Company’s share from Rp250 per share to Rp25 per share.

Additional Paid-up Capital

On 31 December 2017, BFI Finance’s Additional Paid-up Capital amount stood at Rp553 billion, which was the same amount as of end of 2016.

Treasury Stock

The Company carried out a stock buyback program in 2015 and 2016, which was ended on 15 October 2016. During the period, BFI Finance has buyback the total of 1,002,732,000 shares (after stock split) with total cost of Rp252 billion, or average price of Rp251/share. The amount of Treasury Stock recorded in the Company’s Total Equity as of 31 December 2017 was Rp252 billion. The management has not declared any intention to resell the Treasury Stock.

Table 59: Treasury Stock

DESCRIPTION	2016		2017	
	Shares*	Total	Shares	Total
Treasury Stock	1,002,732,000	252	1,002,732,000	252

* Restated to reflect Stock Split of 1:10 in May 2017

MESOP Program

Based on the decision of the EGMS on 21 June 2012, the shareholders approved the implementation of a MESOP program, with the issuance of an option to purchase shares (stock option) up to a maximum of 5% of the Company’s total issued and fully paid-up shares. This was approved by the EGMS on 6 May 2014 for the period up to 30 June 2016. As of 31 December 2017, the entire MESOP program

had ended and all shares that had been allocated had been exercised by the management and employees of the Company. The number of shares held by the member of the BOC and directors of the Company as of 31 December 2017 was 589,407,540 shares, representing 3.69% of the total outstanding shares of the Company as of 31 December 2017, with detail as follows:

Table 60: Share Ownership of Members of the Board of Commissioners and the BOD

NAME	POSITION	TOTAL SHARES	% SHARES
Francis Lay Sioe Ho	President Director	389,885,080	2.44
Kusmayanto Kadiman	President Commissioner	300,000	0.00
Sudjono	Director	33,380,000	0.21
Sutadi	Director	22,000,000	0.14
Sigit Hendra Gunawan	Independent Director	10,000,000	0.06
Andrew Adiwijanto	Director	12,120,000	0.08
Cornelius Henry Kho	Commissioner	121,719,980	0.76
Johanes Sutrisno	Independent Commissioner	2,480	0.00
Total		589,407,540	3.69

Other Comprehensive Income

Other Comprehensive Income is a pooling account for net impact 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 income statements.

In 2017, the Company booked a net Loss on Derivative Instrument for Cash Flows Hedges amounting Rp36 billion as well as a Loss on Defined Benefit Actuarial Program of Rp76 billion.

The Company’s Retained Earnings as of 31 December 2017 amounted to Rp4,316 billion, a 18.7% increase from Rp3,637 billion as of end of 2016. The Retained Earnings were largely Unappropriated, at 98.3%.

Return on Average Assets and Return on Average Equity (ROAA & ROAE)

ROAA and ROAE in 2016 and 2017 both increased significantly, with ROAA rising from 8.5% in 2016 to 10.3% in 2017, against an industry average ROA of 4.0%, and ROAE up from 19.3% in 2016 to 25.9% in 2017, more than twice higher than industry average ROE of 12.3%.

Table 61: ROAA and ROAE

RATIO	2016	2017	INDUSTRY AVERAGE*
ROAA	8.5%	10.3%	4.0%
ROAE	19.3%	25.9%	12.3%

*Source: Data Statistik Lembaga Pembiayaan Indonesia issued by OJK

Income Statements & Other Comprehensive Income

BFI Finance recorded Profit for the Year of Rp1,188 billion in 2017, increasing by 48.9% from the previous year's figure of Rp798 billion.

Income

BFI Finance's Income was derived from financing income which consists of finance lease, consumer financing and finance income as well as other income. Total Income as of end of 2017 increased by 25.3% from Rp3,227 billion in 2016 to Rp4,042 billion in 2017. Such growth was due to finance lease income increase by 36.2%.

Financing Income

Financing Income consists of Finance Lease Income and Consumer Financing Income. As of end of 2017, Financing Income (Net of Joint Financing transaction) amounted to Rp3,936 billion, increasing by 26.5% or Rp824 billion, from Rp3,112 billion in 2016. The main contributor of such increase was from Finance Lease category, and derived from Used Cars Financing for business purposes booked under Finance Lease Receivables. This is in line with the growth seen in Total Net Receivables.

Based on Asset Type, the largest contributor was Used Cars Financing, which was 68.5% of the Total Financing Income amounting to Rp2,758 billion. This signified an increase of 21.9% from its figure in 2016, which was Rp2,262 billion. Growth was also seen in the financing of Used Motorcycles, Heavy Equipment and Machinery, and Property. The only sector that experienced contraction was New Cars Financing, which was in line with the strategic decision of the Company's management to scale down this product.

Finance Income

Finance Income was mainly derived from 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 declined by 66.7% from Rp21 billion in 2016 to Rp7 billion in 2017, contributed by a lower cash balance in 2017 compared to 2016. Such contraction demonstrated a more effective fund management in 2017.

Other Income

Other Income represents non-interests income derived from the Company's financing main activities as well as other activities consisting of recovery of receivables which have been written-off, gain on sale of fixed assets, and others.

BFI Finance experienced an increase of its Other Income by 12.2%, from Rp90 billion in 2016 to Rp101 billion in 2017. Such increase was mainly due to proceeds from sale of fixed assets.

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Table 62: Income

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Income (Including Joint Financing)				
Financing Income	3,326	4,025	699	21.0%
Finance Income	21	7	-14	-66.7%
Other Income	90	101	11	12.2%
Total Income (including Joint Financing)	3,437	4,133	696	20.3%
<i>Less Joint Financing</i>	210	91	-119	-56.7%
Total Income	3,227	4,042	815	25.3%
Income (Less Joint Financing)				
Finance Lease	1,676	2,282	606	36.2%
Consumer Financing	1,436	1,654	218	15.2%
Total Financing Income	3,112	3,936	824	26.5%
Finance	21	7	-14	-66.7%
Others	94	99	5	5.3%
Total Income	3,227	4,042	815	25.3%

Table 63: Financing Income by Asset Type

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Breakdown by Asset Type				
Used Cars Financing	2,262	2,758	496	21.9%
Used Motorcycles Financing	444	643	199	44.8%
Heavy Equipment Financing	252	330	78	31.0%
New Cars Financing	330	208	-122	-37.0%
Property Financing	38	72	34	89.5%
<i>Others Financing</i>	-	14	14	n/a
Total Financing Income (including Joint Financing)	3,326	4,025	699	21.0%
Asset Type in Percentage				
Used Cars Financing	68.0%	68.5%	n/a	0.5%
Used Motorcycles Financing	13.3%	16.0%	n/a	2.7%
Heavy Equipment Financing	7.6%	8.2%	n/a	0.6%
New Cars Financing	9.9%	5.2%	n/a	-4.7%
Property Financing	1.2%	1.8%	n/a	0.6%
Others Financing	0.0%	0.3%	n/a	0.3%
Total	100.0%	100.0%		

Expenses

Table 64: Expenses

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Interest and Financing Charges	792	897	105	13.3%
Salaries and Benefits	716	869	153	21.4%
General and Administrative	392	481	89	22.7%
Provision for Impairment Losses	273	303	30	11.0%
Others	29	4	-25	-86.2%
Total	2,202	2,554	352	16.0%

BFI Finance's Total Expenses as of end of 2017 amounted to Rp2,554 billion, mainly from the Interest and Financing Charges of Rp897 billion and Salaries and Benefits of Rp869 billion. They represented 35.1% and 34.0%, respectively, of the Total Expenses in 2017. Total Expenses in 2017 climbed by 16.0% from Rp2,202 billion in 2016.

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.

Table 65: Borrowings, Interest, and Financing Charges, and Cost of Fund

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Fund Borrowings	4,691	6,819	2,128	45.4%
Securities Issued - Net	2,965	3,909	944	31.8%
Total Borrowings	7,656	10,728	3,072	40.1%
Interest and Financing Charges	792	897	105	13.2%
Average Cost of Fund	11.3%	10.0%	-1.3%	

Interest and Financing Charges in 2017 was Rp897 billion, or 35.1% of Total Expenses in 2017. There was an increase of 13.2% from Interest and Financing Charges in 2016 which was Rp792 billion. Meanwhile, Average Cost of Fund declined by 1.3%, from 11.3% in 2016 to 10.0% in 2017.

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.

Table 66: Salaries and Benefit Expenses

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Salaries and Employee Benefits	668	819	151	22.6%
Post-Employment Benefits	36	50	14	38.9%
Share Options Reserve	12	-	-12	-100.0%
Total	716	869	153	21.4%

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Increase in Salaries and Benefits is in line with the increase in number of employees by 10.5% from 8,941 to 9,884 in 2017.

General and Administrative Expenses

General and Administrative Expenses are composed of expenses that support the Company's operational activities and business growth.

Table 67: General and Administrative Expenses

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Depreciation of Fixed Assets	63	68	5	7.9%
Professional Fees	23	62	39	169.6%
Repairs and Maintenance	40	46	6	15.0%
Installment Collection Fees	51	45	-6	-11.8%
Travel and Transportation	27	33	6	22.2%
Insurance	29	31	2	6.9%
Training and Education	19	28	9	47.4%
Courier, Postage Stamp and Stamp Duty	14	20	6	42.9%
Office and Warehouse Rental	17	19	2	11.8%
Office Supplies	16	18	2	12.5%
Communications	16	18	2	12.5%
Electricity and Water	12	14	2	16.7%
Marketing	4	7	3	75.0%
Amortization	8	7	-1	-12.5%
Others	53	65	12	22.6%
Total	392	481	89	22.7%

General and Administrative Expenses in 2017 was Rp481 billion, increasing by 22.7% from its amount in 2016, which was Rp392 billion. Such increase was mainly due to the increase of Professional Fees by 169.6%, from Rp23 billion in 2016 to Rp62 billion in 2017. This 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 as of end of 2017 amounted to Rp303 billion, or 11.0% greater than from its figure in 2016 of Rp273 billion. In 2017, while the Consumer Financing Receivables portion shrank by Rp13 billion, the Finance Lease Receivables portion increased by Rp43 billion, more than half of its value in 2016. This contributed to the rise in total Provision for Impairment Losses.

Table 68: Provision For Impairment Losses

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Provision for Impairment Losses - Consumer Financing Receivables	190	177	-13	-6.8%
Provision for Impairment Losses - Finance Lease Receivables	83	126	43	51.8%
Total	273	303	30	11.0%

Profit for the Year

Table 69: Profit for the Year

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Total Income	3,227	4,042	815	25.3%
Total Expenses	2,202	2,554	352	16.0%
Profit Before Tax	1,025	1,488	463	45.2%
Income Tax Expense	227	300	73	32.4%
Profit for the Year	798	1,188	390	48.9%

BFI Finance's Profit Before Tax in 2017 amounted to Rp1,488 billion, increasing by Rp463 billion, or 45.2%, from its figure in 2016. The increase was derived from the rise in Total Income of Rp815 billion deducted by the increase of Total Expenses of Rp352 billion. Such increase caused a growth of Rp390 billion or 48.9% for the Profit for the Year, from Rp798 billion in 2016 to Rp1,188 billion in 2017.

In terms of tax, the Company is currently applying the income tax rate of 20% applicable to public companies with 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.

BFI Finance has complied with this requirement for every year since 2008, except for 2013.

Table 70: Income Tax Expense Ratio

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Profit Before Tax	1,025	1,488	463	45.2%
Income Tax Expense	227	300	73	32.2%
Income Tax Expense Ratio	22.1%	20.2%	n/a	-1.9%

The tax ratio for 2016 and 2017 was above the normal rate of 20.0%, which was 22.1% and 20.2%, respectively, as there was a time difference between the recognition of income and expenses commercially compared to the fiscal recognition, as well as additional tax derived from the tax audit.

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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, in which 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.

Table 71: Comprehensive Income for the Year

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Profit for the Year	798	1,188	390	48.9%
Other Comprehensive Income for the Year - Net of Tax	-63	-29	34	-54.0%
Total Comprehensive Income for the Year	735	1,159	424	57.7%

Despite the loss of Other Comprehensive Income Net of Tax of Rp29 billion, which decreased by Rp34 billion from 2016's loss amounting to Rp63 billion, the Company's Total Comprehensive Income for the Year increased by 57.7% or Rp424 billion, from Rp735 billion in 2016 to Rp1,159 billion in 2017.

Basic Earnings per Share

Basic Earnings per Share in 2017 was Rp79 per share, increasing by 51.9% from Rp52 per share in 2016. This increase demonstrates the Company's healthy financial performance in 2017.

Table 72: Basic Earnings Per Share

DESCRIPTION (Rp billion)	2016*	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Profit for the Year	798	1,188	390	48.9%
Basic Earnings per Share (full amount)	52	79	27	51.9%

* Restate after stock split

STATEMENTS OF CASH FLOWS

The Company's Statements of Cash Flows is classified into operating, investing, and financing activities, as presented below:

Table 73: Statements of Cash Flows

DESCRIPTION (Rp billion)	2016	2017	COMPARISON WITH LAST YEAR	
			Total	Percentage
Cash and Cash Equivalents at Beginning of Year	777	165	-612	-78.8%
Net Cash Flows from Operating Activities	-456	-2,335	-1,879	412.1%
Net Cash Flows from Investing Activities	-51	-183	-132	258.8%
Net Cash Flows from Financing Activities	-105	2,578	2,683	-2555.2%
Net (Decrease) Increase in Cash and Cash Equivalents	-612	60	672	-109.8%
Cash and Cash Equivalents at End of Year	165	225	60	36.4%

BFI Finance's Cash and Cash Equivalents as of 31 December 2017 increased by 36.4% or Rp60 billion from Rp165 billion as of 31 December 2016 to Rp225 billion. Such increase was mostly due to Net Cash Flow from Financing Activities.

Cash Flow from Operating Activities

Cash Flow from Operating Activities is the movement of cash to fund the Company's business activities. In 2017, the net cash utilized for operating activities was Rp2,335 billion, a 412.1% increase from Rp456 billion in 2016. This was owing to the Company's more extensive financing activities in 2017.

Cash Flow from Investing Activities

Cash Flow from Investing Activities is derived from the gain and loss from investing activities and the Company's spending on capital assets. The net cash spent by the Company for investing activities in 2017 increased by 258.8% amounting to Rp183 billion, compared to its figure in 2016 which was Rp51 billion. This increase was due to the Company's advance for land acquisition in 2017.

Cash Flow from Financing Activities

Cash Flow from Financing Activities presents the amount of cash derived from financing transactions including new financing, repayment of debts, and payment of interests on sources of financing. The net cash derived from financing activities in 2017 amounted to Rp2,578 billion, while the amount spent for such transactions in 2016 was Rp105 billion. The 2,555% increase in Cash Flow from Financing Activities was the main contributor to the increase in Cash and Cash Equivalents as of 31 December 2017.

COMPARISON BETWEEN TARGET AND REALIZATION IN 2017

Table 74: Target and Realization Comparison

DESCRIPTION (Rp billion)	TARGET	REALIZATION	NOTES FOR BUDGET ACHIEVEMENT
New Financing Growth	20%	33.5%	Above budget, as discussed in the Business Review section
Net Receivables Growth	17% - 20%	32.5%	Above budget, as discussed in the Financial Performance Review section
Asset Growth	21%	32.1%	Above budget, as discussed in the Financial Performance Review section
Revenue Growth	17%	25.3%	Above budget, as discussed in the Financial Performance Review section
Net Profit	Above 2016 Net Profit	48.7%	Above budget, as discussed in the Financial Performance Review section
NPF	<2%	0.95%	Above budget, as discussed in the Receivables Collectibility section
Debt to Equity Ratio	<3x	2.19x	Above budget, as discussed in the Capital Structure section
Dividend Payout Ratio	Up to 50%	*	Above budget, as discussed in the Dividend Policy and Payment section

*Await the resolution of 2018 GMS

The Company was able to meet all and even exceed some of its targets set for 2017. Of note was the achievement of NPF of 0.95%, far lower than the maximum threshold of 2%.

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DEBT REPAYMENT ABILITY

THE COMPANY CALCULATES THE FOLLOWING MEASUREMENTS

for determining its ability to pay its payables:

- Assets Solvency Ratio, measuring how much assets are financed using liabilities
- Liquidity Ratio, measuring the ability to meet short-term liabilities using current assets
- Gearing Ratio, measuring the ratio of debt to own capital (equity)
- Rating results issued by accredited credit rating agencies

The details of these measurements are provided in the table below.

KEY RATIOS	2016	2017	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	1.7x	1.5x	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	2.2x	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.

RECEIVABLES COLLECTIBILITY (RECEIVABLES QUALITY)

Table 76: Receivables Collectibility Level (Asset Quality)

COLLECTIBILITY	DAYS PAST DUE	AMOUNT OF RECEIVABLES		PERCENTAGE	
		2016	2017	2016	2017
1 - Current	0 - 30 days	12,678	15,519	97.3%	97.4%
2a - Special Mention	31 - 60 days	152	189	1.2%	1.2%
2b - Special Mention	61 - 90 days	77	77	0.6%	0.5%
3a - Non-current	91 -120 days	35	45	0.3%	0.3%
3b - Non-current	121 - 150 days	32	40	0.2%	0.2%
4 - Doubtful	151 - 180 days	24	32	0.2%	0.2%
5 - Bad	>180 days	28	34	0.2%	0.2%
Jumlah		13,026	15,936	100%	100%

The Company classifies its receivables collectibility based on the number of days past due. Throughout 2017, BFI Finance succeeded to maintain its collectibility ratio, as indicated by the low due ratio for each category of the due. The over 30 days due ratio slightly declined from 2.7% in 2016 to 2.6% in 2017.

Such performance is in line with the strategy of the Company regarding early collection that has been implemented since 2014, which has demonstrated positive results. In addition, underwriting standard has been strictly applied by minimizing financing activities in high risk commodity sectors. Throughout the year, the Company maintained strict coordination with the collection team, improved credit control, and introduced tighter risk management methods to facilitate decision-making process.

The results of effective risk management and collection is demonstrated by the Company's NPF ratio, which is calculated from the ratio of more than 90 days overdue receivables, which was maintained at 0.95% both in 2016 and 2017.

WRITE-OFF POLICY

The Company changed its policy on the Write-off of Receivables in December 2016, from debts past due for 270 days up to 210 days or more. This change applies to the receivables portfolio of cars and motorcycles. Meanwhile, for the receivables of heavy equipment, machinery and property, the write-off is performed by analyzing the accounts individually, or automatically written-off if the due exceeds 270 days.

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CAPITAL STRUCTURE (CAPITAL ADEQUACY)

MANAGEMENT POLICY ON CAPITAL STRUCTURE

The Company's Articles of Association stipulates that the Company's Authorized Capital stands at Rp50 billion, consisting of 20 billion shares with a nominal value of Rp25 per share. From the Authorized Capital, 15,967,115,620 shares have been issued and fully paid. Furthermore, amounting to 100,273,200 shares had been bought back by the Company up to 31 December 2017.

The Company refers to OJK Regulation No. 29/POJK.05/2014 on the Business of Financing Companies dated 19 November 2014 in managing its capital which stipulates:

- 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.

In line with this regulation, the Company reports that:

- Its equity as of end of 2016 and 2017 was above the minimum requirement, i.e. Rp4,255 billion and Rp4,904 billion, respectively.
- In 2016 and 2017, its equity was 1,066% and 1,229% of the total paid-up capital.
- Its gearing ratio for 2016 and 2017 was 1.8x and 2.2x, respectively, far below the maximum allowed threshold of 10x.

Table 77: Capital Structure

DESCRIPTION (Rp billion)	POJK REQUIREMENT	THE COMPANY'S REALIZATION	
		2016	2017
Equity	Minimum Rp100 billion	4,255	4,904
Ratio of Total Equity to paid-up Capital	Minimum 50%	1,066%	1,229%
Ratio of Financing to Equity	Maximum 10x	1.8x	2.2x

MATERIAL COMMITMENTS

Throughout 2017, the Company made no material commitments.

MATERIAL INVESTMENTS IN CAPITAL GOODS

THE COMPANY'S CAPITAL EXPENDITURES in 2017 generally involved investments in IT infrastructure and branch office expansion. Funding resources for these capital expenditures were largely derived from the Company's own funds.

Total capital expenditure for 2017 was Rp212 billion.

Table 78: New Financing and Managed Receivables by Business Activities

TYPE OF CAPITAL GOODS INVESTMENT	VALUE OF CAPITAL GOODS INVESTMENT			Total
	Completed	In Progress	Advance for Land Acquisition	
Building and improvements	2	14	-	16
Land	-	15	81	96
Office Equipment	21	3	-	24
Vehicles	73	2	-	75
Furniture and Fixtures	1	-	-	1
Total	97	34	81	212

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SUBSEQUENT EVENTS

ISSUANCE OF OBLIGASI BERKELANJUTAN III BFI FINANCE INDONESIA TAHAP IV TAHUN 2018

As of the publication date of this report, the Company was in the process of issuing Obligasi Berkelanjutan III BFI Finance Indonesia Tahap IV Tahun 2018 with a principal amount of Rp2,165 billion, with a bond listing in the IDX scheduled for the beginning of March 2018.

COMPOSITION OF THE BOC, BOD, AND SHARIA SUPERVISORY BOARD

As of 15 January 2018, the Company has received the Original Copy of Decision from OJK on behalf of Asrori S. Karni and Helda Rahmi Sina respectively KEP-104/MB.22/2017 and KEP-105/NB.22/2017 both dated 27 December 2017 which among others states that Asrori S. Karni and Helda Rahmi Sina are eligible and approved to become Members of the Sharia Supervisory Board of the Company and the decree shall come into force as from the date of stipulation on 27 December 2017.

Further, the composition of the BOD, BOC, and the Sharia Supervisory Board of the Company based on Deed of Company's EGMS No. 6 dated 25 October 2017 in conjunction with the Deed of Meeting Decision Letter No. 19 dated 21 December 2017 made before Herna Gunawan, S.H., M.Kn., Notary in Tangerang as presented in section Exhibit E9-General 1f, has been received by and recorded in the Ministry of Justice and Human Rights of the Republic of Indonesia in its Letter No. AHU-AH.01.03-0027398 dated 19 January 2018.

On 15 February 2018, the Company received the Original Copy of Decision from Commissioners of OJK Number Kep-27/NB.223/2018 concerning the license to open sharia financing business unit to the Company, and the decree shall come into force as of the date of stipulation, 8 February 2018.

LITIGATION

On 26 January 2018, the Central Jakarta District Court reaffirmed that the Execution of the case against the decision of PK 240 is non-executable as stipulated on the issuance of Decree No. 079/2007.EKS. This decree is made as a response to APT Application Letter No.Ref.001/XI/Dir-APT/2017 dated 29 November 2017, which repeatedly requested for further review of the legal standing for the implementation of the Decision PK 240 (Execution).

DIVIDEND POLICY AND PAYMENT

THE COMPANY'S DIVIDEND

POLICY is 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.

The Company distributed its dividend from net profit in 2016 and 2017 as follows:

Table 79: Dividend Policy & Dividend Payout

DESCRIPTION (Rp billion)	2016	2017
Net Income for the Year	798	1,188
Cash Dividend		
Interim Cash Dividend for the Year	224	344
Final Dividend	165	*
Total Cash Dividend	389	344
% Cash Dividend to Previous Year's Net Income	48.7%	*
Cash Dividend Payment Date		
Interim Cash Dividend for the Year	16 December 2016	18 December 2017
Final Dividend	18 May 2017	*

* Pending decision of GMS 2018

The Company has paid Rp23 (full amount) per share in interim dividends on net income of 2017, which is equivalent to a payout ratio of 29.0% of net profit. Payment of the final dividend for 2017 will require an agreement from all stakeholders in the Company's 2018 AGMS. Refer to Table 5 in the 2017 Performance Highlights for detailed dividend payment history.

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USE OF PUBLIC ISSUANCE PROCEEDS

IN 2017, THE COMPANY CONDUCTED THE PUBLIC OFFERING OF RUPIAH BONDS, Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017 on 3 March 2017 with nominal amount of Rp1 trillion, and Obligasi Berkelanjutan III BFI Finance Indonesia Tahap III Tahun 2017 Series A, B, and C on 10 November 2017 with nominal amount of Rp835 billion.

To meet OJK Regulation No. 30/POJK.04/2015 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 offering.

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 Finance Lease.

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. There were no changes in the use of funds coming from that public offerings.

INVESTMENT, DIVESTMENT, MERGER & ACQUISITION, AND DEBT OR CAPITAL RESTRUCTURING

IN 2017, THE COMPANY DID NOT UNDERTAKE ANY MATERIAL INVESTMENT, DIVESTMENT, MERGER AND ACQUISITION, OR DEBT/CAPITAL RESTRUCTURING.

The Company established a subsidiary under the name of PT Finansial Integrasi Teknologi (FIT) which is engaged in lending and borrowing services based on IT. The Company is one of the founding shareholders of FIT with a percentage of ownership of 99.96% of the issued and fully paid capital of FIT. As of the issuance date of these financial statements, FIT is still in the administration process of applying license to OJK so that there is no operational activities.

TRANSACTIONS WITH POTENTIAL CONFLICTS OF INTEREST AND RELATED PARTIES

IN CARRYING OUT ITS BUSINESS ACTIVITIES, THE COMPANY AND ITS SUBSIDIARY ENTER INTO TRANSACTIONS WITH CERTAIN RELATED PARTIES, as explained below:

Related Parties	Nature of Relationship	Transactions
Employees	Key management personnel	<ul style="list-style-type: none"> Short-term employees' benefits MESOP

The transactions with the abovementioned related parties consisted of salaries and employee benefits, amounting to Rp55 billion (2.2% of the total expenses) in 2017 and Rp50 billion (2.3%) in 2016.

Transactions with related parties, except salary expense and employee benefits to key management personnel, are conducted under the normal business operations requirements.

IMPACT FROM REGULATORY CHANGES ON THE COMPANY

THROUGHOUT 2017, THE GOVERNMENT OF THE REPUBLIC OF INDONESIA ISSUED A NUMBER OF POLICIES that regulate the business activities and operations of financing companies. The policies are, among others:

- OJK Regulation No. 12/POJK.01/2017 on Implementation of Anti-Money Laundering and Prevention of Terrorism Funding in the Financial Services Sector;
- OJK Circular No. 37/SEOJK.05/2017 on Guidelines for the Implementation of Anti-Money Laundering and Prevention of Terrorism Funding in the Financial Services Sector;
- OJK Circular No. 38/SEOJK.01/2017 on the Guidelines for Automatic Blocking of Customer's Funds in the Financial Services Sector Whose Identity is Listed on Suspected Terrorists and Terrorist Organizations List;
- OJK Circular No. 6/SEOJK.05/2017 on Determination of Premium Tariff or Contribution to Property Insurance and Motorized Vehicle Insurance Business in 2017;
- OJK Circular No. 30/SEOJK.07/2017 on Activities to Increase Financial Literacy in the Financial Services Sector; and
- OJK Circular No. 31/SEOJK.07/2017 on Activities to Increase Financial Inclusion in the Financial Services Sector.

Changes in such policies bore non-material impact on the Company's business activities and operations. The Company believes that the changes to such policies have been apt for creating a sound and conducive business environment.

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ACCOUNTING POLICY CHANGES

CHANGES TO STATEMENT OF FINANCIAL ACCOUNTING STANDARDS (SFAS) AND INTERPRETATIONS OF FINANCIAL ACCOUNTING STANDARDS (IFAS)

Amendments of the following standards and interpretations which effective for periods beginning on or after 1 January 2017 and relevant for Company and its subsidiary but did not result in substantial changes to the Company's accounting policies, namely amendment of:

- SFAS 1 "Presentation of Financial Statements",
- IFAS 31 "Interpretation on the Scope of SFAS 13: Investment Property",
- SFAS 3 (Amendment 2016) "Interim Financial Reporting",
- SFAS 24 (Amendment 2016) "Employee Benefit",
- SFAS 58 (Amendment 2016) "Non-Current Asset Held for Sale and Discontinued Operations", and

- SFAS 60 (Amendment 2016) "Financial Instruments: Disclosures".

New standards and amendments issued and relevant for the Company and its subsidiary but not yet effective for the financial year beginning 1 January 2018 are:

- Amendment to SFAS 16: "Fixed Assets",
- Amendment to SFAS 2: "Cash Flows Statements - Disclosure Initiative", and
- Amendment to SFAS 46: "Taxation - Recognition of Deferred Tax Asset for Unrealized Losses".

As of the independent auditors' report date, the Company and its subsidiary's management is currently evaluating the impact of these standards and interpretations on the Company's financial statements.

2018 BUSINESS PROSPECTS

THE CONSENSUS FOR INDONESIAN GDP PEGS GROWTH BETWEEN 5.1–5.5% IN 2018, on the back of improving commodity prices and an accelerating global economy. Foreign investment has picked up, inflation is subdued and a landmark infrastructure program is taking shape. With this, we also expect domestic consumption to improve along with a resilient automotive market. Commercial vehicles are expected to be in high demand, along with steady growth in the LCGC and MPV segments. Commercial vehicles are expected to be fuelled by demand in construction and infrastructure.

These indicators bode well for our business and on the back of these expectations, we hope to continue to grow our business and deliver value to all our stakeholders by maintaining asset quality as well as profitability.

A summary of our business outlook for 2018 is shown in the table below:

Table 80: 2018 Business Targets

DESCRIPTION	TARGET
New Financing Growth	20% from 2017 achievement
Net Receivables Growth	17%–20% from 2017 achievement
Asset Growth	Around Rp20 trillion
Revenue Growth	21%
Net Profit	Above 2017
NPF	<2.0%
Debt to Equity Ratio (Gearing Ratio)	<3x
Dividend Payout Ratio	Up to 50%

GOOD CORPORATE GOVERNANCE





GOOD CORPORATE GOVERNANCE REPORT

BFI FINANCE IMPLEMENTS GCG PRINCIPLES AS THE FOUNDATION OF ITS BUSINESS MANAGEMENT,

by complying with the applicable rules, regulations, and business ethics. GCG is implemented by the Company as guidelines as well as manifestations of management's and employees' responsibilities to all stakeholders to maintain the Company's sustainability in the long run.

It is also the interest of the Company's to improve the quality of its GCG implementation, in its attempt to contribute to a stronger multifinance industry in Indonesia. GCG implementation will also support compliance with all applicable regulations in general as well as those specific to the multifinance industry. Additionally, it will support the supervisory task of the regulators and other authorities. Therefore, BFI Finance is committed to consistently implementing GCG amidst the business development and challenges encountered in the multifinance industry.

LEGAL BASIS

BFI Finance is committed to carrying out its business activities in a healthy manner, complying with all the regulations prevailing in the financing service industry. The Company's GCG Practices refer to the applicable laws and regulations, including:

Table 81: Legal Basis of GCG Implementation

NO.	LEGAL BASIS	TITLE
1.	Laws of the Republic of Indonesia, among others:	<ol style="list-style-type: none"> 1. Law of the Republic of Indonesia No. 40 Year 2007 on Limited Liability Company 2. Law of the Republic of Indonesia No. 8 Year 1995 on Capital Market 3. Law of the Republic of Indonesia No. 20 Year 2001 on Amendment to the Law of the Republic of Indonesia No. 31 Year 1999 on Eradication of Corruption 4. Law of the Republic of Indonesia No. 8 Year 2010 on Prevention and Eradication of Money Laundering Crime
2.	Decree of the President of the Republic of Indonesia, among others:	Decree of the President of the Republic of Indonesia No. 61 Year 1988 on Financial Institution
3.	Government Regulation of the Republic of Indonesia, among others:	Government Regulation No. 34 Year 2016 on Income Tax on Income from Transfer of Rights to Land and/or Building and Sale and Purchase Agreement upon Land and/or Building and Its Amendment
4.	Regulations of the Minister of Finance of the Republic of Indonesia, among others:	<ol style="list-style-type: none"> 1. Minister of Finance Regulation No. 84/PMK.012/2006 on Finance Company 2. Minister of Finance Regulation No. 130/PMK.010/2012 on Registration of Fiduciary Guarantee for Finance Companies that Conduct Consumer Financing for Motor Vehicles with Imposition of Fiduciary Guarantee 3. Minister of Finance Regulation No. 27/PMK.06/2016 on Guidance of the Auction Execution 4. Minister of Finance Regulation No. 101/PMK.010/2016 on Adjustment to the Amount of Non-taxable Income

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- Board of Directors
- Sharia Supervisory Board
- Audit Committee
- Risk Management Committee

- Nomination and Remuneration Committee
- Corporate Secretary
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- External Audit
- Risk Management
- Internal Control System
- Compliance
- 2017 Legal Cases

- Access to Information and Communication
- Investor Relations
- Code of Conduct and Corporate Culture
- Anti-Corruption Policies
- Whistleblowing System
- Corporate Action
- Stock Options
- Transparency of Financial and Non-Financial Conditions Not Disclosed in the Report



Table 81: Legal Basis of GCG Implementation

NO.	LEGAL BASIS	TITLE
5.	OJK Regulations, among others:	<ol style="list-style-type: none"> 1. No. 1/POJK.07/2013 on Consumer Protection of Financial Services Sector 2. No. 2/POJK.04/2013 on Stock Buyback Issued by Issuers or Public Companies in Significantly Fluctuating Market Condition 3. No. 3/POJK.05/2013 on Monthly Report of Non-Bank Financial Services Institution 4. No. 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. No. 1/POJK.07/2014 on Alternative Institution for Dispute Settlement in Financial Services Sector 6. No. 3/POJK.02/2014 on Procedures of Implementing Levy by OJK 7. No. 4/POJK.04/2014 on Billing Procedures of Administrative Sanctions in the Form of Fines in Financial Services Sector 8. No. 10/POJK.05/2014 on Risk-Level Assessment of Non-Bank Financial Service Institutions 9. No. 11/POJK.05/2014 on Direct Examination on Non-Bank Financial Service Institutions 10. No. 28/POJK.05/2014 on Business and Institutional Licensing of Finance Companies 11. No. 29/POJK.05/2014 on Execution of Finance Companies' Businesses 12. No. 30/POJK.05/2014 on Good Corporate Governance for Finance Companies 13. No. 31/POJK.05/2014 on Implementation of Sharia Financing Business 14. No. 32/POJK.04/2014 on Plan and Execution of General Meeting of Shareholders of Public Companies 15. No. 33/POJK.04/2014 on Board of Directors and Board of Commissioners of Issuers or Publicly-listed Companies 16. No. 34/POJK.04/2014 on Nomination and Remuneration Committee of Issuers or Publicly-listed Companies

Table 81: Legal Basis of GCG Implementation

NO.	LEGAL BASIS	TITLE
		17. No. 35/POJK.04/2014 on Corporate Secretary of Issuers or Publicly-listed Companies
		18. No. 36/POJK.04/2014 on Continuous Public Offering of Debt Securities and/or Sukuk (Islamic Bonds)
		19. No. 38/POJK.04/2014 on Capital Increase of Public Companies without Granting Pre-emptive Rights
		20. No. 1/POJK.05/2015 on Risk Management Implementation for Non-Bank Financial Service Institutions
		21. No. 8/POJK.04/2015 on Website of Issuers or Public Companies
		22. No. 21/POJK.04/2015 on Implementation of Governance Guidelines of Public Companies
		23. No. 22/POJK.01/2015 on Criminal Investigations in Financial Services Sector
		24. No. 30/POJK.04/2015 on Realization Report of Proceeds from Public Offerings
		25. No. 31/POJK.04/2015 on Disclosure of Information or Material Facts by Issuers or Publicly-listed Companies
		26. No. 32/POJK.04/2015 on Capital Increase of Public Companies with Granting Pre-emptive Rights
		27. No. 33/POJK.04/2015 on Form and Content of Prospectuses for Capital Increase of Public Companies by Granting Pre-emptive Rights
		28. No. 41/POJK.05/2015 on Procedures of the Establishment of Statutory Manager on Financial Service Institutions
		29. No. 55/POJK.04/2015 on Establishment and Guidelines on Operations of the Audit Committee
		30. No. 56/POJK.04/2015 on Establishment and Guidelines on Drafting of Internal Audit Charter
		31. No. 60/POJK.04/2015 on Disclosure of Information of Certain Shareholders
		32. No. 27/POJK.03/2016 on Fit and Proper Test for the Primary Parties of Financial Services Institution
		33. No. 29/POJK.04/2016 on Annual Report of Issuers or Publicly-listed Companies
		34. No. 76/POJK.07/2016 on Enhancement of Literacy and Financial Inclusion in the Financial Services Sector for Consumers and/or Communities
		35. No. 7/POJK.04/2017 on Registration Statement Documents in Public Offerings of Equity Securities, Debt Securities or Sukuk
		36. No. 8/POJK.04/2017 on Form and Content of the Prospectus and the Abridged Prospectus in a Public Offering of Equity Securities
		37. No. 9/POJK.04/2017 on Form and Content of the Prospectus and the Abridged Prospectus in a Public Offering of Debt Securities
		38. No. 10/POJK.04/2017 on Amendment to OJK Regulation No. 32/POJK.04/2014 on Plan and Execution of General Meeting of Shareholders of Public Companies
		39. No. 11/POJK.04/2017 on Reporting of Share Ownership in Public Companies
		40. No. 12/POJK.01/2017 on Implementation of Anti-Money Laundering and Counter-Terrorism Financing Program in Financial Services Sector
		41. No. 13/POJK.03/2017 on Use of Public Accountant and Auditing Firm in Financial Services Activities
		42. No. 18/POJK.03/2017 on Reporting and Requesting of Debtors' Information through Financial Information Service System
		43. No. 30/POJK.04/2017 on Buyback of Shares Issued by Public Companies
		44. No. 51/POJK.04/2017 on Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies
6.	OJK Circulars, among others:	1. No. 1/SEOJK.07/2014 on Education Program in order to Improve Financial Literacy towards Consumers and/or Community
		2. No. 2/SEOJK.07/2014 on Consumer Complaint Services and Settlement on Financial Service Businesses
		3. No. 4/SEOJK.02/2014 on Mechanism of Payment of Levies to OJK
		4. No. 6/SEOJK.04/2014 on Procedures of Electronic Submission of Reports by Issuers or Public Companies
		5. No. 12/SEOJK.07/2014 on Information Delivery for Marketing of Products and/or Financial Services
		6. No. 14/SEOJK.07/2014 on Confidentiality and Security of Consumer's Private Data and/or Information

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- Transparency of Financial and Non-Financial Conditions Not Disclosed in the Report

Table 81: Legal Basis of GCG Implementation

NO.	LEGAL BASIS	TITLE
		7. No. 4/SEOJK.05/2015 on Risk-Level Assessment of Finance Companies
		8. No. 17/SEOJK.05/2015 on Appointment of Public Accountant, Actuary, and/or Independent Appraiser as the Examiner of Non-Bank Financial Services Institution
		9. No. 30/SEOJK.04/2015 on Membership Fee of Custodian Bank for Investors Protection Fund
		10. No. 32/SEOJK.04/2015 on Governance Guidelines of Public Companies
		11. No. 1/SEOJK.05/2016 on Financial Health Level of Finance Companies
		12. No. 2/SEOJK.05/2016 on Financial Soundness of Sharia Financing
		13. No. 3/SEOJK.05/2016 on Monthly Report of Finance Companies
		14. No. 4/SEOJK.05/2016 on Monthly Report of Sharia Finance Companies and Finance Companies' Sharia Business Units
		15. No. 10/SEOJK.05/2016 on Implementation Guidelines of Risk Management and Self-Assessment Report of Risk Management Implementation for Non-Bank Financial Services Institutions
		16. No. 15/SEOJK.05/2016 on Good Corporate Governance Application Report for Finance Companies
		17. No. 30/SEOJK.04/2016 on Form and Content of Annual Reports of Issuers or Public Companies
		18. No. 31/SEOJK.05/2016 on Fit and Proper Test for the Main Parties of Non-Bank Financial Institutions
		19. No. 47/SEOJK.05/2016 on Down Payment Amount of Motor Vehicles Financing for Finance Companies
		20. No. 48/SEOJK.05/2016 on Down Payment/Urbun Amount of Motor Vehicles Financing for Sharia Financing
		21. No. 6/SEOJK.05/2017 on Premium-Rate Determination or Contribution in the Businesses of Property Insurance and Motor Vehicles Insurance in 2017
		22. No. 30/SEOJK.07/2017 on Implementation of Activities in order to Increase Financial Literacy in Financial Services Sector
		23. No. 31/SEOJK.07/2017 on Implementation of Activities in order to Increase Financial Inclusion in Financial Services Sector
		24. No. 36/SEOJK.03/2017 on Procedures for the Use of Public Accountant Services and Public Accountant Firm in Financial Services Activities
		25. No. 37/SEOJK.05/2017 on Guidelines for Implementation of Anti-Money Laundering and Counter-Terrorism Financing Program in the Non-Bank Financial Industry Sector
		26. No. 38/SEOJK.05/2017 on Guidelines for the Immediate Blocking of Customer Funds in the Financial Services Sector whose Identity is Listed on the List of Suspected Terrorists and Terrorist Organizations
7.	Regulations of the Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK; now OJK) and Bapepam-LK Chairman Decisions, among others:	1. Bapepam-LK Regulation No. 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 No. 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 No. 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
8.	Decision Letter of the Board of Directors of Indonesia Stock Exchange, among others:	Decision Letter of the Board of Directors of Indonesia Stock Exchange No. Kep-00001/BEI/01-2014 concerning Amendment of Regulation No. I-A on Listing of Shares and Equity Securities Other Than Shares Issued by Listed Companies

In addition to the rules listed on the above table, the Company also refers to several GCG guidelines, including:

- General Guidelines on GCG in Indonesia, published by KNKG as a reference in developing GCG implementation and management. General Guidelines on GCG in Indonesia was first published by KNKG in 1999 and it has been revised twice, in 2001 and 2006;
- Indonesian Corporate Governance Roadmap, published by OJK; and
- The Company's articles of association.

MAIN PRINCIPLES

BFI Finance applies the following GCG principles in its business activities in all organizational levels:

Table 82: GCG's Main Principles		
NO.	GCG PRINCIPLE	IMPLEMENTATION
1.	<p>Transparency</p> <p>Transparency in the decision-making process and in the availability and disclosure of relevant information regarding the Company that is easy to be accessed by stakeholders, in accordance with the laws and regulations in the multifinance industry, as well as the standards, principles, and practices of financing business</p>	<p>BFI Finance ensures that its business management is made transparent to all stakeholders. The transparency principle is actualized by sharing all relevant information to shareholders. The principle is also implemented via:</p> <ul style="list-style-type: none"> • Preparation and publication of the Integrated Annual Report; • Preparation and explanation the Company's work programs; • Preparation of routine financial statements that include quarterly and annual financial statements; • Publication of information disclosure reports on the Company's business activities; and • Utilization of the Company's website to deliver information to shareholders and other stakeholders.
2.	<p>Accountability</p> <p>Clarity in the functions and responsibilities of the Company's governance bodies to ensure the transparency, appropriateness, effectiveness, and efficiency of the Company's performance</p>	<p>Clear job description for all employees, underlining the basic functions of all governance bodies. All of the Company's governance bodies have a clear description of their rights and obligations, functions and responsibilities, and authority in every policy of the Company. This principle is applied in the division of duties between the Company's governance bodies, including the description of duties and authority of the GMS, the BOC, the BOD, along with their respective performance indicators.</p>
3.	<p>Responsibility</p> <p>Conformity of the Company's management to the rules and regulations in financing sector, ethical values, as well as the standards, principles, and practices of financing business</p>	<p>BFI Finance is committed to carrying out CSR in line with the needs of society and its business sustainability. The responsibility principle is implemented through:</p> <ul style="list-style-type: none"> • Compliance with the Company's articles of association and applicable laws and regulations; • Fulfillment of tax responsibilities in a proper and timely manner; • Execution of CSR activities and programs; and • Execution of information disclosure in accordance with applicable regulations.
4.	<p>Independence</p> <p>The Company is managed independently and professionally, free from conflict of interest and pressures from any party which are not in line with the laws and regulations in the multifinance industry and ethical values as well as the standards, principles, and practices of financing business</p>	<p>BFI Finance considers independence in business management as an absolute must in decision-making process, fully adhering to the regulations from relevant authorities, without intervention from external parties. In implementing this independence principle, BFI Finance and all stakeholders strive to achieve welfare. The implementation of the independence principle strengthens professionalism, creativity, and independence in business management. The principles are implemented by:</p> <ul style="list-style-type: none"> • Respecting the rights, obligations, duties, authority, and responsibilities of each governance body of the Company's; • Shareholders' and the BOC's non-intervention in the management of the Company; • The BOC, the BOD, and all employees always strive to avoid conflict of interest in making decisions; and • Any activity with conflict of interest in the Company must first be approved by an independent shareholder or their representative who has been given authority in the GMS as per regulations, and its conduct must obey the stipulations regarding conflict of interest.
5.	<p>Fairness</p> <p>Equality, balance, and fairness in fulfilling the rights of Stakeholders arising from the agreement, rules and regulations, and ethical values as well as the standards, principles, and practices of financing business</p>	<p>BFI Finance upholds fairness and complies with all the regulations related to stakeholders protection. BFI Finance is committed to treating all employees fairly and without prejudice arising from difference in ethnicity, religion, origin, gender or other aspects irrelevant to their performance. This principle is implemented through these policies:</p> <ul style="list-style-type: none"> • All shareholders have the right to attend GMS and to vote in accordance with the applicable provisions; • BFI Finance reports partner-related information to stakeholders in a fair and transparent manner; and • BFI Finance provides a good and comfortable working condition for all employees to the best of its ability and in line with the applicable rules and regulations, with periodic performance assessments and equal promotion opportunity for all employees.

GOOD CORPORATE GOVERNANCE

- Good Corporate Governance Report
- General Meeting of Shareholders
- Board of Commissioners
- Board of Directors
- Sharia Supervisory Board
- Audit Committee
- Risk Management Committee

- Nomination and Remuneration Committee
- Corporate Secretary
- Internal Audit
- External Audit
- Risk Management
- Internal Control System
- Compliance
- 2017 Legal Cases

- Access to Information and Communication
- Investor Relations
- Code of Conduct and Corporate Culture
- Anti-Corruption Policies
- Whistleblowing System
- Corporate Action
- Stock Options
- Transparency of Financial and Non-Financial Conditions Not Disclosed in the Report

GCG PURPOSES

BFI Finance implements the GCG principles to achieve, among others, the following:

1. Optimization of the Company’s values for stakeholders;
2. Improvement of the Company’s professional, effective, and efficient management;
3. Improvement of the Company’s governance bodies’ and its subordinates’ compliance with the strict ethical standards, rules and regulations, and awareness of social responsibility;
4. Establishment of a financially sound business that is reliable and has a competitive edge in order to maintain its presence and sustainability to achieve the Company’s aims and objectives; and
5. Improvement of the Company’s contribution to the national economy.

The five aforementioned principles are summed up in the following GCG achievement scheme:



GCG STRUCTURE AND MECHANISM

The GCG structure at BFI Finance consists of the following governance bodies:

1. GMS

GMS is the Company’s governance body that has certain authority not given to the BOD or the BOC as referred to in the Limited Liability Company Law, and/or the Company’s articles of association. GMS is a forum for shareholders to make important decisions related to the Company’s business needs, with regard to articles or association and rules and regulations.

2. BOC

The BOC is the Company’s governance body that has a duty to do perform general and/or specific supervision in accordance with the articles of association and to advise the BOD. The BOC is the Company’s instrument to supervise its business activities in accordance with its strategies, procedures, and policies.

3. BOD

The BOD is the Company’s governance body that has the authority and full responsibility to manage the Company in its best interest, in line with the Company’s purposes and objectives. It represents the Company, inside and outside the court, in accordance with the articles of association. The BOD is the Company’s executive instrument to carry out and manage business in accordance with its strategies, procedures, and policies.

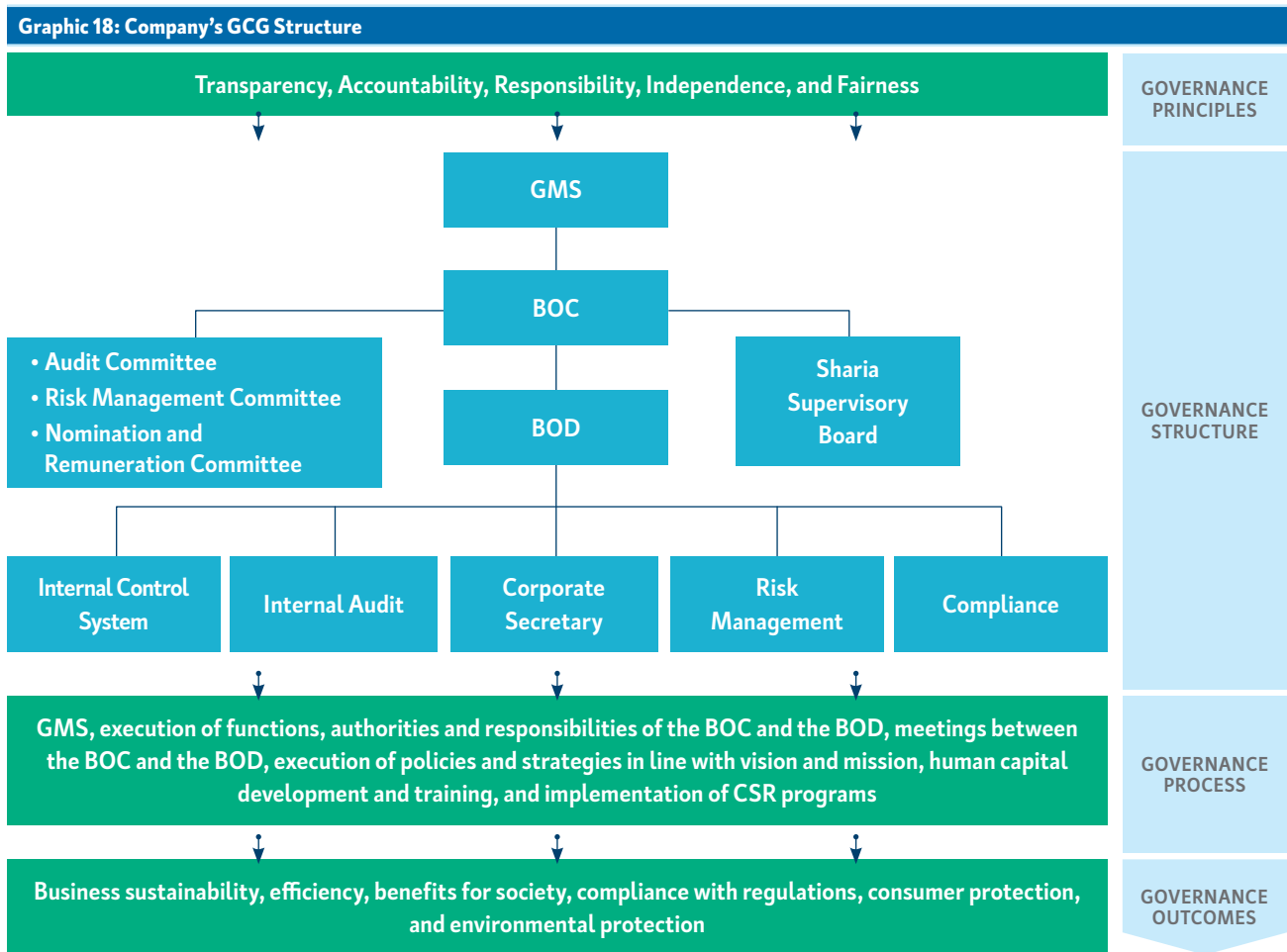
4. Supporting Bodies of the BOC

In conducting its supervisory duty, BOC form committees in which one or more of its members are members of BOC. The committees are responsible to Board of Commissioners.

5. Supporting Organs for Board of Directors

In managing the Company, the BOD is assisted by the Corporate Secretary and Internal Audit Department and their respective functional parts.

BFI Finance’s GCG Structure is summarized in the following chart:



The presence of the Company’s governance bodies is one of the manifestations of GCG implementation for ensuring a clear mapping of functions or business activities to avoid conflict of interest and to ensure that check and balance mechanism is carried out effectively and efficiently.

GCG implementation mechanism by the governance bodies in BFI Finance’s GCG structure takes place in a GCG infrastructure framework, which includes policies, procedures, MIS, and main duties as well as functions of each governance body. GCG infrastructure is evaluated regularly and adjusted to the latest developments and best practices in GCG. The latest enhancement in BFI Finance’s GCG Infrastructure was ratified in the BOD Decree No. 24/SK/WK/2011 dated 24 October 2011 on Corporate Governance Procedures in the Company.

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Table 83: Company's GCG Infrastructure

NO.	GCG INFRASTRUCTURE	FORM
1.	Code of Business Principles which is applicable to all BFI Finance's activities, both in head office and branch offices, and to all employees	<ul style="list-style-type: none"> • Company Core Values (GREAT) as the guidelines on the Company's culture and behavior • Corporate Responsibilities • Business Integrity • Operational Activity Commitment • Company Regulations 2016–2018
2.	Procedures to carry out duties and responsibilities of BOC and BOD	Guidelines for BOC and BOD (Board Manual)
3.	Completeness and procedures of carrying out the duties of committees and work units in conducting internal control function	<ul style="list-style-type: none"> • Audit Committee Charter • Guidelines for Nomination and Remuneration Committee
4.	External audit, internal audit, compliance function implementation procedures and policies	<ul style="list-style-type: none"> • Code of Business Principles • GREAT (Company Core Values), guidelines on behavior and culture, applicable to all employees • Company Regulations 2016–2018 • Internal Audit Charter • Various applicable policies, Decrees, SOP, and guidelines in the Company
5.	Policy of transparency of financial and non-financial conditions	<ul style="list-style-type: none"> • Quarterly Financial Statements • Mid-Year Financial Statements • Annual Financial Statements • Annual Report • Sustainability Report

GCG ROADMAP

As a public company, BFI Finance complies with OJK's directive on the Indonesian Corporate Governance Roadmap 2014.

The Company's GCG Roadmap is implicitly stated and aligned to OJK's directive in every practice. Several important structures and mechanisms which are still ongoing in GCG implementation at the Company are Code of Business Principles, Board Manual for the BOC and BOD as well as the Committees, and supporting procedures and policies such as Whistleblowing System, Risk Management Policy, and Compliance Policy.

As a part of GCG Roadmap, the Company continuously evaluates, updates, and disseminates its GCG practices to all employees.

GCG IMPLEMENTATION FOCUS

In 2017, the focus of GCG implementation at the Company was as follows:

1. Improving compliance with various relevant internal and external regulations. This step was carried out in all organizational levels of the Company through various communications media at the Company, including dissemination of new regulations in the Company to the employees via intranet and other internal media.

2. Improving quality of outcome (implementation result) that meets the expectations of stakeholders. This is a result of GCG principles' implementation, supported by adequate GCG structure and infrastructure. This outcome includes qualitative and quantitative aspects, as follows:
 - a. Adequate transparency of reports;
 - b. Compliance with rules and regulations;
 - c. Consumer protection;
 - d. Audit independence; and
 - e. The Company's performance and achievements, financially and operationally.

GCG IMPLEMENTATION EVALUATION

BFI Finance evaluates GCG implementation to ensure that its implementation quality is improving from year to year. This shall then bring positive impacts to the Company's business process continuity.

In 2017, BFI Finance carried out an internal assessment of its GCG achievements. The result shows that the Company's Management has implemented GCG satisfactorily, as summed up in the following table:

Table 84: GCG Implementation Evaluation

ASPECT	POSITIVE FACTORS	NEGATIVE FACTORS
A Governance Structure		
1. The Number, Composition, Integrity and Competence of Members of BOC, Committees under the BOC, Sharia Supervisory Board, and BOD	In general, in accordance with the complexity and size of the Company and in compliance with applicable regulations.	None
2. Organizational Structure	In general, BFI Finance has an organizational structure consisting of directorates, divisions, departments, and work functions/units with clear division of duties, responsibilities, and authorities. It supports business and operational activities as well as internal control implementation.	None
3. Policies and Procedures	BFI Finance has policies and procedures consisting of the Board Manual for the BOC and the BOD, Audit Committee Charter, Nomination and Remuneration Committee Charter, Internal Audit Charter, Code of Business Principles, Operational Commitments, Company Regulations 2016–2018, Company Core Values and Employee Behavior Guidelines (GREAT), and Information Technology Procedures and Policies.	None
4. Information System	BFI Finance runs a MIS to support operational and business activities as well as internal control system.	None
B Governance Process		
1. Execution of Duties and Responsibilities	In general, the duties and responsibilities of the BOC, the BOD, and Committees under the BOC have been satisfactorily executed.	None
2. Human Capital	BFI Finance has improved the human capital quantity and quality by intensifying training and focusing on human capital availability and adequacy.	None
3. Risk Management	BFI Finance regularly reviews risk limit, risk measuring, monitoring and control, and internal model assessment of risk management.	None
4. Customer Complaint	BFI Finance manages and resolves customer complaint according to SLA stipulations.	None
5. Compliance and Discipline Cultures	BFI Finance continuously upholds discipline and compliance culture in all organizational levels by establishing the Integrity Pact to increase legal enforcement, to carry out anti-fraud policy and Whistleblowing System, to apply GREAT as the Company's Core Values and Employee Behavior Guidelines, and to strengthen the Internal Control System.	None
6. CSR	BFI Finance has carried out CSR as part of its business process.	None
C Governance Result		
1. Recommendations from the BOC and Committees under the BOC	Recommendations from the BOC and the Committees under the BOC are documented in the meeting minutes and serve as input and considerations for the BOD in making a decision.	None
2. Conflict of Interest	There is no indication of any conflict of interest that bring losses to the Company.	None
3. Information Disclosure to the Public	BFI Finance has disclosed its financial and non-financial information to public transparently, including through quarterly financial statements, mid-year financial statements, annual financial statements, Annual Report, and Sustainability Report.	None
4. Company Performance	BFI Finance records growth and positive performance, reflected from the growth in its assets and profit and a NPF figure that remains well-controlled.	None

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IMPLEMENTATION OF OJK'S GUIDELINE RECOMMENDATIONS

GCG implementation's performance at BFI Finance refers to OJK Regulation No. 21/POJK.04/2015 on Implementation of Corporate Governance Guidelines in Public Companies and Circular Letter of OJK No. 32/POJK.04/2015 on Corporate Governance Guidelines for Public Companies, which encompass 5 aspects, 8 principles, and 25 implementation recommendations, summed up in the following table:

Table 85: Implementation of Corporate Governance Guideline Recommendations for Public Companies

ASPECT	PRINCIPLE	RECOMMENDATION	STATEMENT OF COMPLIANCE/ EXPLANATION	EXPLANATION (FOR NON-COMPLIANCE)
Aspect I: Relationship of Public Company with Shareholders in Ensuring Shareholders' Rights				
Principle 1: Improving the Value of Implementation of GMS				
		1. The public company has a means or technical procedure for voting both open and closed voting mechanisms that uphold the independence and interest of shareholders	Compliant	
		2. All members of the BOD and BOC of the public company attend the AGMS	Compliant	
		3. Summary of GMS minutes of meeting is provided in the public company website for at least one year	Compliant	
Principle 2: Increasing the Quality of Communications between Public Company and Shareholders/Investors				
		4. The public company has communications policy with the shareholders or investors	Compliant	
		5. The public company discloses its communications policy to the shareholders or investors on the website	Compliant	
Aspect II: Functions and Roles of the BOC				
Principle 3: Strengthening the Membership and Composition of the BOC				
		6. Determination of the number of members of the BOC takes into consideration the conditions of the public company	Compliant	
		7. Determination of the number of members of the BOC takes into consideration the conditions of the public company	Compliant	
Principle 4: Improving the Quality of Implementation of Duties and Responsibilities of the BOC				
		8. The BOC has its self-assessment policy to evaluate its performance	Compliant	
		9. Self-assessment policy to evaluate the BOC performance is disclosed in the annual report of the public company	Compliant	
		10. BOC has a policy regarding the resignation of BOC members should they be involved in a financial crime	Compliant	
		11. BOC or the committee carrying out the Nomination and Remuneration function prepares the succession policy in the BOD Nomination process	Compliant	
Aspect III: Functions and Roles of the BOD				
Principle 5: Strengthening the Membership and Composition of the BOD				
		12. Determination of BOD composition takes into consideration the public company's conditions and efficacy in decision making	Compliant	
		13. Determination of BOD composition takes into consideration its diversity in terms of skills, knowledge and experience required	Compliant	
		14. Member of the BOD in charge of accounting or finance has an expertise and/or knowledge in accounting	Compliant	
Principle 6: Improving the Quality of Implementation of BOD Duties and Responsibilities				
		15. BOD has a self-assessment policy to evaluate its performance	Compliant	
		16. Self-assessment policy to evaluate the BOD performance is disclosed in the annual report of the public company	Compliant	
		17. BOD has a policy regarding the resignation of BOD members should they be involved in a financial crime	Compliant	

Table 85: Implementation of Corporate Governance Guideline Recommendations for Public Companies

ASPECT	PRINCIPLE	RECOMMENDATION	STATEMENT OF COMPLIANCE/ EXPLANATION	EXPLANATION (FOR NON-COMPLIANCE)
Aspect IV: Stakeholders' Participation				
Principle 7: Improving Corporate Governance Aspect via Stakeholders' Participation				
		18. The public company has a policy to prevent insider trading	Compliant	
		19. The public company has a policy on anticorruption and antifraud	Compliant	
		20. The public company has a policy on vendor/supplier selection and enhancement of skills	Compliant	
		21. The public company has a policy on fulfilling creditors' rights	Compliant	
		22. The public company has a whistleblowing system policy	Compliant	
		23. The public company has a policy on long term incentive provision to the BOD and employees	Compliant	
Aspect V: Information Disclosure				
Principle 8: Enhancing Information Disclosure Implementation				
		24. The public company utilizes information technology more broadly than the website as a means to disclose information	Compliant	
		25. The public company's annual report discloses the ultimate beneficiary of the ownership of its shares for at least 5% ownership as well as the disclosure on the ultimate beneficiary of the ownership of shares of the public company via the major and controlling shareholders	Compliant	

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GENERAL MEETING OF SHAREHOLDERS

THE GMS IS A GOVERNANCE BODY OF THE COMPANY THAT POSSESSES CERTAIN POWERS NOT GRANTED TO THE BOC OR THE BOD

within the limits prescribed by the laws and/or the articles of association.

The GMS is a forum for shareholders to influence the Company as well as a forum for the BOC and the BOD to report and be held accountable for the implementation of their tasks and their performance to the 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 the prevailing regulations.

GMS AUTHORITY

The GMS has the authority, among other things, to:

1. Appoint and dismiss the members of the BOC and the BOD based on policies/guidelines established by shareholders;
2. Ratify or decide on issues that are necessary to safeguard the long-term and short-term interests of the Company in accordance with the prevailing regulations and/or the articles of association;
3. Approve the annual report including financial statements as well as approve the BOC's supervisory duties in accordance with the prevailing regulations and/or the articles of association;
4. Set targets and assess the performance of the BOD and the BOC;
5. Determine remuneration for the BOC and the BOD;
6. Appoint the external public accounting firm;
7. Approve or reject the Company's work plan and budget, and the long-term work plan;
8. Make decisions through a process that is open, fair and accountable; and
9. Implement GCG in accordance with its authority and remits.

SHAREHOLDERS' RIGHTS

The shareholders have the right to propose the agendas for every GMS that will be held by the Company, propose the appointment of members of the BOC and/or the BOD of the Company, especially for measures that require prior approval of the shareholders in accordance with the regulatory requirements and prepare notifications and summons for the GMS implementation, including the agendas to be discussed at the GMS.

2017 GMS IMPLEMENTATION

In 2017, BFI Finance held 1 AGMS and 2 EGMS. The Company's GMS were held in accordance with the prevailing regulations and its articles of association.

2017 GMS Implementation

BFI Finance held the 2017 GMS by adhering to the procedures for GMS implementation stipulated in OJK Regulation No. 32/POJK.04/2014 regarding the Planning and Implementation of GMS for Public Companies (POJK 32), as follows:

Table 86: AGMS and EGMS Procedures

NO.	ACTIVITY	IMPLEMENTATION OF AGMS & EGMS 18 APRIL 2017	IMPLEMENTATION OF AGMS 25 OCTOBER 2017	LEGAL BASIS
1.	Notification of plan and agendas of the GMS to OJK no later than 5 business days before the GMS announcement, excluding the date of GMS announcement	BFI Finance's letter No. Corp. Sjn/L/III/17-0053 dated 2 March 2016 to OJK, with copies sent to the Chief Executive Supervisor of Non-Bank Financial Institutions (IKNB), IDX, KSEI, PT Sirca Datapro Perdana, and CaMEL	BFI Finance letter No. Corp/FL/L/IX/17-0132 dated 7 September 2017 to OJK, with copies sent to the Chief Executive Supervisor of Non-Bank Financial Institutions (IKNB), IDX, KSEI, PT Sirca Datapro Perdana, and CaMEL	Article 8 POJK 32
2.	Notice to Shareholders, at a minimum on: <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 on <i>Investor Daily</i> on 9 March 2017 Notice of the GMS Plan on IDX website on 9 March 2017 Notice of the GMS Plan on the Company's website in Indonesian and English on 9 March 2017 	<ul style="list-style-type: none"> Advertisement Notice for the EGMS Plan to the Shareholders on <i>Investor Daily</i> on 15 September 2017 Notice of the GMS Plan on IDX website on 15 September 2017 Notice of the GMS Plan on the Company's website in Indonesian and English on 15 September 2017 	Article 10 paragraphs (1) and (4) POJK 32
3.	Notice to OJK on the Announcement of Notice to Shareholders on newspapers no later than 2 working days after the announcement of the GMS	BFI Finance's letter No. Corp/CH/L/III/17-0058 dated 9 March 2017 to OJK, Chief Executive Supervisor of IKNB, and IDX, with copies sent to IKNB and CaMEL accompanied by proof Advertisement of Notice to Shareholders	BFI Finance's letter No. Corp/CH/L/IX/17-0136 dated 15 September 2017 to OJK, Chief Executive Supervisor of IKNB, and IDX, with copies sent to IKNB and CaMEL accompanied by proof Advertisement of Notice to Shareholders	Article 10 paragraph (8) POJK 32
4.	The final date for the Shareholders Register, at 16:00 pm, 1 day prior to the date of GMS Summons	Requested the Registrar (PT Sirca Datapro Perdana) to recap the names of shareholders entitled to attend the GMS	Requested the Registrar (PT Sirca Datapro Perdana) to recap the names of shareholders entitled to attend the EGMS	Article 19 paragraph (2) POJK 32

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Table 86: AGMS and EGMS Procedures

NO.	ACTIVITY	IMPLEMENTATION OF AGMS & EGMS 18 APRIL 2017	IMPLEMENTATION OF AGMS 25 OCTOBER 2017	LEGAL BASIS
5.	Notice to Shareholders, at a minimum on: <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 announcement and the date of summons. 	<ul style="list-style-type: none"> • Advertisement Notice for the GMS Plan to the Shareholders on <i>Investor Daily</i> on 24 March 2017 • Notice of the GMS Plan on IDX website on 24 March 2017 • Notice of the GMS Plan on the Company's website in Indonesian and English on 24 March 2017 	<ul style="list-style-type: none"> • Advertisement Notice for the EGMS Plan to the Shareholders on <i>Investor Daily</i> on 3 October 2017 • Notice of the GMS Plan on IDX website on 3 October 2017 • Notice of the GMS Plan on the Company's website in Indonesian and English on 3 October 2017 	Article 13 paragraph (3) POJK 32
6.	Notice to OJK on the Announcement of GMS Summons to the Shareholders on newspapers no later than 2 working days after the GMS summons	BFI Finance's letter No. Corp./Shg/L/III/17-0061 dated 24 March 2017, to OJK, with copies sent to the Chief Executive Supervisor of IKNB, IDX, and PT Sirca Datapro Perdana, and CaMEL, accompanied by Proof Advertisement of Notice to Shareholders	BFI Finance's letter No. Corp./FL/L/X/17-0149 dated 3 October 2017, sent to OJK with copies sent to the Chief Executive Supervisor of IKNB, IDX, and PT Sirca Datapro Perdana, and CaMEL, accompanied by Proof Advertisement of Notice to Shareholders	Article 13 paragraph (7) POJK 32
7.	GMS implementation	On 18 April 2017 at The Dharmawangsa Hotel Jakarta, Jl. Brawijaya Raya No. 26, Kebayoran Baru, South Jakarta, Indonesia	On 25 October 2017 at The Grand Zuri Hotel, BSD City, South Tangerang, Indonesia	
8.	Delivery of the GMS Minutes to OJK no later than 30 days after the date of the GMS	BFI Finance's letter No. Corp./Sjn/L/IV/17-0075 dated 20 April 2017 to OJK, with copies sent to IDX, KSEI, Sirca Datapro Perdana, and CaMEL	BFI Finance's letter No. Corp./Sjn/L/X/17-00181 dated 26 October 2017 to OJK, with copies sent to IDX, KSEI, Sirca Datapro Perdana, and CaMEL	Articles 32 and 33 POJK 32
9.	Notice to Shareholders, at a minimum on: <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 2 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 AGMS Plan to the Shareholders on <i>Investor Daily</i> on 20 April 2017 • Notice of the GMS Plan on IDX website on 20 April 2017 • Notice of the GMS Plan on the Company's website in Indonesian and English on 20 April 2017 	<ul style="list-style-type: none"> • Advertisement Notice for the AGMS and EGMS Plan to the Shareholders on <i>Investor Daily</i> on 27 October 2017 • Notice of the GMS Plan on IDX website on 27 October 2017 • Notice of the GMS Plan on the Company's website in Indonesian and English on 27 October 2017 	Article 34 paragraph (2) POJK 32
10.	Notice to OJK on the Summary of the Minutes of Meeting Announcement, no later than 2 working days after the announcement in the newspapers on the Summary of the Minutes of Meeting	BFI Finance letter No. Corp/SJN/L/IV/17-0077 dated 20 April 2017 to OJK, with copies sent to IDX, KSEI, PT Sirca Datapro Perdana and CaMEL, upon receipt of the newspaper advertisement on the announcement of the Summary of the Minutes of Meeting dated 20 April 2017	BFI Finance's letter No. Corp/SJN/L/X/17-00183 dated 27 October 2017 to OJK, with copies sent to IDX, KSEI, PT Sirca Datapro Perdana and CaMEL, upon receipt of the newspaper advertisement on the announcement of the Summary of the Minutes of Meeting dated 27 October 2017	Article 34 paragraph (7) POJK 32

Description and Resolutions of 2017 GMS

AGMS AND EGMS ON 18 APRIL 2017

The AGMS and the EGMS of the Company were convened on Tuesday, 18 April 2017, at the Dharmawangsa Hotel, Bimasena Room, Jalan Brawijaya Raya No. 26, South Jakarta, and the Summary of the Minutes of each meeting is as follows:

I. Attending Members of the BOC and the BOD of the Company

The AGMS and the EGMS were attended by the Company's BOC and BOD:

BOC

1. Kusmayanto Kadiman
President Commissioner
2. Johannes Sutrisno
Independent Commissioner
3. Alfonso Napitupulu
Independent Commissioner
4. Sunata Tjiterosampurno
Commissioner
5. Dominic John Picone
Commissioner

BOD

1. Francis Lay Sioe Ho
President Director
2. Cornelliuss Henry Kho
Director
3. Sudjono
Director
4. Sutadi
Director
5. Sigit Hendra Gunawan
Independent Director

II. Quorum of the Attending Shareholders

- The AGMS was attended by shareholders and/or their proxies representing 1,168,691,876 shares or 78.1% of the total 1,496,438,362 shares less the number of shares held by the Company amounting to 100,273,200 shares (Treasury Stock);
- The EGMS was attended by shareholders and/or their proxies representing of 1,168,700,531 shares or 78.1% of the total 1.496.438.362 shares less the number of shares held by the Company amounting to 100,273,200 shares (Treasury Stock).

Each in accordance with the Company's Shareholders Register as of 23 March 2017, at 16:00 hours West Indonesia Time.

III. Opportunity for Questions and Answers

In the AGMS and the EGMS, for each agenda, the shareholders present had been given the opportunity to raise questions and/or express their opinion regarding the matter being discussed (except in the Fifth Agenda of the AGMS, where the question-and-answer session was not applicable, as the agenda was a report), but none did raise questions or express their opinions.

IV. Mechanism for Adopting Resolutions

The resolutions for each agenda of the AGMS and the EGMS was taken by means of voting, except the Fifth Agenda of the AGMS, where there was no decision-making involved, as the agenda was a report.

V. AGMS Resolutions

Resolutions of the First Agenda:

1. To accept and approve the Company's Annual Report for the financial year ended 31 December 2016, including the Financial Statements and the Supervisory Report from the Company's BOC;
2. To accept and ratify the Company's Financial Statements for the financial year ended 31 December 2016, as audited by the Public Accountants "Tanubrata Sutanto Fahmi Bambang & Rekan" whose Report No. 098/1.B008/AUS.1/12.16 expressed "Unqualified" opinion, thus granting release and discharge (*acquies et de charge*) to the Company's BOD and BOC in relation to their duties of management and supervision conducted during the financial year of 2016, provided that such actions are reflected in the Company's Financial Statements for the financial year of 2016.

Vote Count for Resolutions of the First Agenda:

Votes: Affirmative – 1,168,691,876 (100%); Abstain - 0 (0%); Objection - 0 (0%).

Resolutions of the Second Agenda:

1. To distribute cash dividend of Rp260 per share which is 48.7% of the net profit of the Company. Amount of final cash dividend to be distributed is Rp110 per share after taking into account the interim cash dividend of Rp150 per share which had been distributed to the Shareholders on 16 December 2016. The final cash dividend will be distributed to the shareholders whose names are registered in the Shareholders Register of the Company on 2 May 2017 at 16:00 hours West Indonesia Time, and will be paid to the shareholders of the Company on 18 May 2017.
2. To set aside an amount of Rp41,037,000,000 as mandatory reserves, pursuant to the Company's Articles of Association and Law No. 40/2007 on Limited Liability Companies.
3. The balance of the 2016 net profit will be booked as Retained Earnings to strengthen the Company's capital.
4. To give power and authority to the BOD of the Company with the right of substitution to execute the utilization of net profit as mentioned above, including to set up the schedules and procedures of the distribution of cash dividend to the shareholders of the Company and, in relation to such, to authorize the Company's BOD to attend and report to the authorities, without any exception to the above.

Vote Count for Resolutions of the Second Agenda:

Votes: Affirmative - 1,168,691,876 (100%); Abstain - 0 (0%);
Objection - 0 (0%).

Resolution of the Third Agenda:

To authorize the Company's BOC to appoint a Public Accountant registered with OJK to audit the Company's Financial Statements for the financial year ended 31 December 2017, and to authorize the Company's BOC to determine the amount of honorarium and other requirements relating to the appointment of the Public Accountant.

Vote Count for Resolution of the Third Agenda:

Votes: Affirmative - 1,168,691,876 (100%); Abstain - 0 (0%);
Objection - 0 (0%).

Resolutions of the Fourth Agenda:

1. To establish the BOC remuneration with a total amount of Rp248,000,000 per month after tax for the financial year of 2017 or a 5% increase from the previous year's, and to give performance bonus for the financial year of 2016 amounting to Rp1,960,000,000.
2. To delegate authority to the BOC to determine the amount of remuneration for each member of the BOC and to adjust the total amount of remuneration in the event that there be changes in the number of BOC members in the financial year of 2017.

3. To approve the granting of power and authority to the BOC to determine the division of duties and authority among the BOD members as well as to determine the remuneration for the BOD members.

Vote Count for Resolutions of the Fourth Agenda:

Votes: Affirmative - 1,168,691,876 (100%); Abstain - 0 (0%);
Objection - 0 (0%).

Resolution of the Fifth Agenda:

The report to the shareholders or or their proxies is as follows: Realization of the use of proceeds from the Public Offering of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016*, the Public Offering of *Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016*, and the Public Offering of *Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017* after deducted by issuance costs have been used for working capital in accordance with the proceeds utilization plan set out in the Prospectus.

Vote Count for Resolution of the Fifth Agenda:

As the Fifth Agenda is a report, no question-and-answer session nor any decision-making process took place.

VI. EGMS Resolutions

Resolutions of the First Agenda:

1. To approve to transfer and/or pledge more than 50% of the Company's assets, in one or more transaction(s), whether in relation to one another or separate in the period of one financial year or more, for the issuance of Bonds, MTN and other types of borrowings, banking facilities, securitization and to earn other form of debts from various funding sources needed for the Company's normal course of business activities.
2. Approval to give power and authority to the Company's BOD to perform the above actions, including the issuance of Bonds, 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 prevailing regulations, particularly the Capital Market regulations.

Vote Count for Resolutions of the First Agenda:

Votes: Affirmative - 1,167,104,031 (99.86%); Abstain - 0 (0%); Objection - 1,596,500 (0.14%).

Resolutions of the Second Agenda:

1. To approve and ratify the resignation of Cornelius Henry Kho from his position as Director of the Company effective as of the close of this Meeting.
2. To approve the appointment of Cornelius Henry Kho as Commissioner and Andrew Adiwijanto as Director of the Company, each with a term of office effective from the completion date of OJK's fit and proper test for their respective positions, until the closing of the 2022 AGMS.

Thus, the composition of the BOC and the BOD shall be as follows:

BOC

President Commissioner	: Kusmayanto Kadiman
Independent Commissioner	: Johannes Sutrisno
Independent Commissioner	: Emmy Yuhassarie
Independent Commissioner	: Alfonso Napitupulu
Commissioner	: Dominic John Picone
Commissioner	: Sunata Tjiterosampurno
Commissioner	: Cornelius Henry Kho

BOD

President Director	: Francis Lay Sioe Ho
Director	: Sudjono
Director	: Sutadi
Independent Director	: Sigit Hendra Gunawan
Director	: Andrew Adiwijanto

3. To grant authority to the BOC to adjust the total remuneration in 2017 in connection with the appointment of Cornelius Henry Kho as a BOC member.
4. To grant power and authority to the Company's BOD with substitution right to declare changes to the members of the BOD and the BOC in a separate notarial deed and arrange notification and registration to relevant authorities, as well as perform all necessary actions in accordance with the prevailing regulations in connection with the Meeting agenda's resolutions.

Vote Count for Resolutions of the Second Agenda:

Votes: Affirmative - 1,167,104,031 (99.86%); Abstain - 0 (0%); Objection - 1,596,500 (0.14%).

- Good Corporate Governance Report
- General Meeting of Shareholders
- Board of Commissioners
- Board of Directors
- Sharia Supervisory Board
- Audit Committee
- Risk Management Committee

- Nomination and Remuneration Committee
- Corporate Secretary
- Internal Audit
- External Audit
- Risk Management
- Internal Control System
- Compliance
- 2017 Legal Cases

- Access to Information and Communication
- Investor Relations
- Code of Conduct and Corporate Culture
- Anti-Corruption Policies
- Whistleblowing System
- Corporate Action
- Stock Options
- Transparency of Financial and Non-Financial Conditions Not Disclosed in the Report

Resolutions of the Third Agenda:

1. To approve the Company's stock split at a ratio of 1:10, meaning that each Rp250 of the par value of the Company's share will be changed to Rp25.
2. To approve the amendments to Article 4 paragraphs 1 and 2 of the Company's Articles of Association regarding capital structure in connection with the change in the shares' par value.
3. To grant power and authority to the Company's BOD upon the BOC's approval to undertake all necessary actions in connection with the change in the shares' par value.

Vote Count for Resolutions of the Third Agenda:

Votes: Affirmative - 1,167,104,031 (99.86%); Abstain - 0 (0%); Objection - 1,596,500 (0.14%).

Resolutions of the Fourth Agenda:

1. To accept the accountability of the BOD and the BOC and grant release and discharge of responsibility (*acquitt et de charge*) to the Company's BOD and/or BOC who become parties in the lawsuits that have been settled by the courts and other legal issues faced by the Company.

2. To approve indemnification to members of the Company's BOD and BOC who are serving or once served, who become parties in the lawsuits that have been settled by the courts and other legal issues faced by the Company, provided that (i) they have carried out the tasks and functions in good faith in accordance with the prevailing regulations; and (ii) the said decision or action taken by the BOD and the BOC is for the best interest of the Company.
3. To grant authority and power to the BOD and BOC to jointly develop a protection policy for the BOD and the BOC who are still serving or will serve subsequently in accordance with the prevailing regulations.

Vote Count for Resolutions of the Fourth Agenda:

Votes: Affirmative - 1,168,700,531 (100%); Abstain - 0 (0%); Objection - 0 (0%).

With respect to the distribution of cash dividend for the financial year of 2016, the schedule of cash dividend distribution for the financial year of 2016 is as follows:

A. Schedule of Cash Dividend Distribution

Table 87: Schedule of Cash Dividend Distribution

NO.	DESCRIPTION	DATE
1.	GMS Implementation	18 April 2017
2.	Submission of the Summary of GMS Minutes to OJK and IDX	20 April 2017
3.	Announcement at IDX, Advertisements of GMS Resolutions, and Schedule of Dividend Distribution on newspapers	20 April 2017
4.	Cum Cash Dividend at the Regular and Negotiation Markets	26 April 2017
5.	Ex-Cash Dividend at the Regular and Negotiation Markets	27 April 2017
6.	Cum Cash Dividend at the Cash Market	2 May 2017
7.	Ex-Cash Dividend at the Cash Market	3 May 2017
8.	Recording date for Cash Dividend	2 May 2017
9.	Payment of Cash Dividend	18 May 2017

B. Procedures of Cash Dividend Distribution

1. Payment of Cash Dividend will be conducted to Shareholders whose names are listed on the Shareholders Register of the Company dated 2 May 2017, at 16:00 hours West Indonesia Time.
2. As for Shareholders whose shares are registered in the collective custody of 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 keep 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 their NPWP by letter with stamp duty of Rp6,000, which must be received by 2 May 2017, at 16:00 hours West Indonesia Time, addressed to the Company's Share Registrar:

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 NPWP, they are required to deliver the NPWP to KSEI or the Share Registrar by 2 May 2017, at 16:00 hours West Indonesia Time. Should the NPWP be non-existent, the Cash Dividend paid to the Domestic Corporate Taxpayers will be subject to a 30% (thirty percent) Income Tax.

6. For Foreign Shareholders who are Foreign Taxpayers, the tax deduction shall be adapted to the prevailing tax regulations. Foreign Taxpayers are required to send/submit their original Certificate of Domicile as follows:
 - a. Shareholders who still keep their shares in letters (physical form) are required to send their original Certificate of Domicile to PT Sirca Datapro Perdana.
 - b. Shareholders whose shares are registered in the collective custody of KSEI are required to send their Certificate of Domicile to KSEI through the participant appointed by each Shareholder.
 - c. Original Certificate of Domicile must be received by KSEI or Share Registrar by 2 May 2017, at 16:00 hours West Indonesia Time or in accordance with the provisions set up by KSEI for shares in collective custody. Should the Certificate of Domicile be non-existent, the Cash Dividend paid to the Foreign Shareholders will be subject to 20% (twenty percent) tax.

EGMS ON 25 OCTOBER 2017

The EGMS of the Company was convened on Wednesday, 25 October 2017 at Grand Zuri Hotel, South Tangerang, and the Summary of the Meeting's Minutes is as follows:

I. **Attending Members of the BOC and the BOD of the Company**

The EGMS was attended by members of the Company's BOC and BOD:

BOC

1. Kusmayanto Kadiman
President Commissioner
2. Sunata Tjiterosampurno
Commissioner
3. Dominic John Picone
Commissioner
4. Cornelius Henry Kho
Commissioner
5. Johannes Sutrisno
Independent Commissioner
6. Alfonso Napitupulu
Independent Commissioner
7. Emmy Yuhassarie
Independent Commissioner

BOD

1. Francis Lay Sioe Ho
President Director
2. Sudjono
Director
3. Sutadi
Director
4. Andrew Adiwijanto
Director
5. Sigit Hendra Gunawan
Independent Director

- Good Corporate Governance Report
- General Meeting of Shareholders
- Board of Commissioners
- Board of Directors
- Sharia Supervisory Board
- Audit Committee
- Risk Management Committee

- Nomination and Remuneration Committee
- Corporate Secretary
- Internal Audit
- External Audit
- Risk Management
- Internal Control System
- Compliance
- 2017 Legal Cases

- Access to Information and Communication
- Investor Relations
- Code of Conduct and Corporate Culture
- Anti-Corruption Policies
- Whistleblowing System
- Corporate Action
- Stock Options
- Transparency of Financial and Non-Financial Conditions Not Disclosed in the Report

II. Quorum of the Attending Shareholders

The EGMS was attended by shareholders and/or proxies representing 12,279,425,160 shares (82.06%) with valid voting rights of 14,964,383,620 shares less the number of shares held by the Company amounting to 1,002,732,000 shares (Treasury Stock); in accordance with the Company's Shareholders Register as of 2 October 2017, at 16:00 hours West Indonesia Time.

III. Opportunity for Questions and Answers

In the EGMS, the shareholders present had been given the opportunity to raise questions and/or express their opinion regarding the matter being discussed, but none did raise questions or express their opinions.

IV. Mechanism for Adopting Resolutions

There was no shareholder or proxy declaring a dissenting opinion and/or a blank vote on the Proposed Meeting Agenda, so resolutions were made by consensus by all of the existing shareholders or representing 12,279,425,160 shares and it was resolved to approve the proposed Meeting Agenda.

V. EGMS Resolutions

1. To approve the amendment of the Company's Articles of Association, i.e. to amend article 3 of the Company's Articles of Association on the Purpose and Objectives and Business Activities and to add 1 (one) article, namely Article 20 of the Company's Articles of Association on Sharia Supervisory Board, so that the previous Articles 20, 21, 22, and 23 were amended to become Articles 21, 22, 23, and 24;
2. To appoint Asrori S. Karni and Helda Rahmi Sina respectively as Chairman and Member of the Company's Sharia Supervisory Board effective as of the date of passing OJK's fit and proper test.

Thus, the composition of the Company's BOD, BOC, and Sharia Supervisory Board is as follows:

BOD

Francis Lay Sioe Ho	: President Director
Sudjono	: Director
Sutadi	: Director
Andrew Adiwijanto	: Director
Sigit Hendra Gunawan	: Independent Director

BOC

Kusmayanto Kadiman	: President Commissioner
Sunata Tjiterosampurno	: Commissioner
Dominic John Picone	: Commissioner
Cornellius Henry Kho	: Commissioner
Johanes Sutrisno	: Independent Commissioner
Alfonso Napitupulu	: Independent Commissioner
Emmy Yuhassarie	: Independent Commissioner

SHARIA SUPERVISORY BOARD

Asrori S. Karni	: Chairman
Helda Rahmi Sina	: Member

3. To grant power and authority to the BOD of the Company with substitution right to declare and rearrange in a notarial deed (including to make amendment and/or addition) with respect to the amendments of the Company's Articles of Association and appointment of the Company's Sharia Supervisory Board, and to submit application for approval and make notification to the competent authority, and hence also entitled to sign letters and other application documents, in short, to perform all necessary actions in accordance with the Articles of Association and prevailing laws and regulations.

Votes Count for Resolutions:

Votes: Affirmative - 12,279,425,160 shares (100%); Abstain - 0 (0%); Objection - 0 (0%).

2017 GMS RESOLUTIONS AND THEIR IMPLEMENTATION

All of the 2017 GMS resolutions, i.e. those of the AGMS and EGMS held on 18 April 2017 as well as of the EGMS held on 25 October 2017, were fully implemented in 2017, as stated in Tables 77, 78, and 79 below.

Table 88: Implementation of 18 April 2017 AGMS Resolutions

RESOLUTION	IMPLEMENTED (Y) NOT IMPLEMENTED (N)	REASON FOR NOT IMPLEMENTING
To accept and approve the Company's Annual Report for the financial year ended 31 December 2016, including the Financial Statements and the Supervisory Report from the Company's BOC.	Y	-
To accept and ratify the Company's Financial Statements for the financial year ended 31 December 2016, as audited by the Public Accountants "Tanubrata Sutanto Fahmi Bambang & Rekan" whose Report No. 098/1.B008/AUS.1/12.16 expressed "Unqualified" opinion, thus granting release and discharge (acquitt et de charge) to the Company's BOD and BOC in relation to their duties of management and supervision conducted during the financial year of 2016, provided that such actions are reflected in the Company's Financial Statements for the financial year of 2016.	Y	-
To distribute cash dividend of Rp260 per share which is 48.7% of the net profit of the Company. Amount of final cash dividend to be distributed is Rp110 per share after taking into account the interim cash dividend of Rp150 per share which had been distributed to the Shareholders on 16 December 2016. The final cash dividend will be distributed to the shareholders whose names are registered in the Shareholders Register of the Company on 2 May 2017 at 16:00 hours West Indonesia Time, and will be paid to the shareholders of the Company on 18 May 2017.	Y	-
To set aside an amount of Rp41,037,000,000 as mandatory reserves, pursuant to the Company's Articles of Association and Law No. 40/2007 on Limited Liability Companies.	Y	-
The balance of the 2016 net profit will be booked as Retained Earnings to strengthen the Company's capital.	Y	-
To give power and authority to the BOD of the Company with the right of substitution to execute the utilization of net profit as mentioned above, including to set up the schedules and procedures of the distribution of cash dividend to the shareholders of the Company and, in relation to such, to authorize the Company's BOD to attend and report to the authorities, without any exception to the above.	Y	-
To authorize the Company's BOC to appoint a Public Accountant registered with OJK to audit the Company's Financial Statements for the financial year ended 31 December 2017, and to authorize the Company's BOC to determine the amount of honorarium and other requirements relating to the appointment of the Public Accountant.	Y	-
To establish the BOC remuneration with a total amount of Rp248,000,000 per month after tax for the financial year of 2017 or a 5% increase from the previous year's, and to give performance bonus for the financial year of 2016 amounting to Rp1,960,000,000.	Y	-
To delegate authority to the BOC to determine the amount of remuneration for each member of the BOC and to adjust the total amount of remuneration in the event that there be changes in the number of BOC members in the financial year of 2017.	Y	-
To approve the granting of power and authority to the BOC to determine the division of duties and authority among the BOD members as well as to determine the remuneration for the BOD members.	Y	-
The report to the shareholders or or their proxies is as follows: Realization of the use of proceeds from the Public Offering of <i>Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016</i> , the Public Offering of <i>Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016</i> , and the Public Offering of <i>Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017</i> after deducted by issuance costs have been used for working capital in accordance with the proceeds utilization plan set out in the Prospectus.	Y	-

GOOD CORPORATE GOVERNANCE

- Good Corporate Governance Report
- General Meeting of Shareholders
- Board of Commissioners
- Board of Directors
- Sharia Supervisory Board
- Audit Committee
- Risk Management Committee

- Nomination and Remuneration Committee
- Corporate Secretary
- Internal Audit
- External Audit
- Risk Management
- Internal Control System
- Compliance
- 2017 Legal Cases

- Access to Information and Communication
- Investor Relations
- Code of Conduct and Corporate Culture
- Anti-Corruption Policies
- Whistleblowing System
- Corporate Action
- Stock Options
- Transparency of Financial and Non-Financial Conditions Not Disclosed in the Report

Table 89: Implementation of 18 April 2017 EGMS Resolutions

RESOLUTION	IMPLEMENTED (Y) NOT IMPLEMENTED (N)	REASON FOR NOT IMPLEMENTING
To approve to transfer and/or pledge more than 50% of the Company's assets, in one or more transaction(s), whether in relation to one another or separate in the period of one financial year or more, for the issuance of Bonds, MTN and other types of borrowings, banking facilities, securitization and to earn other form of debts from various funding sources needed for the Company's normal course of business activities.	Y	-
Approval to give power and authority to the Company's BOD to perform the above actions, including the issuance of Bonds, 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 prevailing regulations, particularly the Capital Market regulations.	Y	-
To approve and ratify the resignation of Cornelius Henry Kho from his position as Director of the Company effective as of the close of this Meeting.	Y	-
To approve the appointment of Cornelius Henry Kho as Commissioner and Andrew Adiwijanto as Director of the Company, each with a term of office effective from the completion date of the OJK's fit and proper test for their respective positions, until the closing of the 2022 AGMS. Thus, the composition of the BOC and the BOD shall be as follows:		
BOC		
President Commissioner	Kusmayanto Kadiman	
Independent Commissioner	Johanes Sutrisno	
Independent Commissioner	Emmy Yuhassarie	
Independent Commissioner	Alfonso Napitupulu	
Commissioner	Dominic John Picone	Y
Commissioner	Sunata Tjiterosampurno	
Commissioner	Cornelius Henry Kho	
BOD		
President Director	Francis Lay Sioe Ho	
Director	Sudjono	
Director	Sutadi	
Independent Director	Sigit Hendra Gunawan	
Director	Andrew Adiwijanto	
To grant authority to the BOC to adjust the total remuneration in 2017 in connection with the appointment of Cornelius Henry Kho as a BOC member.	Y	-
To grant power and authority to the Company's BOD with substitution right to declare changes to the members of the BOD and the BOC in a separate notarial deed and arrange notification and registration to relevant authorities, as well as perform all necessary actions in accordance with the prevailing regulations in connection with the Meeting agenda's resolutions.	Y	-
To approve the Company's stock split at a ratio of 1:10, meaning that each Rp250 of the par value of the Company's share will be changed to Rp25.	Y	-
To approve the amendments to Article 4 paragraphs 1 and 2 of the Company's Articles of Association regarding capital structure in connection with the change in the shares' par value.	Y	-
To grant power and authority to the Company's BOD upon the BOC's approval to undertake all necessary actions in connection with the change in the shares' par value.	Y	-
To accept the accountability of the BOD and the BOC and grant release and discharge of responsibility (acquitt et de charge) to the Company's BOD and/or BOC who become parties in the lawsuits that have been settled by the courts and other legal issues faced by the Company.	Y	-

Table 89: Implementation of 18 April 2017 EGMS Resolutions

RESOLUTION	IMPLEMENTED (Y) NOT IMPLEMENTED (N)	REASON FOR NOT IMPLEMENTING
To approve indemnification to members of the Company's BOD and BOC who are serving or once served, who become parties in the lawsuits that have been settled by the courts and other legal issues faced by the Company, provided that (i) they have carried out the tasks and functions in good faith in accordance with the prevailing regulations; and (ii) the said decision or action taken by the BOD and the BOC is for the best interest of the Company.	Y	-
To grant authority and power to the BOD and BOC to jointly develop a protection policy for the BOD and the BOC who are still serving or will serve subsequently in accordance with the prevailing regulations.	Y	-

Table 90: Implementation of 25 October 2017 EGMS Resolutions

RESOLUTION	IMPLEMENTED (Y) NOT IMPLEMENTED (N)	REASON FOR NOT IMPLEMENTING
To approve the amendment of the Company's Articles of Association, i.e. to amend article 3 of the Company's Articles of Association on the Purpose and Objectives and Business Activities and to add 1 (one) article, namely Article 20 of the Company's Articles of Association on Sharia Supervisory Board, so that the previous Articles 20, 21, 22, and 23 were amended to become Articles 21, 22, 23, and 24.	Y	-
To appoint Asrori S. Karni and Helda Rahmi Sina respectively as Chairman and Member of the Company's Sharia Supervisory Board effective as of the date of passing OJK's fit and proper test. Thus, the composition of the Company's BOD, BOC, and Sharia Supervisory Board is as follows: BOD Francis Lay Sioe Ho President Director Sudjono Director Sutadi Director Andrew Adiwijanto Director Sigit Hendra Gunawan Independent Director BOC Kusmayanto Kadiman President Commissioner Sunata Tjiterosampurno Commissioner Dominic John Picone Commissioner Cornellius Henry Kho Commissioner Johanes Sutrisno Independent Commissioner Alfonso Napitupulu Independent Commissioner Emmy Yuhassarie Independent Commissioner Sharia Supervisory Board Asrori S. Karni Chairman Helda Rahmi Sina Member	Y	-
To grant power and authority to the BOD of the Company with substitution right to declare and rearrange in a notarial deed (including to make amendment and/or addition) with respect to the amendments of the Company's Articles of Association and appointment of the Company's Sharia Supervisory Board, and to submit application for approval and make notification to the competent authority, and hence also entitled to sign letters and other application documents, in short, to perform all necessary actions in accordance with the Articles of Association and prevailing laws and regulations.	Y	-

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- Audit Committee
- Risk Management Committee

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2016 GMS RESOLUTIONS AND THEIR IMPLEMENTATION

All of the 2016 GMS resolutions, i.e. those of the AGMS and EGMS held on 25 April 2016, had been fully implemented in 2016, as stated in Tables 91 and 92 below.

Table 91: Implementation of 25 April 2016 AGMS Resolutions

RESOLUTION	IMPLEMENTED (Y) NOT IMPLEMENTED (N)	REASON FOR NOT IMPLEMENTING
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 BOC.	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 No. 062/6.B008/SC.3/12.15 expressed "Unqualified" opinion, thus granting release and discharge (<i>acquitt et de charge</i>) to the Company's BOD and the BOC 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 of 2015.	Y	-
To distribute as cash dividend 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 16 December 2015. The final cash dividend will be distributed to shareholders registered in the Shareholders Register of the Company on 9 May 2016, at 16:00 p.m. and will be paid to the shareholders of the Company on 25 May 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. 40/2007 on Limited Liability Companies.	Y	-
The balance of 2015 net profit will be booked as Retained Earnings to strengthen the Company's capital.	Y	-
To grant power and authority to the BOD 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 BOD of the Company to attend and meet the authorities, without any exception to the above.	Y	-
To authorize the Company's BOD, with the BOC's approval, to appoint a Public Accountant registered with OJK to audit the Company's Financial Statements for the financial year ended 31 December 2016 and to authorize the Company's BOD to determine the amount of honorarium and other requirements relating to the appointment of the Public Accountant.	Y	-
To establish the remuneration for the BOC at the total amount of Rp237,000,000 (two hundred and thirty seven million rupiah) after tax for 2016 or a 3.5% increase from the previous year's, and to give performance bonus for 2015 amounting to Rp1,840,000,000 (one billion eight-hundred and forty million rupiah).	Y	-
To delegate authority to the BOC in determining the amount for each member of the BOC and to adjust the total amount of remuneration in the event of changes in the number of members of the BOC in 2016.	Y	-
To approve the granting of power and authority to the BOC Meeting in determining the division of duties and authority among the BOD members as well as to determine the remuneration for the BOD members.	Y	-
Realization of the use of proceeds from the Public Offering of <i>Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015</i> 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 92: Implementation of 25 April 2016 EGMS Resolutions

RESOLUTION	IMPLEMENTED (Y) NOT IMPLEMENTED (N)	REASON FOR NOT IMPLEMENTING
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 BOD to perform the above actions, including the issuance of Bonds, 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 prevailing regulations, 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 2021 GMS.	Y	-
To approve the reappointment of Francis Lay Sioe Ho as President Director and Cornellius Henry Kho as Director as of the conclusion of this Meeting until the conclusion of the 2021 GMS.	Y	-
To approve the appointment of Sigit Hendra Gunawan as Independent Director of the Company with effective term of office since the conclusion of this Meeting until the conclusion of the 2021 GMS.		
Thus the composition of the BOC and BOD since the conclusion this Meeting until the conclusion of the fifth AGMS since the appointment of each member, is as follows:		
BOC		
President Commissioner	Kusmayanto Kadiman	
Independent Commissioner	Johanes Sutrisno	
Independent Commissioner	Emmy Yuhassarie	
Independent Commissioner	Alfonso Napitupulu	Y
Commissioner	Dominic John Picone	
Commissioner	Sunata Tjiterosampurno	
BOD		
President Director	Francis Lay Sioe Ho	
Director	Cornellius Henry Kho	
Director	Sudjono	
Director	Sutadi	
Independent Director	Sigit Hendra Gunawan	
To give authority to the BOC to adjust the total remuneration of 2016 with regard the appointment of Sigit Hendra Gunawan as a BOD member of the Company.	Y	-
To give power and authority to the Company's BOD with the right of substitution to declare the change of members of the Company's BOC 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 prevailing regulations in relation to the resolutions of the Meeting agenda.	Y	-

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BOARD OF COMMISSIONERS

MAIN TASKS

BOC is the representative body of the shareholders to perform the supervision function based on the articles of association and to provide advices to the BOD in carrying out the Company's management as well as to monitor the efficacy of GCG practices implementation in the Company.

The supervision function of the BOC take place on two levels, namely:

1. Performance Level, i.e. supervision through joint meetings with the BOD to obtain explanation, provide assessment and recommendation to the BOD, if necessary, and submit a proposal in the GMS to gain approval.
2. Conformance Level, i.e. implementation of supervision function at a later stage to ensure compliance with the applicable regulations and the articles of association.

In exercising supervision:

- The BOC acts collectively as the Board, not individually.
- The BOC is not allowed to perform executive tasks, which are the authority of the BOD, except in certain circumstances and for a specific period of time, based on

the articles of association or GMS resolution.

- Supervision is conducted on the decisions that have been taken (*ex-post facto*) and/or decisions to be taken (preventive basis).
- Supervision is conducted not only by receiving information from the BOD 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.
- The BOC is not merely approving or disapproving of the acts that require the approval of the BOC, but also supervising all business and corporate aspects of the Company.
- The BOC shall ensure that the Company's Annual Report includes information about the identity of the BOC members, its main tasks, concurrent positions assumed by the BOC members in other companies, membership of the BOC members in the Company's Committees and in committees of other companies, including meetings conducted in one year (BOC meeting and joint meetings with the BOD), and the

total honorarium received from the Company as well as other information as stipulated in the applicable regulations.

- The BOC shall ensure that the BOD 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.

BOC APPOINTMENT AND DISMISSAL PROCEDURES

Based on the Company's articles of association, the BOC members are appointed by the GMS for a period of five years, without prejudice to the right of the GMS to dismiss them at any time before the tenure expires, if the BOC members are deemed to be able to carry out their duties as stipulated in the articles of association and/or the GMS resolutions. Such dismissal is applicable after the close of the meeting, unless otherwise determined by the GMS. After their term of office ends, BOC members may be reappointed by the GMS.

Prior to their appointment as BOC members, candidates are required to meet the requirements set by OJK Regulation No. 4/POJK.05/2013 dated 12 November 2013 regarding the Fit and Proper Test for Key Personnel in Insurance Companies, Pension Funds, Financial Services, and Guarantors in conjunction with POJK No. 27/POJK.03/2016 dated 22 July 2016 on Fit and Proper Test for Key Personnel in Financial Services Institutions. Candidates are required to pass the fit and proper test conducted by the fit and proper test team formed by OJK. If a candidate for the BOC 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 of the member of the BOC will be declared valid.

All current BOC members have complied with the applicable regulations. If the term of office of the BOC members has reached its end, the BOC members 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, should the Committee decide to authorize the BOC members' reappointment. Based on the recommendations of the Nomination and Remuneration Committee, the BOC will propose the reappointment of the BOC members at the GMS.

CRITERIA FOR BOC MEMBERS APPOINTMENT

Those who may be appointed as BOC members are those who meet the requirements as specified by the applicable regulations in the Capital Market, and that upon appointment and during their period:

1. Have a good character, morals, and integrity;
2. Are legally competent;
3. Within five years prior to appointment and during their tenure:
 - a. Have not been declared bankrupt;
 - b. Have never been members of a BOD and/or a BOC that has been found guilty for causing a company to go bankrupt;
 - c. Have never been convicted of a criminal act that is detrimental to the country's financial sector and/or related to the financial sector; and
 - d. Have never been members of a BOD and/or a BOC that during their period:
 - Have never conducted an AGMS;
4. Have met the additional criteria for the Commissioner who is also an Independent Commissioner, as outlined in the Independent Commissioners section in this chapter.
 - e. Have commitment to complying with the prevailing regulations; and
 - f. Have the required knowledge and/or expertise in the Company's field of business.

- Have been members of a BOD and/or a BOC whose accountability had not been accepted by the GMS or had not provided accountability as members of a BOD and/or a BOC 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;

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BOC MEMBERS NUMBER, COMPOSITION AND PROFILE

The minimum number of the BOC members is two, one of whom shall be appointed as President Commissioner. The BOC consists of Commissioners and Independent Commissioners. If the BOC has more than two members, the number of Independent Commissioners shall be at least 30% or one-third of the total BOC members.

In 2017, the number and composition of the BOC of BFI Finance were changed, as follows:

- Based on the Company's Minutes of EGMS by means of Deed No. 43 dated 25 April 2016 in conjunction with Deed No. 44 dated 25 April 2016 prepared before Aulia Taufani, S.H., Notary in Tangerang, 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 BOC composition since 25 April 2016 until the closing of AGMS on 18 April 2017 was as stated in Table 93.
- Based on the Company's Minutes of EGMS by means of Deed No. 25 dated 18 April 2017 in conjunction with Deed of Meeting Decision No. 17 dated 11 August 2017 prepared before Aulia Taufani, S.H., Notary in Tangerang, accepted and recorded by the Ministry of Law and Human Rights of the Republic of Indonesia in Decree No. AHU-AH.01.03-0168084 dated 4 September 2017, the BOC composition since 18 April 2017 was as in Table 93.

Table 93: BOC Composition

NO.	NAME	POSITION	COUNTRY OF RESIDENCE	APPOINTMENT DATE & LEGAL BASIS	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 Financial Services Authority 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 Financial Services Authority 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 Financial Services Authority 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 Financial Services Authority No. Kep-282-NB.11-2015 dated 1 June 2015
7.	Cornellius Henry Kho*	Commissioner	Indonesia	Deed of the EGMS Minutes No. 25 dated 18 April 2017	2022 GMS	Decision of the Board of Commissioners of Financial Services Authority No. Kep-263/NB.11/2017 dated 24 May 2017

* Officially stated as Commissioner as of 18 April 2017

Profile of each member of the BOC are presented in the BOC Profile section in the Company Profile chapter (page 54-57).

BOC GUIDELINES AND WORK RULES

In carrying out its duties and responsibilities, the BOC refers to its guidelines and work rules prescribed in the Board Manual of the BOC and the BOD of PT BFI Finance Indonesia Tbk (Board Manual), issued on 1 December 2015.

The Board Manual is a reference and/or guideline for the BOC and the BOD in performing the duties and functions as the respective governance bodies of the Company, to improve the quality and effectiveness of the working relationship between the BOC and the BOD; and to implement the principles of GCG.

The Board Manual is a compilation of the principles of corporate laws, the prevailing regulations, and the Company's articles of association governing the working procedures of the BOC and the BOD. The Board Manual is the result of codification of the various regulations applicable to the Company and best practices in the application of GCG principles.

Related to the BOC, the Board Manual stipulates:

1. Function of the BOC
2. Membership of the BOC
3. General Guidelines for BOC Supervision
4. Positional Ethics of the BOC
5. Duties and Authorities of the BOC
6. Rights of the BOC
7. Meetings of the BOC

8. Performance Evaluation of the BOC
9. Supporting Bodies of the BOC
10. Working Relationships between the BOC and the BOD

POSITIONAL ETHICS OF THE BOC

The positional ethics of the BOC govern the ethical principles for the BOC in carrying out its duties and responsibilities, relating to:

1. Exemplary Quality
2. Compliance with Laws and Regulations
3. Company Opportunities
4. Information Disclosure and Confidentiality
5. Conflict of Interest
6. Personal Benefits
7. Business Ethics and Anticorruption

DUTIES AND AUTHORITIES OF THE BOC

In general, the BOC is responsible for the following aspects:

1. Evaluating and approving the overall business strategy, annual budgets, risk management policy, as well as other actions of the BOD that require the approval of the BOC as stipulated in the articles of association of the Company;
2. Ensuring that decisions and capital expenditures take into account the long-term strategic goals of the Company;

3. In performing their duties, the BOC is not allowed to intervene in making decisions on operations, except on credit approval that is under the authority of the BOD;
4. Ensuring that the Company maintains financial integrity according to business plans that have been approved by the BOC and the GMS resolutions; and
5. Ensuring the 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 GCG;
 - Reviewing macro-economy and financial issues;
 - Communicating with controlling shareholders related to issues involving shareholders; and
 - Leading the meetings of the BOC and joint meetings with the BOD.
2. Independent Commissioner:
 - Supervising and providing advice on the implementation of GCG;
 - Reviewing and submitting recommendations on any proposals from the BOD that require approval from the BOC and the Audit Committee;

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- Providing advice on legal issues;
 - Providing advice on regulations; and
 - Maintaining good relations with the regulators.
3. Commissioner:
- Supervising the management policies of the Company;
 - Advising the BOD in good faith, full of responsibility and prudence; and
 - Monitoring the decisions that already exist or that have not been taken by the BOD of the Company.

RIGHTS OF THE BOC

Generally, the rights of BOC are as follows:

1. To have access to the Company's information in a timely, complete and transparent manner;
2. To obtain explanation from the BOD and/or Members of the BOD about all things requested by the BOC members;
3. To temporarily terminate the BOD 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 hire experts in carrying out its duties for a certain period at the expense of the Company, if necessary;
6. To attend BOD meetings and to provide comment on matters discussed;
7. To receive compensation and benefits/facilities including compensation for after office activities; and
8. To make use of the Company's facilities.

DIVERSITY OF BOC COMPOSITION

The composition of the Company's BOC reflects the diversity of its members, in terms of education, work experience, age, and skills. Each member of the BOC is highly competent with regards to enhancing the Company's performance. The diversity of the BOC members has been met implicitly with the fulfillment of the requirements for appointment as BOC members, one of which is having expertise in the areas that are important for the Company.

Table 94: Diversity of BOC Composition

NO.	NAME	POSITION	COMPETENCY
1.	Kusmayanto Kadiman	President Commissioner	Education: Doctor of Philosophy and Sarjana Teknik Fisika Work experience: President Commissioner, Vice President Commissioner, Director, Rector of ITB, Minister of Research and Technology of the Republic of Indonesia Age: 63 years old
2.	Johanes Sutrisno	Commissioner (Independent)	Education: Master of Business Administration (M.B.A.) and Bachelor of Economics majoring in Management Work experience: President Commissioner, Commissioner, Director, Audit Committee and Risk Management Committee Member Age: 66 years old
3.	Alfonso Napitupulu	Commissioner (Independent)	Education: Bachelor of Law Work experience: Lawyer, Legal Consultant, Commissioner, Independent Commissioner, President Director Age: 67 years old
4.	Emmy Yuhassarie	Commissioner (Independent)	Education: Master of Law and Bachelor of Law Work experience: Legal Consultant, Lecturer, Commissioner, Independent Commissioner, Risk Management Committee Member, Audit Committee Member Age: 67 years old

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Table 96: BOC Share Ownership Amounting To 5% or More From The Paid-Up Capital

NAME	POSITION	BFI FINANCE	OTHER COMPANY
Kusmayanto Kadiman	President Commissioner	None	None
Johanes Sutrisno	Commissioner Independent	None	None
Alfonso Napitupulu	Commissioner Independent	None	None
Emmy Yuhassarie	Commissioner Independent	None	None
Dominic John Picone	Commissioner	None	None
Sunata Tjiterosampurno	Commissioner	None	None
Cornellius Henry Kho	Commissioner	None	None

INDEPENDENT COMMISSIONERS

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 be free of any conflict of interest.

Independent Commissioners, based on OJK Regulation No. 33/POJK.04/2014 (POJK 33), are members of the BOC from outside the Issuer or Public Company who meet the requirements as Commissioners. In the event that the BOC consists of two members, one of them must be an Independent Commissioner.

In addition to meeting the requirement provisions as a member of the BOC, an Independent Commissioner shall meet the following requirements:

- Is not a person who is working 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 BOC, members of the BOD or major shareholders of the Company; and
- Does not have any business relationship; either directly or indirectly; relating to the Company's business activities.
- Independent Commissioners who have served for two periods may be reappointed for the next period providing the Independent Commissioners declares to remain independent to the GMS.

The Statement of Independence submitted by the Independent Commissioners shall be disclosed in the Company's annual report.

In the case of Independent Commissioners serving on the Audit Committee, the Independent Commissioners concerned can only be reappointed for one more term as member of the Audit Committee.

Based on the Board Manual of the BOC and the BOD, former members of the BOD or executive officers of the Company or parties who have a relationship with the Company, which may affect their ability to act independently, cannot be appointed as Independent Commissioners of the Company, before completing a cooling off period of one year.

Of the seven BOC members who were in office as of 31 December 2017, three of them are Independent Commissioners. This means more than 40% of the total BOC members are Independent Commissioners, which is in accordance with OJK provisions.

Independent Commissioners' Statement of Independence

With reference to Article 25 of POJK 33, each of the Company's Independent Commissioners, namely Johanes Sutrisno, Alfonso Napitupulu and Emmy Yuhassarie, have met the criteria as Independent Commissioners. Each of them has no financial, relationship management, share ownership and/or family relationship with BOC members, BOD 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 BOC MEMBERS

Table 97: Concurrent Positions of BOC Members

NAME	POSITION	POSITION OUTSIDE THE COMPANY
Kusmayanto Kadiman	President Commissioner	Deputy President Commissioner of PT Adaro Power Commissioner of PT Tamaris Hidro President Commissioner of PT Setiabudi Investment Management Commissioner of PT Profesional Telekomunikasi Indonesia (Protelindo)
Johanes Sutrisno	Commissioner (Independent)	None
Alfonso Napitupulu	Commissioner (Independent)	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) Board of Advisors of Perhimpunan Advokat Indonesia (PERADI)
Emmy Yuhassarie	Commissioner (Independent)	Commissioner of PT Indonesia Asahan Aluminium/INALUM (Persero)
Dominic John Picone	Commissioner	Managing Director and Head of Financial Services (Asia, excl. India) of TPG Capital (S) Pte. Ltd., Singapore
Sunata Tjiterosampurno	Commissioner	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
Cornellius Henry Kho	Commissioner	None

Based on Article 24 of POJK 33, BOC members may hold concurrent positions as members of the BOD at no more than 2 other issuers or other public companies, and BOC members at 2 issuers or other public companies at most. In the case of none of the BOC members holds a position as a member of the BOD, BOC members concerned may hold concurrent positions as BOC members at no more than 4 issuers or other public companies. BOC members may serve as a member of at most 5 committees of public companies and also serve as a member of the BOD or the BOC.

Based on Article 18 of POJK No. 30/POJK.05/2014 regarding GCG for Finance Companies (POJK 30), BOC members are prohibited from concurrent positions as BOC members in more than three other companies. This excludes concurrent positions as referred to in paragraph (4) if the non-independent BOC members running the functional tasks of the Company's shareholders, which are legal entities in the business group; and/or BOC members holding positions at non-profit organizations or agencies, ensuring that those concerned do not neglect their duties and responsibilities as the BOC members.

All BOC members of the Company have complied with the provisions of POJK 30 and POJK 33.

BOC MEETINGS AND BOC-BOD JOINT MEETINGS

BOC Meeting Policy

The BOC shall meet at least once every two months if attended by a majority or two thirds of the BOC.

The BOC also holds joint meetings regularly with the BOD, and if required, a BOC Meeting may be held after the joint meeting, if it is considered necessary by one member of the BOC by written request of one or more members of the BOD 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.

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BOC Meeting decisions are made based on a joint decision, and if the decision is not reached by consensus, then decisions will be made by way of voting by more than half of the BOC members present in the meeting. Each member of the BOC who has a conflict of interest in decisions to be made shall not vote on any decision related to it.

The BOC also can make valid and binding decisions without convening an authorized meeting of the BOC, provided that all the BOC members 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 BOC.

Minutes of BOC Meeting

In each meeting of the BOC, Minutes of Meeting shall contain of matters discussed, including the dissenting opinion from BOC members (if any) and the decisions reached.

The minutes of meeting shall be signed by the Chairman of the Meeting and BOC members present at the meeting.

BOC–BOD Joint Meeting

In 2017, the BOC held 11 meetings, consisting of:

1. BOC Meetings
2. BOC–BOD Joint Meetings

In carrying out the functions of monitoring and providing advice to the BOD, the BOC hold joint meetings together with the BOD 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.

The dates of the BOC Meetings and the attendance of BOC members at the BOC Meetings in 2017 are presented in Table 98. The dates of the BOC–BOD Joint Meetings and the attendance of BOC members at the Joint Meeting during 2017 are presented in Table 100.

Table 98: Schedule and Attendance of BOC Meeting

DATE	KUSMAYANTO KADIMAN	JOHANES SUTRISNO	ALFONSO NAPITUPULU	EMMY YUHASSARIE	DOMINIC JOHN PICONE	SUNATA TJITEROSAMPURNO	CORNELLIUS HENRY KHO*
24 January 2017	√	√	√	√	√	√	-
16 February 2017	√	√	√	√	√	√	-
21 March 2017	√	√	√	√	√	√	-
17 April 2017	√	√	√	√	√	√	-
23 May 2017	√	√	√	√	√	√	√
15 June 2017	√	√	√	√	√	√	√
20 July 2017	√	√	√	√	√	√	√
23 August 2017	√	√	√	√	√	√	√
26 September 2017	√	√	√	√	√	√	√
25 October 2017	√	√	√	√	√	√	√
21 November 2017	√	√	√	√	√	√	√
Total Attendance of Each Member	11	11	11	11	11	11	7
Attendance Percentage of Each Member	100%	100%	100%	100%	100%	100%	100%

* Officially stated as Commissioner as of 18 April 2017

Table 99: BOC Meeting Agenda

DATE	MEETING AGENDA
24 January 2017	Discussion on monthly performance, other issues
16 February 2017	Discussion on monthly performance, other issues
21 March 2017	Discussion on monthly performance, other issues
17 April 2017	Discussion on the preparation for AGMS and EGMS dated 18 April 2017, recommendations from the Nomination and Remuneration Committee, other issues
23 Mei 2017	Discussion on monthly performance, other issues
15 June 2017	Discussion on monthly performance, other issues
20 Juli 2017	Discussion on monthly performance, other issues
23 August 2017	Discussion on monthly performance, other issues
26 September 2017	Discussion on the preparation for EGMS dated 25 October 2017, recommendations from the Nomination and Remuneration Committee, other issues
25 October 2017	Discussion on monthly performance, other issues
21 November 2017	Discussion on monthly performance, other issues

Table 100: Attendance and Agenda of BOC in BOC and BOD Joint Meeting

DATE	KUSMAYANTO KADIMAN	JOHANES SUTRISNO	ALFONSO NAPITUPULU	EMMY YUHASSARIE	DOMINIC JOHN PICONE	SUNATA TJITEROSAMPURNO	CORNELLIUS HENRY KHO*
24 January 2017	√	√	√	√	√	√	-
16 February 2017	√	√	√	√	√	√	-
21 March 2017	√	√	√	√	√	√	-
17 April 2017	√	√	√	√	√	√	-
23 Mei 2017	√	√	√	√	√	√	√
15 June 2017	√	√	√	√	√	√	√
20 Juli 2017	√	√	√	√	√	√	√
23 August 2017	√	√	√	√	√	√	√
26 September 2017	√	√	√	√	√	√	√
25 October 2017	√	√	√	√	√	√	√
21 November 2017	√	√	√	√	√	√	√
Total Attendance of Each Member	11	11	11	11	11	11	7
Attendance Percentage of Each Member	100%	100%	100%	100%	100%	100%	100%

* Became a Commissioner as of 18 April 2017

Table 101: BOC-BOD Joint Meeting Agenda

DATE	MEETING AGENDA
24 January 2017	Discussion on the implementation of decisions made in 29 November 2016 meeting, financial and risk management reports as of 31 December 2016, other issues
16 February 2017	Discussion on the implementation of decisions made in 24 January 2017 meeting, reports from the Chairman of the Audit Committee and Chairwoman of the Risk Management Committee, financial and risk management reports as of 24 January 2017, other issues
21 March 2017	Discussion on pending matters from the previous meeting on 16 February 2017, recommendations for changes in the composition of the Committees, review on financial and risk management performances as of 29 February 2017, other issues
17 April 2017	Discussion on the implementation of decisions made in 21 March 2017 meeting, evaluation on the preparation for AGMS and EGMS dated 18 April 2017, reports of the Audit Committee and the Risk Management Committee meetings, review on financial and risk management performances as of Q1/2017, other issues
23 May 2017	Discussion on pending matters from the previous meeting on 17 April 2017, financial and risk management performances as of 30 April 2017, other issues
15 June 2017	Discussion on pending matters from the previous meeting on 23 May 2017, financial and risk management performances as of 31 May 2017, other issues

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Table 101: BOC–BOD Joint Meeting Agenda

DATE	MEETING AGENDA
20 July 2017	Discussion on the implementation of decisions made in 15 June 2017 meeting, reports of the Audit Committee and the Risk Management Committee meetings, review on financial and risk management performances as of Q2/2017, other issues
23 August 2017	Discussion on the implementation of decisions made in 20 July 2017 meeting, review on matters related to legal notices, discussion on financial and risk management performances as of 31 July 2017, other issues
26 September 2017	Discussion on the implementation of decisions made in 23 August 2017 meeting, financial performance as of 31 August 2017, evaluation on the preparation for EGMS dated 25 October 2017, other issues
25 October 2017	Discussion on the implementation of decisions made in 26 September 2017 meeting, reports of the Audit Committee and the Risk Management Committee meetings, financial performance as of 30 September 2017, other issues
21 November 2017	Discussion on financial and risk management performances as of 31 October 2017, other issues

BOC DUTIES EXECUTION

In 2017, the BOC carried out among others the following activities:

1. Conducted 11 BOC meetings;
2. Approved the appointment of the public accounting firm for FY2017;
3. Approved the Company's 2017 operating plan; and
4. Approved the BOD's proposal for the 2017 budget.

During 2017, the BOC made the following recommendations:

1. Proposed nomination of candidates for the BOD from the Company's internal officials;
2. Proposed remuneration for the BOD and the BOC;
3. Appointment of the public accounting firm;
4. Follow up on the public accounting firm's recommendations;
5. Proposed the appropriation of the FY2016 earnings;
6. Proposed matters related to the strategic business activities; and
7. Approved the actions of the BOD as stipulated in the Company's articles of association.

BOC PERFORMANCE EVALUATION

General Policy

Generally, the performance of the BOC is based on the duties listed in the prevailing regulations and the articles of association of the Company as well as the mandate of the Shareholders. The results of the BOC's performance evaluation will be an inseparable part of the compensation and incentive schemes for the BOC.

BOC Performance Evaluation Criteria

The criteria for the BOC's performance evaluation at least contains the following:

1. Level of achievement of quorum in any of the BOC meetings, coordination meetings, and meetings with existing committees;
2. The Company's contribution in the regulatory process;
3. Involvement in specific assignments;
4. Commitment in advancing the interests of the Company; and

5. Compliance with the applicable regulations, the articles of association, the GMS provisions, as well as the Company's policies.

POLICY ON DETERMINING BOC REMUNERATION

The Company's remuneration policy is based on Article 113 of the Limited Liability Company Law and Article 17 paragraph (10) of the Company's articles of association. These laws describe the amount of salary or honorarium and allowances for BOC members and the BOD to be determined by the GMS. However, the GMS can delegate the authority to the BOC to establish and approve the amount of the proposed remuneration.

The BOC's and the BOD's remunerations are recommended by the Nomination and Remuneration Committee, based on the remuneration formula referred to in the Company's internal policies, prevailing regulations, and taking into account the Company's performance.

Graphic 19: Mechanism for the BOC's Remuneration

The Nomination and Remuneration Committee's recommendation is submitted to the BOC and delivered in the GMS. The mechanism for the BOC's remuneration is as follows:

- The BOD, taking into account the Company's financial condition, prepares a proposal for the amount of remuneration for the BOC to the Nomination and Remuneration Committee.
- The Nomination and Remuneration Committee examines the remuneration proposal from the BOD and the market conditions for the relevant industry and business of a comparable size.
- Taking into account the business performance of the Company and its members' contributions, the Nomination and Remuneration Committee will make recommendations to the BOC 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 BOC members. The total remuneration for the BOC and the BOD will be reported to the Shareholders in the Annual Report of the Company.

BOC's Remuneration Structure and Amount

The structure of remuneration for all BOC members of the Company for 2017 consists of:

- honorarium;
- allowances; and
- performance bonus.

The AGMS on 18 April 2017 determined that the total amount of the remuneration of the BOC was Rp248 million per month after tax for FY2017, an increase of 5% from the previous year's, and determined to give performance bonus for FY2016 amounting to Rp1.96 billion. The total salary and allowances for all BOC members for 2017 amounted to Rp8,492 million.

ORIENTATION PROGRAM FOR NEW BOC MEMBERS

BFI Finance organizes an orientation program for the new BOC members, aiming to enable the new BOC members to determine the general condition of the Company and be more familiar with the other members, and devise ways to collaborate as a solid, comprehensive and effective team. Orientation of new BOC members is held in the first BOC meeting attended by the new members. In 2017 one new BOC member, Cornelius Henry Kho, participated in the orientation program.

BOC COMPETENCE ENHANCEMENT AND TRAINING PROGRAMS

The Company allocates a budget for the BOC to attend various training programs and seminars. The list of training programs in 2017 which the BOC members participated in, is presented in Table 102.

Table 102: Training and Seminars for BOC Competence Enhancement

NAME	POSITION	DATE	TITLE/THEME	LOCATION	ORGANIZER
Kusmayanto Kadiman	President Commissioner	25-Apr-17	National Seminar 'Welcoming the Digital Consumers Era'	Jakarta	APPI
Johanes Sutrisno	Independent Commissioner	25-Apr-17	National Seminar 'Welcoming the Digital Consumers Era'	Jakarta	APPI
Alfonso Napitupulu	Independent Commissioner	25-Apr-17	National Seminar 'Welcoming the Digital Consumers Era'	Jakarta	APPI
Emmy Yuhassarie	Independent Commissioner	25-Apr-17	National Seminar 'Welcoming the Digital Consumers Era'	Jakarta	APPI

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Table 102: Training and Seminars for BOC Competence Enhancement

NAME	POSITION	DATE	TITLE/THEME	LOCATION	ORGANIZER
Dominic John Picone	Independent Commissioner	22-Mar-17	TPG Growth - Annual Investors Meeting 2017	San Francisco, AS	TPG
		25-Mei-17	Seminar on Asian Venture Capital Journal (AVC) Vietnam 2017	Saigon, Vietnam	Asian Venture Capital Journal (AVCJ)
Sunata Tjiterosampurno	Independent Commissioner	25-Apr-17	National Seminar 'Welcoming the Digital Consumers Era'	Jakarta	APPI
Cornellius Henry Kho	Commissioner	5-Des-17	National Seminar 'Cooperation Opportunities of Multifinance Companies with Banking & Fintech'	Jakarta	APPI

WORKING RELATIONSHIP BETWEEN THE BOC AND THE BOD

A good working relationship between the BOC and the BOD is one of the most important factors so that each can work according to its functions effectively and efficiently. Therefore, the Company in maintaining a good working relationship between the BOC, Directors applies the following principles:

1. The BOC must respect the functions and roles of the BOD in managing the Company as stipulated in the prevailing regulations and articles of association of the Company.
2. The BOD must respect the functions and roles of the BOC in conducting monitoring and providing policy advice to the management of the Company.
3. The working relationship between the BOC and the BOD is a formal relationship, always guided by a standard mechanism or correspondence that can be accounted for.
4. Informal working relationships are allowed for the BOC members and BOD members, but cannot be used as a formal policy before

undergoing the proper mechanism or correspondence that can be accounted for.

5. The BOC 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 BOD with prior coordination with the BOD so as to create a working relationship between the BOC and the BOD, so that the aim of corporate communication through the one-gate policy can be achieved.
7. The BOD is responsible for ensuring that information about the Company is granted to the BOC in a timely, accurate, consistent and complete manner.
8. Every working relationship between the BOC and the BOD is an institutional relationship. In the sense that the BOC and the BOD are collective offices that represents all of its members, so that the working relationship between the BOC and the BOD is understood by BOC members and the BOD.

COMMITTEES UNDER THE BOC

In carrying out their duties and responsibilities, the BOC is assisted by three committees, i.e. Audit Committee, Risk Management Committee, and Nomination and Remuneration Committee. Each committee holds meetings regularly or whenever deemed necessary. Each committee consists of the Chairperson from one of the Independent Commissioners, and its members, whom are appointed by the BOC. All committees under the Board of Commissioners executed their duties and responsibilities satisfactorily and in accordance with their mandate in 2017.

The duties of the above three committees are elaborated in their own charter. The Committees report directly to the BOC, and at the Company's expenses, each committee is entitled to ask for advisory service from external agencies if deemed necessary. The description of each committee under the BOC is presented in subsequent sections in the GCG chapter (page 213-225)

BOARD OF DIRECTORS

MAIN TASKS

BOD is established as the Company's governance body that is fully responsible for the management of the Company's interests and objectives as well as representing the Company, both in and out of the court, in every way and for any event.

BOD APPOINTMENT AND DISMISSAL PROCEDURES

Based on the articles of association, BOD members are appointed by the Shareholders at the GMS for a term commencing on the date of appointment until the closing of the fifth AGMS, and the BOD members may be dismissed by the Shareholders at the GMS at any time before their term of office expires.

Prior to their appointment as BOD members, candidates are required to meet the requirements set by OJK Regulation No. 4/POJK.05/2013 dated 12 November 2013 regarding the Fit and Proper Test for Key Personnel in Insurance Companies, Pension Funds, Financial Services, and Guarantors, in conjunction with POJK No. 27/POJK.03/2016 dated 22 July 2016 on Fit and Proper Test for Key Personnel in Financial Services Institutions. Candidates are required to pass the fit and proper test conducted by the fit and proper test team formed by OJK.

All BOD members have complied with the prevailing regulations. If the term of office of the BOD members has finished, the BOD members may be reappointed, depending on the performance assessment supervised by the Nomination and Remuneration Committee. After the assessment, the Nomination and Remuneration Committee shall make a recommendation if the Committee authorizes the reappointment of those members whose period has finished. Based on the recommendations of the Nomination and Remuneration Committee, the BOC will propose the reappointment of the BOD members at the GMS.

CRITERIA FOR BOD MEMBERS APPOINTMENT

Those who may be appointed as BOD members 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 prevailing regulations in the Capital Market, among others:

1. Have a good character, morals and integrity;
2. Are legally competent;
3. Within five years prior to appointment and during their period:
 - a. Have not been declared bankrupt;
 - b. Have never been members of a BOD and/or a BOC that has been found guilty for causing a company to bankruptcy;
 - c. Have never been convicted of a criminal act that is detrimental to the country's financial sector and/or related to the financial sector; and
 - d. Have never been members of a BOD and/or a BOC that during their period:
 - Have never conducted an AGMS;
 - Have been members of a BOD and/or a BOC whose accountability had not been accepted by the GMS or had not provided the accountability as members of a BOD and/or a BOC 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 the prevailing regulations;
 - f. Have the required knowledge and/or expertise in the Company's field of business; and
 - g. Have met the additional requirements for Independent Directors.

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In addition, BOD members are also obliged to meet the following requirements:

- Have sufficient knowledge and relevant to their positions;
- Have an understanding of the laws and regulations concerning finance companies as well as other laws and regulations relating to the finance companies;
- Have experience working in finance companies and other fields that are relevant to their positions; and
- Have the ability to make strategic management decisions in order to develop the Company into a healthy financial institution.

BOD MEMBERS NUMBER, COMPOSITION AND PROFILE

The BOD consists of a minimum of two persons, one of whom is appointed as President Director. At least one BOD member shall act as an Independent Director and can be selected in advance of the GMS appointment after the Company's shares are listed.

During 2017, the number of members and composition of the BOD of BFI Finance experienced changes, as follows:

- Based on the Company's Minutes of EGMS notarized by Deed No. 43 dated 25 April 2016 in conjunction with the Deed No. 44 dated 25 April 2016 drawn before Aulia Taufani, S.H., Notary in Tangerang, accepted and recorded in the database of 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 BOD composition since 25 April 2016 until the closing of AGMS on 18 April 2017 was as in Table 103.

- Based on the Company's Minutes of EGMS by means of Deed No. 25 dated 18 April 2017 in conjunction with Deed of Meeting Decision No. 17 dated 11 August 2017 prepared before Aulia Taufani, S.H., Notary in Tangerang, which has been accepted and recorded in the database of the Ministry of Law and Human Rights of the Republic of Indonesia in Decree No. AHU-AH.01.03-0168084 dated 4 September 2017, the BOD composition since 18 April 2017 was as in Table 103.

Table 103: BOD Composition

NO.	NAME	POSITION	COUNTRY OF RESIDENCE	APPOINTMENT DATE & LEGAL BASIS	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 Financial Services Authority 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 Financial Services Authority No. KEP-2018/NB.1/2014 dated 4 August 2014
3.	Sudjono	Finance Director	Indonesia	Deed of the EGMS Minutes No. 18 dated 6 May 2014	2019 GMS	Decision of the Board of Commissioners of Financial Services Authority No. KEP-1294/NB.1/2014 dated 3 June 2014
4.	Sutadi	Business Director	Indonesia	Deed of the EGMS Minutes No. 18 dated 6 May 2014	2019 GMS	Decision of the Board of Commissioners of Financial Services Authority No. KEP-1292/NB.1/2014 dated 3 June 2014
5.	Andrew Adiwijanto**	Operations and Human Capital Director	Indonesia	Deed of the EGMS Minutes No. 25 dated 18 April 2017	2022 GMS	Decision of the Board of Commissioners of Financial Services Authority No. KEP-465/NB.11/2017 dated 14 August 2017
6.	Sigit Hendra Gunawan	Enterprise Risk Director (Independent)	Indonesia	Deed of the EGMS Minutes No. 43 dated 25 April 2016	2021 GMS	Decision of the Board of Commissioners of Financial Services Authority No. KEP-218/NB.11/2016 dated 29 March 2016

* Resigned as a Director as of 1 February 2017

** Officially stated as Director as of 18 April 2017

Profile of each BOD member is presented in the BOD Profile section in the Company Profile chapter (page 58-60)

BOD GUIDELINES AND WORK RULES

In carrying out its duties and responsibilities, the BOD refers to its guidelines and work rules prescribed in the Manual of the BOC and the BOD of PT BFI Finance Indonesia Tbk as discussed in the BOC section in the GCG chapter (page 190).

Related to the BOD, the Manual stipulates:

1. Function of the BOD
2. Membership of the BOD
3. Term of the BOD
4. Positional Ethics of the BOD
5. Duties and Authority of the BOD
6. Authority of the BOD
7. Rights of the BOD
8. Meetings of the BOD
9. Performance Evaluation of the BOD
10. Supporting Bodies of the BOD

POSITIONAL ETHICS OF THE BOD

Ethics of the position of the BOD governs the ethical principles for the BOD in carrying out its duties and responsibilities relating to:

1. Exemplary Quality
2. Compliance With Laws and Regulations
3. Corporate Opportunities
4. Information Disclosure and Confidentiality
5. Conflict of Interest
6. Personal Benefits
7. Business Ethics and Anticorruption

DUTIES AND RESPONSIBILITIES OF THE BOD

Main Duties and Responsibilities

The duties and responsibilities of the BOD 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. Developing the Company's vision, mission, and core values as well as the Company's strategic plans to be consolidated into the business budget;
2. Building a strong organizational structure and clearly define the functions of each unit of work and manage human capital effectively;
3. Establishing a system for internal control and risk management mechanisms that ensures the implementation of the internal audit function at all levels of management, consistent with the policies and procedures that have been approved; and
4. Managing the interests of the stakeholders of the Company.

Special Duties

Specifically, the duties and obligations of the BOD are as follows:

1. Related to Business and Anti-Corruption Ethics:
 - a. BOD members are prohibited from receiving directly or indirectly, anything of value from another party to influence, or as a reward, for what they have performed.

- b. The BOD is obliged to sign the Integrity Pact for transactional actions that require the approval of the BOC, and/or GMS.
- c. The BOD is obliged to report to the Company the shares owned by respective BOD members 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 BOD shall establish a policy on effective Internal Control System to secure the Company investments, business activities, and assets;
 - b. Evaluating the implementation of risk management according to the specified criteria;
 - c. Implementing 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. Implementing information and communication systems, for preparation of reports related to operations, finances, and the observance of the rules and regulations applicable to the Company;

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- e. Implementing 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 BOD with copies submitted to the BOC;
 - f. Developing SOP for each of the areas above, adjusted to the needs of the Company;
 - g. Compiling/building 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. Ensuring an effective internal control system, the President Director is structurally assisted by all officials up to the level of Department/Unit Head;
 - i. Establishing an Internal Audit Charter to further elaborate the duties and functions of the Internal Audit Unit in accordance with the Decisions of the BOD; and
 - j. Promoting the creation of a disciplined and structured internal control environment in the Company, 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 BOD.
3. Related to Disclosure and Confidentiality of Information:
 - a. The BOD must disclose important information in the Annual Report and Financial Statements to other parties, according the prevailing regulations in a timely, accurate, clear and objective manner;
 - b. Ensuring that measurable and complete information about the Company can be obtained in a timely manner by the BOC;
 - c. Disclosing the extent of implementation of the GCG principles;
 - d. Presenting the meetings conducted in any one financial year (internal meetings and joint meetings with the BOC);
 - e. The confidential information obtained while serving as a BOD member of the Company shall be kept confidential in accordance with the prevailing regulations; and
 4. Related to Strategic and Work Plans:
 - a. The BOD sets out the vision, mission, goals, strategies and Company culture;
 - b. Promoting and ensuring the implementation of the business activities of the Company in accordance with the purposes and objectives and business activities;
 - c. Preparing 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 BOC for approval;
 - d. Preparing a draft of Long-term Plan as a strategic plan to include the goals and objectives to be achieved;
 - e. Striving to achieve the long-term goals listed in the Long-term Plan; and
 - f. Striving to achieve the short-term targets listed in the Annual Work Plan.
 5. Related to Risk Management, the BOD shall develop and implement a consistent risk management system.
- f. In terms of maintaining the confidentiality of Company information, the BOD is required to give priority to the Company's interests above the interests of other individuals or groups.

The risk management system consists of the following stages:

- a. Risk Identification
- b. Risk Measurement
- c. Risk Profile Preparation
- d. Risk Management
- e. Risk Monitoring
- f. Risk Evaluation
- g. Reporting and Disclosure.

6. Related to Relationships with Stakeholders, the BOD shall ensure the assurance of the stakeholders' rights arising from regulations in force and/or agreements made by the Company with employees, service users, suppliers and other stakeholders, as well as ensuring that the Company carries out its social responsibility.

7. The BOD is conducting other obligations in accordance with the provisions set out in the articles of association and the prevailing regulations.

DIVISION OF DUTIES AND AUTHORITIES

The details of duties and authorities for each BOD member is presented in Table 104.

Table 104: BOD Duties and Authorities

NAME AND POSITION	DUTIES AND AUTHORITIES
Francis Lay Sioe Ho President Director	As a Chief Executive Officer (CEO), he holds the highest decision-making authority in the Company and is responsible for the achievement of the Company's business objectives and targets. Along with other BOD members, he leads the formulation and implementation of the Company's strategic objectives and business plan. He receives direct reports from all Directors and unit heads, including Network Development & Management Head, Information & Technology (IT) Head, and Channel Head who handles Digital Business and Direct Marketing segment. He also supervised Compliance function, Internal Audit, Corporate Secretary, and Project Management Office (PMO).
Sudjono Finance Director	As a Chief Financial Officer (CFO), he is responsible for directing and monitoring all the financial activities, including the presentation of financial statements in accordance with the applicable accounting standards and regulations. He also serves as a partner for business units and regional business operations in regards to reporting and analysis of financial and operational performance of the Company's business lines. The units under his supervision consist of Financial Control & Reporting, Treasury & Finance, Budgeting & Performance Monitoring, Corporate Secretariat, Investor Relations, and Corporate Communication.
Sutadi Business Director	As a Chief Marketing Officer (CMO), he is responsible for formulating strategy and marketing workplan to ensure the achievement of annual business targets, developing an annual budget plan for the financing business that includes product segments for retail customers (new and used cars, used motorcycle, and property) and commercial products for corporate customers (heavy equipment and machinery). He cooperates with Enterprise Risk in managing the risk level of each segment of retail and commercial products to support the profitability target achievement. The units under his supervision include Product Management & Development for Cars and Motorcycle, Heavy Equipment and Machinery, Property-Back Financing (PBF), Channel Acquisition, Telemarketing and Business Development.
Andrew Adiwijanto Operations and Human Capital Director	As a Chief Operating Officer (COO), he is responsible for ensuring the alignment of functions within the organization run properly and comply with internal policies. He is also responsible for monitoring the development and management of human capital as well as the standardization of customer service in order to achieve sustainable customer satisfaction level. He receives direct reports from Human Capital Management Head.
Sigit Hendra Gunawan Enterprise Risk Director (Independent)	As a Chief Risk Officer (CRO), he is responsible for supervising the risk management in the Company which covers risks from credit/financing, liquidity and funding, operations, laws and regulations, strategy/business, and reputation. His main tasks are to review and approve proposed business risk management policies and procedures, implementation and monitoring of policy and risk management procedures, credit operational management to support business objectives, and maintain a comprehensive Information Management System (MIS) and analytical infrastructure. He cooperates with business and operational units to ensure that the risks faced by the Company can be identified, measured, and managed within the stipulated limits. The units under his supervision include Collection & Recovery (including Legal & Litigation), Credit Operations, and Risk Portfolio & Policy.

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- Board of Directors
- Sharia Supervisory Board
- Audit Committee
- Risk Management Committee

- Nomination and Remuneration Committee
- Corporate Secretary
- Internal Audit
- External Audit
- Risk Management
- Internal Control System
- Compliance
- 2017 Legal Cases

- Access to Information and Communication
- Investor Relations
- Code of Conduct and Corporate Culture
- Anti-Corruption Policies
- Whistleblowing System
- Corporate Action
- Stock Options
- Transparency of Financial and Non-Financial Conditions Not Disclosed in the Report

AUTHORITY AND RIGHTS OF THE BOD

The BOD in carrying out the business activities and operations of the Company retains the authority to:

1. Implement business development;
2. Represent the Company in and out of court;
3. Develop provisions concerning employment including recruitment, transfer, succession and termination, salary determination, post-employment benefits and retirement, as well as other income based on the prevailing regulations;

4. Appoint and dismiss the Corporate Secretary; and
5. Establish strategic and operational decisions that involve risks and uncertainties.

In carrying out the business and operational activities, BOD has the following rights:

1. Every BOD member is entitled to resign by submitting a written notification to the Company of their intent at least thirty days before the date of their resignation.
2. The BOD members have the right to defend themselves at the GMS if the GMS at any time dismiss the BOD members.

3. The BOD has 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 BOD is entitled to represent the Company in and out of 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.
5. The BOD members are entitled to a salary and/or benefits.

DIVERSITY OF BOD COMPOSITION

The composition of the Company's BOD reflects the diversity of its members, both in terms of education, work experience, age, and skills. Each BOD member is highly competent with regards to enhancing the Company's performance. The diversity of the BOD members has been met implicitly with the fulfillment of the requirements as BOD members, one of which is having expertise in the areas that are important for the Company.

Table 105: Diversity of BOD Composition

NAME	POSITION	COMPETENCY
Francis Lay Sioe Ho	President Director	Education: Master of Business Management (M.B.M.), Bachelor of Business Administration (B.B.A.) Work experience: President Director, Founder and Director, Credit Manager, Treasury Officer, Executive Officer of the Ministry of Finance in Singapore Age: 69 years old
Sudjono	Finance Director	Education: Enterprise Risk Manager (ERM™), Master of Business Administration (M.B.A.), Bachelor of Economics majoring in Accounting Work experience: Director, Corporate Secretary, Head of Finance and Information Technology Division, Risk Management Committee Member, Senior Auditor Age: 47 years old
Sutadi	Business Director	Education: Bachelor of Industrial Engineering Work Experience: Division Head, Regional Manager, Branch Manager, Sales Executive, Collection & Credit Analyst Officer Age: 43 years old

Table 105: Diversity of BOD Composition

NAME	POSITION	COMPETENCY
Andrew Adiwijanto	Operations and Human Capital Director	Education: Master of Business Administration (M.B.A.), Bachelor of Electrical Engineering Work experience: Marketing Officer, Branch Manager, and Regional Manager in various regions in Indonesia, Department Head and Division Head in various sections in the head office, Nomination and Remuneration Committee Member Age: 49 years old
Sigit Hendra Gunawan	Enterprise Risk Director (Independent)	Education: Certified Business Management, Certified Business Management-Operation, Bachelor of Industrial Engineering Work experience: Director, Head of Enterprise Risk, Head of Credit Division, Deputy Director - Head of Credit & Collection, Account Management Department Head, Credit Analyst & Risk Department Head (Fleet Division) Age: 49 years old

BOD INDEPENDENCE

Members of BFI Finance's BOD have no financial and family relationships to the second degree with fellow BOD members, members of the BOC, and/or controlling shareholders, or relationships with the Company.

Table 106: BOD 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	-	√	-	√	-	√	-	√	-	√	-	√
Sudjono	-	√	-	√	-	√	-	√	-	√	-	√
Sutadi	-	√	-	√	-	√	-	√	-	√	-	√
Andrew Adiwijanto	-	√	-	√	-	√	-	√	-	√	-	√
Sigit Hendra Gunawan	-	√	-	√	-	√	-	√	-	√	-	√

Table 107: BOD Share Ownership Amounting to 5% or More from the Paid-up Capital

NAME	POSITION	BFI FINANCE	OTHER COMPANY
Francis Lay Sioe Ho	President Director	None	None
Sudjono	Finance Director	None	None
Sutadi	Business Director	None	None
Andrew Adiwijanto	Operations and Human Capital	None	None
Sigit Hendra Gunawan	Enterprise Risk Director (Independent)	None	None

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INDEPENDENT DIRECTOR

Referring to Jakarta Stock Exchange BOD Decree No. Kep-305/BEJ/07-2004 dated 19 July 2004 Regulation No. I-A regarding Registration of Shares and Equity Securities in addition to Shares Issued by Listed Companies determined that the Company may appoint an Unaffiliated Director, and in accordance with changes in 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 BOD Decree No. Kep-00001/BEI/01-2014 dated 20 January 2014) in which the term 'Unaffiliated Company Director' was replaced by the term "Independent Director", the Company has appointed an Independent Director, i.e. Sigit Hendra Gunawan.

In addition to fulfilling the requirement provisions as a BOD member, 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 BOC or the BOD of the Company;
- Are not working as directors in other 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 a maximum of two consecutive periods, based on IDX Circular No. SE-00001/BEI/02-2014 regarding Term of Office of Independent Commissioners and Independent Directors in Listed Companies.

CONCURRENT POSITIONS OF BOD MEMBERS

Based on Article 9 of POJK 30, the Company's BOD members are prohibited from concurrent positions as executive directors at other companies, except as a member of the BOC at a maximum of three other companies, except for BOD members who are responsible for the supervision of investments in subsidiaries that conduct business in the multifinance industry, carrying out functional tasks as members of the BOC in subsidiaries controlled by the Company, as long as such concurrent positions do not result in neglect of their duties and authorities as members of the Company's BOD.

In accordance with Article 6 of POJK 33, the BOD members may hold concurrent positions as BOD members in not more than one other issuer or other public company, BOC members in not more than three other issuers or public companies, and members of committees in not more than five committees in the issuers or public companies where they serve as BOD or BOC members.

All BOD members of the Company as of 31 December 2017 have complied with the provisions POJK 30 and POJK 33.

Table 108: Concurrent Positions of BOD Members

NAME	POSITION	POSITION OUTSIDE THE COMPANY
Francis Lay Sioe Ho	President Director	None
Sudjono	Finance Director	None
Sutadi	Business Director	None
Andrew Adiwijanto	Operations and Human Capital Director	None
Sigit Hendra Gunawan	Enterprise Risk Director (Independent)	None

BOD MEETINGS

BOD Meeting Policy

The BOD shall meet at least one time every month. The BOD is also required to conduct joint meetings with the BOC periodically at least one time every four months.

BOD Meeting is conducted at the Company's location or place of business of the Company. BOD Meetings may also be carried out by way of teleconference or other similar communication systems whereby the BOD members participating in the meeting can communicate and participate thereby being considered a present in the meeting.

BOD Meetings are chaired by the President Director. In the event that the President Director is absent or

unavailable for any reason, which is not required to be proven to the other members, the BOD Meeting will be chaired by a BOD member selected by and among the BOD members in attendance.

The BOD members may be represented in the BOD Meeting only by another BOD member based on a power of attorney. In the case that the party granting the authority does not give special powers, then granted power is deemed absolute. BOD Meetings are valid and may adopt binding resolutions if more than half of the total BOD members are present or represented at the meeting.

BOD Meetings shall be attended by the BOD members, and if required, officials from one level below the BOD or other officials assigned by the President Director.

Minutes of BOD Meeting

Minutes of BOD Meeting shall be recorded for each meeting of BOD and on the minutes of meeting shall be disclosed any dissenting opinions with the BOD Meeting decisions (if any). Minutes of BOD Meeting shall be recorded and documented by the Corporate Secretary, including the filing and distribution to the meeting participants. Each BOD member is entitled to receive a copy of the Minutes of BOD Meetings, regardless of whether they were present or not at the meetings.

BOD Meetings

In 2017, the BOD conducted 12 meetings.

Table 109: Schedule and Attendance of BOD Meetings

DATE	FRANCIS LAY SIOE HO	SUDJONO	SUTADI	ANDREW ADIWIJANTO*	SIGIT HENDRA GUNAWAN
24 January 2017	√	√	√	-	√
16 February 2017	√	√	√	-	√
21 March 2017	√	√	√	-	√
17 April 2017	√	√	√	-	√
23 May 2017	√	√	√	√	√
15 June 2017	√	√	√	√	√
20 July 2017	√	√	√	√	√
23 August 2017	√	√	√	√	√
26 September 2017	√	√	√	√	√
25 October 2017	√	√	√	√	√
21 November 2017	√	√	√	√	√
12 December 2017	√	√	√	√	√
Total Attendance of Each Member	12	12	12	8	12
Attendance Percentage of Each Member	100%	100%	100%	100%	100%

* Officially stated as Director as of 18 April 2017

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Table 110: BOD Meeting Agenda

DATE	MEETING AGENDA
24 January 2017	Discussion on financial performance, financial and risk management reports as of 31 December 2016, other issues
16 February 2017	Discussion on financial and risk management performances as of 31 January 2017, other issues
21 March 2017	Discussion on financial and risk management performances as of 16 February 2017, other issues
17 April 2017	Discussion on the preparation evaluation for AGMS and EGMS dated 18 April 2017, financial performance, financial and risk management reports as of 31 March 2017, other issues
23 May 2017	Discussion on performances of new branches opened in 2016, performance of retail business and retail products analysis, development of property financing, financial and risk management reports as of 30 April 2017, other issues
15 June 2017	Discussion on financial and risk management performances as of 31 May 2017, other issues
20 July 2017	Discussion on financial performance, financial and risk management reports as of 30 June 2017, other issues
23 August 2017	Discussion on financial and risk management performances as of 31 July 2017, other issues
26 September 2017	Discussion on financial and risk management performances as of 31 August 2017, other issues
25 October 2017	Discussion on financial performance, financial and risk management reports as of 30 September 2017, other issues
21 November 2017	Discussion on the proposal to determine the distribution of Interim Cash Dividend for the fiscal year of 2017, financial and risk management performances as of 31 October 2017, other issues
12 December 2017	Discussion on financial and risk management performances as of 30 November 2017, other issues

As presented in Table 109, the BOD has complied with POJK 30 Article 16 paragraph (2) on the GCG for Finance Companies, in which the BOD shall attend the BOD meetings at least 50% of the time within a period of one year.

Attendance of BOD Members at the BOC–BOD Joint Meeting

The BOD conducts regular joint meetings with the BOC. In 2017, 11 BOC–BOD Joint Meetings were held.

The dates and attendance of the BOC–BOD Joint Meetings in 2017 are presented in Table 111.

The agendas for the BOC–BOD Joint Meetings are detailed in the BOC section (page 196-197).

Table 111: Schedule and Attendance of the BOD in BOC–BOD Joint Meeting

DATE	FRANCIS LAY SIOE HO	SUDJONO	SUTADI	ANDREW ADIWIJANTO*	SIGIT HENDRA GUNAWAN
24 January 2017	√	√	√	-	√
16 February 2017	√	√	√	-	√
21 March 2017	√	√	√	-	√
17 April 2017	√	√	√	-	√
23 May 2017	√	√	√	√	√
15 June 2017	√	√	√	√	√
20 July 2017	√	√	√	√	√
23 August 2017	√	√	√	√	√
26 September 2017	√	√	√	√	√
25 October 2017	√	√	√	√	√
21 November 2017	√	√	√	√	√
Total Attendance of Each Member	11	11	11	7	11
Attendance Percentage of Each Member	100%	100%	100%	100%	100%

* Officially stated as Director as of 18 April 2017

BOD PERFORMANCE EVALUATION

General Policy

The performance of the BOD and its individual members is evaluated by the BOC. Generally, the BOD's performance is determined based on the duties listed in the prevailing regulations and the articles of association of the Company.

The results of the overall performance evaluation of the BOD and the performance of its each individual member are based on two scoring standards, i.e. the collective assessment based on of the achievement of budget enterprises, and the individual assessments based on the KPIs of each Director, and as part of an integral part of the compensation scheme and provision of incentives for BOD members.

The results of the performance evaluation of individual BOD members is one of the basic considerations, especially for Shareholders, to discharge and/or reappoint BOD members. The results of the performance evaluation serve as a means for assessing as well as improving the BOD.

BOD Performance Evaluation Criteria

The criteria for the BOD's performance evaluation are found in the KPIs. The collective and individual performance criteria for Directors are based on the proposal of the Nomination and Remuneration Committee or other committees that carry out the nomination and remuneration function, then are proposed by the BOC to shareholders for approval. The BOD's KPIs 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 the prevailing regulations, 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 the determined targets.

POLICY ON DETERMINING BOD REMUNERATION

In accordance with the Company's articles of association, the salaries and other benefits for BOD members will be determined by the BOC, who is authorized by the AGMS. Remuneration of Directors is determined by the BOC annually.

The AGMS on 18 April 2017 approved the granting of power and authority to the BOC to determine the duties and responsibilities of each BOD member and determine the remuneration for the BOD members.

The BOD's remuneration is proposed by the Nomination and Remuneration Committee, based on the remuneration formula referred to in the Company's internal policies, the prevailing laws and regulations, and taking into account the Company's performance. The Nomination and Remuneration Committee's proposal is then submitted to the BOC and brought to the GMS.

Graphic 20: Chart of Mechanism for the BOD Remuneration



The mechanism for determining the BOD's remuneration is as follows:

- The BOD, by taking into account the Company's financial condition, develops a proposal of remuneration amount for the BOD to the Nomination and Remuneration Committee.
- The Nomination and Remuneration Committee examines the proposed remuneration for the BOD based on the duties and responsibilities of each Director, the Company's financial condition, and comparisons with relevant industries and businesses of a comparable size.
- The Nomination and Remuneration Committee shall make recommendations to the BOC Meeting for approval, and then be brought to the GMS.

BOD Remuneration Structure

The BOD's remuneration structure consists of:

- salaries,
- benefits,
- facilities, and
- performance bonus.

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Total remuneration for the BOD in 2017 amounted to Rp42,256 million.

ORIENTATION PROGRAM FOR NEW BOD MEMBERS

BFI Finance organizes an orientation program for the new BOD members, aiming to enable the new BOC members to determine the general condition of the Company and be more familiar with the other members, and devise ways to collaborate as a solid, comprehensive and effective team. Orientation of new BOD is held in the first BOD meeting

attended by the new members. In 2017 one new BOD member, Andrew Adiwijanto, participated the orientation program.

BOD COMPETENCE ENHANCEMENT AND TRAINING PROGRAMS

The Company allocates a budget for the BOD to attend training programs through various seminars and trainings. The list of training programs in 2017 which the BOD members participated in, is presented in Table 112.

Table 112: Training and Seminars for BOD Competence Enhancement

NAME	POSITION	DATE	TITLE/THEME	LOCATION	ORGANISER
Francis Lay Sioe Ho	President Director	5 December 2017	National Seminar 'Cooperation Opportunities of Multifinance Companies with Banking & Fintech'	Jakarta	APPI
		23 March 2017	'Indonesia 2017 - Building on Progress' - Fitch Ratings' Indonesia Credit Briefing	Jakarta	PT Fitch Ratings Indonesia
		28-30 August 2017	TPG - INSEAD CFO Workshop	Singapore	TPG and INSEAD
		20 October 2017	National Seminar 'Opportunities and Challenges in 2018'	Yogyakarta	APPI
Sudjono	Finance Director	8 November 2017	Fitch Ratings Indonesia Cross-Sector Seminar	Jakarta	PT Fitch Ratings Indonesia
		24 November 2017	ASEAN Stars of the Next Decade 2017 - Citi Investor Conference	Hong Kong	Citigroup, Inc.
		5 December 2017	National Seminar 'Cooperation Opportunities of Multifinance Companies with Banking & Fintech'	Jakarta	APPI
Sutadi	Business Director	20 October 2017	National Seminar 'Opportunities and Challenges in 2018'	Yogyakarta	APPI
		5 December 2017	National Seminar 'Cooperation Opportunities of Multifinance Companies with Banking & Fintech'	Jakarta	APPI
Andrew Adiwijanto	Operations and Human Capital Director	16 September 2017	Speaker in the Seminar on Education of Financial Literacy 'To Improve Business through Easy and Fast Financing Patterns'	Malang, Jawa Timur	BFI Finance with Malang City Government, Department of Cooperatives, and micro entrepreneurs
		5 December 2017	National Seminar 'Cooperation Opportunities of Multifinance Companies with Banking & Fintech'	Jakarta	APPI
Sigit Hendra Gunawan	Enterprise Risk Director (Independent)	5 December 2017	National Seminar 'Cooperation Opportunities of Multifinance Companies with Banking & Fintech'	Jakarta	APPI

COMMITTEES UNDER THE BOD

As of end of 2017, all supporting bodies of the BOD have been established as divisions, departments, or work units. Considering the business environment and its internal capacity, the Company has not encountered any urgency to establish a committee under the BOD. Meanwhile, the performance assessment of each division, department, and work unit is performed using KPI achievements as the assessment criteria.

SHARIA SUPERVISORY BOARD

AS THE MANIFESTATION OF BFI

Finance's compliance in operating one of its business activities, namely Sharia financing, as stated in its Articles of Association, in 2017 the Company established the Sharia Supervisory Board. This is in line with the Company's strategy to enter the Sharia-based multifinance in Indonesia, as regulated by OJK and Indonesian Ulema Council (MUI).

The establishment of the Sharia Supervisory Board in BFI Finance was in accordance with the Resolution of the EGMS on 25 October 2017. The members of the Sharia Supervisory Board as of 31 December 2017 were:

1. Asrori S. Karni
2. Helda Rahmi Sina

The profiles of both members of the Sharia Supervisory Board are presented in the Sharia Supervisory Board's Profiles section in the Company Profile chapter, on pages 61.

Both members of the Sharia Supervisory Board of BFI Finance have passed OJK's fit and proper test in January 2018, as stated in the Financial Statements for the year ended 31 December 2017, in the Important Events Subsequent to the Financial Positions Reporting Date section.

DUTIES AND RESPONSIBILITIES

The duties and main functions of the Sharia Supervisory Board are as follows:

1. 1. Represent the National Sharia Board assigned to the Company;
2. Supervise business activities of the Company's Sharia Branch Offices to ensure compliance with the Sharia Principles;
3. Advise and facilitate the BOD, Sharia Business Unit Head, and Sharia Branch Office Heads in matters related to Sharia Principles; and
4. Act as a mediator between the Company and the National Sharia Board in presenting proposals and recommendations for the development of the Company's products and services which require the study and fatwa of the National Sharia Board.

IMPLEMENTATION OF DUTIES

As of the end of 2017, the Company was in the process of formulating the mechanisms for the implementation of the Sharia Supervisory Board's duties in the Company's business, as part of the Company's plan to commence Sharia-based financing business in 2018. At the time this Integrated Report was completed, the Company was in the process of applying for the license to operate the Sharia business to OJK. Therefore, there have not been any Sharia financing activities to report.

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AUDIT COMMITTEE

LEGAL BASIS AND MAIN TASKS

The Audit Committee in BFI Finance was initially established in 2000 pursuant to the Jakarta Stock Exchange Regulation No. 1-A on the Registration of Shares and Equity Securities Other Than Shares Issued by Listed Companies, Ref. No. 315/BEJ/06/2000 dated 30 June 2000, and OJK Regulation No. 55/POJK.04/2015 on the Guidance on Establishment and Work Implementation of Audit Committee (POJK 55).

The duty of the Audit Committee is to assist the BOC in carrying out the management oversight functions in accordance with the Company’s articles of association and GCG principles. Moreover, the Audit Committee provides advice and assists the BOC in identifying matters that require its attention, as well as performing other duties related to the duties of the BOC or as assigned by the BOC.

AUDIT COMMITTEE CHARTER

The Audit Committee carries out its duties and responsibilities pursuant to the guidelines summarized in Audit Committee Charter, enabling a consistent, transparent, and independent performance of its duties and responsibilities in accordance with the prevailing laws and regulations. The Audit Committee

Charter was established as set out in the Board of Commissioners’ Decree No. BOC/1/2016-01 dated 26 January 2016, pursuant to the requirements of POJK 55.

The Audit Committee Charter has been published on the Company’s website and it regulates, among others: duties and responsibilities, authorities, number of members, composition, structure and membership requirements, ordinances and procedures for the implementation of its tasks, meetings, and term of office of the Audit Committee.

DUTIES AND RESPONSIBILITIES

In accordance with the Audit Committee Charter, the duties and responsibilities of the Audit Committee are as follows:

1. Conduct reviews on financial information to be submitted by the Company to the public and/or other authorities, including among others the financial statements, projections, and other reports related to the financial information of the Company;
2. Conduct reviews on the Company’s compliance with the laws and regulations related to its activities, especially those concerning accounting and finance;
3. Provide independent opinions in the event of dispute between the management and public accountant related to services rendered;

4. Provide recommendations to the BOC regarding the appointment of public accountant based on independence, scope of assignments, and fees;
5. Conduct reviews on audits carried out by the internal auditors and supervise the follow-up measures by the BOD based on the internal auditors’ findings;
6. Conduct reviews on risk management implementation by the BOD in collaboration with the Company’s Risk Management Committee;
7. Conduct reviews related to the accounting process and financial reporting of the Company;
8. Conduct reviews and provide suggestions to the BOC concerning potential conflicts of interest; and
9. Maintain the confidentiality of the Company’s documents, data, and information.

AUTHORITY

In performing its duties, the Audit Committee has the authority to:

1. Access the Company’s documents, data, and information with regard to employees, funds, assets, and resources as required;
2. Communicate directly with the employees, including the BOD and the party carrying out Internal Audit functions, the Risk Management

Committee, and the Public Accountant on matters related to the duties and responsibilities of the Audit Committee;

3. Involve non-member independent parties as required to assist the implementation of its tasks; and
4. Exercise any authority granted by the BOC.

NUMBER OF MEMBERS, COMPOSITION, AND MEMBERSHIP REQUIREMENTS

The Audit Committee shall consist of at least three members from Independent Commissioners and outside parties. As of the end of 2017, the Audit Committee consisted of 3 members, i.e. 1 Independent Commissioner as Chairman and 2 members from outside parties. The Audit Committee is responsible to the BOC.

Pursuant to the Audit Committee Charter, the membership requirements for the Company's Audit Committee are as follows:

- Possess a strong integrity and excellent capability, knowledge, and experience in their respective fields, as well as good communication skills;
- Able to comprehend financial statements, the Company's businesses particularly those related to the Company's services or activities, audit process, risk management, and laws and regulations in the capital market as well as other related laws and regulations;
- Able to comply with the Audit Committee's code of conduct as determined by the Company;
- Willing to continuously enhance their competence through education and training;
- Is not a person who is employed in a Public Accounting Firm, Law Consultant, Public Appraiser, or other parties providing assurance services, non-assurance services, appraisal services, and/or other consultative services to the Company within the last six months;
- Is not a person who has worked or had the authority and responsibilities to plan, direct, control, or supervise the Company's activities within the last six months, except as the Independent Commissioner;
- Does not own any shares in the Company, whether directly or indirectly;

- In the event that a member of the Audit Committee receives the Company's shares due to a legal event, whether directly or indirectly, the shares shall be transferred to another party within six months after the acquisition of such shares;
- Does not have any affiliation with any member of the BOC, the BOD, or the majority shareholders of the Company;
- Does not have any business relations associated with the Company's activities, whether directly or indirectly; and
- At least one member of the Audit Committee shall have an accounting and/or financial expertise and educational background.

The BOD or the Chairman of the Audit Committee may propose candidates who are not members of the BOC as Audit Committee members. The Nomination and Remuneration Committee shall subsequently conduct an interview and examine the qualifications and competence of the candidates. After the evaluation is completed, the Nomination and Remuneration Committee shall submit a recommendation to the BOC regarding the appointment of the Audit Committee members. Once the recommendation is approved, the BOC shall instruct the BOD to issue the appointment letter for the approved candidates.

Graphic 21: Audit Committee Member Selection and Appointment



AUDIT COMMITTEE COMPOSITION

The composition of the Audit Committee as of 31 December 2017 was as follows:

- **Chairman:** Emmy Yuhassarie (Independent Commissioner)
- **Members:**
 - Friso Palilingan
 - Edy Sugito

The Audit Committee composition was ratified by the Board of Commissioners' Decree No. BOC/SK/VI/2016-05 dated 21 June 2016, effective 22 June 2016.

AUDIT COMMITTEE POLICIES AND REMUNERATION

The Nomination and Remuneration Committee provides recommendations to the BOC regarding the remuneration of each member of the Audit Committee, based on the Company's policies and market review on the remuneration of Audit Committee. The remuneration of the Audit Committee only consists of honorarium. Members of the Audit Committee who hold concurrent positions as members of the BOC or senior management of the controlling shareholders are not entitled to additional remuneration as members of the Audit Committee.

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 subsequent period, as well as evaluates previous audit results.
2. In relation to the review of risks associated with the Company's business, the Audit Committee holds discussions with the Risk Management Committee on risk management activities that have been carried out by the Company.
3. The Audit Committee submits an annual accountability report on its performance to the BOC prior to the Report of the BOC on its duties and responsibilities to be published in the Company's Annual Report. The BOC shall accordingly evaluate the Audit Committee annually.
4. The Audit Committee collaborates with the Corporate Secretary for the administration of Audit Committee's documents and the execution of Audit Committee's meetings.

AUDIT COMMITTEE MEETINGS

The Audit Committee holds regular meetings at least once every three months. An Audit Committee meeting may only be held if attended by more than half the number of members. The decisions of the Audit Committee shall be reached by deliberation and consensus. Each meeting shall be recorded in minutes of meeting, including any dissenting opinions. The minutes of the meeting shall be signed by all members of the Audit Committee who are present in the meeting and submitted to the BOC.

Throughout 2017, the Audit Committee held 4 meetings. The results of the meetings were reported to the BOC in the meetings with the BOC. The meeting schedule and members' attendance are presented in Table 115, whereas the agenda of the Audit Committee meeting in 2017 are presented in Table 116.

Table 115: Schedule and Attendance of the Audit Committee Meeting

DATE OF MEETING	EMMY YUHASSARIE	FRISO PALILINGAN	EDY SUGITO
16 February 2017	√	√	√
17 April 2017	√	√	√
20 July 2017	√	√	√
25 October 2017	√	√	√
Total Attendance of Each Member	4	4	4
Attendance Percentage of Each Member	100%	100%	100%

GOOD CORPORATE GOVERNANCE

- Good Corporate Governance Report
- General Meeting of Shareholders
- Board of Commissioners
- Board of Directors
- Sharia Supervisory Board
- **Audit Committee**
- Risk Management Committee

- Nomination and Remuneration Committee
- Corporate Secretary
- Internal Audit
- External Audit
- Risk Management
- Internal Control System
- Compliance
- 2017 Legal Cases

- Access to Information and Communication
- Investor Relations
- Code of Conduct and Corporate Culture
- Anti-Corruption Policies
- Whistleblowing System
- Corporate Action
- Stock Options
- Transparency of Financial and Non-Financial Conditions Not Disclosed in the Report

Table 116: Audit Committee Meeting Agenda

DATE	MEETING AGENDA
16 February 2017	Discussion on the presentation from KAP Tanubrata Sutanto Fahmi Bambang & Partners concerning the draft of Audit Report as of 31 December 2016 and implementation report on Audit Internal activities
17 April 2017	Discussion on the review of the draft of Financial Statements as of 31 March 2017, implementation report on Audit Internal activities, and other issues
20 July 2017	Discussion on the review of the draft of Financial Statements as of 30 June 2017, implementation report on Audit Internal activities, and presentation of the annual audit plan in 2017 by BDO Tanubrata
25 October 2017	Discussion on the review of the draft of Financial Statements as of 30 September 2017, implementation report on Audit Internal activities, and other issues

ACTIVITIES REPORTING SYSTEM

The Audit Committee shall submit periodic reports and/or report for each assignment to the BOC, as well as an annual report of the Audit Committee’s activities which shall be included in the Company’s Annual Report.

COMPLAINT HANDLING OR REPORTING OF ALLEGED VIOLATIONS RELATED TO FINANCIAL REPORTING

Based on the BOC’ Letter of Assignment, the Audit Committee may conduct review and investigation on any action that is detrimental to the Company, including alleged violations related to Financial Reporting, as well as other tasks as required by the BOC. For the review and investigation, the Audit Committee may appoint a third party to carry out the fact-finding studies and examinations upon the approval of the BOC. All costs incurred for the appointment of the third party shall be borne by the Company.

AUDIT COMMITTEE’S 2017 PROGRAM IMPLEMENTATION REPORT

The Audit Committee’s work programs in 2017 were as follows:

1. Conducted the Audit Committee’s meetings every three months;
2. Evaluated the performance of external auditors and provided recommendations to the BOC on the appointment of the external auditors;
3. Evaluated the compliance with rules and regulations applicable to multifinance companies and public companies; and
4. Evaluated the implementation of internal control system and Internal Audit activities reporting.

RISK MANAGEMENT COMMITTEE

LEGAL BASIS AND MAIN TASKS

The Risk Management Committee assists the BOC in fulfilling its responsibilities to shareholders. Moreover, the committee is responsible for reviewing the Company's principal risks as stated in the Company's risk register and for ensuring that all new or arising risks are appropriately evaluated and further actions are identified.

Prior to 2003, the function of risk management in BFI Finance was run by the Audit Committee. In accordance with the Board of Commissioners' Decree No. Com/JS/SK/III/2003-04 dated 18 March 2003, the Risk Management Committee was established as a stand-alone function, separate from the Audit Committee.

DUTIES AND RESPONSIBILITIES

The duties of the Risk Management Committee are to monitor and evaluate the planning and risk management implementation of the Company and to identify matters that require the attention of the BOC. Therefore, the duties and responsibilities of the Risk Management Committee are as follows:

1. Evaluate risk management policies and practices in managing risks related to changes in business environment and risk parameters;
2. Review identification of risk profiles by the Risk Management Division and review the criteria of maximum tolerable limits for market, credit, treasury, and operational risks;
3. Ensure that the business activities are within the acceptable risk parameters; and
4. Review analyses conducted by the Risk Management Division on external and internal factors with potential risks for the Company in achieving its set goals and objectives.

NUMBER OF MEMBERS, COMPOSITION, AND MEMBERSHIP REQUIREMENTS

Risk Management Committee shall at least consist of 2 persons, i.e. 1 Independent Commissioner as the Chairman and 1 member from outside the Company. The Risk Management Committee is responsible to the BOC.

In appointing the members of the Risk Management Committee, the BOC examines several criteria in line with the duties and responsibilities of the Committee, as follows:

- Possess a strong integrity and capable of being independent in the management of the Company;
- Understand the business, product, and service of the Company;
- Have adequate knowledge on the macroeconomic condition and its impacts on the industry;
- Have no family relationships with any member of the BOC and the BOD; and
- The Chairman of the Risk Management Committee shall be an independent member of the BOC.

The BOD or the Chairman of the Risk Management Committee may propose candidates who are not members of the BOC as Risk Management Committee's members. The Nomination and Remuneration Committee shall subsequently conduct an interview and examine the qualification and competency of the candidates. After the evaluation is completed, the Nomination and Remuneration Committee shall submit a recommendation to the BOC regarding the appointment of Risk Management Committee's members. Once the recommendation is approved, the BOC shall instruct the BOD to issue the appointment letter for the approved candidates.

Graphic 22: Risk Management Committee Member Selection And Appointment



RISK MANAGEMENT COMMITTEE POLICIES AND REMUNERATION

The Nomination and Remuneration Committee provides recommendations to the BOC regarding the remuneration of each member of the Risk Management Committee, based on the Company's policies and market review on the remuneration of Risk Management Committee. The remuneration of the Risk Management Committee only consists of honorarium. Members of the Risk Management Committee who hold concurrent positions as members of the BOC or senior management of the controlling shareholders are not entitled to additional remuneration as members of the Risk Management Committee.

RISK MANAGEMENT COMMITTEE MEETINGS

The Risk Management Committee holds regular meetings at least 4 times every year and reports the results to the BOC.

Throughout 2017, the Risk Management Committee held 4 meetings. The results of the meetings were reported to the BOC in the meetings with the BOC. The meeting schedule and members' attendance are presented in Table 119 whereas the agenda of the meetings of the Risk Management Committee in 2017 can be seen in Table 120.

Table 119: Schedule and Attendance of the Risk Management Committee Meetings

DATE OF MEETING	JOHANES SUTRISNO	JONO EFFENDY
16 February 2017	√	√
17 April 2017	√	√
20 Juli 2017	√	√
25 October 2017	√	√
Total Attendance of Each Member	4	4
Attendance Percentage of Each Member	100%	100%

Table 120: Risk Management Committee Meetings Agenda

DATE	MEETING AGENDA
16 February 2017	Discussion on Executive Summary - Risk Dashboard, financial and operational risks update
17 April 2017	Discussion on Executive Summary - Risk Dashboard, financial and operational risks update
20 July 2017	Discussion on Executive Summary - Risk Dashboard, portfolio quality update
25 October 2017	Discussion on Executive Summary - Risk Dashboard, financial and operational risks update

RISK MANAGEMENT COMMITTEE'S 2017 PROGRAM IMPLEMENTATION REPORT

The Risk Management Committee's 2017 work program was aimed at ensuring that the management had an early warning system on the likelihood of risks that may affect the running of the Company, and avoided the possibility of later surprises. The program included:

1. Conducted quarterly meetings with the Corporate Risk Management Division and the BOD to discuss the risk monitoring dashboard;
2. Ensured that the measures taken in the field of Risk Management have been implemented properly;
3. Reviewed the risk management report on the Company's risk exposure evaluation, especially in the risk-related activities of multifinance companies (financial performance risk, operational risk, funding risk, and legal risk).

- Good Corporate Governance Report
- General Meeting of Shareholders
- Board of Commissioners
- Board of Directors
- Sharia Supervisory Board
- Audit Committee
- Risk Management Committee

- Corporate Secretary
- Internal Audit
- External Audit
- Risk Management
- Internal Control System
- Compliance
- 2017 Legal Cases

- Access to Information and Communication
- Investor Relations
- Code of Conduct and Corporate Culture
- Anti-Corruption Policies
- Whistleblowing System
- Corporate Action
- Stock Options
- Transparency of Financial and Non-Financial Conditions Not Disclosed in the Report

NOMINATION AND REMUNERATION COMMITTEE

LEGAL BASIS AND MAIN TASKS

The Nomination and Remuneration Committee was initially established pursuant to the Board of Commissioners' Decree No. Com/JS/SK/XII/2005-007 dated 29 December 2005.

The Nomination and Remuneration Committee is responsible to the BOC to assist the functions and duties of the BOC in relation to the nomination and remuneration of the members of the BOD, BOC, and other committees under the BOC.

Since 2015, the main tasks of the Nomination and Remuneration Committee have been implemented by adhering to POJK No. 34/POJK.04/2014 (POJK 34) concerning the Nomination and Remuneration Committee of Public Companies.

NOMINATION AND REMUNERATION COMMITTEE GUIDELINES

On 1 December 2015, BFI Finance published the Nomination and Remuneration Committee Guideline, which is aligned with POJK 34 and the Company's articles of association, to serve as a guideline for the committee in carrying out its duties and responsibilities. The Committee Guideline was published pursuant to the BOC's Decree No. BOC/I/2015-05.

The Nomination and Remuneration Committee Guideline stipulates the duties and responsibilities, authorities, composition, structure and membership requirements, processes, and procedures for implementing tasks, meetings, as well as term of office of the members of the Nomination and Remuneration Committee.

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Nomination and Remuneration Committee include:

1. With respect to nomination function:
 - a. Prepare and provide recommendations to the BOC regarding:
 - The composition of members of the BOD and/or the BOC as well as other committees;
 - Policies and criteria required in the nomination process; and
 - Performance assessment policy for members of the BOD and/or the BOC as well as other committees;
2. With respect to remuneration function:
 - a. Provide recommendations to the BOC on:
 - Remuneration structure;
 - Remuneration policy; and
 - Amount of remuneration;
 - b. Assist the BOC in assessing the suitability of the performance and remuneration received by each member of the BOD and/or the BOC as well as other committees.

- b. Assist the BOC in assessing the performance of members of the BOD and/or the BOC as well as other committees, based on benchmarks previously developed as evaluation material;
- c. Provide recommendations to the BOC regarding capacity-building programs for members of the BOD and/or the BOC as well as other committees; and
- d. Propose candidates who qualify as members of the BOD and/or the BOC, to the BOC, to be submitted to the GMS.

AUTHORITY

In carrying out its duties and responsibilities, the Nomination and Remuneration Committee has the authority to:

1. Access the Company's documents, data, and information as required;
2. Communicate directly with the employees, the BOD, and other parties; and
3. If required, involve an independent party to assist the execution of its duties.

NUMBER OF MEMBERS, COMPOSITION, AND MEMBERSHIP REQUIREMENTS

The Nomination and Remuneration Committee shall consist of at least three members, as follows:

1. One chairman-cum-member, who is an Independent Commissioner; and
2. Other members, who may be:
 - Members of the BOC;
 - Parties from outside the Company; or
 - Parties who occupy managerial positions in charge of Human Capital under the BOD.

The majority of other members of the Nomination and Remuneration Committee shall not come from those who occupy managerial positions under the BOD in charge of Human Capital.

Members of the Nomination and Remuneration Committee who come from outside the Company shall meet the following requirements:

1. Have no affiliation with the Company, members of the BOD, members of the BOC, or the majority shareholders;
2. Possess adequate experience related to nomination and/or remuneration; and
3. Have no concurrent position as members of other committees in the Company.

Members of the Nomination and Remuneration Committee are appointed and dismissed based on the decision of the BOC's meeting. The Company shall document the decision of the appointment and dismissal of members of the Nomination and Remuneration Committee. Members of the Nomination and Remuneration Committee are appointed for a specific term of office and may be re-appointed provided that the term of office of the Nomination and Remuneration Committee member is not longer than the term of office as member of the BOC, pursuant to the Company's articles of association. The replacement of any member who is not a member of the BOC shall be carried out no later than 60 days since the member in question becomes no longer able to perform their functions.

NOMINATION AND REMUNERATION COMMITTEE COMPOSITION

In 2017, the composition of the Nomination and Remuneration Committee underwent certain changes. Initially, the composition pursuant to the Board of Commissioners' Decree No. BOC/SK/VI/2016-05 dated 21 June 2016, effective on 22 June 2016, was as follows:

- **Chairman:** Alfonso Napitupulu (Independent Commissioner)
- **Members:**
 - Andrew Adiwijanto
 - Priyambodo

With regard to the appointment of Andrew Adiwijanto as a member of the BOD, the composition of the Nomination and Remuneration Committee was changed pursuant to the Board of Commissioners' Decree No. BOC/VI/2017-0103 dated 2 June 2017, effective on the same date, to:

- **Chairman:** Alfonso Napitupulu (Independent Commissioner)
- **Members:**
 - Sunata Tjiterosampurno (Commissioner)
 - Priyambodo

NOMINATION AND REMUNERATION COMMITTEE MEMBERS' PROFILES

The profiles of all Nomination and Remuneration Committee members are presented in the Company Profile chapter (page 64).

The educational backgrounds and expertise of the Nomination and Remuneration Committee members are presented in Table 121.

- Good Corporate Governance Report
- General Meeting of Shareholders
- Board of Commissioners
- Board of Directors
- Sharia Supervisory Board
- Audit Committee
- Risk Management Committee

- Corporate Secretary
- Internal Audit
- External Audit
- Risk Management
- Internal Control System
- Compliance
- 2017 Legal Cases

- Investor Relations
- Code of Conduct and Corporate Culture
- Anti-Corruption Policies
- Whistleblowing System
- Corporate Action
- Stock Options
- Transparency of Financial and Non-Financial Conditions Not Disclosed in the Report

NOMINATION AND REMUNERATION COMMITTEE MEMBERS' TERM OF OFFICE

The term of office of the Nomination and Remuneration Committee members shall not exceed the term of office of the BOC, pursuant to the articles of association, and a member may only be re-elected for one subsequent term. The term of office of the Nomination and Remuneration Committee members as of 31 December 2017 is presented in Table 121.

Table 121: Profile and Term of Office of the Nomination and Remuneration Committee

NAME	POSITION	EDUCATIONAL BACKGROUND AND EXPERTISE	DATE AND BASIS OF APPOINTMENT	TERM OF OFFICE
Alfonso Napitupulu	Independent Commissioner concurrent the Chairman of the Nomination and Remuneration Committee	Law, Legal Consultant	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
Andrew Adiwijanto*	Member	Electrical Engineering, Human Capital Management, Operations and Marketing	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
Sunata Tjiterosampurno*	Commissioner concurrent Member	Business Administration, Finance, Equity Research, Investment Banking, Audit, Risk Management, Risk Monitoring	Board of Commissioners' Decision Letter No. BOC/VI/2017-0103 dated 2 June 2017	2017-2021
Priyambodo	Member	Accounting, Human Capital Management	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

* Andrew Adiwijanto was no longer a Member of the Nomination and Remuneration Committee and has been replaced by Sunata Tjiterosampurno pursuant to the Board of Commissioners' Decision Letter No. BOC/VI/2017-0103 dated 2 June 2017

NOMINATION AND REMUNERATION COMMITTEE INDEPENDENCE

The Nomination and Remuneration Committee shall be independent in performing its duties, and is responsible to the BOC. The independence of each Nomination and Remuneration Committee member is stated in Table 122.

Table 122: Nomination and Remuneration Committee Independence

DESCRIPTION	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
Alfonso Napitupulu	-	√	-	√	-	√	-	√	-	√	-	√
Andrew Adiwijanto*	-	√	-	√	-	√	-	√	-	√	-	√
Sunata Tjiterosampurno*	-	√	-	√	√	-	-	√	-	√	-	√
Priyambodo	-	√	-	√	-	√	-	√	-	√	-	√

* Andrew Adiwijanto was no longer a Member of the Nomination and Remuneration Committee and has been replaced by Sunata Tjiterosampurno pursuant to the Board of Commissioners' Decision Letter No. BOC/VI/2017-0103 dated 2 June 2017

NOMINATION AND REMUNERATION COMMITTEE POLICIES AND REMUNERATION

Each member of the Nomination and Remuneration Committee is prohibited from gaining personal advantage, directly or indirectly, from BFI Finance's business activities, other than their legitimate salary. Members of the BOC that also serve as chairman or members of the Nomination and Remuneration Committee are not given any additional salary on top of their salary as members of the BOC.

NOMINATION AND REMUNERATION COMMITTEE WORK PROCESSES AND PROCEDURES

1. In performing the nomination function as referred to in point 2(a) of the Nomination and Remuneration Committee Guideline, the committee shall perform the following procedures:
 - a. Compile the composition and nomination processes for members of the BOD and/or the BOC;
 - b. Develop the required policies and criteria in the nomination processes of candidates for the members of the BOD and/or the BOC;
 - c. Assist the performance evaluation of members of the BOD and/or the BOC;
 - d. Prepare capacity-building programs for the members of the BOD and/or the BOC; and
 - e. Examine and propose qualified candidates as members of the BOD and/or the BOC to the BOC to be submitted to the GMS.

2. In performing the remuneration function as referred to in point 2(b) of the Nomination and Remuneration Committee Guideline, the committee shall perform the following procedures:
 - a. Establish remuneration structure for members of the BOD and/or the BOC;
 - b. Develop remuneration policy for members of the BOD and/or the BOC;
 - c. Establish remuneration amount for members of the BOD and/or the BOC.
3. The Nomination and Remuneration Committee in carrying out its duties and responsibilities related to remuneration policy shall ensure that the remuneration policy is in accordance with:
 - a. The applicable remuneration in the industry;
 - b. Duties, responsibilities, and authority of members of the BOD and/or the BOC in relation to the performance and achievement of the Company's goals;
 - c. Performance targets or performance of each member of the BOD and/or the BOC; and
 - d. Balance between the fixed component and the variable component of remuneration.

The structure, policies, and amount of remuneration shall be evaluated by the Nomination and Remuneration Committee at least once a year.

NOMINATION AND REMUNERATION COMMITTEE MEETINGS

The meetings of the Nomination and Remuneration Committee shall be held regularly, at least once in every four months. Meetings can only be held if attended by the majority of the Nomination and Remuneration Committee members, and if one of the attended members is the Committee Chairman.

The decisions of the Nomination and Remuneration Committee meetings shall be reached by deliberation and consensus. Should the deliberation fail to reach a consensus, decisions shall be made based on majority vote. If there is no majority vote, decisions shall be made through a mechanism stipulated in the Nomination and Remuneration Committee Guideline. In the event of disagreement, the difference of opinion and its reasons shall be recorded in the minutes of meeting.

Results of the Nomination and Remuneration Committee meetings shall be recorded and documented in minutes of meetings, which subsequently shall be submitted in writing to the BOC.

Throughout 2017, the Nomination and Remuneration Committee held 4 meetings. The results of the meetings were reported to the BOC in the meeting with the BOC. The meeting schedule and members' attendance are presented in Table 123, whereas the agenda of the meetings of the Nomination and Remuneration Committee in 2017 are presented in Table 124.

GOOD CORPORATE GOVERNANCE

- Good Corporate Governance Report
- General Meeting of Shareholders
- Board of Commissioners
- Board of Directors
- Sharia Supervisory Board
- Audit Committee
- Risk Management Committee

Nomination and Remuneration Committee

- Corporate Secretary
- Internal Audit
- External Audit
- Risk Management
- Internal Control System
- Compliance
- 2017 Legal Cases

- Access to Information and Communication
- Investor Relations
- Code of Conduct and Corporate Culture
- Anti-Corruption Policies
- Whistleblowing System
- Corporate Action
- Stock Options
- Transparency of Financial and Non-Financial Conditions Not Disclosed in the Report

Table 123: Schedule and Attendance of the Nomination and Remuneration Committee Meeting

DATE OF MEETING	ALFONSO NAPITUPULU	ANDREW ADIWIJANTO*	SUNATA TJITEROSAMPURNO*	PRIYAMBODO
16 February 2017	√	√	-	√
17 April 2017	√	√	-	√
20 July 2017	√	-	√	√
25 October 2017	√	-	√	√
Total Attendance of Each Member	4	2	2	4
Attendance Percentage of Each Member	100%	100%	100%	100%

* Andrew Adiwijanto was no longer a Member of the Nomination and Remuneration Committee and has been replaced by Sunata Tjiterosampurno pursuant to the Board of Commissioners' Decision Letter No. BOC/VI/2017-0103 dated 2 June 2017

Table 124: Nomination and Remuneration Committee Meeting Agenda

DATE	MEETING AGENDA
16 February 2017	Discussion on salaries, benefits and/or tantieme for the BOC and the BOD
17 April 2017	Discussion on recommendations for prospective members of the BOC and discussion on reappointments of members of the BOD and the BOC
20 July 2017	Discussion on the remuneration policy that applies to the BOD and the BOC
25 October 2017	Discussion on budget increase in salaries and employee benefits

ACTIVITIES REPORTING SYSTEM

The Nomination and Remuneration Committee shall report the performance of its duties, responsibilities, as well as the nomination and remuneration procedures, to the BOC as part of the BOC' duties performance report which shall be submitted to the GMS. The nomination and remuneration functions' implementation shall be reported by the Company in its Annual Report and website.

NOMINATION AND REMUNERATION COMMITTEE'S 2017 PROGRAM IMPLEMENTATION REPORT

In 2017, the Nomination and Remuneration Committee performed the following duties and responsibilities:

1. Reviewed the curriculum vitae and competence of candidates for members of the BOC members and other committees, and provided recommendations to the BOC, to be proposed to the GMS; and
2. Evaluated the recommendations of the BOD on remuneration for members of the BOD, the BOC, and other committees, to be submitted to the BOC.

CORPORATE SECRETARY

LEGAL BASIS AND MAIN TASKS

BFI Finance has a Corporate Secretary function to serve as a liaison officer in facilitating effective communication with the Shareholders, OJK, and other stakeholders, including investors.

In accordance with POJK No. 35/POJK.04/2014 on Corporate Secretaries of Issuers or Public Companies (POJK 35), the Corporate Secretary is responsible for the implementation of GCG, the preparation of management reports as well as other secretarial activities, legal handling, public relations, quality management system, and information management system. Any information disclosed by the Corporate Secretary to the public is considered as official information from BFI Finance.

BFI Finance's Corporate Secretary was established pursuant to the Board of Directors' Decree No. Corp/CH/L/VII/07-0115 dated 9 July 2007 with reference to POJK 35. The Corporate Secretary is appointed and dismissed by the decision of the BOD.

Corporate Secretary is an individual position that is also in charge of other work units that carry out Corporate Secretary's functions, such as:

- Corporate Secretariat Department, led by the Corporate Secretariat Head;
- Investor Relations Department, led by the Investor Relations Head;
- Corporate Communication & CSR Department, led by the Corporate Communication & CSR Head.

CORPORATE SECRETARY POSITION

The Corporate Secretary shall be appointed and dismissed by the decision of the BOD. The position of Corporate Secretary may be held concurrently by a member of the BOD. The Corporate Secretary shall not hold any other position in other issuers or public companies.

In the event of a vacancy in the Corporate Secretary position, BFI Finance shall appoint a replacement within at most 60 days after the vacancy. During the vacancy period, the Corporate Secretary position shall be held concurrently by a member of the BOD or another individual appointed as the interim Corporate Secretary, regardless of the provisions on Corporate Secretary stipulated in POJK 35.

Throughout 2017, the Corporate Secretary was domiciled in Indonesia.

CORPORATE SECRETARY REQUIREMENTS

Requirements for the Corporate Secretary position are as follows:

- Legally competent;
- Possess knowledge and understanding in the fields of law, finance, and corporate governance;
- Understand the Company's operations;
- Able to communicate well; and
- Domiciled in Indonesia.

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Corporate Secretary pursuant to POJK 35 are as follows:

1. Follow the development of the capital market, particularly regarding applicable laws and regulations in the capital market and inform them to the BOC, BOD, and other stakeholders of the Company;
2. Provide input to the BOD and the BOC of the Company to ensure their compliance with applicable laws and regulations in the capital market;
3. Assist the BOD and the BOC in the implementation of GCG, which includes:

- Good Corporate Governance Report
- General Meeting of Shareholders
- Board of Commissioners
- Board of Directors
- Sharia Supervisory Board
- Audit Committee
- Risk Management Committee

- Nomination and Remuneration Committee
- **Corporate Secretary**
- Internal Audit
- External Audit
- Risk Management
- Internal Control System
- Compliance
- 2017 Legal Cases

- Access to Information and Communication
- Investor Relations
- Code of Conduct and Corporate Culture
- Anti-Corruption Policies
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- Transparency of Financial and Non-Financial Conditions Not Disclosed in the Report

- a. Information disclosure to the public, including ensuring the information availability on the website;
 - b. Timely report submission to OJK, IDX, and other regulatory institutions;
 - c. GMS and the documentation thereof, including preparation (reporting of GMS plan, announcement, distribution of summons, and GMS resolutions submission), GMS material preparation (including the Company's Annual Report), and GMS execution;
 - d. Arrangement and documentation of the BOD and the BOC meetings; and
 - e. Organization of the Company's induction program for new members of the BOD and the BOC as well as other Committees under the BOC;
4. Act as a liaison officer between the Company and its shareholders, OJK, and other stakeholders.

CORPORATE SECRETARY PROFILE

The Corporate Secretary as of 31 December 2017 was held by Sudjono, an Indonesian citizen born in 1970 (47 years old). He was appointed pursuant to the Board of Directors' Decree No. BOD-BOC/VI/2014-0011 dated 24 June 2014. He is also a member of the BOD, serving as the Finance Director. His profile is presented in the BOD's Profiles section in the Company Profile chapter (page 58).

COMPETENCE ENHANCEMENT AND TRAINING PROGRAMS

Throughout 2017, Sudjono, who concurrently held the position of Corporate Secretary and Finance Director, participated in various seminars and training programs, as described in Table 112 in the Corporate Governance chapter.

REPORT OF CORPORATE SECRETARY ACTIVITIES IN 2017

Throughout 2017, the Corporate Secretary successfully executed the following duties and responsibilities:

1. Provided input to the BOD and the BOC regarding capital market developments, including new regulations in the capital market issued by OJK and IDX;
2. Maintained rapport with Capital Market Authority and prepared reports on the Company's information disclosure pursuant to the applicable laws and regulations;
3. Published the Company's information transparently, which included information disclosure report on the GMS, periodic financial statements, annual report, sustainability report, public expose, share registration statements, ad-hoc reports related to new development plans, as well as provided necessary information to shareholders;
4. Sent notices and prepared all matters related to GMS and published the results;

5. Coordinated and administered share ownership records and corporate actions;
6. Prepared the Annual Report and Sustainability Report, either individually or collectively;
7. Implemented various community development (CSR) programs and activities, externally or internally, through the CSR Unit in coordination with the Corporate Communication Department;
8. Maintained rapport with the media and other information channels;
9. Coordinated the Company's meetings, such as the GMS, meetings of the BOC, meetings of the BOD, joint meetings of the BOC and the BOD, meetings of the Committees under the BOC, and public exposes;
10. Prepared minutes of meetings, such as the GMS, meetings of the BOC, meetings of the BOD, joint meetings of the BOC and the BOD, meetings of the Committees under the BOC, and public exposes;
11. Coordinated corporate actions, such as:
 - Share buyback;
 - Bonds issuance.
12. Corresponded with OJK (82 times) and with IDX (88 times).

INTERNAL AUDIT

LEGAL BASIS & MAIN TASKS

In accordance with OJK Regulation No. 56/POJK.04/2015 on the Establishment and Guidelines for the Preparation of Internal Audit Charter (POJK 56), the function of Internal Audit in the Company is to provide assurance as well as independent and objective internal consultations for the Company.

In reference to POJK 56, the Internal Audit function within the Company is implemented through the establishment of Internal Audit Department, whose objectives are to increase value and improve the Company's operations systematically by evaluating and improving the effectiveness of risk management, control system, and corporate governance processes.

INTERNAL AUDIT CHARTER

On 1 March 2009, the Internal Audit Department of the Company enacted its Internal Audit Charter, which provides work guidelines for the Internal Audit Department in carrying out the tasks and mandate given by the Company's BOD. The Internal Audit Charter also states other matters related to the technical, operational, and ethical aspects of each member of the Internal Audit Department.

STRUCTURE AND POSITION

The Internal Audit Department was established on 31 March 2010, pursuant to the Appointment Letter of Members of the Company's Internal Audit Department. The Internal Audit Department is directly responsible to the President Director and has a direct access to the Audit Committee to ensure an independent execution of its tasks and to facilitate consultation on the inspection process plan.

The Internal Audit Department carries out an important mission in the governance structure of BFI Finance, acting as an independent institution in carrying out its duties and responsibilities to improve the Company's operational processes. In performing its activities, the Internal Audit Department coordinates and cooperates with the Audit Committee, which is structurally responsible to the BOC.

The Internal Audit Department is headed by a Department Head and shall consist of at least ten members, all recruited from the Company's internal resources. Therefore, all of the Internal Audit Department staff shall be subjected to the applicable Company regulations, including the appointment and dismissal procedures and the performance appraisal of Internal Audit members.

The Internal Audit Head is appointed and dismissed by the President Director with the approval of the BOC. Should the Internal Audit Head fail to qualify as an Internal Auditor and/or prove to be incompetent in performing their duties, the President Director may dismiss them after obtaining the approval from the BOC. The Internal Auditors of the Company are directly responsible to the Internal Audit Head.

As of 31 December 2017, there were 184 employees (internal auditors) in the Internal Audit Department, composed of:

- 36 General Auditors;
- 129 Field Auditors; and
- 19 Head Office Auditors.

The Company's internal auditors participated in various competency training and development programs to improve their performance and the Internal Audit Department's as a whole. In 2017, the Company carried out various competency improvement trainings which included advanced trainings for auditors, Management Trainee Program (MTP), Leadership Development Program (LDP), and auditor assessments. Until the end of 2017, there were no internal auditors with certification or professional qualification in the internal audit field.

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- Board of Directors
- Sharia Supervisory Board
- Audit Committee
- Risk Management Committee

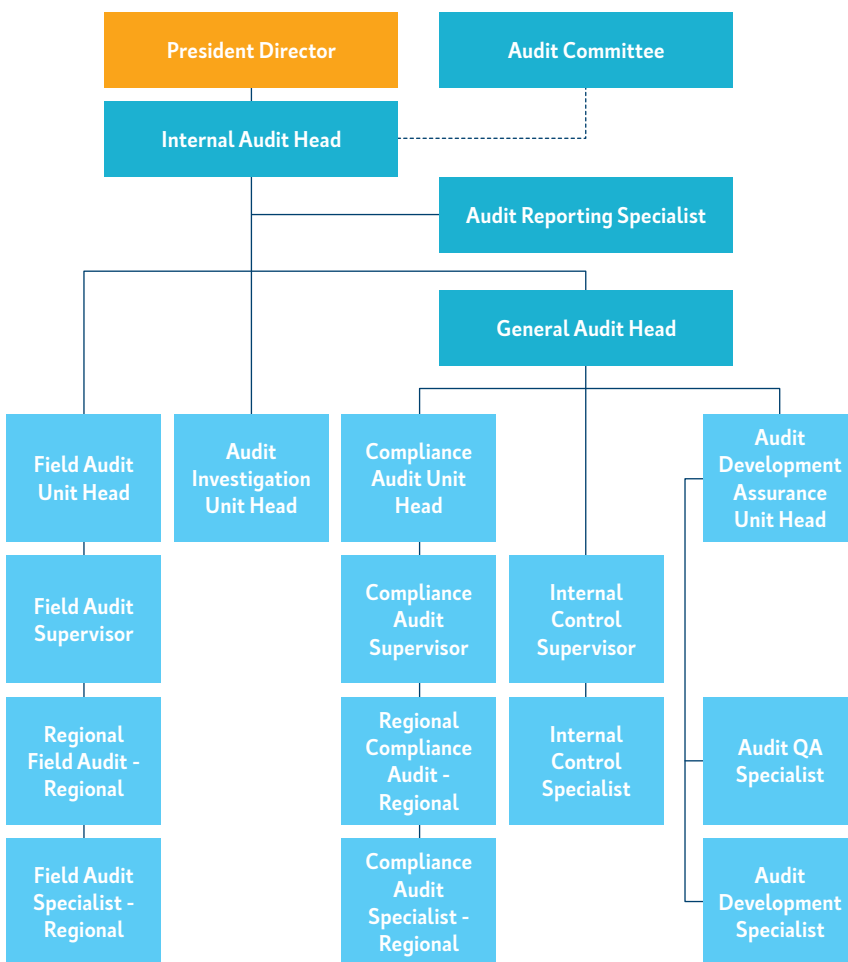
- Nomination and Remuneration Committee
- Corporate Secretary
- Internal Audit
- External Audit
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In 2017, the organizational structure of the Internal Audit Department was refined, with the addition of several new work functions, as follows:

- Internal Control Unit
- Audit Investigation Unit
- Audit Assurance & Development Unit

Graphic 23: Internal Audit Department Organization Structure



DUTIES AND RESPONSIBILITIES

As stated in the Internal Audit Charter, the duties and responsibilities of the Internal Audit Department are 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, IT, 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 BOC;
6. Monitor, analyze, and report the implementation of suggested follow-up actions;
7. Cooperate with the Audit Committee;
8. Prepare programs to evaluate the quality of the Internal Audit’s activities;
9. Conduct special audits/ investigations if necessary; and
10. Prepare the audit result scoring for each branch office in order to evaluate the level of compliance of each branch with the regulations, policies, and other prevailing regulations.

In performing its duties, the Internal Audit Department has the authority to:

1. Access all relevant information on the Company related to its tasks and functions;
2. Directly communicate with the BOD, the BOC, and/or the Audit Committee, as well as members of the BOD, the BOC, and/or the Audit Committee;
3. Hold regular and ad-hoc meetings with the BOD, the BOC, and/or the Audit Committee; and
4. Coordinate its activities with the activities of the external auditor.

INTERNAL AUDIT ACTIVITY STANDARDS

In fulfilling its roles and responsibilities, the Internal Audit Department independently conducts audit in all branch offices as well as in the head office. Internal Audit conducts audit of financial aspects and monitors the compliance of audited parties with the Company's policies and SOP, as well as evaluates the effectiveness of the Company's internal control system.

The internal audit process adopts the Risk-Based Audit concept, focusing on areas with the greatest risks as determined by the Risk Management Committee in accordance with the input from the Audit Committee. Any findings of detrimental events are reported by the Internal Audit Department to the Risk Management Committee and the Audit Committee.

The Internal Audit Department upholds independence and objectivity in performing its duties and responsibilities. The Internal Audit Department shall plan, implement, and report its audit assignments in an unrestricted and independent manner, without the influence of any interests in accordance with professionalism assessment and applicable audit standards based on the available facts and evidence. To ensure the independence and objectivity of the Internal Audit Department, all members of the Internal Audit Department shall not accept any assignments and shall not take any operational responsibilities in any work units or business functions. When encountering cases that could potentially undermine its independence and objectivity, the Internal Audit Department is required to report them to the President Director.

INTERNAL AUDIT QUALIFICATIONS

In general, the required qualifications for members of the Internal Audit Department in carrying out their duties and responsibilities include:

- Able to plan, schedule, and conduct annual audits of performance and data of the systems and operations at the head office and branch offices;
- Able to develop work systems, procedures, and service standards of each unit in the Internal Audit Department;
- Able to analyze internal control work processes at the head office and branch offices;
- Able to conduct information research on the Company's latest provisions and regulations related to the audit scope and implementation;
- Able to coordinate with other departments and working units in the Company to obtain solutions, explanations, and input regarding any matters or findings;
- Able to prepare audit-finding reports, analyze findings, and provide recommendations for improvements, as well as impose sanctions when necessary; and
- Able to report important findings requiring immediate follow-up actions to the Internal Audit Head.

The required qualifications for the position of Internal Audit Head are as follows:

- Able to plan and monitor Internal Audit Department's productivity;

- Able to analyze evaluation results and ensure the availability of high-quality audit reports to be reported to the Audit Committee and the President Director; and
- Able to provide recommendations regarding the audit findings.

INTERNAL AUDIT CODE OF CONDUCT

1. Integrity

Internal Auditors shall establish credibility which manifests in each decision they make.

2. Objectivity

Internal Auditors shall exhibit the highest level of objectivity and professionalism in the collection, evaluation, and distribution of information regarding audited activities or processes. Internal Auditors shall conduct a balanced assessment of all relevant circumstances and shall not be influenced by their personal or other parties' interests in making judgments.

3. Confidentiality

Internal Auditors shall respect the value and ownership of information and data they receive and shall not disclose the information and data without proper approval from the authorized parties.

4. Competency

Internal Auditors shall possess the knowledge, skills, and experience needed in the performance of their functions.

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INTERNAL AUDIT HEAD PROFILE



The Internal Audit Head as of 31 December 2017 is **Fledy Rizmara**.

He is an Indonesian citizen, born in 1980, 37 years of age, domiciled in Jakarta. He was appointed as the Internal Audit Head in 2014, pursuant to the Decree of the Board of Directors No. SK/BOD/VII/14-009 dated 16 July 2014. He started his career in BFI Finance in 2005 as Audit Staff, then became Audit Team Leader in 2007, Audit Supervisor in 2010, General Audit Unit Head in March 2011, and Field Audit Unit Head in August 2011. He received his Bachelor of Economics degree in Accounting from the Indonesian Islamic University (UII) in 2004.

He has completed various training and development programs, among others:

- Basic Principles of Internal Audit by BFI Finance (internal)
- Interview Techniques by BFI Finance (internal)
- Fraud Detection by BFI Finance (internal)
- The Most Powerful Rules in Management by ACADEMIA Education & Training
- Proven Techniques Build Successful Teams by ACADEMIA Education & Training
- Middle-Management Development Program (MMDP) 1st Batch, by

BFI Finance in collaboration with Prasetiya Mulya Business School

- Know Your Customer by BFI Finance (internal)
- Problem Solving & Decision Making by BFI Finance (internal)
- Situational Leadership Training by BFI Finance (internal)
- Fraud Mitigation & Investigation Training by BFI Finance (internal)
- Training of Basic Certification Program – a training program by the Indonesian Financial Services Association (IFSA) for managerial certification ‘Basic Certification in Funding’ from PT Sertifikasi Profesi Pembiayaan Indonesia (SPPI)
- Fraud Investigation Training dissemination session

He has also been active as trainer in various training programs provided by the Company to its employees since 2009.

INTERNAL AUDIT ACTIVITIES IN 2017 AND FOLLOW-UP ON AUDIT FINDINGS

In general, the Internal Audit Department independently and objectively conducts audit activities in the head office and all branch offices. The audit includes financial audit, compliance with policies and SOP audit, and Company’s internal control system effectiveness evaluation.

In 2017, the Company’s internal audit process was enriched by input from the Risk Management Department,

creating a more preventive, instead of corrective, internal audit of commonly encountered cases. Included in the input received were the risk management scoring results of branch offices. The valuable input enabled the risk mitigation and the handling of problems incurred due to risks faced by the Company to be carried out more effectively.

The implementation of Internal Audit activities in 2017 include:

- Drafting the annual audit work programs for 2017 and evaluating the implementation of audit work programs in 2016;
- Conducting audit of work units at the head office and branch offices;
- Monitoring the implementation of audit recommendations which have been agreed upon; and
- Organizing regular meetings with the Audit Committee to discuss the Internal Audit work programs and other matters related to important findings that require the management’s attention in accordance with the oversight function of the Audit Committee.

In 2017, the Internal Audit Department conducted 183 audits in 215 branch offices and 6 audits in the head office. Throughout 2017, the internal audit processes were carried out effectively. The management has consistently responded to the findings and in the event of fraud, the Company enforced penalties applied incrementally, from reimbursement of losses to termination of employment. In 2017, the Company’s total financial loss was below 1% of its revenue.

EXTERNAL AUDIT

EXTERNAL AUDIT OF THE COMPANY'S FINANCIAL STATEMENTS IS CONDUCTED EVERY YEAR BY A THIRD PARTY APPOINTED BY THE COMPANY,

i.e. the External Auditor, 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. III.G.7 – No. KEP-347/BL/2012 of 25 June 2012 on the Presentation and Disclosure of Financial Reports of Issuers or Public Companies.

Based on the decision of the Company's AGMS on 25 April 2016, the Company appointed Tanubrata Sutanto Fahmi Bambang & Rekan Public Accounting Firm, a member firm of BDO International Limited global network, as the External Auditor to audit the financial statements of the Company for the financial year of 2017 and authorized the BOC of the Company to determine the honorarium and other requirements for the Public Accounting Firm.

The appointment of the Public Accounting Firm was carried out in accordance with the provisions, in which the Audit Committee conducted review and assessment of a number of public accounting firm candidates, and made a recommendation to the BOC, after receiving the authority from the GMS to appoint the public accounting firm.

The External Auditor appointed by the Company has no affiliations with members of the BOD, the BOC, and the Company's controlling shareholders, in a way that may create a potential conflict of interest and affect the independence of the public accountant and the auditors. The External Auditor has performed their duties in compliance with the professional standards of independent public accountants, employment agreements, and the scope of the audit as previously determined.

AUDIT FEE

The professional audit fee for auditing the Company's Annual Financial Statements for the financial year of 2017 amounted to Rp625 million.

Tanubrata Sutanto Fahmi Bambang & Rekan Public Accounting Firm did not give other services to the Company aside from the aforementioned professional audit service.

COMMUNICATION BETWEEN EXTERNAL AUDITOR AND AUDIT COMMITTEE

To carry out its duties, the External Auditor maintains communication with the Audit Committee through meetings attended by both parties, and the results of the meetings are reported to the BOC via the Audit Committee. The highlights of the discussions in the meetings and the matters requiring the BOC's approval are then presented in the subsequent meeting between the Audit Committee and the BOC.

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Discussions in the Audit Committee's meetings with the External Auditor cover the following topics:

1. Audit plans, including:
 - a. Composition of External Auditor team;
 - b. Audit policies and approach to audit procedures;
 - c. Schedules of audit and of delivery of the audited report;
 - d. Assumptions used in the audit;
2. Audit findings;
3. Auditor's recommendations;
4. Financial report drafts for the financial year ended 31 December 2017; and
5. External Auditor's opinion on the audited financial statements.

Audit result report for the financial statements of the financial year ended 31 December 2017 will be delivered by BOC to the GMS, to be held in 2018.

PUBLIC ACCOUNTING FIRM APPOINTMENT HISTORY

Public accountant firms appointed as External Auditors for the Company in the past five years (2013-2017) are as follows:

Table 125: Public Accounting Firms And Accountants

PERIOD	PUBLIC ACCOUNTING FIRM	ACCOUNTANT NAME	OPINION
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
2017	Tanubrata Sutanto Fahmi Bambang & Partners	Susanto Bong	Unqualified

RISK MANAGEMENT

RISK MANAGEMENT IS A CRITICAL COMPONENT IN ESTABLISHING A GCG. A comprehensive implementation of GCG principles in risk management is aimed to support the company's financial and operational performance optimization.

RISK MANAGEMENT IMPLEMENTATION

In line with an increasingly dynamic business climate, the Company faces growing and complex risks. This condition becomes a challenge for the Company to always apply a comprehensive and effective risk management to achieve optimum Company's performance. The Company gives its full attention to the processes of identifying, measuring, monitoring, and controlling risks in every decision-making.

The Company's risk management implementation is based on, among others, OJK Regulation (POJK) No.1/POJK.05/2015 on Risk Management Implementation for Non-Bank Financial Service Institutions, OJK Circular (SEOJK) No.15/SEOJK.05/2016 on Good Corporate Governance Implementation, and SEOJK No.1/SEOJK.05/2016 on Financial Soundness of Finance Companies.

In accordance with the aforementioned POJK and SEOJKs, the implementation of risk management system in the Company includes:

1. Active supervision of BOD and BOC;
2. Adequacy of policies, procedures, and risk limit setting;
3. Adequacy of identification, measuring, monitoring, and risk control processes;
4. Risk MIS; and
5. Comprehensive internal control system.

Active Supervision of BOD and BOC

BOD and BOC play active roles in the Company's risk management activities. BOD carries out monitoring and controlling roles for every risk type, while BOC is responsible for actively overseeing BOD, including to regularly check the Company's risk profile report. In carrying out its supervisory function, BOC is supported by Risk Management Committee, Audit Committee, and Nomination and Remuneration Committee.

As the highest unit at the BOC level in terms of risk management authority, Risk Management Committee is responsible for approving the

framework and risk management policies as well as ensuring their implementation throughout the Company. Risk Management Committee gives authority to the BOD, including the Company's Risk Director, in carrying out its risk management duties and responsibilities as well as giving authority to the President Director and Director to approve or recommend business activities.

Risk Management Committee holds quarterly meetings for coordination, evaluation, and analyzing portfolio (credit risks), operational risks, business strategy risks, funding risks, governance risks, the Company's asset management and liabilities risks, as well as management risks.

The Company's risk supervision structure can be seen in the following chart and explanations.

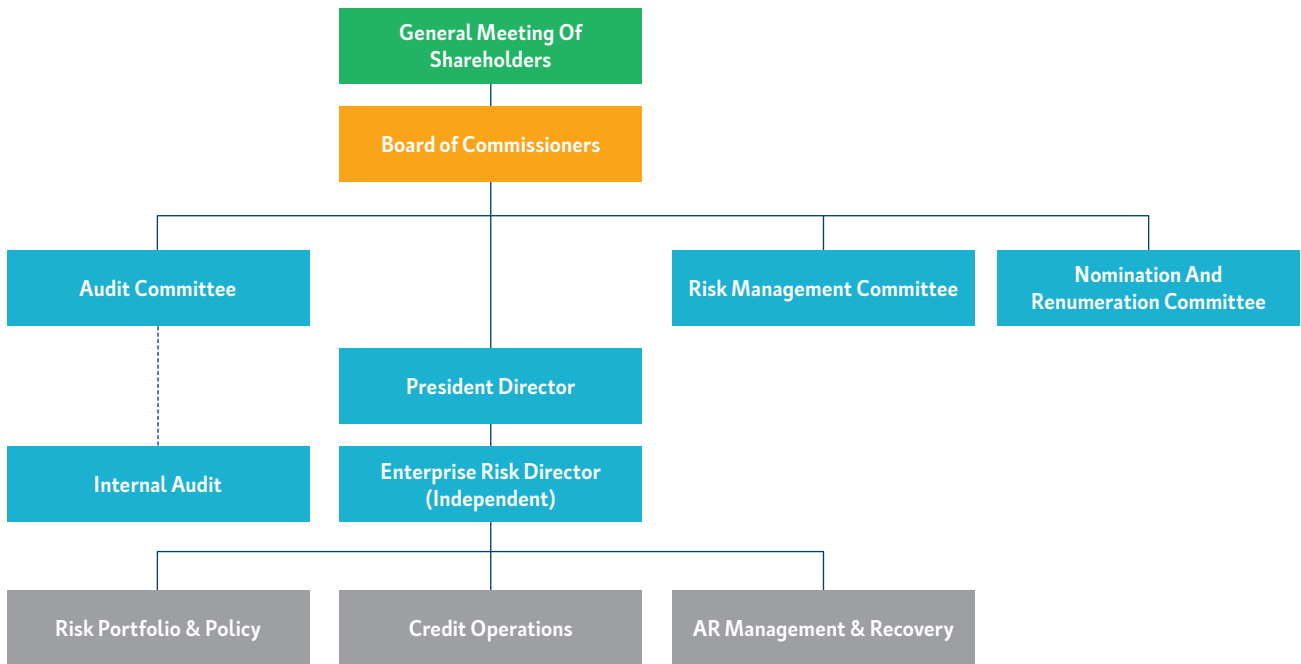
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Graphic 24: Risk Management Structure



RISK MANAGEMENT STRUCTURE

Enterprise Risk Director is responsible for formulating comprehensive policies, strategies, and risk management frameworks, in line with the Company’s business strategies; establishing risk management’s implementation procedures; and ensuring the realization of an organization structure that supports effective risk management. Risk Management Directorate is responsible for monitoring risks related to credit, operations, finance, compliance to rules, and reputations.

Adequacy of Policies, Procedures, and Risk Limit Setting

The Company has formulated policies related to risk management that are checked regularly and are always adapted to business situations, business strategies, and the latest regulations. These policies include agreement or authorization limit for credit transactions and non-transactions that are reviewed regularly, to ensure that the Company’s business activities do not result in potential losses which exceed the Company’s ability or disrupt the Company’s operation continuity. The policies are adapted into internal SOP and Decision Letters which are then disseminated to all employees. The Company’s allowance for doubtful

accounts policy is also in line with the allowance policy which is based on the applicable accountancy principles and in line with the applicable OJK policies.

Adequacy of Identification, Measuring, Monitoring, and Risk Control Processes

The Company has the tools to identify, measure, and oversee risks, especially credit risks. Various on-point mechanisms continue to be developed to ensure a comprehensive risk control, starting from determining the consumers’ segment profiles to the settlement of consumers’ obligations.

Risk MIS

The Company owns an integrated, centralized MIS to support the implementation of risk management, especially to give information on portfolio performance in various levels and segments in relation to credit risk management. The solid MIS with Data Warehouse platform provides detailed information regarding portfolio concentration, customers' behaviors, and performance which can be utilized to detect initial risks and steps to improve and anticipate the risks can be carried out on time. The Company's MIS includes:

1. Information collecting-to-reporting system (dashboard);
2. Early Warning System (EWS) integration;
3. Risk-management-based KPI.

Comprehensive Internal Control System

The framework of Risk Management's Internal Risk Control System is based on the Three Lines of Defense, consisting of supervisory, 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, assessing, overseeing, and mitigating risks. Their main responsibility is to manage daily risk exposures in accordance with established market targets, policies, and procedures.

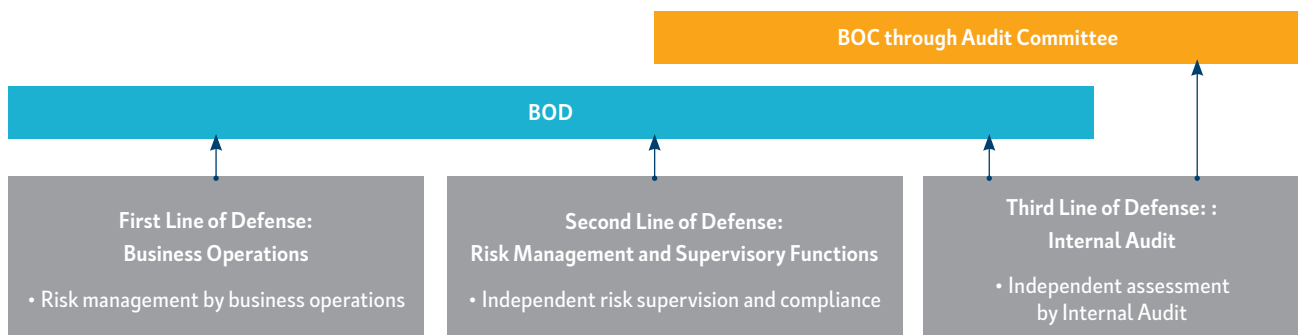
2. Second Line of Defense

Risk Management Directorate, Financial Control Department, as well as Legal and Litigation Department are the main units in

the second line of defense through independent supervisory functions. Risk Management Directorate is responsible for carrying out studies and approval on acceptable risk levels and strategies as well as cooperating with business and operating units in ensuring risk management according to established limits. Legal and Litigation Department manages compliance risks legally and is responsible in ensuring applicable regulations to be disseminated to and obeyed by all related units.

3. Third Line of Defense

To ensure that all business and operating units carry out their roles and responsibilities in accordance with established policies and procedures, Internal Audit Department performs internal audit and assessment for every process carried out by each unit.



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Strong risk-awareness culture in all business levels is another critical component in the implementation of risk management framework within the Company. Initially, risk management principles and values are embraced by BOC and BOD and cascade down to all staff in every department and unit. By understanding risk potentials related to each of their duties, every employee is able to implement policies and procedures designed to mitigate those risks.

The Company conducts a continuous review on regulatory, economic, and competitive market conditions and ensures that the existing policies, systems, and processes are aligned with the best practices and regulatory requirements.

RISK MANAGEMENT GOVERNANCE

The Company has implemented a risk management governance across all levels of the organization, covering all business activities and processes. In its risk management implementation, the Company refers to:

1. The direction and supervision of BOC and BOD;
2. Introduction of risk management as an integral part of the Company's business activities;
3. Establishment of effective risk management structure to address the risks faced by the Company;

4. Appropriate and adequate risk policies, procedures, and limits;
5. Comprehensive data recording system as well as efficient analysis and reporting infrastructure to monitor the effectiveness of all risk management processes; and
6. Establishment of Internal Control System.

RISK PROFILES AND RELATED MITIGATIONS

The Company continues to evaluate its business environment to identify and measure the level of potential risk. As a finance company engaged in the retail business and productive sectors across the country, in accordance with POJK No. 1/POJK.05/2015, the Company classifies the potential risks as follows:

1. Strategic Risk;
2. Operational Risk;
3. Assets and Liabilities Risk;
4. Management Risk;
5. Governance Risk;
6. Funding Risk; and
7. Financing Risk (Credit Risk).

There had not been fundamental changes in the Company's risk profile from 2016 to 2017. The following are the explanations on every principal risk faced by the Company and their mitigation steps.

1. Strategic Risk**Definition**

Strategic risk is defined as the risk arising from the failure of setting the appropriate strategy to achieve the objectives and the main target of the Company.

Risk Mitigation

Strategic risk management is conducted through active supervision from the BOC and the BOD. The BOD is responsible for preparing the Company's business plan, which is then reviewed and approved by the BOC. In preparing it, the following must be taken into consideration:

1. The economic, political, market, and competition conditions and situations faced by the Company in its 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 its tolerance to risks and the direction of business development; and
4. Reviewing that the human capital sector, the competencies, and the Company's infrastructure are adequate in supporting the business strategy.

The Company's strategic plans are regularly evaluated and their developments are reported to the BOC. Should there be a change in the assumptions that require a revision to the work plan, the change will be submitted to the BOC 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 or external processes, which affect the Company's operations, such as financial losses, disruption to the operational activities, regulation problems, and can affect the Company's reputation.

This type of risk is inherent in every Company's products and services, business processes, operational activities, and infrastructure system.

Risk Mitigation

Operational risk management is a shared responsibility of all parts the Company, starting from the BOC and the BOD, to the Company's operational units, branches, and employees. SOPs have been prepared for every work process as internal control attempts to reduce the potentials 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 that protects and prevents operational disruptions and ensures continuity of operational activities in the event that disruptions cause the Company's main system not to be able to function normally. These plans are tested periodically for their preparedness. Data backup, servers, and telecom infrastructures are in Disaster Recovery Center location, outside the Company.

The Company's Audit team is an independent team, responsible for continuously supervising the Company's working process for compliance with the Company's policies and procedures. After review of the audit is completed, the results of these studies and plans to refine them are reported to the BOD and the Audit Committee every three months.

Fraud Risk

Fraud risk is part of the operational risks and significantly affects the Company's performance and reputation. It can also cause the Company to be examined 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 dealing with consumers and other stakeholders. The risk control policies are listed in the policies and procedures that cover a range of activities, including provisions and loan collection, employee recruitment, safeguarding of the Company's assets and information.

The Company has established measures to monitor and mitigate fraud risk, among others:

1. Comprehensive fraud awareness and prevention program, including a thorough violation reporting system so that employees can safely report the act.
2. The early warning fraud indicators will always be monitored by the Operational Audit Unit. A 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 credit performance of new and existing financing. If branch transactions exceed a predetermined threshold, then the branch's credit authority will be frozen until the cause of the deviation has been identified and the correction has been made.

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Policies and Procedures

The Company continues to update and disseminate the SOPs to ensure clear accountability and responsibility for every function within the organization. All SOPs are reviewed independently and published by Policy & Procedure Unit, a part of ORM. The review carried out includes coordination with Legal & 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 in managing the Company’s assets and liabilities. The main focus of the assets and liabilities management is to coordinate an assets portfolio 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

Assets and liabilities risk management includes:

1. Establishment of policies and strategies related to the Company’s assets and liabilities by the Finance and Treasury Department;
2. Data collection and analysis 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 good return rate;
4. Gap management that aims to maximize revenue and minimize liability risk; and
5. Pricing management that ensures 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 BOD and the BOC, or their equivalent, to possess high competence and integrity.

Risk Mitigation

Management risk is managed through the establishment of the management composition (BOD, BOC, and Management) by competent professionals in the management of finance companies.

5. Governance Risk

Definition

Governance risk is the risk that arises from the potential failure in the implementation of the Company’s GCG, improper management style, control

environment, and the behavior of each of the parties involved directly or indirectly with the Company.

Risk Mitigation

The Company’s 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. Independence, that every employee of the Company has independent functions and is not domineering one another; and
5. Equality and fairness, that the Company must keep on paying attention to the interests of the shareholders 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 lack of access to additional fund/capital in facing loss or unexpected fund/capital 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

USD, 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 BOD, 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 Unit, which has direct access and is authorized to access the bank and the money market.

The Company maintains diversified sources of funds consisting of loans in local and foreign currencies, bonds and medium-term securities in rupiah, joint financing with financial institutions in Indonesia, as well as internally generated cash flows. Risks to the exchange rate come 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 of 31 December 2017, all the receivables in the Company's loan portfolio were recorded in rupiah fixed interest rates, meanwhile less than 1% of the Company's debt was also recorded in floating interest rates. All loans in foreign currency were hedged from cashflow fluctuation risks due to currency exchange rate and interest rate.

7. Financing Risk (Credit 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 the growth of geographic, product, consumer, collateral, and industry factors. Credit Risk can also be affected 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 processes including market targets, 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 an MIS that is able to provide portfolio performance information at various levels and segments.

The BOC gives authority for credit approval to the BOD who will then be responsible for forming the Credit Committee, which is required in carrying out the Company's activities. Risk exposures that exceed the authority of the BOD will be presented to the BOC for evaluation and recommendation.

The Company has a policy governing the delegation of credit approval authority. The authority is given to Credit Committee Members. Committee members are selected based on professional qualifications, experience, competence in decision-making and responsibility for their positions.

A solid MIS is in place and provides detailed information on the concentration of the portfolio, customer behavior, and performance. These can be used to detect risks in initial stage

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which allows for improvements to be implemented on time. The Company constantly reviews policies and procedures as well as makes adjustments based on past conditions. The Company regularly conducts stress test to simulate extraordinary external conditions that may be experienced by the Company and assess their potential effects to the deterioration of NPF.

Diversification Policy

A concentration of the Credit Risk may arise if consumers run similar business activities, or business activities in the same area. This can affect their ability to repay the loan on time in deteriorating economic conditions. Therefore, the Company implements the portfolio diversification policy as its business strategy.

The Company’s portfolio is spread evenly across Indonesia. Approximately 55.0% of the receivables are concentrated in Java and Bali, especially in Jakarta. Geographical diversification is driven by the weakening of commodity prices in Sumatera and Kalimantan.

In addition, the Company also diversifies its financing to cover the financing of cars, motorcycles, heavy equipments, machineries, and other equipments as well as property by targeting a vast range of customer segments, as explained in the Management Discussion and Analysis chapter.

Loan Loss Provisions

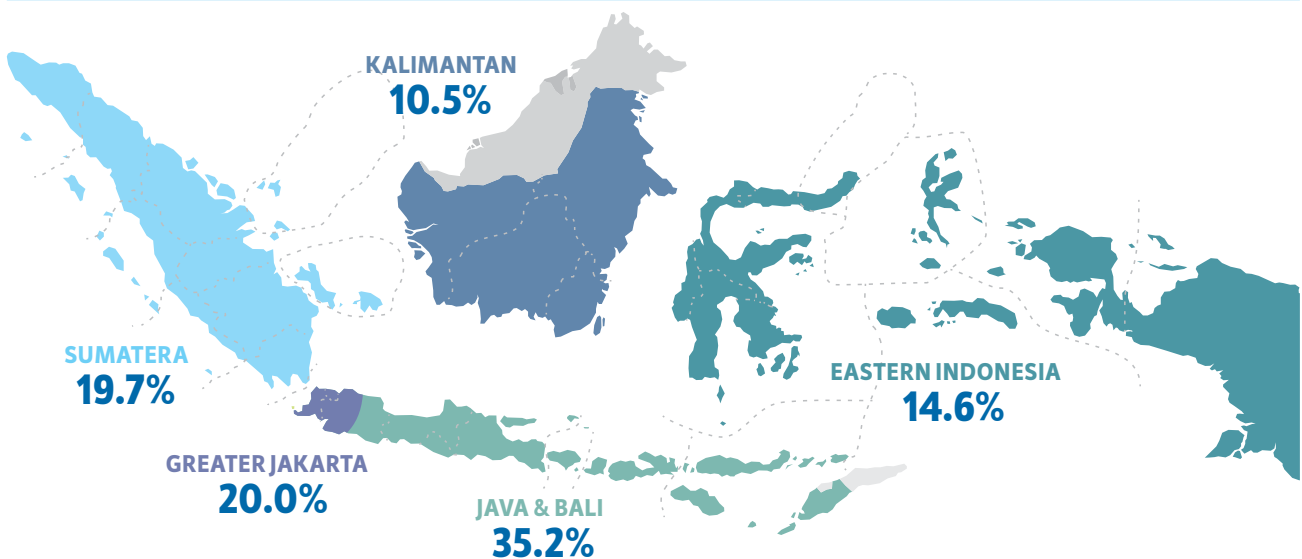
The Company accounts for Loan Loss Provisions in accordance with

the SFAS 55. For the retail segment, the Company uses Probability of Default 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 exposures are evaluated individually.

Graphic 25: Diversification Map Based On Managed Receivables



EVALUATION ON THE EFFECTIVENESS OF RISK MANAGEMENT SYSTEM

The Company periodically evaluates the effectiveness of the risk management system it performs, and carries out the necessary risk mitigation on issues that are deemed to require further improvement and development.

The Risk Management Directorate together with related parties within the Company supervise the Company's risk management activities and the result is reported periodically to the BOC 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 BOC. The Audit Committee has the duty and responsibility to evaluate the Company's internal control policy, supervise its implementation through Internal Audit reports, and provide further recommendations to the BOC.

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, the Company has carried out the evaluation and reported its risk management self-assessment result on 31 December 2017, with the summary of results as follows:

Table 126: Type of Risk

NO.	TYPE OF RISK	ASSESSMENT RESULT
1.	Strategic Risk	Low
2.	Operational Risk	Low to Medium
3.	Assets and Liabilities Risk	Low to Medium
4.	Management Risk	Low
5.	Governance Risk	Low
6.	Funding Risk	Low
7.	Financing Risk (Credit Risk)	Low
Overall		Low

This report has been prepared in accordance with 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, which is a testament to the effective risk management system throughout 2017.

KEY ACHIEVEMENTS OF RISK MANAGEMENT IN 2017

The Company's achievements in 2017 in risk management are as follows:

1. Improvement in financing quality with the utilization of Credit Bureau and the development of Probability of Default estimation method, which is more objective and tested; and
2. Improvement of billing quality with the development of more effective and efficient infrastructures and strategies.

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The financial performance of the Company has continuously resulted in a positive rating from independent credit rating agency, Fitch Ratings.

Fitch Ratings increased the rating of BFI Finance from 'A+(idn)' to 'AA-(idn)' at the end of 2016 and the rating has been successfully maintained until the end of 2017. The increase of BFI Finance National Rating reflects good financial performance and balance sheet in the midst of macroeconomic challenges in Indonesia, as shown in the increase in profitability and capitalization ratio.

The rating also reflects a strong stand-alone profile of the Company as one of the largest independent finance companies in Indonesia. The NPF ratio of BFI Finance (under 1%), remained below average of the financing business industry 2.2%, despite the low-end segment as the Company's target market. Fitch Ratings believes that the Company's strategy to focus on the refinancing business, which is its core competency and the exposure reduction over automobile and heavy equipment financing, would be beneficial for its asset quality in the short to medium term.

2018 RISK MANAGEMENT FOCUS

The Company's risk management strategies throughout 2018 will focus on the business process development based on risk profiles to boost the growth of new businesses (new products in portfolio) by taking into account the principle of prudence. Furthermore, the Company will also focus on increasing billing effectiveness and efficiency based on risk profiles and billing infrastructure development.

In addition, the Company will also prepare reports related to Financial Information Services System (*Sistem Layanan Informasi Keuangan – SLIK*) to OJK as an implementation of the principle of prudence and to conduct stress tests which are more comprehensive and more frequent than the previous years.

All the aforementioned steps are planned to refine the Company's risk management performance, both to predict potential risks and to mitigate actual risks.

INTERNAL CONTROL SYSTEM

THE INTERNAL CONTROL SYSTEM AT BFI FINANCE IS PART OF AN INTEGRATED BUSINESS PROCESS

to ensure that all of the Company's activities are in compliance with and supportive towards achieving the Company's objectives. The internal control system helps the Company to ensure effective and efficient business activities, accurate and reliable financial reporting, and prudent safeguarding of its assets. The implementation of internal control system in the Company is reflected in the financial reporting and business operations, which are continuously aligned with the Articles of Association and the prevailing regulations.

FINANCIAL AND OPERATIONAL CONTROL

In terms of financial control, the Company separates recording function from cash expenditure function. In addition, the budget expenditure approval process is carried out in stages, through the check and re-check process.

In terms of operational control, the Company assesses the compliance level of each function with the relevant policies and procedures. This manifests in the enactment of Guidelines on Business Principles, operational guidelines, procedures, implementation guidelines, work instructions, and other documents of the Company used as reference.

INTERNAL CONTROL SYSTEM COMPONENTS

The internal control system in the Company includes the following components:

1. Control Environment

The BOD and all employees shall create and maintain an overall environment which encourages positive behaviors and supports the internal controls and sound management.

2. Risk Assessment

Each work unit shall identify, analyze, and assess the management of relevant risks that are related to its operational activities, both within and outside the Company.

3. Control Activities

Control shall be implemented in the performance of the Company's activities at all levels and units through arrangements concerning authority, authorization, verification, reconciliation, assessment of job performance, job distribution, and safeguarding of the Company's assets.

4. Information and Communication System

The Company shall maintain reports on the operational activities, financial activities, as well as adherence to and compliance with the prevailing laws and regulations, in a timely, accurate, clear, and objective manner.

5. Monitoring

Monitoring activities shall be carried out to assess the quality of internal control system, including the Internal Audit function in each level and unit within the Company's organization structure.

Overall, the Company runs a tiered control system, which encompasses the following governance bodies within the Company:

- BOC: supervises and provides guidance related to the management process of the Company, financial report preparation, and risk management by applying the precautionary principles;
- BOD: implements policies and work procedures pursuant to the prevailing regulations, among others, in risk management, formulation of the Company's strategic plan, and distribution of roles and responsibilities of each member of the BOD;
- Internal Audit: carries out audit and continuously improves the performance of internal control system in all operational and financial activities of the Company;
- BOD follows up on all audit findings based on the Internal Audit reports; and

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- Audit Committee: assesses the implementation of Internal Audit’s audit activities and results to provide recommendations for improvement to the Internal Control System. The Audit Committee also ensures that a review procedure is in place for all information released by the Company to the public, and identifies matters requiring the attention of the BOC.

EVALUATION ON INTERNAL CONTROL SYSTEM EFFECTIVENESS

Through the Internal Audit Department, the Company evaluated the effectiveness of its internal control system on its financial reporting as of 31 December 2017. In this evaluation, the Internal Audit Department used the criteria previously established by the Audit Committee.

The evaluation on the internal control system resulted in recommendations for

internal and external audit to be used as input for the management in their decision-making to improve the internal control system or other existing policies (change of procedures, work guidelines, etc.), which, in turn, will strengthen and support the Company in achieving its objectives.

The BOC and BOD concluded that as of 31 December 2017, the Company’s internal control system for financial reporting has been performed effectively.

COMPLIANCE



THE EXISTENCE OF COMPLIANCE FUNCTION IN THE COMPANY aims to monitor policies, regulations, systems, procedures, and activities of the Company, as well as to ensure the compliance with applicable regulations. Through a planned and integrated compliance program, the Company is committed to developing a culture of compliance and continues to maintain the effectiveness of risk management efforts.

The Compliance Unit of BFI Finance is managed by the BOD and monitored monthly at the BOD meeting to ascertain

that every head of the Company’s divisions, departments, and units understands and complies with the prevailing regulations. The Compliance Unit is under the direct supervision of the President Director and the Corporate Secretary.

As part of the management of compliance risk, during 2017 the Company participated in compliance training programs held by external institutions in relation to dissemination of new regulations and updates on existing regulations, and also assessed and disseminated new rules and regulations within the Company’s internal environment.

2017 LEGAL CASES

THE COMPANY FACED THE FOLLOWING LITIGATIONS:

NO.	CASE NO.	LEGAL SUBJECT	STATUS
1.	<ul style="list-style-type: none"> Case No. 226PK/Pdt/2010 under Review by the Indonesian Supreme Court, Case No. 613K/Pdt/2008 in the Cassation stage at the Indonesian Supreme Court, 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 Review Appellant I/ Cassation Appellant I/Petitioner I/ Defendant I, Jennifer as Review Appellant II/Cassation Appellant II/Petitioner II/Defendant II, against: PT BFI Finance Indonesia Tbk as Review Appellee/Cassation Appellee/Petitionee/Plaintiff. 	According to the Secretary of the Indonesian Supreme Court's website, application for Review filed by Hendy Ong and Jennifer was rejected by the Indonesian Supreme Court.
2.	<ul style="list-style-type: none"> Case No. 77PK/Pdt/2014 under Review by the Indonesian Supreme Court, Case No. 45/Pdt.G/2004/PN.Bpp at the District Court of Balikpapan. 	PT BFI Finance Indonesia Tbk as Review Appellant/Defendant against Drs. B. Maruli Situmorang as Review Appellee/Plaintiff.	According to the Secretary of the Indonesian Supreme Court's website, application for Review filed by PT BFI Finance Indonesia Tbk was granted by the Indonesian Supreme Court.
3.	<ul style="list-style-type: none"> Case No. 1085K/Pdt/2012 in the Cassation stage at the Indonesian Supreme Court, 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/ Petitionee/Defendant.	According to the Secretary of the Indonesian Supreme Court's website, application for Cassation filed by Djoko Tri Warno was rejected by the Indonesian Supreme Court.
4.	<ul style="list-style-type: none"> Case No. 3186K/Pdt/2013 in the Cassation stage at the Indonesian Supreme Court, 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 Sember. 	Hj. Enok Rubiah as Cassation Appellant/ Petitioner/Plaintiff against PT BFI Finance Indonesia Tbk as Cassation Appellee/ Petitionee/Defendant.	According to the Secretary of the Indonesian Supreme Court's website, application for Cassation filed by Hj. Enok Rubiah was rejected by the Indonesian Supreme Court.
5.	<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 Petitionee/ Defendant.	Edy Setiawan filed for Cassation to the Indonesian Supreme Court via the District Court of Mojokerto, however the Cassation Memory has not been submitted as of yet.
6.	<ul style="list-style-type: none"> Case No. 3249 K/PDT/2016 in the Cassation stage at the Indonesian Supreme Court, Case No. 144/Pdt/2014/PT.DKI at the High Court of DKI Jakarta, Case No. 374/Pdt.G/2012/PN.Jkt.Pst at the District Court of Central Jakarta. 	<ul style="list-style-type: none"> Gusnawati Ayank as Cassation Appellant/ Petitioner/Defendant, against: <ul style="list-style-type: none"> PT BFI Finance Indonesia Tbk as Cassation Appellee/Petitionee/Plaintiff, PT Karya Bungo Pantai Ceria Group as Cassation Co-Appellee/Co-Petitionee/ Co-Defendant. 	According to the Secretary of the Indonesian Supreme Court's website, application for Cassation filed by Gusnawati Ayank was rejected by the Indonesian

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NO.	CASE NO.	LEGAL SUBJECT	STATUS
7.	Case No. 304/Pdt.G/2012/PN.Jkt.Pst at the District Court of Central Jakarta.	PT BFI Finance Indonesia Tbk as Plaintiff, against: <ul style="list-style-type: none"> • Fransiskus Borgias as Defendant I, • Novy Sumadi as Defendant II. 	Fransiskus Borgias filed for Appeal to the High Court of DKI Jakarta via the District Court of Central Jakarta.
8.	<ul style="list-style-type: none"> • Case No. 3375 K/PDT/2016 in the Cassation stage at the Indonesian Supreme Court, • 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 South Jakarta. 	<ul style="list-style-type: none"> • PT Pengelola Investama Mandiri (previously 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, against: <ul style="list-style-type: none"> • Dr. Tommy Sihotang, SH., LLM as Cassation Appellee I/Petitionee I/Plaintiff I, • Dr. Juniver Girsang, SH.,MH as Cassation Appellee II/Petitionee II/Plaintiff II, • IDX as Cassation Co-Appellee I/Co-Petitionee I/Co-Defendant I, • Capital Market Supervisory Agency (Bapepam) as Cassation Co-Appellee II/Co-Petitionee II/Co-Defendant II. 	According to the Secretary of the Indonesian Supreme Court's website, application for Cassation filed by PT Pengelola Investama Mandiri (previously PT Salindo Perdana Finance), PT Koexim Mandiri Finance, PT BFI Finance Indonesia Tbk, PT Equity Development Finance, PT Clipan Finance Indonesia, PT Capitalinc Finance, PT CIMB Niaga Finance Indonesia (previously PT Saseka Gelora Finance) was rejected by the Indonesian Supreme Court.
9.	Case No. 509/Pdt.G/2009/PN.Jkt.Pst at the District Court of Central Jakarta.	PT BFI Finance Indonesia Tbk as Plaintiff against: <ul style="list-style-type: none"> • Hermanto as Defendant I, • Artina Yuni Dhartuty as Defendant II. 	Lalu Eka filed for Appeal to the High Court of DKI Jakarta via the District Court of Central Jakarta.
10.	Case No. 205/Pdt.G/2012/PN.Jkt.Pst at the District Court of Central Jakarta.	PT BFI Finance Indonesia Tbk as Plaintiff against: <ul style="list-style-type: none"> • Hermanto as Defendant I, • Artina Yuni Dhartuty as Defendant II. 	The District Court of Central Jakarta granted the Case filed by PT BFI Finance Indonesia Tbk in absentia. The case is currently in the process of announcing the content of the Verdict by the District Court of Central Jakarta to Hermanto and Artina Yuni Dhartuty.
11.	<ul style="list-style-type: none"> • Case No. 195K/PDT/2015, in the Cassation stage at the Indonesian Supreme Court, • 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/Petitionee/Defendant.	According to the Secretary of the Indonesian Supreme Court's website, application for Cassation filed by Andy Harun was determined as inadmissible by the Indonesian Supreme Court.

NO.	CASE NO.	LEGAL SUBJECT	STATUS
12.	Complaint filed to the Consumer Dispute Resolution Board of the District Government of Batu Bara.	Selamat Suyanto as Complainant against PT BFI Finance Indonesia Tbk as Complainee.	Currently being investigated by the Consumer Dispute Resolution Board of the District Government of Batu Bara.
13.	Complaint filed to the Consumer Dispute Resolution Board of the District Government of Batu Bara.	Ngatiwan as Complainant against PT BFI Finance Indonesia Tbk as Complainee.	Currently being investigated by the Consumer Dispute Resolution Board of the District Government of Batu Bara.
14.	Complaint filed to the Consumer Dispute Resolution Board of the Municipal Government of Tasikmalaya.	Andri Rustiaji as Complainant against PT BFI Finance Indonesia Tbk as Complainee.	Currently being investigated by the Consumer Dispute Resolution Board of the Municipal Government of Tasikmalaya.
15.	Complaint filed to the Consumer Dispute Resolution Board of the District Government of Batu Bara.	Sunarmen as Complainant against PT BFI Finance Indonesia Tbk as Complainee.	Currently being investigated by the Consumer Dispute Resolution Board of the District Government of Batu Bara.
16.	Complaint filed to the Consumer Dispute Resolution Board of the District Government of Batu Bara.	Titik Murda Ningsih as Complainant against PT BFI Finance Indonesia Tbk as Complainee.	Currently being investigated by the Consumer Dispute Resolution Board of the District Government of Batu Bara.
17.	Complaint filed to the Consumer Dispute Resolution Board of the District Government of Batu Bara.	Trimo as Complainant against PT BFI Finance Indonesia Tbk as Complainee.	Currently being investigated by the Consumer Dispute Resolution Board of the District Government of Batu Bara.
18.	<ul style="list-style-type: none"> Case No. 822 K/PDT.SUS-BPSK/2016 in the Cassation stage at the Indonesian Supreme Court, Case No. 24/PDT.Sus/2016/PN-Tbt at the District Court of Tebing Tinggi. Complaint filed to the Consumer Dispute Resolution Board of the Municipal Government of Tebing Tinggi. 	Jhon Saputra as Cassation Appellant/ Appellee/Complainant against PT BFI Finance Indonesia Tbk as Cassation Appellee/ Appellant/Complainee.	According to the Secretary of the Indonesian Supreme Court's website, application for Cassation filed by Jhon Saputra was rejected by the Indonesian Supreme Court.
19.	<ul style="list-style-type: none"> Case No. 507 K/PDT.Sus-BPSK/2016 in the Cassation stage at the Indonesian Supreme Court, Case No. 2/Pdt.Sus/2016/PN.Tbt at the District Court of Tebing Tinggi, Complaint filed to the Consumer Dispute Resolution Board of the Municipal Government of Tebing Tinggi. 	Siti Khairani Nasution (partner of and heir to Junaidi Pramana Windu) as Cassation Appellant/Appellee/Complainant against PT BFI Finance Indonesia Tbk as Cassation Appellee/Appellant/Complainee.	According to the Secretary of the Indonesian Supreme Court's website, application for Cassation filed by Siti Khairani Nasution was rejected by the Indonesian Supreme Court.
20.	<ul style="list-style-type: none"> Case No. 11 K/Pdt.Sus-BPSK/2016 in the Cassation stage at the Indonesian Supreme Court, Case No. 19/Pdt/2015/PN.Dum at the District Court of Dumai, Complaint filed to the Consumer Dispute Resolution Board of the Municipal Government of Pekanbaru. 	<ul style="list-style-type: none"> PT Asuransi Wahana Tata as Cassation Appellant/Plaintiff in Opposition/ Complainee I, PT BFI Finance Indonesia Tbk as Cassation Co-Appellee/ Co-Respondent in Opposition/Complainee II against: Sukatni as Cassation Appellee/Respondent in Opposition/Complainant.	According to the Secretary of the Indonesian Supreme Court's website, application for Cassation filed by PT Asuransi Wahana Tata was granted by the Indonesian Supreme Court.
21.	Case No. 29/Pdt.G/2015/PN.Spt at the District Court of Sampit.	Miftahul Muntaha as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant.	Currently under investigation by the District Court of Sampit.
22.	<ul style="list-style-type: none"> Case No. 309 K/PDT/2017 in the Cassation stage at the Indonesian Supreme Court. 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. 	<ul style="list-style-type: none"> Tom Donnie as Cassation Appellant/ Petitioner/Plaintiff against: Sunkie alias Asen as Cassation Appellee I/ Petitionee I/Defendant I, PT BFI Finance Indonesia Tbk as Cassation Appellee II/Petitionee II/Defendant II, Dewi as Cassation Co-Appellee/Co-Petitionee/ Co-Defendant. 	According to the Secretary of the Indonesian Supreme Court's website, application for Cassation filed by Tom Donnie was rejected by the Indonesian Supreme Court.

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NO.	CASE NO.	LEGAL SUBJECT	STATUS
23.	<ul style="list-style-type: none"> • Case No. 1547 K/PDT/2017 in the Cassation stage at the Indonesian Supreme Court. • Case No. 418/PDT/2016/PT SBY • Case No. 53/Pdt.G/2015/PN.Bl 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, against: <ul style="list-style-type: none"> • Cucuk Yuwono as Cassation Appellee I/Petitionee I/Plaintiff I, • Tina Sugiarti as Cassation Appellee II/Petitionee II/Plaintiff II. 	According to the Secretary of the Indonesian Supreme Court's website, application for Cassation filed by Mahesa Yoga Sunardi, Sunardi, and PT BFI Finance Indonesia Tbk was rejected by the Indonesian Supreme Court.
24.	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 Petitionee/Defendant.	Sugianang filed for Appeal to the High Court of Surabaya over the Verdict of the District Court of Tuban which stated that it did not have the authority to preside over the case.
25.	<ul style="list-style-type: none"> • Case No. 1050 K/PDT/2017 in the Cassation stage at the Indonesian Supreme Court. • 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/Petitionee/Defendant.	According to the Secretary of the Indonesian Supreme Court's website, application for Cassation filed by Nuryanto was rejected by the Indonesian Supreme Court.
26.	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 (chief of PT Rianti Rezeki Abadi) as Defendant I, • PT BFI Finance Indonesia Tbk as Defendant II, • Dit Lantas Polda Maluku as Defendant III, • Local Revenue Agency (Dispenda) as Defendant IV. 	Currently under investigation by the District Court of Ambon.
27.	<ul style="list-style-type: none"> • Case No. 484 K/PDT.SUS-BPSK/2016/PN.Rap in the Cassation stage at the Indonesian Supreme Court. • Case No. 58/PDT.SUS-BPSK/2016/PN.Rap at the District Court of Rantau Prapat. • Complaint filed to the Consumer Dispute Resolution Board of the District Government of Batu Bara. 	Bokar Harahap as Cassation Appellant/Appellee/Complainant against PT BFI Finance Indonesia Tbk as Cassation Appellee/Appellant/Complaine.	According to the Secretary of the Indonesian Supreme Court's website, application for Cassation filed by Bokar Harahap Tbk was rejected by the Indonesian Supreme Court.
28.	Complaint filed to the Consumer Dispute Resolution Board of the District Government of Batu Bara.	Samali as Complainant against PT BFI Finance Indonesia Tbk as Complaine.	Currently being investigated by the Consumer Dispute Resolution Board of the District Government of Batu Bara.
29.	<ul style="list-style-type: none"> • Case No. 508 K/PDT.Sus-BPSK/2016 in the Cassation stage at the Indonesian Supreme Court, • Case No. 19/Pdt.sus-BPSK/2016/PN-RAP at the District Court of Rantauprapat, • Complaint filed to the Consumer Dispute Resolution Board of the District Government of Batu Bara. 	Mulyono as Cassation Appellant/Appellee/Complainant against PT BFI Finance Indonesia Tbk as Cassation Appellee	According to the Secretary of the Indonesian Supreme Court's website, application for Cassation filed by Mulyono was rejected by the Indonesian Supreme Court.

NO.	CASE NO.	LEGAL SUBJECT	STATUS
30.	<ul style="list-style-type: none"> Case No. 1055 K/PDT.Sus-BPSK/2016 in the Cassation stage at the Indonesian Supreme Court, Case No. 59/Pdt.Sus-BPSK/2016/PN-RAP at the District Court of Rantauprapat, Complaint filed to the Consumer Dispute Resolution Board of the District Government of Batu Bara. 	Maulud Harahap as Cassation Appellant/ Appellee/Complainant against PT BFI Finance Indonesia Tbk as Cassation Appellee/ Appellant/Complainee.	According to the Secretary of the Indonesian Supreme Court's website, application for Cassation filed by Maulud Harahap was rejected for correction by the Indonesian Supreme Court.
31.	Complaint filed to the Consumer Dispute Resolution Board of the District Government of Batu Bara.	Abdul Rozak as Complainant against PT BFI Finance Indonesia Tbk as Complainee.	Currently being investigated by the Consumer Dispute Resolution Board of the District Government of Batu Bara.
32.	Complaint filed to the Consumer Dispute Resolution Board of the District Government of Batu Bara.	Maruli Tua Sinurat as Complainant against PT BFI Finance Indonesia Tbk as Complainee.	Currently being investigated by the Consumer Dispute Resolution Board of the District Government of Batu Bara.
33.	Complaint filed to the Consumer Dispute Resolution Board of the District Government of Batu Bara.	Berlin Siahaan as Complainant against PT BFI Finance Indonesia Tbk as Complainee.	Currently being investigated by the Consumer Dispute Resolution Board of the District Government of Batu Bara.
34.	Complaint filed to the Consumer Dispute Resolution Board of the District Government of Batu Bara.	Hasan Basri Ginting as Complainant against PT BFI Finance Indonesia Tbk as Complainee.	Currently being investigated by the Consumer Dispute Resolution Board of the District Government of Batu Bara.
35.	Complaint filed to the Consumer Dispute Resolution Board of the District Government of Batu Bara.	Sulaiman as Complainant against PT BFI Finance Indonesia Tbk as Complainee.	Currently being investigated by the Consumer Dispute Resolution Board of the District Government of Batu Bara.
36.	<ul style="list-style-type: none"> Case No. 289 K/PDT-SUS-BPSK/2017 in the Cassation stage at the Indonesian Supreme Court. Case No. 86/Pdt.Sus-BPSK/2016/PN-Plk at the District Court of Palangkaraya, Complaint No. 34/Pdt.G/BPSK-PKY-PTS/V/2016 filed to the Consumer Dispute Resolution Board of the Municipal Government of Palangkaraya. 	Christian Sancho as Cassation Appellee I/ Appellee I/Complainant against: <ul style="list-style-type: none"> PT BFI Finance Indonesia Tbk as Cassation Appellant/Appellant/Complainee PT Asuransi Sinar Mas as Cassation Co-Appellee/Co-Appellee/Complainee II. 	According to the Secretary of the Indonesian Supreme Court's website, application for Cassation filed by Christian Sancho was rejected by the Indonesian Supreme Court.
37.	Case No. 163/PDT.G/2016/PN.Dpk at the District Court of Depok.	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 Plaintiff against: <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, Notaris RMS Soenarto as Defendant V, Wikanto Panca Atmanto as Defendant VI, Notaris Isa Meilia as Defendant VII, State Asset Service and Auction Office of Bogor as Co-Defendant I and National Land Agency of Depok Municipality as Co-Defendant II. 	The District Court of Depok did not admit the Case filed by 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. Currently the content of the Verdict is being announced by the District Court of Depok to the parties involved.
38.	Complaint filed to the Consumer Dispute Resolution Board of the District Government of Batu Bara.	Hotmatua Sitompul as Complainant against PT BFI Finance Indonesia Tbk as Complainee.	Currently being investigated by the Consumer Dispute Resolution Board of the District Government of Batu Bara.
39.	Complaint filed to the Consumer Dispute Resolution Board of the District Government of Batu Bara.	Herry (as heir to Bambang Yamin) as Complainant against PT BFI Finance Indonesia Tbk as Complainee.	Currently being investigated by the Consumer Dispute Resolution Board of the District Government of Batu Bara.

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NO.	CASE NO.	LEGAL SUBJECT	STATUS
40.	Case No. 82/PDT.G/2016/PN.Ktg at the District Court of Kotamobagu.	Muhdar Potabuga as Plaintiff against: <ul style="list-style-type: none"> • PT BFI Finance Indonesia Tbk as Defendant, • Indonesian Attorney General's Office cq District Attorney of Kotamobagu as Co-Defendant. 	Currently under investigation by the High Court of Manado.
41.	<ul style="list-style-type: none"> • Case No. 943 K/PDT-SUS-BPSK/2017 in the Cassation stage at the Indonesian Supreme Court. • Case No. 145/Pdt.Sus-BPSK/2016/PN-Bkn at the District Court of Bangkinang, • Complaint filed to the Consumer Dispute Resolution Board of the District Government of Batu Bara. 	Badal Gultom as Cassation Appellant/ Appellee/Complainant against PT BFI Finance Indonesia Tbk as Cassation Appellee/ Appellant/Complainee	According to the Secretary of the Indonesian Supreme Court's website, application for Cassation filed by Badal Gultom was rejected by the Indonesian Supreme Court.
42.	<ul style="list-style-type: none"> • Case No. 150/Pdt.Sus-BPSK/2016/PN-Bkn at the District Court of Bangkinang, • Complaint filed to the Consumer Dispute Resolution Board of the District Government of Batu Bara. 	Supriyadi as Appellee/Complainant against PT BFI Finance Indonesia Tbk as Appellant/ Complainee	Supriyadi filed for Cassation to the Indonesian Supreme Court. PT BFI Finance Indonesia Tbk in response submitted the Cassation Contra Memory to the District Court of Bangkinang.
43.	Case No. 07/PDT.Sus-Pem.Perdamaian/2017/PN.Niaga.Jkt.Pst at the Commercial Court of the District Court of Central Jakarta.	PT DWI ANEKA JAYA KEMASINDO Tbk as Appellee for Bankruptcy.	Sedang dalam proses pendaftaran piutang PT BFI Finance Indonesia Tbk.
44.	Complaint filed to the Consumer Dispute Resolution Board of the District Government of Batu Bara.	Jumiin as Complainant against PT BFI Finance Indonesia Tbk as Complainee.	Currently being investigated by the Consumer Dispute Resolution Board of the District Government of Batu Bara.
45.	Case No. 05/PDT.SUS-PKPU/2016/PN.NIAGA.MKS at the Commercial Court of the District Court of Makassar.	Henry Thenoch, Tontje Thenoch and PT Bangun Wenang Beverages COY as Appellee for Bankruptcy.	Currently the Curator is administering the assets related to the bankruptcy.
46.	<ul style="list-style-type: none"> • Case No. 02/PDT.SUS/BPSK/2017/PN.BKN at the District Court of Bangkinang, • Complaint filed to the Consumer Dispute Resolution Board of the District Government of Batu Bara. 	Rasiman as Appellee/Complainant against PT BFI Finance Indonesia Tbk as Appellant/ Complainee	Rasiman filed for Cassation to the Indonesian Supreme Court. PT BFI Finance Indonesia Tbk in response submitted the Cassation Contra Memory to the District Court of Bangkinang.
47.	<ul style="list-style-type: none"> • Case No. 1039 K/PDT-SUS-BPSK/2017 in the Cassation stage at the Indonesian Supreme Court. • Case No. 17/Pdt.Sus-BPSK/2017/PN-Bls at the District Court of Bengkalis, • Complaint filed to the Consumer Dispute Resolution Board of the District Government of Batu Bara. 	Lasriana Sinaga as Cassation Appellant/ Appellee/Complainant against PT BFI Finance Indonesia Tbk as Cassation Appellee/ Appellant/Complainee.	According to the Secretary of the Indonesian Supreme Court's website, application for Cassation filed by Lasriana Sinaga was rejected by the Indonesian Supreme Court.
48.	Case No. 18/PDT.G/2017/PN.PBR at the District Court of Pekanbaru.	Ivan Dhori Suranta Meliala as Plaintiff/ Petitioner against PT BFI Finance Indonesia Tbk as Defendant/Petitionee.	Ivan Dhori Suranta Meliala filed for Appeal to the High Court of Pekanbaru via the District Court of Pekanbaru.
49.	Case No. 14/PDT.G/2017/PN.SKT at the District Court of Surakarta.	RM Aditya Kuspranindya as Plaintiff against: <ul style="list-style-type: none"> PT BFI Finance Indonesia Tbk as Defendant I, Polsek Colomadu as Defendant II, OJK Surakarta as Co-Defendant. 	Pengadilan Negeri Surakarta telah menolak Gugatan RM Aditya Kuspranindya dan mengabulkan sebagian Gugatan Rekonvensi PT BFI Finance Indonesia Tbk. Saat ini masih dalam proses pemberitahuan isi Putusan oleh Pengadilan Negeri Surakarta.
50.	Case No. 101/PDT.G/2017/PN.BDG at the District Court of Bandung.	Iwan Suhendar as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant.	The District Court of Bandung rejected the Case filed by Iwan Suhendar. The content of the Verdict is currently being announced by the District Court of Bandung.

NO.	CASE NO.	LEGAL SUBJECT	STATUS
51.	Case No. 8/PDT.G/2017/PN.GTO at the District Court of Gorontalo.	Abdul Manan Yusuf as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant.	Abdul Manan Yusuf filed for Appeal to the High Court of Gorontalo via the District Court of Gorontalo.
52.	Complaint filed to the Consumer Dispute Resolution Board of the Municipal Government of Bukittinggi.	Yeni Hemilda as Complainant against PT BFI Finance Indonesia Tbk as Complainee.	Currently being investigated by the Consumer Dispute Resolution Board of the Municipal Government of Bukittinggi.
53.	Complaint filed to the Consumer Dispute Resolution Board of the Municipal Government of Padang.	Rahmad Novian as Complainant against PT BFI Finance Indonesia Tbk as Complainee.	Currently being investigated by the Consumer Dispute Resolution Board of the Municipal Government of Padang.
54.	Case No. 127/PDT.G.2017/PN.MND at the District Court of Manado.	Philipus Yonathan Diawang as Plaintiff against: <ul style="list-style-type: none"> • PT BFI Finance Indonesia Tbk as Defendant I, • PT Sinar Berlian Motors as Defendant II. 	Currently under investigation by the District Court of Manado.
55.	Complaint filed to the Consumer Dispute Resolution Board of the Government of Bojonegoro.	Lina Kumalasari (daughter of Syafaar Arsad) as Complainant against PT BFI Finance Indonesia Tbk as Complainee.	Currently being investigated by the Consumer Dispute Resolution Board of the Government of Bojonegoro
56.	Case No. 328/PDT.G.2017/PN.TNG at the District Court of Tangerang.	Jasmin Riyadi as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant.	Currently under investigation by the District Court of Tangerang.
57.	Complaint filed to the Consumer Dispute Resolution Board of the Government of Ogan Komering Ulu.	Harawi as Complainant against PT BFI Finance Indonesia Tbk as Complainee.	Currently being investigated by the Consumer Dispute Resolution Board of the Government of Ogan Komering Ulu.
58.	Complaint filed to the Consumer Dispute Resolution Board of the Government of Kotamobagu.	Fifi Aprianty Lantong as Complainant against PT BFI Finance Indonesia Tbk as Complainee.	Currently being investigated by the Consumer Dispute Resolution Board of the Government of Kotamobagu.
59.	Complaint filed to the Consumer Dispute Resolution Board of the Government of Bojonegoro.	Lanjar as Complainant against PT BFI Finance Indonesia Tbk as Complainee.	Currently being investigated by the Consumer Dispute Resolution Board of the Government of Bojonegoro.
60.	Case No. 54/PDT.G/2017/PN.SKH at the District Court of Sukoharjo.	<ul style="list-style-type: none"> • Sufaat Hosain as Plaintiff I, • Endang Yunanti as Plaintiff II against: <ul style="list-style-type: none"> • PT BFI Finance Indonesia Tbk as Defendant, • Wedy Asmara as Co-Defendant I, • Kantor Pelayanan Kekayaan Negara and Lelang Surakarta as Co-Defendant II, • Kepala Kantor Badan Pertanahan Nasional Kabupaten Sukoharjo as Co-Defendant III. 	Currently under investigation by the District Court of Sukoharjo.

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NO.	CASE NO.	LEGAL SUBJECT	STATUS
61.	Complaint filed to the Consumer Dispute Resolution Board of the Government of Banyuwangi.	Hariyadi as Complainant against PT BFI Finance Indonesia Tbk as Complainee.	Currently being investigated by the Consumer Dispute Resolution Board of the Government of Banyuwangi.
62.	Case No. 40/PDT.G/2017/PN.GTO at the District Court of Gorontalo.	Muhammad Yusran Tanajo as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant.	PT BFI Finance Indonesia, Tbk filed for Appeal to the High Court of Gorontalo via the District Court of Gorontalo.
63.	Case No. 30/PDT.GS/2017/PN.PLG at the District Court of Palembang.	HM Yakin as Plaintiff PT BFI Finance Indonesia Tbk as Defendant.	HM Yakin filed an Objection to the District Court of Palembang.
64.	Case No. 51/PDT.G/2017/PN.GTO at the District Court of Gorontalo.	Jumriati as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant.	Currently under investigation by the District Court of Gorontalo.
65.	Case No. 107/PDT.G/2017/PN.AMR at the District Court of Amurang.	Recky H Kumulontang as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant.	Currently under investigation by the District Court of Amurang.
66.	Case No. 136/PDT.G/2017/PN.MDI at the District Court of Manado.	Novie Alexander Tumbol as Plaintiff against: <ul style="list-style-type: none"> • PT BFI Finance Indonesia Tbk as Defendant I, • Indonesian Police Force cq Local Police Force of Gorontalo. 	Currently under investigation by the District Court of Manado.
67.	Case No. 416/PDT.G/2017/PN.SMR at the District Court of Semarang.	Sya'roni as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant.	Currently under investigation by the District Court of Semarang.
68.	Case No. 76/PDT.G/2017/PN.Sgn at the District Court of Sragen.	Isman as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant.	Currently under investigation by the District Court of Sragen.
69.	Case No. 216/PDT.G/2017/PN.Sda at the District Court of Sidoarjo.	Hudan Mustaqin as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant.	Currently under investigation by the District Court of Sidoarjo.
70.	Case No. 84/PDT.G/2017/PN.Ska at the District Court of Sukoharjo.	Aris Nugroho as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant.	Currently under investigation by the District Court of Sukoharjo.
71.	Case No. 27/PDT.G/2017/PN.Rbg at the District Court of Rembang.	Kusnadi as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant.	Currently under investigation by the District Court of Rembang.
72.	Case No. 27/PDT.GS/2017/PN.Pal at the District Court of Palu.	Fata as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant.	Currently under investigation by the District Court of Palu.
73.	Case No. 29/PDT.SUS-PKPU/2017/PN.Niaga.SBY at the Commercial Court of the District Court of Surabaya.	I Gede Agus Hardiawan as Appellee Pailit.	The receivable of PT BFI Finance Indonesia Tbk is currently being verified.
74.	Case No. 205/PDT.G/2017/PN.PLG at the District Court of Palembang.	S. Marlina as Plaintiff against: <ul style="list-style-type: none"> • AIA Financial as Defendant I, • PT BFI Finance Indonesia Tbk as Co-Defendant II, • RSUP DR Mohamad Hoesin Palembang as Co-Defendant III, • OJK Palembang as Co-Defendant IV. 	Currently under investigation by the District Court of Palembang.

All the abovementioned cases and claims currently faced by the Company, and the current members of its BOC and BOD, based on the substantive aspect of the claims, have been assessed. The Company has determined that these cases will not have a material adverse impact on its business continuity.

ADMINISTRATIVE SANCTIONS

Throughout 2017, there were no administrative sanctions imposed on the Company nor on the presiding members of its BOC or its BOD, by the OJK, the Capital Market Authority, or other authorities.

ACCESS TO INFORMATION AND COMMUNICATION

ACCESS TO COMPANY INFORMATION AND DATA

It is in the interest of the Company to ensure the existence of a clear and effective mechanism for the dissemination of information to all stakeholders, as part of information transparency implementation.

Information dissemination in the Company consists of internal and external mechanisms, which are intended for different stakeholders depending on the type of information they require.

Information dissemination in the Company consists of internal and external mechanisms, which are intended for different stakeholders depending on the type of information they require.

Access to Company's information and data is available to all stakeholders and investors through bfi.co.id website, which contains various information on the Company's profile, products and services, performance reports, financial statements, and others.

Other channels for the dissemination of information include:

1. Customer Care Hotline: 1500018
2. Customer Care Email: customercare@bfi.co.id
3. Customer Care SMS: 08158 767 234
4. Social media, i.e. Facebook, Twitter, Instagram, YouTube, and LinkedIn:
 - www.facebook.com/BFIFinanceID
 - www.twitter.com/bfifinance
 - www.instagram.com/bfifinance
 - www.linkedin.com/company/pt-bfi-finance-indonesia-tbk
 - <https://www.youtube.com/user/bfifinance>

Stakeholders wishing to obtain other information not provided in the aforementioned channels can address their inquiries directly to BFI Finance's Head Office, with contact details as follows:

PT BFI Finance Indonesia Tbk attn. Corporate Secretary Department

BFI Tower
Sunburst CBD Lot 1.2
Jl. Kapt. Soebijanto Djojohadikusumo
BSD City, Tangerang Selatan 15322
Indonesia

Ph. : (62-21) 2965 0300, 2965 0500

Fax : (62-21) 2966 0757, 2966 0758

E-mail : corsec@bfi.co.id

Website : bfi.co.id

CORPORATE COMMUNICATION

To optimally and comprehensively disseminate information, latest news, and messages on behalf of the Company, as well as to foster an effective coordination, both internally and externally, in order to build and maintain the Company's reputation in the view of stakeholders, in 2017 the Company established the Corporate Communication Unit.

This unit is under the Corporate Communication & Corporate Social Responsibility (CorCom & CSR) Department. Its duties are to manage all communication activities and all internal and external communications, maintain stakeholders satisfaction, including that of the shareholders and the Government, through the provision of information and data related to the Company. Communications to all stakeholders are performed along four means, namely:

- External Communication (Public)
- Internal Communication
- Corporate Branding, and
- Product Promotion

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External Communication (Public)

The Company communicates with external shareholders by managing and disseminating the Company's information to various mass media and other third parties in order to create harmonious relations with all stakeholders and the general public. Mandatory information, such as the business condition of the Company, is conveyed in a timely and accurate manner.

The following describes the function of external communication of the Company:

1. To develop and implement communication strategies in all of the Company's communication media;
2. To create publicity materials to enhance the Company's profile and marketing activities;
3. To ensure up-to-date and appropriate contents, improve functions, apply and expand social media strategies in order to enhance the Company's profile;

4. To ensure strong brand communication and Corporate Brand Guidelines implementations, and monitor all matters related to Company's brand;
5. To be responsible for the contents and information in each communication channel and promotional material, be it above-the-line, below-the-line, internally, or externally;
6. To work closely with other related units to ensure an integrated and complementary communication function; and
7. To support all activities or events, both internally and externally.

In its daily activities, the Company harnesses the following external communication channels:

- **Communication through the Company's Website**

The Company website, bfi.co.id, provides the latest information related to the Company's financial performance on a quarterly basis, disclosure of information related to corporate actions, and other current information regarding the Company. The Company's website is updated

constantly, to inform the customers and general public of the latest promotional programs, customer testimonials, and financial services offered by the Company.

Visitors to the website can communicate with Customer Care staff and discuss matters regarding to financial products and services, file a complaint or suggestion, and inquire about job vacancies and scholarship opportunities. Since 2016, BFI Finance's website has been equipped with the communication and data access features, which help the general public, customers and potential customers, investors and potential investors, as well as regulators to be informed of various news regarding the Company's most recent performance, activities, and achievements.

The Company's website development and updates are carried out in accordance with OJK Regulation No. 8/POJK.04/2015 concerning Website of Issuers or Public Companies.

• **Company's Social Network**

BFI Finance pays attention to the latest developments in social media and harnesses them to facilitate interactive communications with all stakeholders. The Company manages online communication channels, through Facebook, Twitter, Instagram, LinkedIn and YouTube. They are managed collaboratively by the Corporate Communication and Digital Marketing Units, and are explained in detail in the Marketing Aspect section in the Management Discussion and Analysis chapter of this Integrated Annual Report (page 126-130).

• **Press Conference**

BFI Finance issues various press releases to disclose information to the general public. These press releases are published in various print and online media across Indonesia.

• **Other Communication Channels**

The Company manages other communication channels to facilitate interactions with its customers and potential customers (consumers in general), such as:

1. Customer Care SMS:
08158 767 234;
2. Customer Care Hotline:
1500018;
3. Customer Care Email:
customercare@bfi.co.id; dan
4. Social Media, i.e. Facebook, Twitter, Instagram, LinkedIn, and YouTube.

Internal Communication

The Company provides its employees with access to information related to various aspects of the Company's business activities. This internal communication and access ensures that all employees have the latest information and accurate understanding regarding the current condition of the Company, as well as other general information related to the Company's business activities. Similar to the external stakeholders, the Company implements the same principle of information disclosure towards its internal stakeholders in this manner, to continuously increase the quality of interaction between the management and other internal stakeholders, especially the employees.

Since the establishment of the Corporate Communication Unit, the Company has been employing a one-stop communication system. In this system, all general information of the Company is managed by the Corporate Communication Unit.

The Company's internal communication activities include:

• **Electronic Media**

The Company has long replaced printed media (such as bulletin), which was one of its main communication channels, with paperless digital media to minimize paper use, increase operational efficiency, and conserve the environment. The Company utilizes various electronic media for its internal communication, such as email blast, website, and the Service Insight Community (SIC) internal portal. SIC was launched at the end of December 2017 and serves as the replacement of the previous channel, the BFI Learning Center (BLC), with a more attractive format. Information is presented in the form of articles and videos of employee activities. Through this portal, employees can find the latest information regarding business activities, fellow employees' activities, and share information among employees, access general information, as well as gain exposure to the healthy life and environmental campaigns.

• **Meetings**

The Company organizes various meetings to facilitate dialogue and sharing from the senior management of the Company and external speakers regarding the latest topics: those related to the Company's business activities or personality development.

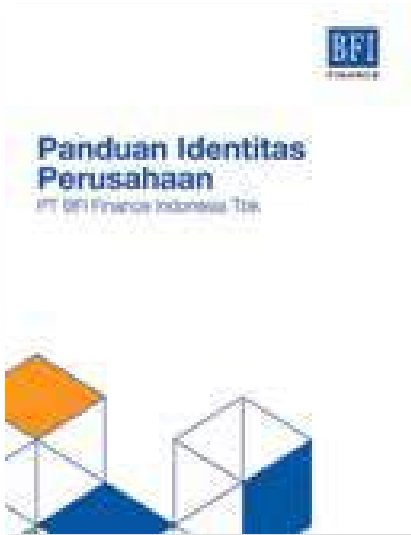
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Corporate Branding



The Corporate Branding function coordinates various Company activities to improve the image of the Company in the public, especially the external stakeholders. The duties of the Corporate Branding function is to standardize and define the standards for all matters related to the Company's corporate identity as well as to seek effective ways to communicate these to the external and internal stakeholders.

In 2017, the Company has launched its latest Corporate Brand Guidelines, whose aims are to:

- Strengthen the Company's corporate identity through strong, uniform, and comprehensive visual communication, with graphics or images that are in line with the vision, mission, position, and commitment of the Company;

- Be the benchmark for all programs and strategies, in order to build positive image of the Company in the minds of the customers and potential customers in the future;
- Be the foundation of the Company's comprehensive operational system;
- Convey the Company's corporate identity expressly, so that the public can gain a better understanding thereof; and
- Support the marketing and promotional instruments of the Company.

Corporate Branding activities in 2017 include:

- Monitoring the standards of various attributes related to the corporate identity;
- Providing consultation and support to all work units of the Company in all activities and official events of the Company, or those which involved sponsorships so that they were in line with the corporate identity standards;
- Providing consultation and assistance to support the campaign of financial products of the Company; and
- Ensuring that all attributes used and those carrying the Company name in national or local events at branch offices were in line with the Company's corporate identity standards.

Product Promotion

The Company disseminates product information to cultivate customers' interest in making use of the Company's financial services, attract new customers, maintain sales in a sluggish market condition, differentiate financial products of the Company from its competitors and use it to promote the products, as well as build the image of the products in the customers' view as to meet the Company's expectation.

This function (which includes strategic communication and event activation functions) is managed by the Marketing Communication Unit and Digital Marketing Unit. The activities carried out by these units are explained in greater detail in the Marketing Aspect section in the Management Discussion and Analysis chapter of this Integrated Annual Report (page 126-130).

CORRESPONDENCE WITH OJK AND IDX

Throughout 2017, the Company delivered 82 correspondences with OJK and 88 correspondences with IDX. This function is carried out by the Capital Market Regulatory Compliance Unit under the Corporate Secretariat Department.

INVESTOR RELATIONS

THE FUNCTION OF INVESTOR RELATIONS IN BFI FINANCE IS TO CULTIVATE, MANAGE AND MAINTAIN COMMUNICATION AND RELATIONSHIPS, with various stakeholders, specifically with shareholders, potential investors as well as analysts.

Through this function, the Company aims to enable effective interaction between the Company and the public to keep the market informed of key developments and material information in a consistent and transparent manner. This is done through various channels, such as analyst meetings (including public exposes), conferences, investor visits and conference calls, as well as information delivered via the Company's official website.

DUTIES AND RESPONSIBILITIES

The Investor Relations Department has the following duties and responsibilities:

- 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 various forms;
- To manage the reports' publication process online, on the Company's website, www.bfi.co.id; and
- To act as the organizer, main coordinator and supervisor of the Company's various activities, such as GMS and Public Expose.



Koon Pek, Ng – Investor Relations Head

Malaysian citizen, born in 1977, 40 years old (as of 31 December 2017), domiciled in Jakarta. She has been serving as Investor Relations Head since January 2011. Prior to joining BFI Finance, she was Vice President of Equity Capital Markets at CIMB Investment Bank in Malaysia and Indonesia until 2009. She started her career as an Analyst for Nikkei Pacific Corporate Advisors, Kuala Lumpur, in 2001 before joining General Electric's Financial Management Program from 2002–2004. 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.

INVESTOR RELATIONS ACTIVITIES IN 2017

The Investor Relations work programs in 2017 are as follows:

Table 127: Investor Relations Activities

ACTIVITY	TOTAL ACTIVITIES
Analyst Meetings	2 times
Conferences	3 times (Indonesia, Malaysia, Hong Kong, Singapore)
Investor Visits	62 times

- Good Corporate Governance Report
- General Meeting of Shareholders
- Board of Commissioners
- Board of Directors
- Sharia Supervisory Board
- Audit Committee
- Risk Management Committee

- Nomination and Remuneration Committee
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CODE OF CONDUCT AND CORPORATE CULTURE

CODE OF CONDUCT

BFI Finance has established and is implementing a Code of Conduct that consists of a series of policies related to business ethics and ethical conduct for its employees that govern all business activities to ensure they are aligned with the Company’s vision, mission, and culture.

The Company’s Code of Conduct is developed based on the following GCG principles:

- Transparency, which is implemented by ensuring the transparency and measurability of every step and process in policy formulation and decision-making by the BOC, the BOD, and all levels of the Company;
- Independence, which is implemented by carrying out its activities independently, professionally, in accordance with

- the code of conduct, and free from influence from other parties;
- Accountability, which is implemented by clearly defining the responsibilities and authorities of the BOC, the BOD, and all levels of the Company in the organizational structure and their respective job descriptions;
- Compliance, which is implemented by aligning the management of the Company with the applicable laws and regulations and sound business principles; and
- Fairness, which is implemented by upholding a sense of justice and equality in fulfilling the rights of the stakeholders arising under agreements as well as the applicable laws and regulations.

The Contents of the 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, should behave, conduct, and act in an effort to balance the interests of the Company and the interests of all stakeholders, in accordance with GCG principles and the Corporate Values while still maintaining the Company’s profitability.

Ethical Conduct is a set of value-based rules which reflects the attitude and commitment in complying with the rules of conduct in order to maintain good name, confidentiality, and other important matters that affect the Company’s reputation.

The Company’s Code of Conduct contains Corporate Values that are manifested in the following behaviors:

Grow and improve continuously

This value refers to the Company’s commitment to grow at all times, both in quality and quantity, in business development and human capital power, in more effective and productive thoughts and actions, as well as in the process and the actual work results, to support the growth of the organization. The commitment to development is accompanied by consistent and continuous improvements in all aspects, to name a few, the development of the organization, business, products, work processes, and human capital quality.

Respect and care

Giving respect and showing care is ingrained in the culture of the Company, to be put in practice consistently, not only to fellow employees but also throughout the organization. Respect to other employees is shown by appreciating differences in thoughts and actions, and finding similarities to strengthen the Company. In addition, employees should care about the condition and situation of the Company, and support the Company in accomplishing its targets in all circumstances.

Excellent service

This value is defined as a commitment to consistently deliver customer satisfaction, both to internal and external customers. This value is essential and acts as a guideline for the Company in the formulation of its policy principles and strategies, business activities, and decision-making processes as well as in providing services to the customers.

Absolute integrity

Integrity refers to virtue and balance between thoughts (perspective), words, and actions against the existing conditions and situations. This also includes honesty, sincerity, and commitment towards any situation. Integrity is also reflected in how the employees maintain the conformity and consistency of their words and conducts (walk the talk) in adhering to the regulations of the Company for the sake of the Company’s advancement. Integrity is visible by doing the right thing and admitting mistakes, in order to maintain a transparent and positive culture.

Trust and team spirit

Complete and optimum cooperation can be achieved by trust fostered under various existing conditions. Mutual trust is the primary means for the organization to form and strengthen the relationships among fellow employees, between employees and the Company, and vice versa. Mutual trust, along with good faith and positive spirit for the advancement of the organization is the groundwork for the establishment of a long-term relationship and cooperation.

The essence of the Company's Code of Conduct is further reflected in the Code of Business Principles applicable in BFI Finance, as follows:

CORPORATE RESPONSIBILITIES

In the Code of Business Principles, BFI Finance acknowledges five corporate responsibilities, as follows:

1. To the Shareholders.



The Company conducts its business with an aim to improve shareholders' values based on GCG principles. BFI Finance intends to give optimum results and return on investment to shareholders, while still retaining adequate fund to support the Company's growth. BFI Finance values good relationships with its shareholders and shall provide timely, regular, and reliable information on the activities, financial status, and business outcomes of the Company.

2. To the Customers.



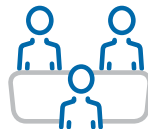
The Company is committed to attracting and retaining customers by providing value-added financial products and services which are cost-effective and beneficial for the customers.

3. To the Employees.



The Company values its employees as an important resource and is committed to a dedicated human capital development. BFI Finance shall recruit, employ, train, and promote employees based on their qualifications and capabilities. Furthermore, the Company is responsible for creating a healthy workplace and ensuring the safety of its employees.

4. To all Stakeholders.



The Company always fosters mutually beneficial relationships with its creditors, business partners, and other stakeholders, and encourage these principles in its daily activities.

5. To the Communities.



As a member of the community, the Company always conducts its business responsibly, by complying with the applicable laws and regulations, and by ensuring that the Company's activities do not violate any human rights. The Company's community participation, in the form of donation, training, and other social activities, is intended to improve the quality of life of the surrounding communities and to yield direct benefits to the people.

BUSINESS INTEGRITY

BFI Finance and all of its branch offices uphold honesty, integrity, and fairness in all business aspects and they expect the same from their business partners. All business transactions on the Company's behalf are recorded accurately in accordance with the standard operating procedures and are subject to audit. All employees shall put aside their personal interests when conducting the Company's business.

ASSET UTILIZATION AND PROTECTION

BFI Finance ensures that each employee is responsible for the proper use, protection, and preservation of the Company's assets and resources. All assets and resources, as well as any opportunities that arise on the basis of one's position, shall be used solely for the achievement of the Company's objectives and not for personal gain. The employees of BFI Finance shall not abuse their position for their own or others' personal gain.

INFORMATION DISCLOSURE

BFI Finance considers information on business strategies as its crucial assets, which shall be protected from theft, violation, abuse, and inappropriate exposure.

INSIDER TRADING

BFI Finance enforces strict regulations against insider-trading on all employees. This means that non-public information that may affect BFI Finance's share price shall be considered as confidential until the announcement thereof by a competent party (management). Employees with

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sensitive information that may affect the BFI Finance’s share price and related rights shall not engage in direct or indirect transactions of those shares and other related rights. The BOC, BOD, and all employees are committed to continuously implementing the Company’s Integrity Pact to the best of their abilities along with the implementation of strategic policies to achieve sustainable growth.

Implementation and Enforcement of the Code of Conduct

To support the implementation of the Code of Conduct, the Company requires the following:

- The Company’s Code of Conduct shall be applied to all employees, including all members of the BOC, all Committees under the BOC, as well as the BOD, and all management;
- The Company’s Code of Conduct shall be disseminated to and understood by all employees; and
- The management shall set an example to their subordinates on the implementation of the Company’s Code of Conduct.

The dissemination of the Code of Conduct in 2017 was carried out in conjunction with the dissemination of the Company’s Core Values and ethical conduct for employees. In addition, the Human Capital Department also disseminated information on the Code of Conduct through e-mail blast and updated the Company Policy in 2017.

The management of BFI Finance has established an Integrity Pact, which contains the commitment of the Company in implementing GCG principles. The BOC, BOD, and all employees are committed to continuously implementing the Company’s Integrity Pact to the best of their ability. The Integrity Pact of BFI Finance regulates the Guidelines on Business Principles.

In implementing the Guidelines on Business Principles, the BOC, BOD, and all employees, regardless of their positions, shall comply with the ethics embedded in the Company’s Core Values to the highest degree. The management and employees of the Company must understand and abide by the Core Values, which are crucial in maintaining the sustainable growth of the Company.

Handling of the Violations to the Code of Conduct

BFI Finance monitors the enforcement of the Company’s Code of Conduct and provides facilities to submit grievances related to the violations of the Code. Employees who are found guilty of infringement shall be investigated by the Employee Disciplinary Violations Investigation Team, consisting of representatives from the Internal Audit and Human Capital Department, and shall be subject to sanctions commensurate to the type and level of violation, in accordance with the applicable provisions in the Company.

CORPORATE CULTURE

The Company has established core values that should be understood and adhered to as corporate culture. The core values of the Company, which can be abbreviated as **GREAT** are:

- **G**row and Improve Continuously;
- **R**espect and Care;
- **E**xcellent Service;
- **A**bsolute Integrity; and
- **T**rust and Team Spirit.

Explanation on GREAT as the core values of BFI Finance is presented in the Corporate Values and Corporate Culture section in the Company Profile chapter (page 40-41).

ANTI-CORRUPTION POLICY

BFI FINANCE OBLIGES all members of the BOC, the BOD, and all employees to uphold fair business competition, sportsmanship and professionalism, as well as the principles of GCG.

The Company is committed to creating a healthy business climate, avoiding any actions, behaviors, or activities that could lead to conflicts of interest, corruption, collusion, and nepotism, and always putting the interest of the Company above personal interest, family interest, or group interest.

In conducting its business activities grounded upon the above commitment, BFI Finance adheres to Law No. 20/2001 concerning the Amendment to Law No. 31/1999 on Corruption Eradication.

BFI Finance regularly submits reports on NPF customers to the Indonesian Financial Transaction Reports and Analysis Center (PPATK).

The Company's anti-corruption policy also governs the transparency of goods and services procurement system, and the giving and accepting of gifts.

TRANSPARENCY OF GOODS AND SERVICES PROCUREMENT SYSTEM

Principle and Policy

The Company's procedure for the procurement of goods and services renders the procurement processes fast and transparent, in accordance with the principles of GCG and without any conflict of interest. The Company upholds the principles of honesty and independence of all parties, whether they are involved directly or indirectly in the procurement of goods and services, as well as their performance, character, and work ethos.

The policy governing the Company's procurement of goods and services as well as supplier relations encompasses:

1. Implementation of Internal Memos and Operational Procedures for the procurement of goods and services.
2. Procurement of goods and services is based on the procurement value and level of authority, particularly at the branch offices, to accelerate the procurement process. Procurement of goods and services above a certain amount shall be conducted centrally at the head office.
3. Major suppliers of goods and services are required to submit complete legal documents to ensure that the rights and obligations of both the Company's and suppliers' comply with the existing documents.

4. The Company's Code of Conduct and Regulations prohibit employees to accept gifts of any kind from suppliers.
5. The Company shall conduct periodic evaluations on all suppliers to ensure that they are able to support the Company's activities.

Procurement System

The Company's procurement processes consist of the following stages:

1. Planning: formulating the procurement plan;
2. Preparation: Terms of Reference (ToR), pre-qualification requirements, procurement documents, strategy in the selection of goods and services providers;
3. Selection of goods and services: announcing or inviting certified vendors that have passed pre-qualification, evaluating and negotiating bids, selecting the project winners, contracting; and
4. Utilization and management of the Company's assets.

The above system is run transparently and competitively, by including prospective goods and services suppliers whose ability and performance satisfy the competence requirements of the Company. In addition to procurement, the Company

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also employs other methods, such as auction, direct appointment, and direct purchase.

The above policy and system ensure that the quantity and quality of goods and services procured by the Company are in accordance with the requirements, and the goods and services are obtained at the most competitive prices, with timely delivery and excellent after-sales service.

Procurement of goods, both at branch offices and head office, can be monitored real-time through the Fixed Assets Management system.

Fixed Assets Insurance

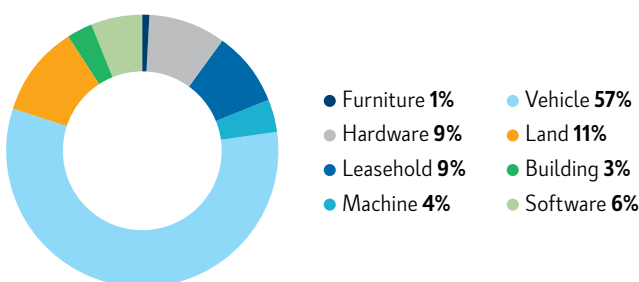
To reduce the risk of damage or loss of fixed assets, the Company has its fixed assets insured by an insurance company. The Company has insured its fixed assets, both movable and immovable assets, with the following coverage:

1. Insurance Policy on Property;
2. Insurance Policy on the Loss of Movable Property;
3. Insurance Policy on Motor Vehicles; and
4. Insurance Policy on Public Liabilities.

Table 128: Total Expenditure for Assets Purchase In 2017

LOCATION	PROCUREMENT VALUE (Rp)	PERCENTAGE	NUMBER OF CONTRACTS	PERCENTAGE
Head Office	111,576,078,675	85.3%	2,864	63.7%
Branch Office	19,179,279,393	14.7%	1,633	36.3%

Graphic 26: Procurement Based on the Type of Goods



GIVING AND ACCEPTING GIFTS

Giving of gifts is defined to cover all forms of rewards given by the Company or other parties representing the Company to certain parties, with the intention of influencing those parties to benefit the Company beyond reasonable limits.

Accepting of gifts is defined to cover as all forms of rewards received by the Company or other parties representing the Company from relevant parties, with the intention of influencing the decisions of the Company's management to act favorably to the giver of the gift.

The Company has a regulation that governs the giving of gifts, bribes and similar rewards, gifts to other parties as a token of gratitude, gifts in celebration of religious holidays, souvenirs, and mementos in the form of goods or services.

As regards the accepting of gifts, any employee receiving a gift of any price and any form shall submit a report to their direct supervisor. Accepting gifts from other parties for the purpose of promoting their Company, a token of gratitude, religious celebrations, souvenirs, or mementos, is allowed and considered appropriate in daily social relations, provided that:

- The gifts include the giver's company's logo/name as part of the promotional activity of the giver's company; and
- Gifts are not given continuously by the same giver to the Company for more than three times in a year. All individuals in the Company shall not discuss or provide any internal information belonging to the Company which may result in a conflict of interest or any adverse effect on the Company's reputation and image.

WHISTLEBLOWING SYSTEM

THE COMPANY HAS ESTABLISHED AND IMPLEMENTED A WHISTLEBLOWING SYSTEM

based on the Company Regulation No. SOP/031 dated 22 March 2013, as a practice of GCG principles, in particular the principles of responsibility and fairness. The purpose of this Whistleblowing System implementation is to ensure optimum performance and legal compliance of all employees of BFI Finance in carrying out their duties and responsibilities.

REPORTING MECHANISM

Under BFI Finance's Whistleblower System, every individual within the Company may file a complaint and/or report of fraud and/or violation of the Company's Code of Conduct or GCG principles, by sending their reports through one of the following channels:

1. Electronic mail (e-mail) to:
fraud_investigator@bfi.co.id;
2. Short Message Service (SMS) to 081212135755;
3. Mail to:

PT BFI Finance Indonesia Tbk – Head Office

BFI Tower
Sunburst CBD Lot 1.2
Jl. Kapt. Soebijanto Djojohadikusumo
BSD City, South Tangerang 15322
Indonesia

Attn. Internal Audit Department

PROTECTION FOR WHISTLEBLOWERS AND HANDLING OF REPORTS

The rights of each party who has submitted a complaint or reported a violation through BFI Finance's Whistleblowing System are protected in accordance with Law No. 13/2006 on Witness Protection. The Company is also morally responsible for the protection of the witnesses or whistleblowers.

All reports of violations submitted through BFI Finance's Whistleblowing System will be guaranteed for their confidentiality and security by the Company. In addition, the whistleblower's right to obtain information on the follow-up of their report is guaranteed.

In 2017, the Company received 85 complaints and reports, with details as seen in Table 129 and their follow-up processes explained in Graph 27.

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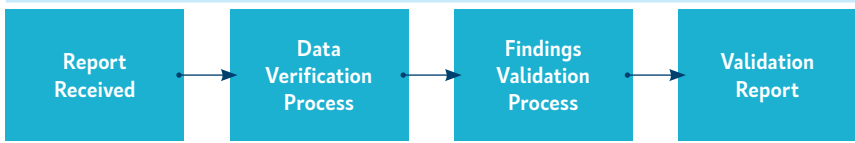
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Table 129: Number of Reports In 2017 And The Handling Thereof

TYPE OF REPORT/COMPLAINT	IN PROGRESS	SOLVED	TOTAL
Alleged fraud	-	57	57
Others	-	28	28
Total	-	85	85

Graphic 27: Follow-Up On Violation Reports



FOLLOW-UP ON VIOLATION REPORTS

BFI Finance’s Whistleblower System receives reports or complaints to be examined immediately by Internal Audit Department and Risk Management Division as the complaint management agent.

If a report is valid based on the examination pursuant to the determined procedures, the Company shall impose sanctions against the perpetrators in accordance with the Decrees applicable in the Company.

All violation reports received in 2017 have been solved and proper sanctions have been imposed on the perpetrators.

CORPORATE ACTION

THE COMPANY'S STOCK SPLIT

The Company carried out a corporate action, i.e. a stock split of its shares, from Rp250 per share to Rp25, based on the EGMS resolution on 18 April 2017. Therefore, as of 31 December 2017, the total number of issued and fully paid shares increased from 1,596,711,562 shares to 15,967,115,620 shares.

Further information on this corporate action is presented in the Share Chronology section in the Company Profile chapter of this Integrated Annual Report (page 70).

STOCK OPTION

IN 2017, THE COMPANY DID NOT CARRY OUT THE MANAGEMENT AND EMPLOYEE STOCK OPTION PROGRAM.

Such program was last implemented in 2012 and ended in 2016.

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TRANSPARENCY OF FINANCIAL AND NON-FINANCIAL CONDITIONS NOT DISCLOSED IN THE REPORT

BFI FINANCE 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, updated, and complete manner.

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 share highlights, BOC and BOD reports, 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 Accounting Firm registered on 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 BOC and BOD for accuracy of the Annual Report contents.
2. Financial Statements published every six months in the mass media.
3. Quarterly Financial Report to be published in the website of BFI Finance and IDX.
4. Sustainability Report

In accordance with the applicable regulations, issuers or public companies may disclose information on CSR activities in their own annual report or separate report which is submitted simultaneously with the submission of annual report to OJK. BFI Finance has discussed the information on CSR activities in the Sustainability Report, which is integrated into the Annual Report.

5. Transparency of Non-Financial Condition

BFI Finance has provided information regarding the Company's products in a clear, accurate, and updated manner. Such information can be obtained easily by customers, in the form of, among others, leaflets, brochures or other written forms at the BFI Finance's branches located in locations that are easily accessible by customers; and/or through electronic forms, among others provided through the BFI Finance's website, an online portal that provides information on the characteristics of financial and insurance products in Indonesia as well as the comparison between each products.

CORPORATE SOCIAL RESPONSIBILITY





THE EXISTENCE OF CORPORATE SOCIAL RESPONSIBILITY PROGRAMS

THE COMPANY ENSURES ITS SUSTAINABILITY BY SUPPORTING THE SUSTAINABILITY OF THE ENVIRONMENT AND LOCAL COMMUNITIES, as made manifest in the social responsibility programs that bring a great impact on all stakeholders.

BFI Finance is present among the Indonesian society. The quality of the Company's interaction with local communities, from its financing service to customer service and local economic development, determines the Company's success in creating a beneficial value for its shareholders. Therefore, the Company does its utmost to accomplish a comprehensive, sustainable, and growth-oriented CSR.

The main target of BFI Finance in conducting its CSR programs is to improve the society's welfare so as to enable them in boosting the national economic development. In addition to the endeavor to achieve this target, other strategic efforts to improve employees' welfare, health, and work safety as well as to preserve the environment around its operational areas are also carried out.

Sectors that receive special attention from BFI Finance in its CSR programs are Education, Health, Religious Affairs, and General Donation.

CSR STRATEGIC POLICY

BFI Finance has a CSR strategic policy for managing the strategic formulations, budget formulation, and CSR activities' execution in every operational area. The policies are summed up in the Company's CSR Vision and Mission, as follows:

CSR Vision

To become a partner in improving the society's life quality and welfare significantly by keeping the balance of 3P (Profit, People, and Planet) and establishing harmonious relations between the Government, the Company, and the Society.

CSR Mission

- To eradicate socio-economical underdevelopment suited to the Company's capacity and expertise
- To participate in improving the quality of primary and higher educations
- To empower underprivileged families through microfinancing
- To provide distribution channels for small businesses
- To implement energy conservation initiatives in daily business.

CSR PROGRAM POLICY



Think

Every layer, both inside and outside of the Company, perceives and reflects on social issues happening outside and inside the Company. This is the mindset that has reached the stage of being acutely aware of what is happening in the surroundings and started to think of ways to be actively involved in it.

Act

Every layer inside the Company takes action to provide solutions to such issues and implements them in a series of real actions. This is the manifestation of our own concrete actions, the result of our reflection and active participation in the surrounding society.

Preserve

Results of implementation and concrete actions are consistently maintained by all layers of the Company. A concrete action that is done continuously and sustainably will gain positive results.

With the 'Think, Act, Preserve' Policy as the foundation, BFI Finance carries out its CSR activity as one of its business support elements to maintain its business sustainability. CSR is also set as the Company's culture and becomes one of the main concepts in applying GCG principles. BFI Finance also utilizes CSR as one of Public Relations' instruments in promoting the Company's image in public. Therefore, a balance in welfare between BFI Finance, along with its internal parties, and external parties will be achieved.

The Company's CSR policy was enhanced in 2017 with the formalization of a policy that regulates various aspects surrounding the Company's CSR. The CSR policy, called the 'CSR Program Planning, Monitoring, and Evaluation Policy', has been applied since October 2017. It regulates the CSR budget planning and formulation, social mapping, control, evaluation, and monitoring of programs.

CSR PROGRAM BUDGETING

The responsibility to implement CSR programs at BFI Finance is shouldered by the CSR Unit, under the supervision of Finance Division and Corporate Communication & CSR Department. Budget allocation for CSR activity is carried out by taking into consideration each activity's alignment with the Company's vision and mission, the Company's annual business plans and projections, and the evaluation results of the previous year's activity.

The following is the budget allocation for all of BFI Finance's CSR activities in environment, labor and occupational health and safety, social development, and responsibility to consumers.

Table 130: CSR Programs' Budget Utilization

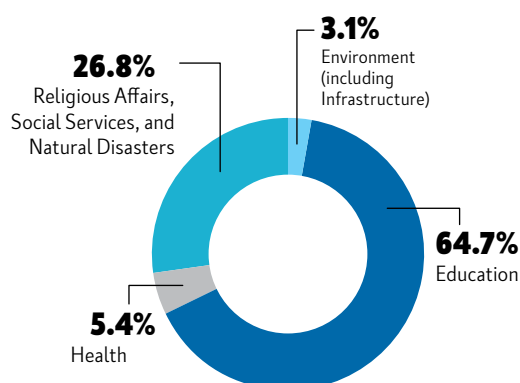
BIDANG KEGIATAN	JUMLAH (RP)
Environment	46,152,843
Employment and Occupational Health & Safety Practices	59,945,157,221
Social Development	1,451,094,666
Responsibility to Customers	1,483,000,000
Total	62,925,404,730

The budget allocated for BFI Finance's CSR activities in 2017 in Environment and Social Development was Rp1.5 billion, an increase from Rp1.4 billion in 2016, with details as follows:

Table 131: Budget Allocation For CSR Programs In Environment & Social Development

DESCRIPTION (RP)	2016	2017
Environment (including Infrastructure)	178,132,510	46,152,843
Social Development:		
- Education	1,057,989,115	969,397,120
- Health	35,059,000	80,389,627
- Religious Affairs, Social Services, and Natural Disasters	119,757,133	401,307,919
Total	1,390,937,758	1,497,247,509

Graphic 28: CSR Budget for Environment & Social Development



BFI Finance's CSR budget in 2017 was mostly allocated to the Education sector, which accounted for 64.7% of the total budget. This was used to conduct educational programs and provide scholarships, as explained in the subsequent part of this chapter.

CSR PROGRAM IMPLEMENTATION

ENVIRONMENTAL CONSERVATION

As a financial services company, BFI Finance's operational activities—which use electricity (particularly intensively) and other resources, such as water, paper, and fossil fuels—result in certain environmental impacts, albeit relatively smaller compared to other lines of businesses. The use of oil as fuel in BFI Finance employees' transportation activities also emits carbon dioxide and other greenhouse gases into the environment.

Realizing its impact on the environment, BFI Finance is committed to delivering an environmentally-responsible business. This commitment is made manifest in the various energy conservation efforts in the daily activities of all BFI Finance's offices.

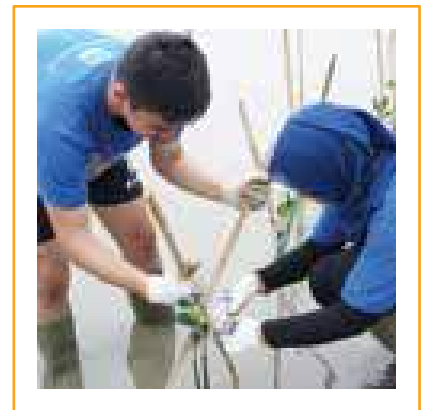
The natural resources efficiency program is implemented in the Company's offices by:

- Using eco-friendly office equipment;
- Switching off lights during lunchtime;
- Smart air-conditioning management; and
- Reducing usage of single-use items, such as tissue paper and bottled water.

The IT Department has developed various applications to encourage less-

paper office initiative. As of the end of 2017, these applications had been installed and run at BFI Finance:

- Applications of e-Filing and Document Management System: with a centralized management system which enables easier control and greater accountability, as well as a more efficient repeated document printing.
- Video conference infrastructure: enables face-to-face interactions which result in less exhausting and time-consuming business trips.
- Human Capital Information System (HCIS) application: an application that can be accessed online in all outlets for employment-related purposes; from personal data to performance evaluation. The implementation of HCIS reduces printouts and paper usage for employment-related purposes.
- Optimization of electronic communication for the dissemination of the Company's internal information through portal and email, including electronic bulletin.



In 2017, BFI Finance collaborated with Habitat for Humanity Indonesia in planting mangrove trees in Mauk, Tangerang, Banten Province, and in planting seeds of fruit trees for the local communities. BFI Finance also organized various environmental awareness programs involving local communities, such as a joint effort to clean coastal areas and other public facilities in some areas.

In regard to waste material utilization, BFI Finance cooperated with the participants of "Rumah Jahit BFI" program and Yayasan Cinta Anak Bangsa (YCAB)—detailed in the subsequent section—in the recycling of banners into small wallets. In 2018, this recycling initiative will be enhanced through a collaboration with a non-governmental organization, Bank Sampah, for waste management.

SOCIAL AND COMMUNITY DEVELOPMENT

The Company's CSR programs in social and community development consist of four main activities:

- **Education:** long-term focus in developing the quality of primary and higher educations, scholarship program for undergraduate students, and skill development for community empowerment;
- **Health:** periodic blood donation activities, free health treatment and surgeries for underprivileged citizens;
- **Religious Affairs:** community awareness program during religious holiday festivities (Ramadan, Eid al-Adha, Christmas); and
- **General social and donation program:** focus on the development and renovation of public infrastructures/facilities, providing assistance for the victims of natural disasters (internally and externally).

Education Sector



BFI Finance considers Education as a key sector which can potentially bring a momentous impact on the sustainability of the Company's business as well as support the effort of the nation in achieving prosperity and social welfare. This strategy is also in line with the "High-Quality Education" objective of the Sustainable Development Goals. Through the CSR programs in this

sector, the Company strives to bring about a fair and quality education, as well as to provide stable and equal lifelong learning opportunities for everybody.

The following are CSR programs in Education sector that have been conducted by BFI Finance over the years:

- **Scholarship for Undergraduate Students (S1)**

BFI Finance's scholarship program for undergraduate students has been running since 2004. The scholarship program comes with employment guarantee. The recipients receive a complete package: full payment of their tuition fees, pocket money, and other benefits up to the end of their study, and they will immediately gain employment from BFI Finance upon the completion of their study. This scholarship is given to outstanding undergraduate students throughout Indonesia, who have submitted their application online via www.bfi.co.id. Up to this day, the Scholarship with Employment Guarantee has been granted to 98 students from various disciplines in public and private universities across Indonesia. This program provides internship opportunities at various BFI Finance's branches throughout Indonesia. As of the end of 2017, BFI Finance had collaborated with 33 universities across Indonesia in this scholarship program.

As of the end of 2017, BFI Finance:

Had collaborated with

33

UNIVERSITIES ACROSS
INDONESIA

Granted scholarship to

98

STUDENTS FROM PUBLIC AND
PRIVATE UNIVERSITIES WITH
EMPLOYMENT GUARANTEE

- **Employee Scholarship and Appreciation for Employees' Children with Outstanding Performance**

BFI Finance provides scholarships for employees with high-school or Diploma (D3) certificates to continue their study to undergraduate degree across Indonesia. BFI Finance also provides a special appreciation program for employees' children with outstanding performance in their study, from elementary level to senior high school. This appreciation is given every semester.

Table 132: Recipients of Appreciation For Employees' Children With Outstanding Performance

SCHOOL YEAR	SEMESTER	TOTAL
2014-2015	1	33
	2	43
2015-2016	1	65
	2	64
2016 - 2017	1	86
	2	105

- The Existence of Corporate Social Responsibility Programs
- CSR Program Implementation
- Contribution to Development

”



“Being a member of the Corporate Business team has broadened my horizons on various industries”

As the recipient of BFI Finance’s scholarship, I am very proud to be able to have been working here since 12 November 2012, due to such an outstanding reputation that BFI Finance has. In addition, I can work together with some alumni from my alma mater and gain new knowledge and experiences. I am very satisfied in my work here, due to its professional management as well as sense of kinship. I hope that BFI Finance can provide more training sessions for its employees, and continuously support high-performing students with its scholarship program.

Scholastica Dania Pamulatira
Recipient of BFI Finance’s Scholarship, 2010

• **Rumah Jahit BFI**



In collaboration with Yayasan Cinta Anak Bangsa (YCAB), BFI Finance organized a ‘Rumah Belajar’ (Study House) entrepreneurship program in Duri Kepa, West Jakarta. ‘Rumah Belajar’ was established to equip children and youth with skills that they can utilize to start their own business and live independently. One of the manifestations of ‘Rumah Belajar’ is Rumah Jahit BFI (BFI Sewing House), established to support the skills development of underprivileged youth, so they may help improve their families’ economic condition. BFI Finance has supported the sewing skill learning program at Rumah Jahit BFI in 2017 and will continue to do so in 2018. In 2017, the Company organized several entrepreneurship training activities with several partners, which include social media training, packaging, and networking tips and tricks. For 2018, the Company plans to develop this program further by providing seed capital and adding more materials into the curriculum, through a collaboration with Kostoom, one of BFI Finance’s partners.

• **Provision of School Supplies and Gerakan 1000 untuk Anak Bangsa**



Gerakan 1000 untuk Anak Bangsa is BFI Finance’s annual activity in the Education sector. This movement seeks to provide school uniforms for students in remote areas. In 2017, BFI Finance, through this movement, distributed school uniforms to 1,000 elementary school students in Kupang and Maumere, East Nusa Tenggara. The distribution of school stationery, uniforms, and teaching equipment was also conducted in a number of areas in Indonesia through BFI Finance branches.

Health Sector

To improve the health condition of communities, BFI Finance organizes various medical service programs for underprivileged communities. BFI Finance has also organized a health awareness program for its employees. The health programs conducted in 2017 were as follows:

- **Blood Drive with Indonesian Red Cross and Free Medical Check-Up**



Blood drives are conducted periodically each year, in collaboration with the Indonesian Red Cross. In 2017, BFI Finance organized three blood drive activities, two of which were to commemorate BFI Finance's anniversary and the Indonesian Independence Day, respectively, and the last one in mid-December 2017 to welcome the new year. BFI Finance also conducted blood drive activities in other cities in Indonesia.

- **Free Cleft Lip and Cleft Palate Surgeries for Underprivileged Citizens**



Since 2012, BFI Finance has collaborated with Yayasan Citra Baru (YCB) to organize Free Cleft Lip and Cleft Palate Surgeries. By the end of 2017, BFI Finance had funded the surgery of 30 recipients.

- **Mass Circumcision and Free Medical Check-Up**

BFI Finance organized various medical check-up programs in a number of areas where some of its branches operate. These programs, such as mass circumcision, aerobics, and free medical check-up, were directed to the general public.

Religious Affairs Sector

To reinforce the spirit of tolerance, particularly religious tolerance, BFI Finance organizes various CSR activities aimed at giving support to the religious affairs in the community, which include:

- **Social Service during Ramadan and Other Religious Festivities**



BFI Finance organized Ramadan Social Service 1438 H at seven branches across Indonesia, by distributing iftar meals to impecunious citizens. This program was carried out for seven consecutive days at each branch. The Ramadan Social Service was aimed at underprivileged widows and underprivileged families based on the population data from the local government, as well as garbage collectors and street sweepers.

- **BFI Berkurban**



The Company celebrated Eid al-Adha 1438 H by organizing 'BFI Berkurban'. In this event, BFI Finance distributed meat from sacrificial animals to a number of orphanages in South Tangerang.

Social Sector and General Donation

Charitable events in the form of donations were conducted selectively based on humanity consideration. Donations were mainly given in the context of disaster relief, by providing staple goods for the victims of flooding, landslides, volcano eruptions, and other major disasters in Indonesia. The aim of the activity is to alleviate the burden of citizens and employees affected by the disasters. BFI Finance also distributed staple goods to orphanages and other parties as deemed necessary, and provided physical and infrastructure facilities for places of worship and foundations in areas where BFI Finance branches operate.

HUMAN CAPITAL DEVELOPMENT

It is in the interest of BFI Finance to continuously improve the capacity and quality of its employees in order to be able to conduct business processes more effectively and efficiently, as well as give

the best performance to all stakeholders of the Company.

BFI Finance strives to employ and retain people with expertise and capabilities required by the Company. Therefore, BFI Finance carries out new employees recruitment and programs related to the fulfillment of employees' rights, which include: the rights to fair and feasible remuneration, the rights to equality and non-discrimination, the rights to feel secure at the workplace, and the rights to adequate benefits and protection from the Company.

By the end of 2017, total number of people employed by the Company is 9,884, deployed in the head office, 218 branches and 124 outlets throughout Indonesia.

To develop the quality of HR, BFI Finance established and operates BFI Learning Institute, which focuses on creating a learning organization for the development of comprehensive training programs in accordance with the Company's business needs. BFI Learning Institute's 2017 programs include collaboration with various universities, knowledge management, training, and certification. Total expenditure for HR development in 2017 was Rp28.5 billion, an increase of 49% compared to HC expenditures in 2016, which amounted to Rp19.1 billion. The training in 2017 involved 11,206 participants, with the average training hours of 41.8 hours per employee per year.

The programs in this context can be categorized into two main groups: 'GREAT Talent Review' and 'People Development', which will become the groundwork for each employee's career path development.

”



“In the past two years, I have received tremendous assistance from BFI Finance that has enabled me to continue my education further”

BFI Finance has supported me through its scholarship program since 2016. Moreover, the work-guarantee clause included in the scholarship program makes me feel at ease and happy. I am very grateful to BFI Finance and hope that it can offer more basic training programs such as leadership training, and organize a gathering for all scholarship recipients so that we all can get to know each other and share our experiences.

Gracia Theodora Andrianti
Recipient of BFI Finance's Scholarship,
Student at Atma Jaya University Yogyakarta

To ensure the welfare of its employees, BFI Finance applies a policy for setting salary structure and performance bonus tailored to the achievement and contribution of each employee, as well as the external economic condition. The Company has always fulfilled the minimum wage requirement determined by the government. In addition to the basic salary, BFI Finance's employees receive various benefits and facilities, such as transportation allowances, housing allowances, and vehicle ownership programs. The Company also provides protection for its employees in the form of Personal Accident Insurance and Life Insurance, as well as Work Accident Insurance, Old Age Insurance, and Death Insurance from BPJS Ketenagakerjaan.

With regard to Occupational Health and Safety (OHS), the Company implements the OHS Management System rigorously, while OHS clauses are included in the Joint Work Agreement, which is signed by the employees and the Company. BFI Finance always promotes a balanced and healthy lifestyle to its employees. The Company provides sports facilities for use by its employees, periodic medical check-ups, and information dissemination on healthy lifestyle.

In addition to building an effective and harmonious industrial relationship with all employees, the Company has provided a means for employees to file complaints regarding the Company's employment practices. In 2017, the Company received no reports on violation of employment practices and industrial relationship taking place within the Company.

The Company's various strategies and efforts for managing its human capital are described in detail in the Human Capital chapter, on page 86-101

FOCUS ON CUSTOMER SERVICE

To ensure customer's satisfaction in capitalizing on their financial products and to maintain their loyalty to the Company, BFI Finance has a range of programs to enhance its service quality and set a high service standard for each employee, as part of its responsibility to the customers. BFI Finance consistently strives to improve its customer service aspects, from systems and procedures, to network reliability and complaint handling.

In servicing its customers, BFI Finance applies the "Service Insight", a set of core values for excellent service. Further explanation on Service Insight has been given in the Network & Operations section in the Business Supporting Unit chapter, on page 106-109.

As part of its responsibility to the customers, BFI Finance conducted the following customer service programs in 2017:

1. Employee training on service aspects;
2. Collaboration with favorite merchants in all operational areas to provide special discounted prices for all BFI Finance customers;
3. Special Treatment given to particular customers with Excellent merit; and
4. 'BM Goes to Front Office' to commemorate the National Customer Day.

In addition to the above programs, BFI Finance has always provided adequate communication facilities for its employees and customers so they are able to obtain information and explanation on various financing products of the Company and to submit complaints regarding the products and services of the Company.

The details of BFI Finance's financing products can be found on the Company's website.

With regard to customer complaint, in 2017 BFI Finance received 4,154 complaints, a decrease of 29% from 5,843 complaints received in 2016. None of the complaints received by BFI Finance in 2017 were related to violation of privacy and customer data rights.

In accordance with the Company's SLA, each complaint received in 2017 had been thoroughly resolved within less than 20 days. This achievement is expected to further improve customer satisfaction level related to the Company's products and services.

Further explanation on Customer Service is provided in the Network & Operations section of Business Supporting Unit chapter on page 106-109.

CONTRIBUTION TO DEVELOPMENT

BFI Finance's contribution to its stakeholders is not only limited to providing financing products and services to all customers or in mutually beneficial partnerships with its business partners and local communities that it supports. Beyond that, BFI Finance contributes to the advancement of the sustainable development of Indonesian society through the distribution of the economic value it generated, among various external parties.

In its economic aspect, BFI contributes to the stakeholders through tax payments to the state, payment of dividends to shareholders, and payment of salaries to employees which indirectly boost the national economy.

Table 133: Economic Value Distributed

ECONOMIC PERFORMANCE (Rp million)	2015	2016	2017
Economic Value Generated	33	33	1
- Revenue	2,830,617	3,227,107	4,042,317
Economic Value Distributed	65	65	1
- Operational Expenses	1,366,738	1,485,261	1,684,050
- Employee Expenses	626,324	715,765	868,834
- Dividends	322,943	224,466	344,181*
- Payment to the Government (Tax, Retribution, etc.)	182,742	233,505	322,026
- Social Investment (CSR Expenditures)	2,061	1,120	1,647
Retained Economic Value (= Generated Economic Value – Distributed Economic Value)	329,809	566,990	821,579

*This is interim dividend, final dividend will be determined in 2018 GMS.

Throughout its operations, BFI Finance has never extended any financial support or other forms of support to any political party or political candidate. BFI Finance has neither received financial assistance in any form from the government.

BENEFITS FOR SOCIETY

Aside from the financial benefits from the economic value distributed to many of its external and internal parties, BFI Finance also contributes to national development through the financing it provides to the society and businesses in Indonesia. BFI Finance's heavy equipment financing boosts the proliferation of the commodity and construction sectors in Indonesia, while motor vehicle financing allows the society

to obtain a higher mobility rate in support of their productivity.

Moreover, one of BFI Finance's target markets for its financing products is the small and medium businesses, most of which includes people from lower- to middle-income background. The existence of SMEs among the society plays a key role in empowering the society's economy. Their economic activities will support the attainment of greater social welfare in Indonesia.

Furthermore, since 2016, BFI Finance has been offering financing products related to educational needs. This aims to assist individuals that are hampered by high education costs, such as matriculation fees. BFI cooperates with several universities to distribute these financing products. In a way, this initiative has also helped distribute higher quality education more equitably throughout Indonesia. This, in turn, shall further boost social mobility.

CORPORATE SUPPORTING DATA

OUTLET ADDRESS

HEAD OFFICE

BFI Tower

Sunburst CBD Lot 1.2, Jl. Kapt. Soebijanto Djojohadikusumo
BSD City, South Tangerang 15322

Tel: (62-21) 2965 0300, 2965 0500 • Fax: (62-21) 2966 0757, 2966 0758

Website: www.bfi.co.id

BRANCH

JAVA, BALI & NUSA TENGGARA

Branch	Address	City/District
DKI JAKARTA		
Jakarta - Sunter	Rukan Puri Mutiara Blok A No. 80, Jl. Utama Griya, Sunter	North Jakarta
Jakarta Utara	Rukan Grand Orchard Square Blok C/20, Jl. Terusan Kelapa Hybrida Sukapura	North Jakarta
Jakarta Utara 2	Rukan Bandengan Indah Blok B-3, Jl. Bandengan Utara No. 80, Kel. Penjaringan, Kec. Penjaringan	North Jakarta
Jakarta - Meruya	Jl. Lapangan Bola No. 1-1A, Meruya, Kebon Jeruk	West Jakarta
Jakarta - Cengkareng	Sedayu Square Blok C-02, Jl. Outer Ring Road Cengkareng Barat	West Jakarta
Jakarta Timur	Ruko Radin Inten Center No. 8D, Jl. Radin Inten, Duren Sawit	East Jakarta
Jakarta - Cawang	Jl. Dewi Sartika No. 292F, RT 004 / RW 005, Kel. Cawang, Kec. Kramat Jati	East Jakarta
Jakarta Selatan	Jl. Ciputat Raya No. 1C, RT 003 / RW 010, Kel. Kebayoran Lama Selatan, Kec. Kebayoran Lama	South Jakarta
Jakarta Selatan 2	Jl. Raya Rawa Bambu No. 18, RT 13 / RW 5, Kel. Pasar Minggu, Kec. Pasar Minggu	South Jakarta
Jakarta - Corporate Leasing	Rukan Graha Cempaka Mas Blok A No. 31, Jl. Let. Jend. Suprpto, Kel. Sumur Batu, Kec. Kemayoran	Central Jakarta
BANTEN		
Tangerang	Jl. M.T. Haryono No. 9, Sukasari	Tangerang
Tangerang 2	Kompleks Balaraja Ultimate For Business Retail Ruko C No. 3A, Jl. Raya Serang Km. 24, RT 001 / RW 001, Desa Telagasari, Kec. Balaraja	Tangerang
Tangerang 3	Ruko Prabu Kian Santang No. 2, Jl. Prabu Kian Santang, RT 01 / RW 04, Kel. Sangiang Jaya, Kec. Periuik	Tangerang
Bintaro	Ruko Kebayoran Arcade 2 Blok B1 No. 09, Bintaro Jaya Sektor 7, Kel. Pondok Jaya, Kec. Pondok Aren	Tangerang
Cikupa	Citra Raya Grand Boulevard Blok E1 No. 286-288, RT 03 RW 03, Desa Ciakar, Kec. Panongan	Tangerang
Pamulang	Jl. Raya Siliwangi No. 57G, RT 01 / RW 07, Kel. Pamulang Barat, Kec. Pamulang	Tangerang
Cilegon	Jl. Ahmad Yani No. 135C, RT 004 / RW 002, Kel. Sukmajaya, Kec. Jombang	Cilegon
Serang	Ruko Titan Arum Blok F, Jl. Raya Cilegon Km 3 Legok, RT 01 / RW 13, Desa Drangong, Kec. Taktakan	Serang
Serpong - Tangerang Selatan	BFI Tower, Sunburst CBD Lot 1.2, Jl. Kapt. Soebijanto Djojohadikusumo, BSD City	South Tangerang
WEST JAVA		

JAVA, BALI & NUSA TENGGARA		
Branch	Address	City/District
Bandung	Jl. Soekarno Hatta No. 472, Kel. Batu Nunggal, Kec. Bandung Kidul	Bandung
Bandung - Lengkong	Jl. Lengkong Kecil No. 12B	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 Mall Ciputra Blok R.2 No.18, Jl. Alternative, Kel. Jati Karya, Kec. Jati Sempurna	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. 115A, Ds. Kertawinangun, Kec. Kedawung	Cirebon
Cirebon 2	Jl. Prabu Kiansantang, RT 001 / RW 08, Desa Sukadana, Kec. Pabuaran	Cirebon
Cirebon 3	Jl. Rd. Dewi Sartika, Blok Palsanga, RT 005 / RW 006, Kel. Kenanga, Kec. Sumber	Cirebon
Depok	Ruko Margonda Residen No. 12A-14, Jl. Margonda Raya Kav. 461	Depok
Garut	Jl. Cikuray No. 72C, RT 05 / RW 06, Kel. Regol, Kec. Garut Kota	Garut
Indramayu	Jl. Raya Sleman No. 3B, RT 01 / RW 03, Desa Sleman Lor, Kec. Sliyeg	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, Singdilaga, Ruko No. 5-6, Kel. Nagrikaler	Purwakarta
Subang	Jl. Kapten Hanafiah Blok B No. 4, RT 98 / RW 97, Kel. Karanganyar, Kec. Subang	Subang
Tasikmalaya	Kompleks Pertokoan Plaza Asia Blok B No. 12A, Jl. H.Z. Mustofa	Tasikmalaya
CENTRAL JAVA		
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. Sronдол Wetan, Kec. Banyumanik	Semarang
Semarang 3	Jl. Brigjen Sudiarto No. 587B, RT 01 / RW 04, Kel. Pedurangan Kidul, Kec. Pedurangan	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. Lingkar Pasar 1 No. 1, RT 03 / RW 02, Kel. Pekauman, Kec. Kendal	Kendal
Klaten	Jl. Veteran No. 256A, Kel. Bareng Lor, Kec. Klaten Utara	Klaten
Kudus	Ruko Bitingan Indah (Panjunan), Jl. Ahmad Yani, B 07 - B 08, Kel. Panjunan, Kec. Kota Kudus	Kudus
Magelang	Ruko Metro Square F6, Jl. Mayjen Bambang Soegeng, 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. 160C, 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		
Yogyakarta	Ruko Monjali Permai Kav. 2, Jl. Monjali Sinduadi Mlati, Sleman	Yogyakarta
Yogyakarta 2	Jl. Gedongkuning No. 110, RT 35, Kel. Rejowinangun, Kec. Kota Gede	Yogyakarta
EAST JAVA		
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 21C, RT 004 / RW 007, Kel. Tambaksari, Kec. Tambaksari	Surabaya
Surabaya 4	Jl. Kalibutih No. 91A, RT 009 / RW 006, Kel. Tembok Dukuh, Kec. Bubutan	Surabaya
Babat	Jl. Raya Plaosan	Babat
Banyuwangi	Jl. S. Parman No. 131D, 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

JAVA, BALI & NUSA TENGGARA

Branch	Address	City/District
Jember	Jl. Diponegoro No. 32, Ruko 32B, 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
Nganjuk	Jl. Gatot Subroto No. 29, RT 03 / RW 04, Kel. Kauman, Kec. Nganjuk	Nganjuk
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. 40A, Kel. Purworejo, Kec. Purworejo	Pasuruan
Ponorogo	Jl. Soekarno Hatta No. 238	Ponorogo
Probolinggo	Jl. Panglima Sudirman No. 188, RT 04 / RW 06, Kel. Jati, Kec. Mayangan	Probolinggo
Sidoarjo	Kompleks Ruko Gateway No. B/2, Jl. Raya Waru (Aloha)	Sidoarjo
Sidoarjo 2	Jl. Mojopahit No. 32B	Sidoarjo
Sidoarjo 3	Ruko La Diva Junction No.369-370, Jl. Gubernur Sunandar No. 136-138, RT 01 / RW 01, Kel. Sidomulyo, Kec. Krian	Sidoarjo
Tuban	Jl. Letda Sucipto No. 5A, Perbon	Tuban
Tulungagung	Jl. W.R. Supratman No. 103	Tulungagung
BALI		
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		
Mataram	Jl. Brawijaya No.22-24, RT. 02, Lingk.Karang Kelebut, Kel. Cakranegara Selatan, Kec. Cakranegara	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		
Kupang	Jl. Frans Seda RT 042 / RW 013, Kel. Fatululi, Kec. Oebobo	Kupang

SUMATERA

Branch	Address	City/District
NORTH SUMATERA		
Medan	Jl. Ir. H Juanda No.26, Lingkungan IV, Kel. Sukadamai, Kec. Medan Polonia	Medan
Medan 2	Jl. Bambu II No. 67 B-C, Kel. Durian, Kec. Medan Timur	Medan
Asahan	Jl. Sisingamangaraja No. 48E, 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. 57A, Kel. Kampung Dalam, Kec. Kabanjahe	Karo
Padangsidempuan	Jl. Sudirman No. 8F, Kel. Losung Batu, Kec. Padangsidempuan Utara	Padangsidempuan
Pematangsiantar	Jl. Kartini No. 48E, Kel. Timbang Galung, Kec. Siantar Barat	Pematangsiantar
Rantauprapat	Jl. Ahmad Yani No. 104 A-B, Labuhan Batu	Rantauprapat
RIAU		
Pekanbaru	Jl. Soekarno Hatta No. 88, Kel. Delima, Kec. Tampan	Pekanbaru
Pekanbaru 3	Jl. Setiabudi No. 89-89A	Pekanbaru
Air Molek - Indragiri Hulu	Jl. Jend. Sudirman, Kel. Sekar Mawar, Kec. Pasir Penyau	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		
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 005 / RW 001, Kel. Sungai Lakam, Kec. Karimun	Karimun
WEST SUMATERA		
Padang	Jl. Khatib Sulaiman No. 63 D-E	Padang

SUMATERA		
Branch	Address	City/District
Bukittinggi	Jl. Raya Kapas Panji No. 49B, Jambu Air Nagari Taluak IV Suku, Kec. Banuhampu, 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, Lingkuang Aua, Kec. Pasaman	West Pasaman
JAMBI		
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		
Bengkulu	Jl. Danau No. 08, Kel. Dusun Besar, Kec. Singaran Pati	Bengkulu
SOUTH SUMATERA		
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
Palembang 3	Jl. Alamsyah Ratu Prawira Negara No. R-19, RT 010 / RW 02, Kel. Karang Jaya, Kec. Gandus	Palembang
Baturaja	Jl. Dr. Moh. Hatta, RT 04 / RW 04, Kel. Sukaraya, Kec. Baturaja Timur, Ogan Komering 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		
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. 32B, RT 09 / RW 04, Kel. Pangkal Lalang, Kec. Tanjung Pandan	Belitung
Sungai Liat	Jl. Jend. Sudirman No. 114D, Kel. Srimenant, Kec. Sungai Liat	Bangka Induk
LAMPUNG		
Bandar Lampung	Jl. Gajah Mada No. 55, Kota Baru, Tanjung Karang Timur	Bandar Lampung
Bandar Lampung 2	Jl. Sultan Agung No.19J, Kel. Way Halim Permai, Kec. Sukarame	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		
Branch	Address	City/District
WEST KALIMANTAN		
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		
Palangkaraya	Jl. RTA Milono Km. 3,5 No. 6-7, Kel. Menteng, Kec. Jekan Raya	Palangkaraya
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		
Banjarmasin	Jl. A. Yani Km. 7,8 No. 30, Kertak Hanyar, Kab. Banjar	Banjarmasin
Banjarbaru	Jl. Ahmad Yani Km. 34.500, RT 003 / RW 002, Kel. Komet, Kec. Banjarbaru Utara	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 Pudak, Tabalong	Tanjung
EAST KALIMANTAN		
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
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	Ruko Primagama, Jl. Bhayangkara Km. 6 No. 16F	Bontang
Paser	Jl. R.A. Kartini No. 21A, RT 13 / RW 4, Kel. Tanah Grogot	Paser
Penajam Paser Utara	Jl. Propinsi, RT 007, Km.18, Kel. Petung, Kec. Penajam	Penajam Paser Utara
Sengata	Jl. A.W. Syahrani RT 04 / RW 01, Kel. Teluk Lingga, Kec. Sengata Utara	North Kutai
Tarakan	Jl. Gajah Mada No. 75, Kel. Karang Anyar Pantai	Tarakan
Tenggarong	Jl. Patin No. 99B, Tenggarong	Kutai Kartanegara
NORTH KALIMANTAN		
Bulungan	Jl. Durian No. 87, RT 41 / RW 05, Kel. Tanjung Selor Ilir, Kec. Tanjung Selor	Bulungan

SULAWESI		
Cabang	Alamat	Kota / Kabupaten
NORTH SULAWESI		
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 Katamsjo, Kel. Kotobangun	Kotamobagu
South Minahasa	Lingkungan IV Kel. Uwuran I, Kec. Amurang	South Minahasa
Tahuna - Kepulauan Sangihe	Jl. Raramenusia, Kel. Sawang Bendar, Lingkungan III	Tahuna
Tomohon	Jl. Tomohon Raya No. 55, Kel. Walian, Kec. Tomohon Selatan	Tomohon
GORONTALO		
Gorontalo	Jl. Agus Salim No. 290, Kel. Wumialo, Kec. Kota Tengah	Gorontalo
Marisa	Graha Arwana, Jl. Trans Sulawesi, Kel. Buntulia Selatan, Kec. Duhiada	Pohuwato
WEST SULAWESI		
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		
Palu	Ruko Moh. Hatta Center, Jl. Dr. Moh. Hatta No. 21D-E, RT 11 / RW 03, Kel. Besusu Tengah, Kec. Palu Timur	Palu
Kotaraya	Jl. I Gusti Ngurah Rai, Desa Kotaraya, Kec. Mepanga	Parigi Moutong
Luwuk	Jl. Yos Sudarso No. 15, Kel. Karaton, Kec. Luwuk	Banggai
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		
Makassar	Jl. Hertasning 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
Luwu Utara	Jl. Ahmad Yani, RT 1 / RW 1, Kel. Kappuna, Kec. Masamba	Luwu Utara
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. 474A, Kel. Tambunan, Kec. Makale Utara	Tana Toraja
EAST SULAWESI		
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. 15D, Kel. Tumpas, Kec. Unaha	Konawe
MOLLUCAS & PAPUA		
Branch	Address	City/District
MALUKU		
Ambon	Perumahan Citraland The Arkade Blok 06-07, Jl. Wolter Monginsidi, Kel. Lateri, Kec. Bagualan	Ambon
Maluku Tengah	Jl. Abdullah Soulissa No.20, RT 02 / RW 03, Kel. Namaelo, Kec. Kota Masohi	Central Mollucas
NORTH MOLLUCAS		
Ternate	Jl. Stadion No. 36, RT 01 / RW 01, Kel. Kampung Pisang, Kec. Kota Ternate Tengah	Ternate
Tobelo	Jl. Kemakmuran, Desa Rawajaya, Kec. Tobelo	North Halmahera
WEST PAPUA		
Manokwari	Jl. Trikora Wosi, Ruko No. 3, RT 003 / RW 007, Kel. Wosi, Kec. Manokwari Barat	Manokwari
Sorong	Jl. Basuki Rahmat Km. 9,5, Kel. Remu Selatan	Sorong
PAPUA		
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

KIOSK

JAVA, BALI & NUSA TENGGARA		
Kiosk	Address	City/District
DKI JAKARTA		
Cijantung	Jl. Gongseng No. 28, Kel. Cijantung, Kec. Pasar Rebo	East Jakarta
Ciracas	Kompleks PERUMNAS, Jl. Kelapa Dua Wetan Blok B No. 12, RT 04 / RW 05, Kel. Kelapa Dua Wetan, Ciracas	East Jakarta
Johar Baru	Jl. Pangkalan Asem Raya No. 45, Kel. Galur, Kec. Johar Baru	Central Jakarta
Kalideres	Jl. Warung Pojok Kampung Asem No. 114, RT 005 / RW 005, Kel. Semanan, Kec. Kalideres	West Jakarta
Pademangan	Jl. Pademangan III Gg. 18 No. 249B, RT 07 / RW 07, Kel. Pademangan Timur, Kec. Pademangan	North Jakarta
Pesanggrahan	Jl. Ciledug Raya No. 6, RT 10 / RW 04, Kel. Ulujami, Kec. Pesanggrahan	South Jakarta
Tebet	Gedung Regatama Blok A No. 106, Jl. Pariaman, Kel. Manggarai, Kec. Tebet	South Jakarta
BANTEN		
Batucapeper	Jl. Raya Poris Indah, RT 02 / RW 03, Kel. Poris Indah, Kec. Batucapeper	Tangerang
Jatiuwung	Jl. Raya Gatot Subroto, Kp. Jatake, RT 006 / RW 002, Kel. Jatake, Kec. Jatiuwung	Tangerang
Karawaci	Jl. Mendut Raya Blok CC No. 19, Taman Borobudur 2 Perumnas II	Tangerang
Larangan	Jl. Inpres Raya No. 3, RT 1 / RW 16, Kel. Larangan Utara, Kec. Larangan	Tangerang
Tigaraksa	Ruko Sudirman Indah Blok A-012A No. 10, Kel. Pasir Nangka, Kec. Tigaraksa	Tangerang
Sepatan	Jl. Raya Sepatan Km.9 No.71, RT 001 / RW 004, Kel. Sepatan, Kec. Sepatan	Tangerang
Ciputat	Jl. Raya Jombang No. 49, RT 002 / RW 011, Kel. Jombang, Kec. Ciputat	South Tangerang
Ciputat Timur	Jl. W.R. Supratman No. 3, RT 01 / RW 08, Kel. Cempaka Putih, Kec. Ciputat Timur	South Tangerang
Pondok Aren	Kebon Manggis RT 03 / RW 04, Kel. Pondok Kacang Timur, Kec. Pondok Aren	South Tangerang
Serpong 2	Jl. Raya Ciater RT 002 / RW 009, Kel. Rawa Mekar Jaya, Kec. Serpong	South Tangerang
Serpong Utara	Jl. SKKI RT 08 / RW 02, Kel. Pondok Jagung, Kec. Serpong Utara	South Tangerang
Setu 2	Jl. Lingkar Selatan RT 01 / RW 03, Kel. Muncul, Kec. Setu	South Tangerang
WEST JAVA		
Ciparay	Jl. Raya Laswi, Kp. Sukapura, RT 005 / RW 014, Desa Bumiwangi, Kec. Ciparay	Bandung
Ciwidey	Kp. Sukasari RT 02 / RW 20, Desa Ciwidey, Kec. Ciwidey	Bandung
Katapang	Jl. Terusan Kopo Km. 11 No. 46, Cilampeni	Bandung
Mandalajati	Jl. A.H. Nasution No. 135, RT 01 / RW 06, Kel. Karangpamulang, Kec. Mandalajati	Bandung
Padalarang	Jl. Raya Ciburuy, RT 03 / RW 17, Kel. Padalarang, Kec. Padalarang	West Bandung
Bantar Gebang	Jl. Pasar Lama No. 40, RT 03 / RW 09, Bantar Gebang	Bekasi
Bekasi Timur	Jl. Pahlawan RT 001 / RW.02, Kel. Aren Jaya, Kec. Bekasi Timur	Bekasi
Jatiasih	Jl. Raya Jatiasih No. 36A, Kp. Kebantenan, RT 005 / RW 010, Kel. Jatiasih, Kec. Jatiasih	Bekasi
Serang Baru	Jl. Raya Serang Cibarusah, Kp. Pasirandu, RT 07 / RW 04, Desa Sukasari, Kec. Serang Baru	Bekasi
Setu	Jl. Raya Setu RT 009 / RW 008, Desa Ciledug, Kec. Setu	Bekasi
Bogor Utara	Jl. Mandala Simpang Pomad No. 1, RT 005 / RW 002, Kel. Ciparigi, Kec. Bogor Utara	Bogor
Bojong Gede	Jl. Raya Bojong Gede No. 65, Kp. Pasar Lama, RT 02 / RW 09, Kel. Bojonggede, Kec. Bojonggede	Bogor
Ciomas	Jl. Raya Kretag Pagelaran, Kp. Sukajaya, RT 001 / RW 002, Kel. Pagelaran	Bogor
Citeureup	Jl. Raya Mayor Oking Atmaja No. 2A, RT 02 / RW 01, Kel. Puspanegara, Kec. Citeureup	Bogor
Gunung Putri	Jl. Pertigaan Mercedes, Kp. Poncol, RT 003 / RW 002, Kel. Tlajung Udik, Kec. Gunung Putri	Bogor
Bojongsari	Jl. Raya Parung-Ciputat, RT 002 / RW 004, Kel. Bojongsari Lama, Kec. Bojongsari	Depok
Pancoran Mas	Jl. Raya Sawangan (Parung Bingung) No. 33 RT 04 / RW 03 Kel. Rangkapan Jaya Baru, Kec. Pancoran Mas	Depok
Karangmalang	Jl. Pasar Baru Blok G No.18, Jangkar Mas Residence RT 17 / RW 02, Kel. Karangmalang, Kec. Indramayu	Indramayu
Telagasari	Jl. Syeh Quro, Dusun Krajan I, RT 03 / RW 01, Kec. Telagasari	Karawang
CENTRAL JAVA		
Ngaliyan	Pondok Ngaliyan Asri Kav. 1, RT 01 / RW 14, Kel. Tambak Aji, Kec. Ngaliyan	Semarang
Ungaran	Jl. Sutoyo No. 57, Kel. Sidomulyo, Kec. Ungaran Timur	Semarang
Boyolali	Jl. Pandanaran No. 127, Kp. Koplak, RT 03 / RW 06, Kel. Siswodipuran, Kec. Boyolali	Boyolali
Mayong	Kompleks Ruko Atthoyibah No. 2, Jl. Kudus, RT 3 / RW 2, Pelemkerep, Kec. Mayong	Jepara
Tasikmadu	Jl. Lawu No. 196, RT 07 / RW 10, Kel. Papahan, Kec. Tasikmadu	Karanganyar
Juwana	Jl. Diponegoro No. 16 Blok E, RT 04 / RW 01 Desa Kauman, Kec. Juwana	Pati
Kajen	Jl. Raya Kajen RT 03 / RW 06 Desa Kebon Agung, Kec. Kajen	Pekalongan
Kartasura	Jl. Adi Sumarmo No. 73, RT 01 / RW 03, Ngabeyan, Kartasura	Sukoharjo
Sukoharjo	Jl. Slamet Riyadi No. 22 RT 22, Gayam	Sukoharjo
YOGYAKARTA SPECIAL DISTRICT		
Triharjo	Jl. Dr. Rajimin, Kel. Sucen, Kec. Triharjo	Sleman
EAST JAVA		
Benowo	Jl. Klakah Rejo BCD R6, RT 02 / RW 08, Kel. Kandangan, Kec. Benowo	Surabaya
Gunung Anyar	Jl. Kyai Abdul Karim No.67, RT 01 / RW 04, Kel. Rungkut Menanggal, Kec. Gunung Anyar	Surabaya
Jambangan	Jl. Jambangan Tama No. 2A, RT 07 / RW 03, Kel. Jambangan, Kec. Jambangan	Surabaya
Sukolilo	Jl. Semolowaru Utara No. 149D, RT 01 / RW 01, Kel. Semolowaru, Kec. Sukolilo	Surabaya
Tenggiling Mejoyo	Jl. Kutasari Utara No. 19, RT 05 / RW 02, Kel. Kutasari, Kec. Tenggiling Mejoyo	Surabaya
Wiyung	Jl. Menganti Wiyung 121, RT 01 / RW 04, Kel. Wiyung, Kec. Wiyung	Surabaya

JAVA, BALI & NUSA TENGGARA

Kiosk	Address	City/District
Genteng	Jl. K.H. Wahid Hasyim No. 7A, RT 003 / RW 004, Kel. Genteng Kulon, Kec. Genteng	Banyuwangi
Wlingi	Jl. Gajah Mada No. 39, RT 02 / RW 04, Kel. Wlingi, Kec. Wlingi	Blitar
Sumberrejo	Jl. Raya Sumberrejo No. 210, Dusun Badug, RT 05 / RW02, Sumuragung, Kec. Sumberrejo	Bojonegoro
Balongpanggung	Dusun Banci, RT 01 / RW 01, Desa Balongpanggung, Kec. Balongpanggung	Gresik
Driyorejo	Jl. Raya Driyorejo No. 127, Kel. Driyorejo	Gresik
Menganti	Jl. Raya Bringkang, RT 003 / RW 002, Kec. Menganti	Gresik
Sidayu	Jl. Pemuda No. 78, Sidayu	Gresik
Kedamean	Jl. Raya Kedamean, Dusun Watupasang, RT 12 / RW 05, Desa Kedamean, Kec. Kedamean	Gresik
Mojoagung	Jl. Raya Yos Sudarso No. 161, RT 001 / RW 002, Kel. Janti, Kec. Mojoagung	Jombang
Wates	Jl. Raya Tawang, RT 19 / RW 08, Kel./Desa Tawang, Kec. Wates	Kediri
Batu	Jl. Dewi Sartika 1A, RT 07 / RW 10, Kel. Temas, Batu	Malang
Lawang	Ruko Dr. Wahidin No. 2, Jl. Dr Wahidin 19, RT 04 / RW 01, Desa Kalirejo, Kec. Lawang	Malang
Pakis	Bunut Wetan, RT 8 / RW 6, Kel. Bunut Wetan, Kec. Pakis	Malang
Mojosari	Jl. Gajah Mada, RT 007 / RW 001, Kel. Menanggal, Kec. Mojosari	Mojokerto
Tanjunganom	Krajan Selatan, RT 05 / RW 06, Kel. Kampung Baru, Kec. Tanjunganom	Nganjuk
Beji	Ds Sidowayah, RT 03 / RW 03, Kel. Sidowayah, Kec. Beji	Pasuruan
Sukodono	Jl. Raya Dungus, RT 16 / RW 04, Kel. Sukodono, Kec. Sukodono	Sidoarjo
Taman	Jl. Sepanjang Tani No. 8A, Sepanjang, Kec. Taman	Sidoarjo
Tulangan	Jl. Raya Tulangan No. 35, RT 03 / RW 06, Kel. Tulangan, Kec. Tulangan	Sidoarjo
Waru	Jl. Raya Berbek No.16, RT 002 / RW 002, Kel. Berbek, Kec. Waru	Sidoarjo
BALI		
Denpasar Timur	Jl. Padma, Br Kelod Kangin, Desa Penatih, Kec. Denpasar Timur	Denpasar
Kuta Utara	Jl. Raya Anyar No. 7, Lingkungan Anyar Kaja Kerobokan, Kec. Kuta Utara	Badung
WEST NUSA TENGGARA		
Narmada	Jl. Raya Ahmad Yani No. 68, RT 002, Desa Narmada, Kec. Narmada	West Lombok

SUMATERA

Kiosk	Address	City/District
NORTH SUMATERA		
Medan Marelان	Jl. Marelان Raya No. 149 Link 12, Kel. Rengas Pulau, Kec. Medan Marelان	Medan
Percut Sei Tuan	Jl. Besar Tembung No. 26, Dusun IX, RT 010 / RW 005, Kel. Bandar Klippa, Percut Sei Tuan	Deli Serdang
Tanjung Morawa	Jl. Perintis Kemerdekaan No.488/8C, Desa Tanjung Morawa B, Kec. Tanjung Morawa	Deli Serdang
Bilah Hulu	Jl. Lintas Sumatera, Dusun Perbaungan Bawah Aek Nabara Kec. Bilah Hulu	Labuhan Batu
Stabat	Jl. Proklamasi No. 14, Kel. Kwala Bingai, Kec. Stabat	Langkat
RIAU		
Marpoyan Damai	Jl. Kaharuddin Nasution No. 260, RT 002 / RW 006, Kel. Maharatu	Pekanbaru
Rumbai	Jl. Sembilang No. 23, RT 03 / RW 03, Kel. Lembah Sari	Pekanbaru
Tenayan Raya	Jl. Lintas Timur Km. 12, RT 003 / RW 001, Kel. Kulim, Kec. Tenayan Raya	Pekanbaru
RIAU ISLAND		
Bintan Timur	Jl. Perikanan No. 42, Kp. Kuala Lupur, Kel. Kijang Kota	Tanjung Pinang (Pulau Bintan)
Bintan Utara	Jl. Permaisuri No. 5A, Kel. Tanjung Uban Selatan, Kec. Bintan Utara	Bintan (Pulau Bintan)
Sagulung	Winner Bugis Junction Blok A3 No. 07, RT 8 / RW 1, Kel. Sagulung, Kec. Sagulung	Batam (Pulau Batam)
JAMBI		
Alam Barajo	Jl. Pattimura, RT.001, Kel. Kenali Besar, Kec. Alam Barajo	Jambi
Jambi Timur	Jl. Sentot Alibasa, RT 07, Kel. Payo Selincah, Kec. Jambi Timur	Jambi
SOUTH SUMATERA		
Sako	Jl. Siaran Sako No. 1B, RT 014 / RW 08, Kel. Sako, Kec. Sako	Palembang
LAMPUNG		
Jati Agung	Jl. Raya Karang Anyar, RT 02 / RW 01, Desa Karang Anyar, Kec. Jati Agung	South Lampung
Tanjung Bintang	Jl. Raya Serdang, RT 24 / RW 4B, Kel. Serdang, Kec. Tanjung	South Lampung
Kalirejo	Jl. Jend. Sudirman, Dusun 02, RT 02 / RW 07, Kp. Kalirejo, Kec. Kalirejo	Central Lampung

KALIMANTAN		
Kiosk	Address	City/District
EAST KALIMANTAN		
Palaran	Jl. Ampera, RT 13, Kel. Rawa Makmur, Kec. Palaran	Samarinda
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, Kec. Balikpapan Utara	Balikpapan
Balikpapan Selatan	Jl. Mulawarman No.52, RT 52, Kel. Sepinggan, Kec. Balikpapan Selatan	Balikpapan
Tenggarong Seberang	Jl. Mulawarman RT 17, Kel. Manunggal Jaya, Kec. Tenggarong Seberang	Kutai Kartanegara
SOUTH KALIMANTAN		
Banjarmasin Barat	Jl. Belitung Laut No. 2, RT 03 / RW 01, Kel. Belitung Selatan, Kec. Banjarmasin Barat	Banjarmasin
Sungai Tabuk	Jl. Martapura Lama Km. 1,5, RT 4, Kel. Gudang Hirang, Kec. Sungai Tabuk	Banjarmasin
Astambul	Pingaran Ilir, RT 01, Kel. Pingaran Ilir, Kec. Astambul	Banjar
Alalak	Jl. Trans Kalimantan No. 73, RT 008 / RW 002, Kel. Berangas Seberang, Kec. Alalak	Barito Kuala
SULAWESI		
Kiosk	Address	City/District
NORTH SULAWESI		
Tikala	Jl. Yos Sudarso, Kel. Paal Dua, Kec. Tikala	Manado
Bolaang / Inobonto	Jl. AKD Trans Sulawesi, Kel. Inobonto, Kec. Bolaang	Bolaang Mongondow
Airmadidi	Jln Minawerot Airmadidi-Kauditan, Kompleks Universitas Klabat, Kel. Airmadidi Atas, Kec. Airmadidi	Minahasa Utara
Kawangkoan	Kompleks Tugu Kacang, Jl. Raya Kawangkoan, Kel. Talikuran Barat Lingkungan I, Kec. Kawangkoan Utara	Tomohon
GORONTALO		
Boliyohuto	Komp. Pasar Monggolito, Jl. Raja Tolangohula, Dusun Karangsari Desa Sidomulyo, Kec. Boliyohuto	Gorontalo
Limboto	Jl. KH.Wahid Hasyim, RT 008 / RW 03, Desa Kayubulan, Kec. Limboto	Gorontalo
Tibawa	Jl. Trans Sulawesi, Desa Isimu, Kec. Tibawa	Gorontalo
CENTRAL SULAWESI		
Palu Barat	Jl. Diponegoro No.104, RT 004 / RW 005, Kel. Lere, Kec. Palu Barat	Palu
Tawaeli	Jl. Trans Sulawesi, RT 003 / RW 001, Kel. Lambara, Kec. Tawaeli	Palu
Sigi Biromaru	Jl. Lasoso No. 5B, RT 002 / RW 001, Desa Mpanau, Kec. Sigi Biromaru	Sigi
SOUTH SULAWESI		
Manggala	Jl. Ujung Bori Lama No. 15, RT 02 / RW 03, Kel. Antang, Kec. Manggala	Makassar
Wajo	Jl. Tarakan No. 23, RT 001 / RW 002, Kel. Mampu, Kec. Wajo	Makassar
Turikale	Jl. Andi Pangerang Pettarani No. 56, Kel. Pettuadæ, Kec. Turikale	Maros
Walenrang Utara	Dusun Bolong No. 1 Km. 27, Kec. Walenrang Utara	Luwu
EAST SULAWESI		
Abeli	Jl. Setiabudi, Kel. Lapulu, Kec. Abeli	Kendari
MOLLUCAS & PAPUA		
Kiosk	Address	City/District
MOLLUCAS		
Nusaniwe	Jl. NN Saar Sopacua, RT 005 / RW 004, Kel. Kudamati, Kec. Nusaniwe	Ambon
Teluk Ambon	Jl. Ir. M. Putuhena No. 3, RT 007 / RW 004, Kel. Wayame, Kec. Teluk Ambon	Ambon
NORTH MOLLUCAS		
Ternate Selatan	Jl. Flamboyan, RT 005 / RW 002, Kel. Kayu Merah, Kec. Ternate Selatan	Ternate
WEST PAPUA		
Aimas	Jl. Buncis, RT 005 / RW 010, Malaweke, Aimas	Sorong
Sorong Barat	Jl. Yos Sudarso, RT 002 / RW 002, Kel. Kampung Baru, Kec. Sorong Barat	Sorong
PAPUA		
Tanah Miring	Jl. Teuku Umar No. 171, RT 008 / RW 02, Kel. Yasa Mulya, Kec. Tanah Miring	Merauke

STATEMENT OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS ON THE RESPONSIBILITY FOR THE 2017 INTEGRATED ANNUAL REPORT OF PT BFI FINANCE INDONESIA TBK

We, the undersigned, testify that all information contained in the 2017 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, 23 March 2018

BOARD OF COMMISSIONERS



Kusmayanto Kadiman
President Commissioner



Johanes Sutrisno
Commissioner (Independent)



Alfonso Napitupulu
Commissioner (Independent)



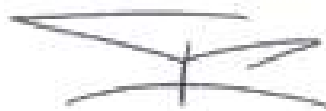
Emmy Yuhassarie
Commissioner (Independent)



Dominic John Picone
Commissioner



Sunata Tjiterosampurno
Commissioner



Cornellius Henry Kho
Commissioner


BOARD OF DIRECTORS



Francis Lay Sioe Ho
President Director



Sudjono
Finance Director



Sutadi
Business Director

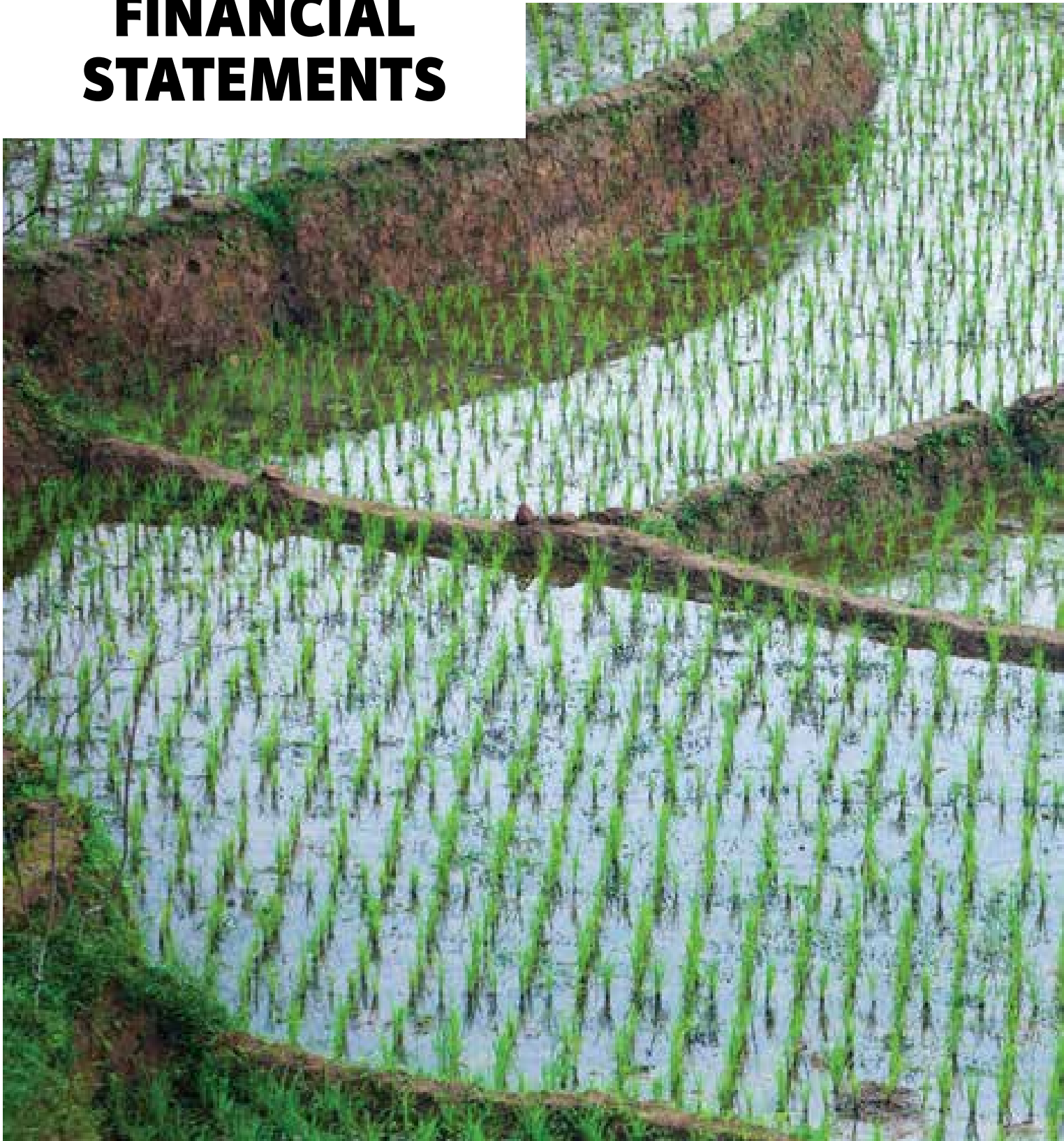


Andrew Adiwijanto
Operations and Human Capital Director



Sigit Hendra Gunawan
Enterprise Risk Director (Independent)

AUDITED FINANCIAL STATEMENTS





PT BFI FINANCE INDONESIA Tbk
ENTITAS ANAKNYA/*ITS SUBSIDIARY*

LAPORAN KEUANGAN KONSOLIDASIAN/
CONSOLIDATED FINANCIAL STATEMENTS

UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2017/
FOR THE YEAR ENDED 31 DECEMBER 2017

DAN/*AND*

LAPORAN AUDITOR INDEPENDEN/
INDEPENDENT AUDITORS' REPORT

**PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA
LAPORAN KEUANGAN KONSOLIDASIAN
UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2017**

**PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

DAFTAR ISI

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Pernyataan Direksi		<i>Directors' Statement</i>
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Laporan Posisi Keuangan Konsolidasian	A	<i>Consolidated Statement of Financial Position</i>
Laporan Laba Rugi dan Penghasilan Komprehensif Lain Konsolidasian	B	<i>Consolidated Statement of Profit or Loss and Other Comprehensive Income</i>
Laporan Perubahan Ekuitas Konsolidasian	C	<i>Consolidated Statement of Changes in Equity</i>
Laporan Arus Kas Konsolidasian	D	<i>Consolidated Statement of Cash Flows</i>
Catatan atas Laporan Keuangan Konsolidasian	E	<i>Notes to the Consolidated Financial Statement</i>
Laporan Auditor Independen		<i>Independent Auditors' Report</i>

**SURAT PERNYATAAN DIREKSI
TENTANG TANGGUNG JAWAB ATAS
LAPORAN KEUANGAN KONSOLIDASIAN PADA
TANGGAL DAN TAHUN YANG BERAKHIR
31 DESEMBER 2017 DAN 2016**

PT BFI FINANCE INDONESIA DAN ENTITAS ANAKNYA

**DIRECTORS' STATEMENT REGARDING
THE RESPONSIBILITY FOR
THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
31 DECEMBER 2017 AND 2016
PT BFI FINANCE INDONESIA Tbk. AND ITS SUBSIDIARY**

Kami yang bertanda tangan di bawah ini:

- | | | |
|----|--------------------------|---|
| 1. | Nama
Alamat Kantor | Francis Lay Sioe Ho
BFI Tower - Saraburi CBD Lot 1.2
Jl. Kap. Soebjanto Djajohadikusumo
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
Jabatan | 021 - 2965 0300, 2965 0500
Presiden Direktur |
| 2. | Nama
Alamat Kantor | Sudjono
BFI Tower - Saraburi CBD Lot 1.2
Jl. Kap. Soebjanto Djajohadikusumo
BSD City, Tangerang Selatan, 15322 |
| | Alamat Rumah | Taman Province, Blok 3, AP No. 36
RT 002 RW 025, Kelurahan Lengkong
Wetan, Kecamatan Serpong,
Tangerang Selatan |
| | Nomor Telepon
Jabatan | 021 - 2965 0300, 2965 0500
Direktur |

menyatakan bahwa:

1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan konsolidasian PT BFI Finance Indonesia Tbk dan Entitas Anaknya.
2. Laporan keuangan konsolidasian PT BFI Finance Indonesia Tbk dan Entitas Anaknya telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;
- 3.a. Semua informasi dalam laporan keuangan konsolidasian PT BFI Finance Indonesia Tbk dan Entitas Anaknya telah diteliti secara lengkap dan benar;
- b. Laporan keuangan konsolidasian PT BFI Finance Indonesia Tbk dan Entitas Anaknya tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material.
4. Kami bertanggung jawab atas sistem pengendalian internal dalam PT BFI Finance Indonesia Tbk dan Entitas Anaknya.

Dengan ini pernyataan ini dibuat dengan sebenarnya.

We, the undersigned:

- | | | |
|----|------------------------|---|
| 1. | Name
Office Address | Francis Lay Sioe Ho
BFI Tower - Saraburi CBD Lot 1.2
Jl. Kap. Soebjanto Djajohadikusumo
BSD City, Tangerang Selatan, 15322 |
| | Residential Address | Jl. Duta Indah II No 6, RT 001
RW 014, Pondok Pinang Kebayoran Lama,
Jakarta Selatan |
| | Telephone
Title | 021 - 2965 0300, 2965 0500
President Director |
| 2. | Name
Office Address | Sudjono
BFI Tower - Saraburi CBD Lot 1.2
Jl. Kap. Soebjanto Djajohadikusumo
BSD City, Tangerang Selatan, 15322 |
| | Residential Address | Taman Province, Blok 3, AP No. 36 RT
002 RW 025, Kelurahan Lengkong
Wetan, Kecamatan Serpong,
Tangerang Selatan |
| | Telephone
Title | 021 - 2965 0300, 2965 0500
Director |

declare that:

1. We are responsible for the preparation and presentation of PT BFI Finance Indonesia Tbk and its Subsidiary's consolidated financial statements;
2. PT BFI Finance Indonesia Tbk and its Subsidiary's consolidated financial statements have been prepared and presented in accordance with the Indonesian Financial Accounting Standards;
- 3.a. All information contained in PT BFI Finance Indonesia Tbk and its Subsidiary's consolidated financial statements have been disclosed in a complete and truthful manner;
- b. PT BFI Finance Indonesia Tbk and its Subsidiary's consolidated financial statements do not contain misleading material information or facts, and do not omit material information and facts;
4. We are responsible for PT BFI Finance Indonesia Tbk and its Subsidiary's internal control system.

We certify the accuracy of this statement.

Atas nama dan mewakili Direksi / For and on behalf of the Board of Directors

Tangerang Selatan, 19 Februari 2018 / South Tangerang, 19 February 2018



Francis Lay Sioe Ho

Presiden Direktur/President Director



Sudjono
Direktur/Director

PT BFI FINANCE INDONESIA Tbk

BFI Tower

Saraburi CBD Lot 1.2

Jl. Kap. Soebjanto Djajohadikusumo BSD City - Tangerang Selatan 15322

Phone (021) 2965 0300, 2965 0500 - Fax (021) 2965 0757, 2966 0758

These Consolidated Financial Statements are Originally Issued
in Indonesian Language

Exhibit A

Exhibit A

PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA
LAPORAN POSISI KEUANGAN KONSOLIDASIAN
PER 31 DESEMBER 2017

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2017

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2017**)	2016*)	
ASET				ASSETS
KAS DAN SETARA KAS	2d,e,4	225.203	165.388	CASH AND CASH EQUIVALENTS
PIUTANG SEWA PEMBIAYAAN - setelah dikurangi cadangan kerugian penurunan nilai sebesar Rp 85.492 dan Rp 60.306 pada tahun 2017 dan 2016	2d,f,5	9.435.315	7.321.175	FINANCE LEASES RECEIVABLES - net of allowance for impairment losses of Rp 85,492 and Rp 60,306 in 2017 and 2016
PIUTANG PEMBIAYAAN KONSUMEN - setelah dikurangi cadangan kerugian penurunan nilai sebesar Rp 151.990 dan Rp 122.695 pada tahun 2017 dan 2016	2d,g,6	5.916.685	4.462.184	CONSUMER FINANCING RECEIVABLES - net of allowance for impairment losses of Rp 151,990 and Rp 122,695 in 2017 and 2016
PIUTANG LAIN-LAIN Pihak ketiga - bersih	2d,h,8,38	236.788	170.660	OTHER RECEIVABLES Third parties - net
ASET DERIVATIF	2d,I,r,11	-	41.301	DERIVATIVE ASSETS
BEBAN DIBAYAR DIMUKA DAN UANG MUKA	2j,7	43.071	43.032	PREPAID EXPENSES AND ADVANCES
ASET TETAP - setelah dikurangi akumulasi penyusutan sebesar Rp 298.954 dan Rp 253.855 pada tahun 2017 dan 2016	2k,9	457.376	414.143	FIXED ASSETS - net of accumulated depreciation of Rp 298,954 and Rp 253,855 in 2017 and 2016
ASET TAKBERWUJUD - setelah dikurangi akumulasi amortisasi sebesar Rp 54.401 dan Rp 47.816 pada tahun 2017 dan 2016	2l,10	20.552	19.712	INTANGIBLE ASSETS - net of accumulated amortization of Rp 54,401 and Rp 47,816 in 2017 and 2016
ASET PAJAK TANGGUHAN	2m,15c	65.588	36.554	DEFERRED TAX ASSETS
ASET LAIN-LAIN	2d,12,38	82.695	2.107	OTHER ASSETS
JUMLAH ASET		16.483.273	12.476.256	TOTAL ASSETS

*) direklasifikasi (Catatan 38)

*) reclassified (Note 38)

***) Dikonsolidasikan sejak 15 September 2017 (Catatan 1c)

*** Consolidated since 15 September 2017 (Note 1c)

Lihat Catatan atas Laporan Keuangan Konsolidasian pada Ekshibit E
terlampir yang merupakan bagian yang tidak terpisahkan
dari Laporan Keuangan Konsolidasian secara keseluruhan

See accompanying Notes to Consolidated Financial Statements
on Exhibit E which are an integral part of
the Consolidated Financial Statements taken as a whole

These Consolidated Financial Statements are Originally Issued
in Indonesian Language

Ekshibit A/2

Exhibit A/2

PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA
LAPORAN POSISI KEUANGAN KONSOLIDASIAN
PER 31 DESEMBER 2017

(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2017

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2017**)	2016**)	
LIABILITAS DAN EKUITAS				LIABILITIES AND EQUITY
LIABILITAS				LIABILITIES
Pinjaman yang diterima	2d,n,r,13	6.819.052	4.690.939	Fund borrowings
Utang pajak	2m,15a	140.151	93.541	Taxes payable
Surat berharga yang diterbitkan - setelah dikurangi biaya emisil surat berharga yang belum diamortisasi sebesar Rp 8.589 dan Rp 9.705 pada tahun 2017 dan 2016	2d,o,14a, 14b	3.909.411	2.965.295	Securities issued - net of unamortized securities Issuance cost of Rp 8,589 and Rp 9,705 in 2017 and 2016
Beban yang masih harus dibayar	2d,r,14	293.527	190.240	Accrued expenses
Liabilitas imbalan pasca-kerja	2p,29	199.716	140.392	Post-employment benefits liabilities
Liabilitas derivatif	2d,l,r,11	817	-	Derivative liabilities
Utang dividen	2w,28	1.612	1.251	Dividend payables
Utang lain-lain	2d,17	214.721	139.914	Other payables
JUMLAH LIABILITAS		11.579.007	8.221.572	TOTAL LIABILITIES
EKUITAS				EQUITY
Ekuitas distribusikan kepada pemilik entitas induk				Equity attributable to equity holders of the parent entity
Modal saham - nilai nominal Rp 25 (nilai penuh) per saham dan Rp 250 (nilai penuh) per saham pada tahun 2017 dan 2016***)				Share capital - par value of Rp 25 (full amount) per share and Rp 250 (full amount) per share in 2017 and 2016***)
Modal dasar - 20.000.000.000 saham dan 2.000.000.000 saham pada tahun 2017 dan 2016***)				Authorized capital - 20,000,000,000 shares and 2,000,000,000 shares in 2017 and 2016***)
Modal ditempatkan dan disetor penuh - 15.967.115.620 saham dan 1.596.711.562 saham pada tahun 2017 dan 2016***)	18	399.178	399.178	Issued and fully paid capital - 15,967,115,620 shares and 1,596,711,562 shares in 2017 and 2016***)
Tambahan modal disetor - bersih Saham treasury	19 2t,18	553.286 (252.160)	553.286 (252.160)	Additional paid-in capital - net Treasury stock
Penghasilan komprehensif lain - Kerugian kumulatif atas instrumen derivatif untuk lindung nilai arus kas - bersih Kerugian aktuarial program manfaat pasti	2i,11,34 2p,29,34	(35.477) (75.928)	(32.875) (49.390)	Other comprehensive income Cumulative loss on derivative instrument for cash flows hedges - net Loss on defined benefit actuarial program
Saldo laba Telah ditentukan penggunaannya Belum ditentukan penggunaannya		72.733 4.242.633	31.696 3.604.949	Retained earnings Appropriated Unappropriated
Kepentingan non-pengendali		4.904.266 1	4.254.684 -	Non-controlling interests
JUMLAH EKUITAS		4.904.266	4.254.684	TOTAL EQUITY
JUMLAH LIABILITAS DAN EKUITAS		16.483.273	12.476.256	TOTAL LIABILITIES AND EQUITY

*) direklasifikasi (Catatan 38)

**) Dikonsolidasikan sejak 15 September 2017 (Catatan 1c)

***) Setelah pemecatan saham (Catatan 33)

*) reclassified (Note 38)

**) Consolidated since 15 September 2017 (Note 1c)

***) After stock split (Note 33)

Lihat Catatan atas Laporan Keuangan Konsolidasian pada Ekshibit E
terlampir yang merupakan bagian yang tidak terpisahkan
dari Laporan Keuangan Konsolidasian secara keseluruhan

See accompanying Notes to Consolidated Financial Statements
on Exhibit E which are an integral part of
the Consolidated Financial Statements taken as a whole

Tangerang Selatan, 19 Februari 2018/ 19 February 2018


Adhono
Direktur / Director

These Consolidated Financial Statements are Originally Issued
in Indonesian Language

Ekshibit B

Exhibit B

PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA
LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN KONSOLIDASIAN
UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2017
(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2017**)	2016*)	
PENDAPATAN				INCOME
Sewa pembiayaan	2d,f,q,21	2.281.670	1.675.487	Finance lease
Pembiayaan konsumen	2d,g,q,22	1.654.331	1.436.358	Consumer financing
Keuangan	2d,q	7.166	21.242	Finance
Lain-lain	2d,k,q,26	99.150	94.022	Others
Jumlah Pendapatan		4.042.317	3.227.109	Total Income
BEBAN				EXPENSES
Bunga dan keuangan	2d,n,o,q,23 2p,q	897.324	792.281	Interest and financing charges
Gaji dan tunjangan Umum dan administratif	20,24,30 2j,k,l,q,25	868.834	715.765	Salaries and benefits General and administrative
Penyisihan kerugian penurunan nilai Piutang pembiayaan konsumen	2d,q,6	177.056	190.134	Provision for impairment losses Consumer financing receivables
Piutang sewa pembiayaan	2d,q,5	125.700	83.191	Finance lease receivables
Lain-lain	2d,q,27	4.023	28.460	Others
Jumlah Beban		2.554.531	2.202.146	Total Expenses
LABA SEBELUM PAJAK		1.487.786	1.024.963	PROFIT BEFORE TAX
Beban Pajak Penghasilan	2m,15b	300.276	226.558	Income Tax Expenses
LABA TAHUN BERJALAN		1.187.510	798.365	PROFIT FOR THE YEAR
PENGHASILAN KOMPREHENSIF LAIN				OTHER COMPREHENSIVE INCOME
Pos-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	2i,11,34	(3.252)	(71.798)	Effective portion of the fair value change of the derivative instrument - cash flow hedge
Pajak penghasilan terkait pos yang akan direklasifikasi ke laba rugi	15c,34	650	14.360	Income tax relating to item that will be reclassified to profit or loss
		(2.602)	(57.438)	
Pos-pos yang tidak akan direklasifikasi ke laba rugi				Items that will not be reclassified to profit or loss
Kerugian aktuarial program manfaat pasti	2p,29,34	(33.173)	(7.007)	Loss on defined benefit actuarial program
Pajak penghasilan terkait pos yang tidak akan direklasifikasi ke laba rugi	15c,34	6.635	1.401	Income tax relating to item that will not be reclassified to profit or loss
		(26.538)	(5.606)	
PENGHASILAN KOMPREHENSIF LAIN TAHUN BERJALAN SETELAH PAJAK		(29.140)	(63.044)	OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX
JUMLAH PENGHASILAN KOMPREHENSIF TAHUN BERJALAN		1.158.370	735.321	TOTAL COMPREHENSIVE INCOME FOR THE YEAR

*) direklasifikasi (Catatan 38)

*) as reclassified (Note 38)

***) Dikonsolidasikan sejak 15 September 2017 (Catatan 1c)

**) Consolidated since 15 September 2017 (Note 1c)

Lihat Catatan atas Laporan Keuangan Konsolidasian pada Ekshibit E
berlampir yang merupakan bagian yang tidak terpisahkan
dari Laporan Keuangan Konsolidasian secara keseluruhan

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Ekshibit B/2

Exhibit B/2

PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA
LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN KONSOLIDASIAN
UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2017
(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2017**)	2016	
LABA TAHUN BERJALAN YANG DAPAT DIATRIBUSIKAN KEPADA:				PROFIT FOR THE YEAR ATTRIBUTABLE TO:
Pemilik entitas induk		1.187.510	798.365	Owners of the parent entity
Keperentingan non-pengendali		-	-	Non-controlling interests
		<u>1.187.510</u>	<u>798.365</u>	
JUMLAH PENGHASILAN KOMPREHENSIF TAHUN BERJALAN YANG DAPAT DIATRIBUSIKAN KEPADA:				TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:
Pemilik entitas induk		1.158.370	735.321	Owners of the parent entity
Keperentingan non-pengendali		-	-	Non-controlling interests
		<u>1.158.370</u>	<u>735.321</u>	
LABA PER SAHAM DASAR (nilai penuh) *)	2v,33	<u>79</u>	<u>52</u>	BASIC EARNINGS PER SHARE (full amount) *)

*) Setelah pemecahan saham (Catatan 33)

*) After stocks split (Note 33)

***) Dikonsolidasikan sejak 15 September 2017 (Catatan 1c)

**) Consolidated since 15 September 2017 (Note 1c)

Lihat Catatan atas Laporan Keuangan Konsolidasian pada Ekshibit E
berlampir yang merupakan bagian yang tidak terpisahkan
dari Laporan Keuangan Konsolidasian secara keseluruhan

See accompanying Notes to Consolidated Financial Statements
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the Consolidated Financial Statements taken as a whole

Tangerang Selatan, 19 Februari 2018/ 19 February 2018


Sutiana
Direktur/ Director

PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA
LAPORAN PERUBAHAN EKUITAS KONSOLIDASIAN
UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2017
(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017
(Expressed in millions of Rupiah, unless otherwise stated)

Catatan/ Notes	Ekuitas yang dapat diatribusikan kepada entitas induk/ Equity attributable to parent entity										Jumlah ekuitas/ Total equity	Kepentingan non-pengendali Non-controlling interests	Jumlah ekuitas/ Total equity
	Modal saham/ Share capital	Tambahan modal disetor Additional paid-in capital - net	Saham treasury stock	Keuntungan/ (kerugian) kumulatif atas instrumen derivatif untuk lindung nilai arus kas bersih/ Cumulative gains/ (losses) on derivative instrument for cash flows hedges - net	Kerugian aktuarial program manfaat pensiun/ Loss on defined benefit actuarial program	Saldo laba/Retained earnings	Saldo laba/Retained earnings	Saldo laba/Retained earnings	Saldo laba/Retained earnings	Saldo laba/Retained earnings			
Saldo per 31 Desember 2016	399.178	553.286 (	252.160 (	32.875) (	49.390)	31.696	3.604.949	4.254.684	4.254.684	4.254.684	-	4.254.684	Balance as of 31 December 2016
Jumlah penghasilan komprehensif tahun berjalan	-	-	-	-	-	-	1.187.510	1.187.510	1.187.510	1.187.510	-	1.187.510	Total comprehensive income for the year
Laba tahun berjalan	-	-	-	2.602)	-	-	-	-	-	-	-	-	Profit for the year
Penghasilan komprehensif lain setelah pajak:	-	-	-	-	-	-	-	-	-	-	-	-	Other comprehensive income net of tax:
Bagian yang efektif dari lindung nilai arus kas	-	-	-	-	-	-	-	-	-	-	-	-	Effective portion of cash flows hedges
Kerugian aktuarial program pensiun	-	-	-	-	-	-	-	-	-	-	-	-	Actuarial loss from pension plan
Pembelian saham entitas anak kepada kepentingan non-pengendali	-	-	-	-	-	-	-	-	-	-	-	-	Issuance of subsidiary's shares to non-controlling interests
Penyisihan saldo laba untuk cadangan umum	-	-	-	-	-	41.037 (	41.037)	-	-	-	-	-	Appropriation for general reserve
Dividen tunai tahun 2016	-	-	-	-	-	-	-	-	-	-	-	-	Cash dividends of 2016
Dividen tunai interim	-	-	-	-	-	-	-	-	-	-	-	-	Interim cash dividends
Saldo per 31 Desember 2017	399.178	553.286 (	252.160 (	35.477) (	75.928)	72.733	4.242.633	4.904.265	4.904.265	4.904.265	1	4.904.266	Balance as of 31 December 2017

Lihat Catatan atas Laporan Keuangan Konsolidasian pada Ekshibit E terlampir yang merupakan bagian yang tidak terpisahkan dari Laporan Keuangan Konsolidasian secara keseluruhan

See accompanying Notes to Consolidated Financial Statements on Exhibit E which are an integral part of the Consolidated Financial Statements taken as a whole

These Consolidated Financial Statements are Originally Issued in Indonesian Language

Ekshibit C/2

Exhibit C/2

PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA
LAPORAN PERUBAHAN EKUITAS KONSOLIDASIAN
UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2017
(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	Modal saham/ Share capital	Tambahan modal disetor - bersih/ Additional paid-in capital - net	Saham treasury/ Treasury stock	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 gains/ (losses) on derivative instrument for cash flows hedges - net	Kerugian aktuarial program manfaat pasti/ Loss on defined benefit actuarial program	Saldo laba/Retained earnings Telah ditentukan penggunaannya/ Appropriated Unappropriated	Jumlah ekuitas/ Total equity	Balance as of 31 December 2015
Saldo per 31 Desember 2015		391.490	475.176 (	4.044)	6.117	24.563 (	43.784)	22.374	3.147.211	4.019.103
Jumlah penghasilan komprehensif tahun berjalan		-	-	-	-	57.438)	-	-	-	57.438
Laba tahun berjalan		-	-	-	-	-	-	-	798.365	798.365
Penghasilan komprehensif lain setelah pajak: Bagian yang efektif dari lindung nilai arus kas	2i,11	-	-	-	-	(-	-	-	(
Kerugian aktuarial program pensiun	2p,29	-	-	-	-	(	5.606)	-	-	(
		-	-	-	-	(	5.606)	-	798.365	735.321
Opsional manajemen dan karyawan berbasis saham yang ditekseksi	2u,20	7.688	78.110	(	6.117)	-	-	-	-	79.681
Penyisihan saldo laba untuk cadangan umum	2w,28	-	-	-	-	-	-	9.322 (	9.322)	-
Dividen tunai tahun 2015	2w,28	-	-	-	-	-	-	(	106.840)	(
Dividen tunai interim	2w,28	-	-	-	-	-	-	(	224.465)	(
Saham treasuri	2t,18	-	-	(	248.116)	-	-	-	-	(
Saldo per 31 Desember 2016		399.178	553.286 (	252.160)	-	(	49.390)	31.696	3.604.949	4.254.684

Total comprehensive
income for the year
Profit for the year

Other comprehensive
income net of tax:

Effective portion
of cash flows hedges
Actuarial loss from
pension plan

Management and employee
stock options exercised

Appropriation for
general reserve

Cash dividends of 2015

Interim cash dividends

Treasury stock

Balance as of 31 December 2016

Lihat Catatan atas Laporan Keuangan Konsolidasian pada Ekshibit E terlampir
yang merupakan bagian yang tidak terpisahkan dari
dari Laporan Keuangan Konsolidasian secara keseluruhan

See accompanying Notes to Consolidated Financial Statements
on Exhibit E, which are an integral part of
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Ekshibit D

Exhibit D

PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA
LAPORAN ARUS KAS KONSOLIDASIAN
UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2017
(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2017	2016	
ARUS KAS DARI AKTIVITAS OPERASI				CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan kas dari:				Cash received from:
Transaksi pembiayaan		15.051.927	12.304.611	Financing transactions
Pembiayaan bersama	32a	279.062	757.731	Joint financing
Opsi saham yang dieksekusi		-	67.808	Stock option exercised
Piutang opsi saham karyawan		28.153	-	Employee stock options receivables
Bunga bank dan deposito berjangka		7.107	26.899	Interest from banks and time deposits
Lain-lain		108.764	801.404	Others
Pengeluaran kas untuk:				Cash disbursement for:
Transaksi pembiayaan baru		(14.340.836)	(10.742.821)	New financing transactions
Beban umum dan administrasi		(1.208.183)	(997.747)	General and administrative expenses
Pembiayaan bersama	32a	(991.151)	(1.463.067)	Joint financing
Beban bunga dan keuangan		(980.143)	(971.494)	Interest and financing charges
Pajak penghasilan		(289.763)	(189.170)	Income taxes
Piutang opsi saham karyawan	20	-	(50.329)	Employee stock options receivables
Arus kas bersih digunakan untuk aktivitas operasi		(2.335.063)	(456.175)	Net cash flows used in operating activities
ARUS KAS DARI AKTIVITAS INVESTASI				CASH FLOWS FROM INVESTING ACTIVITIES
Hasil penjualan aset tetap	9	28.431	11.823	Proceeds from sale of fixed assets
Perolehan aset tetap	9	(123.332)	(56.625)	Acquisition of fixed assets
Perolehan aset tak berwujud	10	(7.425)	(5.636)	Acquisition of intangible assets
Peningkatan uang muka pembelian aset tetap	12	(81.055)	-	Increase advance for fixed assets purchase
Arus kas bersih digunakan untuk aktivitas investasi		(183.381)	(50.438)	Net cash flows used in investing activities
ARUS KAS DARI AKTIVITAS PENDANAAN				CASH FLOWS FROM FINANCING ACTIVITIES
Penerimaan kas dari:				Cash received from:
Pinjaman yang diterima	13	8.036.520	4.614.300	Fund borrowings
Surat berharga yang diterbitkan	14a,b	1.835.000	2.000.000	Securities issued
Penerimaan setoran modal dari kepentingan non-pengendali		1	-	Receipts of paid-in capital from non-controlling interests
Pengeluaran kas untuk:				Cash disbursement for:
Pinjaman yang diterima	13	(5.866.460)	(5.252.307)	Fund borrowings
Penerusan pinjaman (<i>channeling</i>) dan jual beli piutang	32a	(26.013)	(178.051)	Channeling and receivables sales and purchase
Pelunasan pokok surat berharga yang diterbitkan	14a,b	(892.000)	(710.000)	Repayment of securities issued principal
Dividen tunai	28	(508.789)	(331.058)	Cash dividends
Pembelian kembali saham beredar	18	-	(248.116)	Treasury stock
Arus kas bersih diperoleh dari (digunakan untuk) aktivitas pendanaan		2.578.259	(105.232)	Net cash flows provided by (used in) financing activities

Lihat Catatan atas Laporan Keuangan Konsolidasian pada Ekshibit E terlampir yang merupakan bagian yang tidak terpisahkan dari Laporan Keuangan Konsolidasian secara keseluruhan

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Ekshibit D/2

Exhibit D/2

PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA
LAPORAN ARUS KAS KONSOLIDASIAN
UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2017
(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2017	2016	
KENAIKAN (PENURUNAN) BERSIH KAS DAN SETARA KAS		59.815	(611.845)	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
KAS DAN SETARA KAS PADA AWAL TAHUN		165.388	777.233	CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR
KAS DAN SETARA KAS PADA AKHIR TAHUN		225.203	165.388	CASH AND CASH EQUIVALENTS AT END OF YEAR
KAS DAN SETARA KAS TERDIRI DARI:				CASH AND CASH EQUIVALENTS CONSIST OF:
Kas dan bank	4	200.084	145.388	Cash on hand and in banks
Deposito berjangka	4	25.119	20.000	Time deposits
		225.203	165.388	

Lihat Catatan atas Laporan Keuangan Konsolidasian pada Ekshibit E terlampir yang merupakan bagian yang tidak terpisahkan dari Laporan Keuangan Konsolidasian secara keseluruhan

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Ekshibit E

Exhibit E

**PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2017
(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
(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 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 No. 54 yang dibuat dihadapan Inge Hendarm, S.H., pengganti dari Kartini Muljadi, S.H., Notaris di Jakarta tanggal 17 September 1986, nama Perusahaan diubah dari PT Manufacturers Hanover Leasing Indonesia menjadi PT Bunas Intitama Leasing Indonesia, perubahan tersebut telah memperoleh persetujuan dari Menteri Kehakiman Republik Indonesia melalui Surat Keputusan No. C2-6977-HT.01.04.TH.86 tanggal 7 Oktober 1986 dan telah diumumkan dalam Lembaran Berita Negara No. 94 tanggal 25 November 1986, Tambahan No. 1451. Berdasarkan Akta No. 80 tanggal 22 November 1989 jo Akta No. 27 tanggal 8 Maret 1990 keduanya dibuat dihadapan Kartini Muljadi S.H., nama Perusahaan diubah dari PT Bunas Intitama Leasing Indonesia menjadi PT Bunas Finance Indonesia, perubahan tersebut telah memperoleh persetujuan dari Menteri Kehakiman Republik Indonesia melalui Surat Keputusan No. C2-1441-HT.01.04.TH.90 tanggal 13 Maret 1990 dan telah diumumkan dalam Lembaran Berita Negara No. 34 tanggal 28 April 1990, Tambahan No. 1537. Berdasarkan Akta No. 37 tanggal 8 Agustus 1996 yang dibuat dihadapan Achmad Abid, S.H., nama Perusahaan diubah dari PT Bunas Finance Indonesia menjadi PT Bunas Finance Indonesia Tbk, perubahan tersebut telah memperoleh persetujuan dari Menteri Kehakiman Republik Indonesia melalui Surat Keputusan No. C2-9625-HT.01.04.TH.96 tanggal 21 Oktober 1996 dan telah diumumkan dalam Lembaran Berita Negara No. 11 tanggal 7 Februari 1997, Tambahan No. 552. Anggaran Dasar Perusahaan telah mengalami beberapa kali perubahan, salah satunya berdasarkan Akta No. 116 tanggal 27 Juni 2001 yang dibuat dihadapan Aulia Taufani, S.H., pengganti dari Sutjipto, S.H., Notaris di Jakarta, 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.

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 No. 54 of Inge Hendarm, S.H., a substitute of Kartini Muljadi S.H. in Jakarta dated 17 September 1986, the Company’s name changed from PT Manufacturers Hanover Leasing Indonesia to PT Intitama Leasing Indonesia, this amendment was approved by the Minister of Justice of the Republic of Indonesia in its decision letter No. 6977-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. Based on Notarial Deed No. 80 dated 22 November 1989, number Deed 27 dated 8 March 1990, both of which were made before Kartini Muljadi S.H. the Company’s name changed from PT Bunas Intitama Leasing Indonesia to PT Bunas Finance Indonesia, this amendment was approved by the Minister of Justice of the Republic of Indonesia in its decision letter No. C2-1441-HT.01.04.TH.90 dated 13 March 1990 and was published in the State Gazette No. 34 dated 28 April 1990, Supplement No. 1537. Based on Deed No. 37 dated 8 August 1996 made before Achmad Abid, SH, the name of the Company was changed from PT Bunas Finance Indonesia to PT Bunas Finance Indonesia Tbk, a change which has been approved by the Minister of Justice of the Republic of Indonesia through Decision Letter no. C2-9625-HT.01.04.TH.96 dated 21 October 1996 and was published in the State Gazette no. 11 dated 7 February 1997, Supplement No. 552. 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, in connection with the change of name of the Company from PT Bunas Finance Indonesia Tbk to 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.

*These Consolidated Financial Statements are Originally Issued
in Indonesian Language*

Ekshibit E/2

Exhibit E/2

**PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2017
(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
(Expressed in millions of Rupiah, unless otherwise stated)**

1. UMUM (Lanjutan)

a. Pendirian dan Informasi Umum Perusahaan (Lanjutan)

Perubahan terakhir berdasarkan Akta No. 7 tanggal 25 Oktober 2017 yang dibuat dihadapan Herna Gunawan, S.H.,M.Kn., Notaris di Tangerang, mengenai persetujuan perubahan Pasal 3 yang telah memperoleh persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia melalui Surat Keputusan Nomor AHU-0024031.AH.01.02.TAHUN 2017 tanggal 16 November 2017 dan perubahan Pasal 20, Pasal 21, Pasal 23 dan Pasal 24 yang telah diterima dan dicatat oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia sebagaimana terbukti dalam Surat Penerimaan Laporan Akta Perubahan Anggaran Dasar Nomor AHU-AH.01.03-0191568 tanggal 16 November 2017. Sampai dengan tanggal laporan auditor independen, perubahan ini masih dalam proses 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 Februari 2006, Menteri Keuangan Republik Indonesia telah mengamandemen izin usaha Perusahaan melalui Keputusan Menteri Keuangan Republik Indonesia No. KEP-038/KM.5/2006.

Melalui amandemen ini, izin 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)

1. GENERAL (Continued)

a. Establishment and General Information of the Company (Continued)

The latest amendment based on Deed No. 7 dated 25 October 2017 made before Herna Gunawan, S.H., M.Kn., Notary in Tangerang, concerning the approval of Article 3 amendment which has been approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter AHU-0024031.AH.01.02.TAHUN 2017 dated 16 November 2017 and amendments to Article 20, Article 21, Article 22, Article 23, and Article 24 that have been received and recorded by the Minister of Law and Human Rights of the Republic of Indonesia as evidenced in the Letter of Acceptance of the Deed of Amendment of the Articles of Association Number AHU-AH.01.03-0191568 dated 16 November 2017. As of the date of the independent auditor's report, this change is still in the process of being announced 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.

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)*

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Ekshibit E/3

Exhibit E/3

**PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2017
(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY
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FOR THE YEAR ENDED 31 DECEMBER 2017
(Expressed in millions of Rupiah, unless otherwise stated)**

1. **UMUM (Lanjutan)**

a. **Pendirian dan Informasi Umum Perusahaan (Lanjutan)**

Perubahan anggaran dasar terkait maksud dan tujuan serta kegiatan usaha Perusahaan, 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.

Ruang lingkup kegiatan usaha Perusahaan kembali mengalami perubahan setelah RUPSLB menyetujui perubahan Anggaran Dasar Perusahaan berdasarkan Akta Berita Acara RUPSLB No. 6 tanggal 25 Oktober 2017 juncto Akta Pernyataan Keputusan Rapat No. 7 tanggal 25 Oktober 2017 yang dibuat di hadapan Herna Gunawan, S.H., M.Kn., Notaris di Tangerang.

Berdasarkan Akta tersebut, Perusahaan dapat melaksanakan kegiatan usaha utama sebagai berikut:

- I. Usaha Pembiayaan:
 - a. Pembiayaan investasi
 - b. Pembiayaan modal kerja
 - c. Pembiayaan multiguna
 - d. Kegiatan usaha pembiayaan lain berdasarkan persetujuan Otoritas Jasa Keuangan.
- II. Usaha Pembiayaan Syariah:
 - a. Pembiayaan jual beli
 - b. Pembiayaan investasi
 - c. Pembiayaan jasa.

Sampai dengan tanggal penerbitan laporan keuangan ini, Perusahaan masih dalam proses pengajuan izin administrasi operasional syariah ke OJK.

1. **GENERAL (Continued)**

a. **Establishment and General Information of the Company (Continued)**

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 Ministry of Law and Human Rights of the Republic of Indonesia No. AHU- 0934483.AH.01.02 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.

The scope of the Company's business activities changed again after the EGMS approved the amendment of the Company's Articles of Association pursuant to Deed of Minutes of EGMS. 6 dated 25 October 2017 in conjunction with Deed of Meeting Decision Letter No. 7 dated 25 October 2017 made before Herna Gunawan, S.H., M.Kn., Notary in Tangerang.

Based on the Deed, the Company may carry out the following main business activities:

- I. *Financing:*
 - a. *Investment financing*
 - b. *Working capital financing*
 - c. *Multipurpose financing*
 - d. *Other financing activities under the approval of the Financial Service Authority.*
- II. *Shariah Financing:*
 - a. *Financing sale and purchase*
 - b. *Investment financing*
 - c. *Financing services.*

Until the date of issuance of these financial statements, the Company is still in the administration process of applying for a shariah financing license to OJK.

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Ekshibit E/4

Exhibit E/4

**PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2017
(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
(Expressed in millions of Rupiah, unless otherwise stated)**

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 dan entitas anaknya mempunyai masing-masing 218 kantor cabang dan 124 gerai pada tanggal 31 Desember 2017, dan 209 kantor cabang dan 96 gerai pada tanggal 31 Desember 2016 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.

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 financing comprises of 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 and its subsidiary have 218 branches and 124 kiosks as of 31 Desember 2017, and 209 branches and 96 kiosks as of 31 December 2016, 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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Ekshibit E/5

Exhibit E/5

**PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
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**PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY
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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 yang dibuat dihadapan 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 (nilai penuh) 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 20).

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 saham pada tanggal 31 Desember 2016 (Catatan 20).

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) per share, 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 Indonesia Stock Exchange, totaling 60,826,400 shares with par value of Rp 250 (full amount) 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 Indonesia Stock Exchange for the implementation of phase I (Note 20).

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 shares as of 31 December 2016 (Note 20).

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Ekshibit E/6

Exhibit E/6

**PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA
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**PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY
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1. UMUM (Lanjutan)

b. Penawaran Umum Saham Perusahaan (Lanjutan)

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 20).

Berdasarkan keputusan Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) Perusahaan yang diaktakan dengan Akta No. 25 tanggal 18 April 2017 yang dibuat dihadapan Aryanti Artisari, S.H., M.Kn., Notaris di Jakarta, para pemegang saham menyetujui pemecahan nilai nominal saham Perusahaan (*stock split*) dari sebesar Rp 250 (nilai penuh) per saham menjadi Rp 25 (nilai penuh) per saham. Pemecahan nilai saham ini telah mendapat persetujuan dari BEI melalui surat No.S-02820/BEI.PP1/05-2017 tertanggal 23 Mei 2017. Dengan demikian, per 31 Desember 2017 jumlah saham ditempatkan dan disetor penuh telah meningkat dari 1.596.711.562 saham menjadi 15.967.115.620 saham.

c. Entitas Anak

Perusahaan mendirikan entitas anak dengan nama Finansial Integrasi Teknologi (FIT), berdasarkan akta notaris Herna Gunawan, S.H., M.Kn. No. 4 tanggal 15 September 2017, yang telah disetujui oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia berdasarkan surat No. AHU-0043022.AH.01.01. Tahun 2017 tanggal 29 September 2017. FIT bergerak dalam bidang layanan pinjam meminjam uang berbasis teknologi informasi. Perusahaan merupakan salah satu pemegang saham pendiri FIT dengan persentase kepemilikan 99,96% (sembilan puluh sembilan koma sembilan puluh enam persen) dari modal yang ditempatkan dan modal disetor FIT. Sampai dengan tanggal penerbitan laporan keuangan ini, FIT masih dalam proses administrasi pengajuan ijin ke Otoritas Jasa Keuangan (OJK) sehingga belum ada kegiatan operasional.

d. 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.

Per tanggal 15 Oktober 2016 program *buyback shares* ini dinyatakan berakhir.

1. GENERAL (Continued)

b. Public Offering of the Company's Shares (Continued)

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) per share (Note 20).

Based on the resolution of the Extraordinary General Meeting of Shareholders (EGM) of the Company as covered by Notarial deed No. 25 dated 18 April 2017 of Aryanti Artisari, S.H., M.Kn., Notary in Jakarta, the Company's shareholders approved the par value split of the Company's share from Rp 250 (full amount) per share to Rp 25 (full amount) per share (stock split). The stock split was approved by the BEI through its letter No.S02820/BEI.PP1/05-2017 dated 23 May 2017. Therefore, as of 31 December 2017 total issued and fully paid capital was increased from 1,596,711,562 shares to 15,967,115,620 shares.

c. Subsidiary

The Company established a subsidiary under the name of PT Finansial Integrasi Teknologi (FIT), based on Notarial deed No. 4 of Herna Gunawan, S.H., M.Kn on 15 September 2017. The deed of establishment was approved the Ministry of Law and Human Rights of the Republic of Indonesia in its decision letter No. AHU-0043022.AH.01.01 dated 29 September 2017. FIT is engaged in lending and borrowing services based on information technology. The Company is one of the founding shareholders of FIT with a percentage of ownership of 99.96% (ninety nine point ninety six percent) of the issued and fully paid capital of FIT. As of the issuance date of these financial statements, FIT is still in the administration process of applying license to Financial Service Authority (OJK) so that there is no operational activities.

d. Treasury Shares

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.

As of 15 October 2016 the shares buyback program was officially ended.

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Ekshibit E/7

Exhibit E/7

**PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA
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1. UMUM (Lanjutan)

d. Pembelian Kembali (Buy-Back) Saham Perusahaan

Pada tanggal 31 Desember 2017 dan 2016, jumlah saham yang telah dibeli kembali oleh Perusahaan adalah masing-masing sebanyak 1.002.732.000 saham (setelah pemecahan saham) dan 100.273.200 saham dengan nilai pembelian sebesar Rp 252.160.

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*).

e. Surat Berharga yang Diterbitkan

Surat berharga yang diterbitkan selama 5 (lima) tahun terakhir adalah sebagai berikut:

Surat berharga/ <i>Securities</i>	Tanggal pencatatan di Bursa Efek Indonesia/ <i>Listing date on Stock Exchange</i>	Tanggal efektif/ <i>Effective date</i>	Total emisi/ <i>Amount issued</i>	Jumlah per seri Obligasi/ <i>Amount per Series</i>	Jatuh tempo/ <i>Due date</i>	Status pembayaran/ <i>Payment status</i>
<i>Medium Term Notes BFI Finance Indonesia I Tahun 2012</i>	Tidak dicatatan di Bursa Efek/ <i>Not listed on Stock Exchange</i>	25 Januari/ <i>January 2012</i>	225.000			
Seri/ <i>Series A:</i>				25.000	25 Januari/ <i>January 2014</i>	Lunas/ <i>Paid</i>
Seri/ <i>Series B:</i>				200.000	25 Januari/ <i>January 2015</i>	Lunas/ <i>Paid</i>
Obligasi Berkelanjutan I BFI Finance Indonesia Total limit : (Rp 1.200.000)		4 Juni/ <i>June 2012</i> (No. S-6878/BL/2012)				
Tahap I Tahun 2012 Seri/ <i>Series A:</i>	13 Juni/ <i>June 2012</i>		575.000	195.000	17 Juni/ <i>June 2013</i>	Lunas/ <i>Paid</i>
Seri/ <i>Series B:</i>				110.000	12 Juni/ <i>June 2014</i>	Lunas/ <i>Paid</i>
Seri/ <i>Series C:</i>				270.000	12 Juni/ <i>June 2015</i>	Lunas/ <i>Paid</i>
Tahap II Tahun 2013 Seri/ <i>Series A:</i>	20 Februari/ <i>February 2013</i>		625.000	100.000	1 Maret/ <i>March 2014</i>	Lunas/ <i>Paid</i>
Seri/ <i>Series B:</i>				370.000	19 Februari/ <i>February 2015</i>	Lunas/ <i>Paid</i>
Seri/ <i>Series C:</i>				155.000	19 Februari/ <i>February 2016</i>	Lunas/ <i>Paid</i>
Obligasi Berkelanjutan II BFI Finance Indonesia Total limit : (Rp 2.500.000)		28 Februari/ <i>February 2014</i> (No. S-121/D.04/2014)				
Tahap I Tahun 2014 Seri/ <i>Series A:</i>	10 Maret/ <i>March 2014</i>		500.000	225.000	17 Maret/ <i>March 2015</i>	Lunas/ <i>Paid</i>
Seri/ <i>Series B:</i>				55.000	7 Maret/ <i>March 2016</i>	Lunas/ <i>Paid</i>
Seri/ <i>Series C:</i>				220.000	7 Maret/ <i>March 2017</i>	Lunas/ <i>Paid</i>

1. GENERAL (Continued)

d. Treasury Shares

As of 31 December 2017 and 2016, total shares bought back by the Company totaling 1,002,732,000 shares (after stock split) and 100,273,200 shares for a total purchase price of Rp 252,160.

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).

e. Securities Issued

Securities issued for the last 5 (five) years are as follows:

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Ekshibit E/8

Exhibit E/8

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1. UMUM (Lanjutan)

e. Surat Berharga yang Diterbitkan (Lanjutan)

Surat berharga yang diterbitkan selama 5 (lima) tahun terakhir adalah sebagai berikut: (Lanjutan)

Surat berharga/ Securities	Tanggal pencatatan di Bursa Efek Indonesia/ Listing date on Stock Exchange	Tanggal efektif/ Effective date	Total emisi/ Amount issued	Jumlah per seri Obligasi/ Amount per Series	Jatuh tempo/ Due date	Status pembayaran/ Payment status
Tahap II Tahun 2015	20 Maret/ March 2015		1.000.000			
Seri/Series A:				345.000	29 Maret/ March 2016	Lunas/Paid
Seri/Series B:				105.000	19 Maret/ March 2017	Lunas/Paid
Seri/Series C:				550.000	19 Maret/ March 2018	Belum lunas/ Not yet paid
Tahap III Tahun 2016	26 Februari/ February 2016		1.000.000			
Seri/Series A:				200.000	5 Maret/ March 2017	Lunas/Paid
Seri/Series B:				142.000	25 Februari/ February 2018	Belum lunas/ Not yet paid
Seri/Series C:				658.000	25 Februari/ February 2019	Belum lunas/ Not yet paid
Medium Term Notes BFI Finance Indonesia II Tahun 2014	Tidak dicatatkan di Bursa Efek/ Not listed on Stock Exchange	4 Juni/ June 2014	130.000	130.000	14 Juni/ June 2015	Lunas/Paid
Medium Term Notes BFI Finance Indonesia III Tahun 2015	Tidak dicatatkan di Bursa Efek/ Not listed on Stock Exchange		100.000			
Seri/Series A:		13 April 2015		50.000	13 April 2017	Lunas/Paid
Seri/Series B:		13 Mei/ May 2015		50.000	13 Mei/ May 2018	Belum lunas/ Not yet paid
Medium Term Notes BFI Finance Indonesia IV Tahun 2015	Tidak dicatatkan di Bursa Efek/ Not listed on Stock Exchange	5 Agustus/ August 2015	155.000	155.000	15 Agustus/ August 2016	Lunas/Paid
Obligasi Berkelanjutan III BFI Finance Indonesia Total limit : (Rp 5.000.000)		17 Oktober/ October 2016 (No.5588/D.04/2016)	1.000.000			
Tahap I Tahun 2016	26 Oktober/ October 2016					
Seri/Series A:				317.000	5 November 2017	Lunas/Paid
Seri/Series B:				550.000	25 Oktober/ October 2019	Belum lunas/ Not yet paid
Seri/Series C:				133.000	25 Oktober/ October 2021	Belum lunas/ Not yet paid

1. GENERAL (Continued)

e. Securities Issued (Continued)

Securities issued for the last 5 (five) years are as follows: (Continued)

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Ekshibit E/9

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**PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA
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1. UMUM (Lanjutan)

e. Surat Berharga yang Diterbitkan (Lanjutan)

Surat berharga yang diterbitkan selama 5 (lima) tahun terakhir adalah sebagai berikut: (Lanjutan)

Surat berharga/ Securities	Tanggal pencatatan di Bursa Efek Indonesia/ Listing date on Stock Exchange	Tanggal efektif/ Effective date	Total emisi/ Amount issued	Jumlah per seri Obligasi/ Amount per Series	Jatuh tempo/ Due date	Status pembayaran/ Payment status
Tahap II Tahun 2017 Seri/Series A:	3 Maret/ March 2017		1.000.000	540.000	12 Maret/ March 2018	Belum lunas/ Not yet paid
Seri/Series B:				460.000	2 Maret/ March 2020	Belum lunas/ Not yet paid
Tahap III Tahun 2017 Seri/Series A:	10 November 2017		835.000	335.000	19 November 2018	Belum lunas/ Not yet paid
Seri/Series B:				100.000	9 November 2019	Belum lunas/ Not yet paid
Seri/Series C:				400.000	9 November 2020	Belum lunas/ Not yet paid

f. Dewan Komisaris, Direksi, Dewan Pengawas Syariah, Komite Audit, Internal Audit, Sekretaris Perusahaan dan Karyawan

Berdasarkan Akta Berita Acara RUPSLB Perusahaan No. 6 tanggal 25 Oktober 2017 juncto akta Pernyataan Keputusan Rapat No. 19 tanggal 21 Desember 2017 yang dibuat dihadapan Herna Gunawan, S.H., M.Kn. Notaris di Tangerang, susunan Dewan Komisaris, Direksi dan Dewan Pengawas Syariah Perusahaan pada tanggal 31 Desember 2017 adalah sebagai berikut 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	:
Komisaris	:	Cornellius Henry Kho	:

Direksi

Presiden Direktur	:	Francis Lay Sioe Ho	:	President Director
Direktur Keuangan	:	Sudjono	:	Finance Director
Direktur Bisnis	:	Sutadi	:	Business Director
Direktur Operasional dan Sumber Daya Manusia	:	Andrew Adiwijanto	:	Operations and Human Capital Director
Direktur Risiko Perusahaan (Independen)	:	Sigit Hendra Gunawan	:	Enterprise Risk Director (Independent)

Dewan Pengawas Syariah*)

Ketua	:	Asrori S. Karni	:	Chairman
Anggota	:	Helda Rahmi Sina	:	Member

*) Berlaku efektif terhitung sejak tanggal kelulusan Penilaian Kemampuan dan Kepatutan dari Otoritas Jasa Keuangan (OJK).

1. GENERAL (Continued)

e. Securities Issued (Continued)

Securities issued for the last 5 (five) years are as follows: (Continued)

f. Boards of Commissioners, Directors, Sharia Supervisory Board, Audit Committee, Internal Audit, Corporate Secretary and Employees

Based on Deed of Minutes of EGMS of the Company No. 6 dated 25 October 2017 in conjunction with the Deed of Meeting Decision Letter No. 19 dated 21 December 2017 made before Herna Gunawan, S.H., M.Kn. Notary in Tangerang, the composition of the Company's Board of Commissioners, Directors and Sharia Supervisory Board as of 31 December 2017 are as follows:

Board of Commissioners

President Commissioner	:	Kusmayanto Kadiman	:
Commissioner (Independent)	:	Johanes Sutrisno	:
Commissioner (Independent)	:	Alfonso Napitupulu	:
Commissioner (Independent)	:	Emmy Yuhassarie	:
Commissioner	:	Dominic John Picone	:
Commissioner	:	Sunata Tjiterosampurno	:
Commissioner	:	Cornellius Henry Kho	:

Directors

President Director	:	Francis Lay Sioe Ho	:
Finance Director	:	Sudjono	:
Business Director	:	Sutadi	:

Operations and Human Capital Director

Enterprise Risk Director (Independent)

Sharia Supervisory Board*)

Chairman	:	Asrori S. Karni	:
Member	:	Helda Rahmi Sina	:

*) Effective as of the date of passing the Fit and Proper Test of the Financial Service Authority (OJK).

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Ekshibit E/10

Exhibit E/10

**PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA
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1. UMUM (Lanjutan)

f. Dewan Komisaris, Direksi, Dewan Pengawas Syariah, 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. 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:

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	:
Direktur Risiko Perusahaan (Independen)	:	Sigit Hendra Gunawan	:

Susunan Komite Audit Perusahaan dan entitas anaknya pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

Komite Audit

Ketua	:	Emmy Yuhassarie	:
Anggota	:	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 2017 dan 2016 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 2017 dan 2016 adalah Sudjono.

1. GENERAL (Continued)

f. Boards of Commissioners, Directors, Sharia Supervisory Board, Audit Committee, Internal Audit, Corporate Secretary and Employees (Continued)

Based on the Minutes of Meeting of the Extraordinary General Meeting of Shareholders (EGMS) 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:

Board of Commissioners

President Commissioner	:	Kusmayanto Kadiman	:
Commissioner (Independent)	:	Johanes Sutrisno	:
Commissioner (Independent)	:	Alfonso Napitupulu	:
Commissioner (Independent)	:	Emmy Yuhassarie	:
Commissioner	:	Dominic John Picone	:
Commissioner	:	Sunata Tjiterosampurno	:

Directors

President Director	:	Francis Lay Sioe Ho	:
Operations and Corporate Business Director	:	Cornellius Henry Kho	:
Finance and Information Technology Director	:	Sudjono	:
Retail Business Director	:	Sutadi	:
Enterprise Risk Director (Independent)	:	Sigit Hendra Gunawan	:

The composition of the Audit Committee of the Company and its subsidiary as of 31 December 2017 and 2016, are as follows:

Audit Committee

Chairman	:	Emmy Yuhassarie	:
Members	:	Edy Sugito	:
	:	Friso Palilingan	:

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 2017 and 2016 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 2017 and 2016 is Sudjono.

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Ekshibit E/11

Exhibit E/11

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**PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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1. UMUM (Lanjutan)

- f. Dewan Komisaris, Direksi, Dewan Pengawas Syariah, Komite Audit, Internal Audit, Sekretaris Perusahaan dan Karyawan (Lanjutan)

Karyawan

Jumlah karyawan Perusahaan dan entitas anaknya pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

	<u>2017</u>
Karyawan tetap	5.982
Karyawan tidak tetap	<u>3.902</u>
Jumlah	<u>9.884</u>

Personil manajemen kunci Perusahaan mencakup anggota Dewan Komisaris dan Direksi.

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING

Kebijakan-kebijakan akuntansi di bawah ini telah diterapkan secara konsisten pada seluruh periode yang disajikan dalam laporan keuangan ini.

Penerbitan Laporan Keuangan disetujui untuk diterbitkan oleh Direksi pada tanggal 19 Februari 2018.

a. Pernyataan Kepatuhan

Laporan keuangan konsolidasian telah 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.

b. Dasar Penyusunan Laporan Keuangan Konsolidasian

Laporan keuangan konsolidasian, kecuali laporan arus kas konsolidasian, disusun atas dasar akrual dan berdasarkan konsep nilai historis, kecuali untuk instrumen keuangan derivatif yang diukur pada nilai wajar dan utang atas kewajiban imbalan pasca-kerja yang diakui sebesar nilai kini kewajiban imbalan pasti dikurangi dengan nilai wajar aset program.

Laporan arus kas konsolidasian disusun dengan menggunakan metode langsung dengan mengelompokkan arus kas ke dalam aktivitas operasi, investasi dan pendanaan.

Seluruh angka dalam laporan keuangan konsolidasian ini dibulatkan menjadi dan disajikan dalam jutaan Rupiah yang terdekat, kecuali dinyatakan lain.

1. GENERAL (Continued)

- f. Boards of Commissioners, Directors, Sharia Supervisory Board, Audit Committee, Internal Audit, Corporate Secretary and Employees (Continued)

Employees

The total number of the Company and its subsidiary's employees as of 31 December 2017 and 2016 was as follows:

	<u>2016</u>	
	5.322	Permanent employees
	<u>3.619</u>	Non-permanent employees
	<u>8.941</u>	Total

Key management personnel of the Company consist of members of Boards of Commissioners and Directors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Issuance of the financial statement authorized for issuance by Directors on 19 February 2018.

a. Statement of Compliance

The consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards ("IFAS"), which includes the Interpretations of Financial Accounting Standards, issued by the Indonesian Institute of Accountants and the Capital Market and Financial Institution Supervisory Agency ("Bapepam-LK", which the function has been transferred to Financial Service Authority ("OJK") since 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.

b. Basis of Preparation of the Consolidated Financial Statements

The consolidated financial statements, except the consolidated statement of cash flows, were prepared on the accrual basis and under the historical cost concepts, excepts for derivative financial instruments which are measured at fair value and the liability for post-employment benefit obligations which is recognized at the present value of defined benefit obligations less the fair value of plan asset.

The consolidated 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 consolidated financial statements are rounded to and expressed in millions of Rupiah, unless otherwise stated.

*These Consolidated Financial Statements are Originally Issued
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Ekshibit E/12

Exhibit E/12

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

b. Dasar Penyusunan Laporan Keuangan Konsolidasian (Lanjutan)

Transaksi-transaksi yang termasuk dalam laporan keuangan konsolidasian pada tiap entitas diukur dengan mata uang lingkungan ekonomi utama di mana entitas beroperasi (mata uang fungsional). Laporan keuangan konsolidasian disajikan dalam Rupiah, yang merupakan mata uang fungsional dan penyajian Perusahaan dan entitas anaknya.

Kebijakan-kebijakan akuntansi di bawah ini telah ditetapkan secara konsisten pada seluruh periode yang disajikan dalam laporan keuangan ini.

c. Perubahan Kebijakan Akuntansi

Perubahan atas Pernyataan Standar Akuntansi Keuangan ("PSAK") dan Interpretasi Standar Akuntansi Keuangan ("ISAK")

Amandemen standar dan interpretasi berikut efektif untuk periode yang dimulai pada atau setelah 1 Januari 2017 yang relevan bagi Perusahaan dan entitas anaknya namun tidak menyebabkan perubahan signifikan atas kebijakan akuntansi Perusahaan dan entitas anaknya, yaitu amandemen PSAK 1 "Penyajian Laporan Keuangan", ISAK 31 "Interpretasi atas Ruang Lingkup PSAK 13: Properti Investasi", PSAK 3 (Revisi 2016) "Laporan Keuangan Interim", PSAK 24 (Revisi 2016) "Imbalan Kerja", PSAK 58 (Revisi 2016) "Aset Tidak Lancar yang Dimiliki untuk Dijual dan Operasi yang Dihentikan", dan PSAK 60 (Revisi 2016) "Instrumen Keuangan: Pengungkapan".

Standar baru dan amandemen yang telah diterbitkan dan relevan bagi Perusahaan dan entitas anaknya, namun belum berlaku efektif untuk tahun buku yang dimulai pada atau setelah tanggal 1 Januari 2018 adalah Amandemen PSAK 16: "Aset Tetap", Amandemen PSAK 2: "Laporan Arus Kas dengan Prakarsa Pengungkapan", dan Amandemen PSAK 46: "Pajak Penghasilan tentang Pengakuan Aset Pajak Tangguhan untuk Rugi yang belum Direalisasi".

Sampai dengan tanggal laporan auditor independen, manajemen Perusahaan dan entitas anak sedang mengevaluasi dampak dari standar dan interpretasi tersebut terhadap laporan keuangan Perusahaan.

d. Aset dan Liabilitas Keuangan

Aset keuangan Perusahaan, terdiri dari kas dan setara kas, piutang sewa pembiayaan, piutang pembiayaan konsumen, aset derivatif dan pinjaman kepada karyawan (dicatat sebagai bagian dari "piutang lain-lain").

Liabilitas keuangan Perusahaan dan entitas anaknya terdiri dari pinjaman yang diterima, beban yang masih harus dibayar, liabilitas derivatif, surat berharga yang diterbitkan, utang premi asuransi dan utang kepada dealer yang dicatat sebagai bagian dari liabilitas lain-lain.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Preparation of the Consolidated Financial Statements (Continued)

Items included in the consolidated financial statements of each entities are measured using the currency of primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Rupiah, which is the Company and its subsidiaries' functional and presentation currency.

The significant accounting policies set out below have been applied consistently to all periods presented in these financial statements.

c. Change in Accounting Policies

Changes to Statement of Financial Accounting Standards (" SFAS ") and Interpretations of Financial Accounting Standards (" IFAS ")

Amendments of the following standards and interpretations which effective for periods beginning on or after 1 January 2017 and relevant for Company and its subsidiary but did not result in substantial changes to the Company's accounting policies, namely amendment of SFAS 1 "Presentation of Financial Statements", IFAS 31 "Interpretation on the Scope of SFAS 13: Investment Property", SFAS 3 (Amendment 2016) "Interim Financial Reporting", SFAS 24 (Amendment 2016) "Employee Benefit", SFAS 58 (Amendment 2016) "Non-Current Asset Held for Sale and Discontinued Operations", and SFAS 60 (Amendment 2016) "Financial Instruments: Disclosures".

New standards and amendments issued and relevant for the Company and its subsidiary but not yet effective for the financial year beginning 1 January 2018 are Amendment to SFAS 16: "Fixed Assets", Amendment to SFAS 2: "Cash Flows Statements - Disclosure Initiative", and Amendment to SFAS 46: "Taxation - Recognition of Deferred Tax Asset for Unrealized Losses".

As of the independent auditors' report date, the Company and its subsidiary's management is currently evaluating the impact of these standards and interpretations on the Company's financial statements.

d. Financial Assets and Liabilities

The Company's financial assets, consist of cash and cash equivalents, finance lease receivables, consumer financing receivables, derivative assets and loans to employees (recorded as part of "other receivables").

The Company and its subsidiary's financial liabilities consist of fund borrowings, accrued expenses, derivative liabilities, securities issued, insurance premium payables and payable to dealer which are recorded as part of other liabilities.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

d. Aset dan Liabilitas Keuangan (Lanjutan)

d. Financial Assets and Liabilities (Continued)

d.1. Klasifikasi

d.1. Classification

Berdasarkan PSAK 55 (Revisi 2014), Perusahaan mengelompokkan seluruh aset keuangannya sebagai pinjaman yang diberikan dan piutang, kecuali untuk aset derivatif yang diklasifikasikan sebagai instrumen keuangan yang diukur pada nilai wajar melalui laba rugi.

Based on PSAK 55 (2014 Revision), the Company classifies all of its financial assets as loans and receivables, except for derivative assets measured at fair value through profit or loss ("FVTPL").

Pinjaman yang diberikan dan piutang adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan dan tidak mempunyai kuotasi di pasar aktif dan Perusahaan tidak berniat untuk menjualnya segera atau dalam waktu dekat. Aset keuangan tersebut dicatat pada biaya perolehan diamortisasi menggunakan metode suku bunga efektif. Keuntungan atau kerugian diakui sebagai laba atau rugi ketika aset keuangan tersebut dihentikan pengakuannya atau mengalami penurunan nilai.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and the Company does not intend to sell immediately or in the near terms. Such financial assets are carried at amortized cost using the effective interest method. Gains or losses are recognized in profit or loss when the loans and receivables are derecognized or impaired.

Perusahaan mengelompokkan seluruh liabilitas keuangannya sebagai liabilitas keuangan lainnya yang diukur pada biaya perolehan diamortisasi, kecuali untuk liabilitas derivatif yang diklasifikasikan sebagai instrumen keuangan yang diukur pada nilai wajar melalui laba rugi.

The Company classifies all of its financial liabilities as other financial liabilities measured at amortized cost, except for derivative liabilities which are classified as financial instruments measured at fair value through profit or loss ("FVTPL").

d.2. Pengakuan

d.2. Recognition

Perusahaan dan entitas anaknya pada awalnya mengakui aset dan liabilitas keuangan pada tanggal perolehan aset dan liabilitas keuangan tersebut.

The Company and its subsidiary initially recognizes financial assets and liabilities on the date of their origination.

Pada saat pengakuan awal, aset atau liabilitas keuangan Perusahaan dan entitas anaknya diukur pada nilai wajar ditambah/dikurangi (untuk instrumen keuangan yang tidak diukur pada nilai wajar melalui laba rugi setelah pengakuan awal) biaya transaksi yang dapat diatribusikan secara langsung atas perolehan aset keuangan atau penerbitan liabilitas keuangan. Pengukuran aset dan liabilitas keuangan setelah pengakuan awal tergantung pada klarifikasi aset dan liabilitas keuangan tersebut.

At initial recognition, the Company and its subsidiary's financial assets or liabilities are measured at fair value plus/minus (for financial instruments not subsequently measured at fair value through profit or loss) transaction costs that are directly attributable to the acquisition of financial assets or issue of financial liabilities. The subsequent measurement of financial assets and liabilities depends on their classifications.

Biaya transaksi hanya meliputi biaya-biaya yang dapat diatribusikan secara langsung untuk perolehan suatu aset keuangan atau penerbitan suatu liabilitas keuangan dan merupakan biaya tambahan yang tidak akan terjadi apabila instrumen keuangan tersebut tidak diperoleh atau diterbitkan. Untuk aset keuangan, biaya transaksi ditambahkan pada jumlah yang diakui pada awal pengakuan aset, sedangkan untuk liabilitas keuangan, biaya transaksi dikurangkan dari jumlah utang yang diakui pada awal pengakuan liabilitas. Biaya transaksi tersebut diamortisasikan selama umur instrumen berdasarkan metode suku bunga efektif dan dicatat sebagai bagian dari pendapatan pembiayaan konsumen dan pendapatan sewa pembiayaan untuk biaya transaksi sehubungan dengan aset keuangan dan sebagai bagian dari beban bunga dan keuangan untuk biaya transaksi sehubungan dengan liabilitas keuangan.

Transaction costs include only those costs that are directly attributable to the acquisition of a financial asset or issuance of a financial liability and they are incremental costs that would not have been incurred if the instrument had not been acquired or issued. In the case of financial assets, transaction costs are added to the amount recognized initially, while for financial liabilities, transaction costs are deducted from the amount of debt recognized initially. Such transaction costs are amortized over the terms of the instruments based on the effective interest method and are recorded as part of consumer financing income and finance lease income for transaction costs related to financial assets and as part of interest and financing charges for transaction costs related to financial liabilities.

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Ekshibit E/14

Exhibit E/14

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

d. Aset dan Liabilitas Keuangan (Lanjutan)

d.2. Pengakuan (Lanjutan)

Setelah pengakuan awal, pinjaman yang diberikan dan piutang dicatat pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

Setelah pengakuan awal, Perusahaan mengukur seluruh liabilitas keuangan dicatat pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

d.3. Penghentian pengakuan

Perusahaan dan entitas anaknya menghentikan pengakuan aset keuangan pada saat hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut kadaluarsa, atau pada saat Perusahaan dan entitas anaknya 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 dan entitas anaknya menghentikan pengakuan piutang pembiayaan konsumen dan piutang sewa pembiayaan pada saat dilakukannya penarikan jaminan kendaraan. Selain itu, Perusahaan menghentikan pengakuan liabilitas keuangan pada saat liabilitas yang ditetapkan dalam kontrak dilepaskan atau dibatalkan atau kadaluarsa.

Dalam transaksi di mana Perusahaan dan entitas anaknya secara substansial tidak memiliki atau tidak mentransfer seluruh risiko dan manfaat atas kepemilikan aset keuangan, Perusahaan dan entitas anaknya 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 dan entitas anaknya tetap mengakui aset yang ditransfer tersebut sebesar keterlibatan berkelanjutan yang ditentukan oleh besarnya perubahan nilai aset yang ditransfer.

Perusahaan dan entitas anaknya menghapus bukukan saldo piutang pembiayaan konsumen dan piutang sewa pembiayaan, pada saat Perusahaan dan entitas anaknya menentukan bahwa aset tersebut tidak dapat ditagih lagi. 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 piutang sewa pembiayaan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

d. Financial Assets and Liabilities (Continued)

d.2. Recognition (Continued)

Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method.

Subsequent to initial recognition, the Company measures all financial liabilities at amortized cost using the effective interest method.

d.3. Derecognition

The Company and its subsidiary derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when the Company and its subsidiary transfers 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 interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company and its subsidiary derecognize consumer financing receivables and finance lease receivables at the time when the vehicle collateral has been taken out. In addition, the Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

In transaction where the Company and its subsidiary neither retains nor transfers substantially all the risks and rewards of a financial asset, the Company and its subsidiary derecognizes the asset if it does not retain control over the asset. The right and obligation retained in the transfer are recognized separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the Company and its subsidiary continues to recognize the asset to the extent of its continuing involvement determined by the extent to which it is exposed to changes in the value of the transferred asset.

The Company and its subsidiary writes off a consumer financing receivable and finance lease receivables, when the Company and its subsidiary determines that the asset is uncollectible. 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 finance lease receivables.

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Ekshibit E/15

Exhibit E/15

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

d. Aset dan Liabilitas Keuangan (Lanjutan)

d. Financial Assets and Liabilities (Continued)

d.3. Penghentian pengakuan (Lanjutan)

d.3. Derecognition (Continued)

Penerimaan atau pemulihan kembali aset keuangan yang telah dihapusbukukan dicatat sebagai pendapatan lain-lain.

Collection or recovery of financial assets which had been written-off is recorded as other income.

d.4. Saling hapus

d.4. Offsetting

Aset dan liabilitas keuangan dapat saling hapus dan nilai bersihnya disajikan dalam laporan posisi keuangan jika, dan hanya jika, Perusahaan dan entitas anaknya memiliki hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui tersebut dan berniat untuk menyelesaikan secara bersih atau untuk merealisasikan aset dan menyelesaikan liabilitasnya secara bersamaan.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when and only when, the Company and its subsidiary has legally enforceable rights to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Pendapatan dan beban disajikan dalam jumlah bersih hanya jika diperkenankan oleh standar akuntansi.

Income and expenses are presented on a net basis only when permitted by accounting standards.

d.5. Pengukuran biaya perolehan diamortisasi

d.5. Amortized cost measurement

Biaya perolehan diamortisasi dari aset atau liabilitas keuangan adalah jumlah aset atau liabilitas keuangan yang diukur pada saat pengakuan awal, dikurangi pembayaran pokok, ditambah atau dikurangi dengan amortisasi kumulatif dengan menggunakan metode suku bunga efektif yang dihitung dari selisih antara nilai awal dan nilai jatuh temponya, dikurangi penyisihan kerugian penurunan nilai.

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

d.6. Identifikasi dan pengukuran penurunan nilai aset keuangan

d.6. Identification and measurement of impairment for financial assets

Pada setiap tanggal pelaporan, Perusahaan dan entitas anaknya mengevaluasi apakah terdapat bukti obyektif bahwa aset keuangan yang tidak diukur pada nilai wajar melalui laba rugi telah mengalami penurunan nilai. Aset keuangan mengalami penurunan nilai jika bukti obyektif menunjukkan bahwa peristiwa yang merugikan telah terjadi setelah pengakuan awal aset keuangan, dan peristiwa tersebut berdampak pada arus kas masa datang atas aset keuangan yang dapat diestimasi secara handal.

The Company and its subsidiary assesses at each reporting date, whether there is objective evidence that a financial assets are not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the financial assets, and that the loss event has an impact on the future cash flows on the financial assets that can be reliably estimated.

Bukti objektif bahwa aset keuangan mengalami penurunan nilai meliputi wanprestasi atau tunggakan pembayaran oleh debitur, restrukturisasi piutang oleh Perusahaan dan entitas anaknya dengan persyaratan yang tidak mungkin diberikan jika debitur tidak mengalami kesulitan keuangan, indikasi bahwa debitur akan dinyatakan pailit, atau data yang dapat diobservasi lainnya yang terkait dengan kelompok aset keuangan seperti memburuknya status pembayaran debitur dalam kelompok tersebut, atau kondisi ekonomi yang berkorelasi dengan wanprestasi atas aset dalam kelompok tersebut.

Objective evidence that the financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Company and its subsidiary on terms that the Company would not otherwise consider, indications that a borrower will enter bankruptcy, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers in the group, or economic conditions that correlate with defaults in the group.

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Ekshibit E/16

Exhibit E/16

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

d. Aset dan Liabilitas Keuangan (Lanjutan)

d. Financial Assets and Liabilities (Continued)

d.6. Identifikasi dan pengukuran penurunan nilai aset keuangan (Lanjutan)

d.6. Identification and measurement of impairment for financial assets (Continued)

Untuk aset keuangan yang dicatat pada biaya perolehan diamortisasi, Perusahaan dan entitas anaknya awalnya menentukan apakah terdapat bukti obyektif penurunan nilai atas aset keuangan yang signifikan secara individual, atau secara kolektif untuk aset keuangan yang tidak signifikan secara individual.

For financial assets carried at amortized cost, the Company and its subsidiary first assesses whether there is objective evidence of impairment for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

Penilaian secara individual dilakukan atas aset keuangan yang signifikan yang memiliki bukti obyektif penurunan nilai. Aset keuangan yang tidak signifikan dan memiliki karakteristik risiko kredit yang sejenis dinilai secara kolektif. Dalam mengevaluasi penurunan nilai secara kolektif, Perusahaan dan entitas anaknya menggunakan model statistik dari tren historis atas probabilitas wanprestasi, waktu pemulihan kembali dan jumlah kerugian yang terjadi, yang disesuaikan dengan pertimbangan manajemen mengenai apakah kondisi ekonomi dan kredit terkini sedemikian rupa sehingga dapat mengakibatkan kerugian aktual yang jumlahnya akan lebih besar atau lebih kecil daripada jumlah yang ditentukan oleh model historis. Tingkat wanprestasi, tingkat kerugian dan waktu yang diharapkan untuk pemulihan di masa datang akan diperbandingkan secara berkala terhadap hasil aktual untuk memastikan estimasi tersebut masih tepat.

Individual assessment is performed on the significant financial assets that have objective evidence of impairment. The financial assets that are not individually significant and have similar credit characteristic are assessed collectively. In assessing collective impairment, the Company and its subsidiary uses statistical modeling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modeling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Ketika peristiwa yang terjadi setelah penurunan nilai menyebabkan jumlah kerugian penurunan nilai berkurang, kerugian penurunan nilai yang sebelumnya diakui harus dipulihkan, dengan menyesuaikan akun cadangan. Jumlah pemulihan aset keuangan diakui pada laba rugi tahun berjalan.

When a subsequent event causes the amount of impairment loss to decrease, the previously recognized impairment loss is reversed by adjusting the allowance for impairment losses. The amount of the reversal is recognized in the current year profit or loss.

d.7. Pengukuran nilai wajar

d.7. Fair value measurement

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur (*orderly transaction*) antara pelaku pasar (*market participants*) pada tanggal pengukuran di pasar utama atau, jika tidak terdapat pasar utama, di pasar yang paling menguntungkan dimana Perusahaan dan entitas anaknya memiliki akses pada tanggal tersebut. Nilai wajar liabilitas mencerminkan risiko wanprestasinya.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which the Company and its subsidiary has access at that date. The fair value of a liability reflects its non-performance risk.

Jika tersedia, Perusahaan mengukur nilai wajar instrumen keuangan dengan menggunakan harga kuotasi di pasar aktif untuk instrumen tersebut. Suatu pasar dianggap aktif jika harga kuotasi sewaktu-waktu dan secara berkala tersedia dan mencerminkan transaksi pasar yang aktual dan rutin dalam suatu transaksi yang wajar.

When available, the Company and its subsidiary measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly occurring market transactions on an arm's length basis.

Ekshibit E/17

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Aset dan Liabilitas Keuangan (Lanjutan)

d. Financial Assets and Liabilities (Continued)

d.7. Pengukuran nilai wajar (Lanjutan)

d.7. Fair value measurement (Continued)

Jika pasar untuk suatu instrumen keuangan tidak aktif, Perusahaan dan entitas anaknya menentukan nilai wajar dengan menggunakan teknik penilaian. Teknik penilaian mencakup penggunaan transaksi pasar terkini yang dilakukan secara wajar oleh pihak-pihak yang memahami, berkeinginan, dan jika tersedia, referensi atas nilai wajar terkini dari instrumen lain yang secara substansial sama, penggunaan analisa arus kas yang didiskonto dan penggunaan model penetapan harga opsi (*option pricing model*). Teknik penilaian yang dipilih memaksimalkan penggunaan input pasar, dan meminimalkan penggunaan taksiran yang bersifat spesifik dari Perusahaan dan entitas anaknya, memasukkan semua faktor yang akan dipertimbangkan oleh para pelaku pasar dalam menetapkan suatu harga dan konsisten dengan metodologi ekonomi yang diterima dalam penetapan harga instrumen keuangan. Input yang digunakan dalam teknik penilaian secara memadai mencerminkan ekspektasi pasar dan ukuran atas faktor risiko dan pengembalian (*risk-return*) yang melekat pada instrumen keuangan. Perusahaan dan entitas anaknya mengkalibrasi teknik penilaian dan menguji validitasnya dengan menggunakan harga-harga dari transaksi pasar terkini yang dapat diobservasi untuk instrumen yang sama atau atas dasar data pasar lainnya yang tersedia yang dapat diobservasi.

If a market for a financial instrument is not active, the Company and its subsidiary establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable and willing parties, and if available, reference to the current fair value of other instruments that are substantially the same, discounted cash flows analysis and option pricing models. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Company and its subsidiary, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Company and its subsidiary calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

Bukti terbaik atas nilai wajar instrumen keuangan pada saat pengakuan awal adalah harga transaksi, yaitu nilai wajar dari pembayaran yang diberikan atau diterima, kecuali jika nilai wajar dari instrumen keuangan tersebut ditentukan dengan perbandingan dengan transaksi pasar terkini yang dapat diobservasi dari suatu instrumen yang sama (yaitu tanpa modifikasi atau pengemasan ulang), atau berdasarkan suatu teknik penilaian yang variabelnya hanya menggunakan data dari pasar yang dapat diobservasi. Jika harga transaksi memberikan bukti terbaik atas nilai wajar pada saat pengakuan awal, maka instrumen keuangan pada awalnya diukur pada harga transaksi dan selisih antara harga transaksi dan nilai yang sebelumnya diperoleh dari model penilaian diakui dalam laporan laba rugi setelah pengakuan awal tergantung pada masing-masing fakta dan keadaan dari transaksi tersebut namun tidak lebih lambat dari saat penilaian tersebut didukung sepenuhnya oleh data pasar yang dapat diobservasi atau saat transaksi ditutup.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e., the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with the other observable current market transactions in the same instrument (i.e., without modification or repackaging), or based on a valuation technique whose variables include only data from observable markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognized in the statement of profit or loss depending on the individual facts and circumstances of the transaction but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

d. Aset dan Liabilitas Keuangan (Lanjutan)

d.7. Pengukuran nilai wajar (Lanjutan)

Nilai wajar mencerminkan risiko kredit atas instrumen keuangan dan termasuk penyesuaian yang dilakukan untuk memasukkan risiko kredit Perusahaan dan pihak lawan, mana yang lebih sesuai. Taksiran nilai wajar yang diperoleh dari model penilaian akan disesuaikan untuk mempertimbangkan faktor-faktor lainnya, seperti risiko likuiditas atau ketidakpastian model penilaian, sepanjang Perusahaan yakin bahwa keterlibatan suatu pasar pihak ketiga akan mempertimbangkan faktor-faktor tersebut dalam penetapan harga suatu transaksi.

e. Kas dan Setara Kas

Kas dan setara kas terdiri dari kas, kas di bank dan deposito berjangka yang akan jatuh tempo dalam waktu tiga bulan atau kurang sejak tanggal penempatan, sepanjang deposito berjangka tersebut tidak digunakan sebagai jaminan atas pinjaman yang diterima, serta tidak dibatasi penggunaannya.

f. Sewa Pembiayaan

Berdasarkan PSAK 30 (Revisi 2011), suatu sewa diklasifikasikan sebagai sewa pembiayaan jika sewa tersebut mengalihkan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset. Suatu sewa diklasifikasikan sebagai sewa operasi jika sewa tidak mengalihkan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset.

Perusahaan mengakui aset berupa piutang sewa pembiayaan sebesar jumlah yang sama dengan Piutang sewa bersih. Penerimaan piutang sewa diperlakukan sebagai pembayaran pokok dan pendapatan sewa pembiayaan. Pengakuan pendapatan sewa pembiayaan didasarkan pada suatu pola yang mencerminkan suatu tingkat pengembalian periodik yang konstan atas investasi Perusahaan sebagai *lessor* dalam sewa pembiayaan.

Pada saat pengakuan awal, nilai wajar piutang 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 dalam sewa pembiayaan diklasifikasikan sebagai pinjaman yang diberikan dan piutang.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

d. Financial Assets and Liabilities (Continued)

d.7. Fair value measurement (Continued)

Fair values reflect the credit risk of the financial instruments and include adjustments to take into account the credit risk of the Company and counterparty where appropriate. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or valuation model uncertainties, to the extent that the Company believes a third-party market participation would take them into account in pricing a transaction.

e. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash in banks and time deposits with a maturity period of three months or less since the date of placement, as long as these time deposits are not pledged as collaterals for borrowings nor restricted.

f. Finance Leases

Based on PSAK 30 (2011 Revision), leases are classified as finance leases if such leases transfer substantially all the risks and rewards related to the ownership of the lease assets. Leases are classified as operating leases if the leases do not transfer substantially all the risks and rewards related to the ownership of the leased assets.

The Company recognizes assets held under a financing lease and present them as a receivable at an amount equal to the net finance lease receivables. Lease payment is treated as repayment of principal and financing lease income. The recognition of financing lease income is based on a pattern reflecting a constant periodic rate of return on the Company's finance lease receivables. The Company acts as a lessor in finance leases.

At initial recognition, the fair value of finance lease receivables represents finance lease 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. finance lease receivables are classified as loans and receivables.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

g. Pembiayaan Konsumen

Piutang pembiayaan konsumen merupakan jumlah piutang setelah ditambah (dikurangi) biaya (pendapatan) transaksi yang belum di amortisasi dan dikurangi dengan pendapatan pembiayaan konsumen yang belum diakui dan cadangan kerugian penurunan nilai piutang pembiayaan konsumen.

Pendapatan pembiayaan konsumen yang belum diakui, yang merupakan selisih antara jumlah keseluruhan pembayaran angsuran yang akan diterima dari konsumen dan jumlah pokok pembiayaan, ditambah (dikurangi) biaya (pendapatan) transaksi yang belum diamortisasi, akan diakui sebagai pendapatan selama jangka waktu kontrak dengan menggunakan metode suku bunga efektif dari piutang pembiayaan konsumen.

Biaya (pendapatan) transaksi yang belum diamortisasi adalah pendapatan administrasi proses pembiayaan dan biaya transaksi yang timbul pertama kali yang terkait langsung dengan pembiayaan konsumen tersebut.

Penyelesaian kontrak sebelum masa pembiayaan konsumen berakhir diperlakukan sebagai pembatalan kontrak pembiayaan konsumen dan pendapatan yang timbul terkait penyelesaian kontrak ini diakui dalam laba rugi tahun berjalan.

Piutang pembiayaan konsumen akan dihapusbukukan setelah menunggak lebih dari 270 hari (untuk properti) dan lebih dari 210 hari (untuk produk mobil dan motor). Penerimaan dari piutang yang telah dihapusbukukan diakui sebagai pendapatan lain-lain pada saat diterima.

Pembiayaan Bersama

Seluruh kontrak pembiayaan bersama yang dilakukan oleh Perusahaan merupakan pembiayaan bersama konsumen tanpa tanggung renteng (*without recourse*) dimana hanya porsi jumlah angsuran piutang yang dibiayai Perusahaan yang dicatat sebagai piutang pembiayaan konsumen di laporan posisi keuangan (pendekatan neto). Pendapatan pembiayaan konsumen disajikan pada laporan laba rugi dan penghasilan komprehensif lain setelah dikurangi dengan bagian yang merupakan hak pihak-pihak lain yang berpartisipasi pada transaksi pembiayaan bersama tersebut.

Dalam pembiayaan bersama *without recourse*, antara Perusahaan dan penyedia fasilitas pembiayaan bersama, Perusahaan berhak menentukan tingkat bunga yang lebih tinggi kepada konsumen dibandingkan tingkat bunga yang ditetapkan dalam perjanjian pembiayaan bersama dengan penyedia fasilitas pembiayaan bersama. Selisihnya merupakan pendapatan dan disajikan sebagai bagian dari "Pendapatan Pembiayaan Konsumen".

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

g. Consumer Financing

Consumer financing receivables are receivables plus (minus) unamortized transaction cost (fee) and minus unearned consumer financing income and allowance for impairment losses of consumer financing receivables.

Unearned consumer financing income, which represents the difference between total installments to be received from the consumer and the principal amount financed, plus or deducted with the unamortized transaction cost (income), will be recognized as income over the term of the contract using effective interest method of the related consumer financing receivable.

Unmortized transaction cost (income) are financing administration income and transaction costs which are incurred at the first time the financing agreement is signed and directly attributable to consumer financing.

Early termination of a contract is treated as a cancellation of an existing contract and the resulting income related to this early termination of a contract is recognized in the current year profit or loss.

Consumer financing receivables will be written-off when they are overdue for more than 270 days (for property) and more than 210 days (for cars and motorcycles). Recoveries from written-off receivables are recognized as other income upon receipt.

Joint Financing

All joint financing agreements entered by the Company are joint financing without recourse in which only the Company's financing portion of the total installments are recorded as consumer financing receivables in the statement of financing position (net approach). Consumer financing income is presented in the statement of profit or loss and other comprehensive income after deducting the portions belong to other parties participated to these joint financing transactions.

In joint financing without recourse, arrangements between the Company and the joint financing facility provider, the Company has the right to set higher interest rates to consumer than the interest rates stated in the joint financing agreement with the joint financing facility provider. The difference is recognized as revenue and disclosed as "Consumer Financing Income".

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

h. 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 piutang sewa pembiayaan dikurangi penyisihan penurunan nilai pasar atas jaminan yang dikuasai kembali. Piutang pembiayaan konsumen dan piutang 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 objek 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.

i. Instrumen Derivatif untuk Tujuan Manajemen Risiko

Seluruh instrumen derivatif yang dimiliki Perusahaan digunakan untuk tujuan manajemen risiko. Instrumen derivatif ini digunakan untuk lindung nilai eksposur risiko suku bunga dan risiko mata uang Perusahaan. Instrumen derivatif untuk tujuan manajemen risiko diukur pada nilai wajar dalam laporan posisi keuangan. Untuk memenuhi persyaratan akuntansi lindung nilai, beberapa kriteria tertentu harus dipenuhi, termasuk adanya dokumentasi formal pada awal lindung nilai.

Pada penetapan awal lindung nilai, Perusahaan mendokumentasikan secara formal hubungan antara instrumen lindung nilai dan unsur yang dilindung nilai, termasuk tujuan manajemen risiko dan strategi dalam melaksanakan transaksi lindung nilai, bersamaan dengan metode yang akan digunakan untuk menilai efektivitas hubungan lindung nilai. Perusahaan menilai, pada awal hubungan lindung nilai dan juga secara berkesinambungan, apakah instrumen lindung nilai diharapkan akan "sangat efektif" dalam rangka saling hapus atas perubahan nilai wajar atau perubahan arus kas dari unsur yang dilindung nilai sepanjang periode dimana lindung nilai tersebut ditetapkan, dan apakah hasil aktual dari setiap lindung nilai berada dalam kisaran 80-125 persen.

h. Receivables in the Settlement Process

Receivables in the settlement process represent receivables from collateral recovered and stated at net realizable value which is carrying amount or principal amount of related financing receivables, namely consumer financing and finance lease receivables less allowance for decline in market value of the collateral retained. Consumer financing receivables and finance lease receivables are reclassified to receivables in the settlement process when the collateral is withdrawn because the consumer is 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.

i. Derivative Instrument for Risk Management Purposes

All derivative instruments held by the Company are for risk management purposes. These derivative instruments are used to hedge the Company's exposures to interest rate risk and currency risk. Derivative instruments held for risk management are measured at fair value in the statement of financial position. To qualify for hedge accounting, certain criteria are to be met, including formal documentation to be in place at the inception of the hedge.

On initial designation of the hedge, the Company formally documents the relationship between the hedging instruments and hedge items, including the risk management objective and strategy in undertaking the hedge transaction, together with the method that will be used to assess the effectiveness of the hedging relationship. The Company makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged item during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent.

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**i. Instrumen Derivatif untuk Tujuan Manajemen Risiko
(Lanjutan)**

Perubahan nilai wajar instrumen derivatif yang tidak memenuhi kriteria lindung nilai dicatat dalam laporan laba rugi tahun yang bersangkutan. Jika instrumen derivatif dirancang dan memenuhi syarat akuntansi lindung nilai, perubahan nilai wajar yang berkaitan dengan lindung nilai diakui sebagai penyesuaian terhadap unsur yang dilindungi nilainya dalam penghasilan komprehensif lainnya tahun berjalan atau disajikan dalam ekuitas, tergantung pada jenis transaksi dan efektifitas dari lindung nilai tersebut.

Perusahaan dan entitas anaknya menetapkan derivatif sebagai instrumen lindung nilai atas arus kas apabila instrumen tersebut melindungi nilai variabilitas arus kas yang dapat diatribusikan pada risiko tertentu yang terkait dengan aset atau liabilitas yang telah diakui atau prakiraan transaksi yang kemungkinan besar terjadi. Bagian efektif dari perubahan nilai wajar derivatif yang ditetapkan sebagai instrumen lindung nilai atas arus kas dalam hubungan lindung nilai yang memenuhi kualifikasi ditangguhkan pada keuntungan/(kerugian) kumulatif atas instrumen derivatif untuk lindung nilai arus kas, yang merupakan bagian dari ekuitas. Bagian yang tidak efektif diakui secara langsung pada laporan laba rugi. Jumlah yang ditangguhkan dalam ekuitas direklasifikasi ke dalam laporan laba rugi dalam tahun yang sama dimana arus kas yang dilindung nilai mempengaruhi laba atau rugi, dan pada unsur yang sama dalam laporan laba rugi.

Ketika instrumen lindung nilai kadaluarsa atau dijual, dihentikan, dilaksanakan, atau tidak lagi memenuhi kriteria akuntansi lindung nilai, keuntungan atau kerugian kumulatif yang ditangguhkan di ekuitas tetap diakui pada keuntungan/(kerugian) kumulatif atas instrumen derivatif untuk lindung nilai arus kas dan direklasifikasi ke laporan laba rugi ketika unsur yang dilindung nilai diakui dalam laporan laba rugi.

Ketika suatu prakiraan transaksi akan dilindung nilai tidak lagi diharapkan akan terjadi, jumlah yang ditangguhkan dalam ekuitas diakui segera dalam laporan laba rugi.

j. Beban Dibayar di Muka

Beban dibayar di muka diamortisasi dan dibebankan selama masa manfaat masing-masing beban dengan menggunakan metode garis lurus.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

**i. Derivative Instrument for Risk Management Purposes
(Continued)**

Changes in fair value of derivative instruments that do not qualify for hedge accounting are recognized in the current year statement of profit or loss. If derivative instruments are designated and qualify for hedge accounting, changes in fair value of derivative instruments are recorded as adjustments to the items being hedged in the current year other comprehensive income or in the equity, depending on the type of hedge transaction represented and the effectiveness of the hedge.

The Company and its subsidiary designates derivatives as the hedging instruments of cash flows hedges where the instrument hedges the variability in cash flows attributable to a particular risk associated with a recognized asset or liability, or a highly probable forecast transaction that could affect profit or loss. The effective portion of changes in the fair value of derivatives designated as hedging instruments of cash flows hedges in qualifying hedging relationships is deferred to the cumulative gains/(losses) on derivative instruments for cash flows hedges, which forms part of equity. Any ineffective portion is recognized immediately in the statement of profit or loss. Amounts deferred in equity are reclassified to the statement of income as a reclassification adjustment in the same year as the hedged cash flows affect profit or loss, and in the same line item in the statement of profit or loss.

When the hedging instrument expires or sold, terminated, exercised, or no longer qualifies for hedge accounting, the cumulative amount deferred in equity remains in the cumulative gains/(losses) on derivative instruments for cash flows hedges, and is subsequently transferred to the statement of profit or loss when the hedged item is recognized in the statement of profit or loss.

When a forecast hedged transaction is no longer expected to occur, the amount deferred in equity is recognized immediately in the statement of profit or loss.

j. Prepaid Expenses

Prepaid expenses are amortized and charged as an expense over the periods of benefit using the straight-line method.

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Ekshibit E/22

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

k. Aset Tetap

Aset tetap pada awalnya dinyatakan sebesar harga perolehan. Setelah pengukuran awal, aset tetap diukur dengan model biaya, dicatat pada harga perolehan dikurangi akumulasi penyusutan dan akumulasi penurunan nilai, jika ada.

Harga perolehan mencakup harga pembelian dan semua beban yang terkait secara langsung untuk membawa aset tersebut ke lokasi dan kondisi yang diperlukan untuk memungkinkan aset tersebut beroperasi sebagaimana ditentukan oleh manajemen.

Tanah dinyatakan sebesar harga perolehan dan tidak disusutkan.

Penyusutan aset tetap selain tanah dihitung dengan menggunakan metode garis lurus untuk mengalokasikan harga perolehan hingga mencapai nilai sisa sepanjang estimasi masa manfaatnya sebagai berikut:

	Masa manfaat/ Useful lives (Tahun/ Year)	Tarif/ Rates	
Bangunan	20	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

Beban perbaikan dan pemeliharaan dibebankan ke dalam laporan laba rugi periode dimana beban-beban tersebut terjadi. Pengeluaran yang memperpanjang masa manfaat aset atau yang memberikan tambahan manfaat ekonomis dikapitalisasi dan disusutkan.

Jumlah tercatat aset tetap dihentikan pengakuannya pada saat pelepasan atau ketika tidak terdapat lagi manfaat ekonomi masa depan yang diekspektasikan dari penggunaan atau pelepasannya.

Apabila aset tetap dihentikan pengakuannya (tidak digunakan lagi atau dijual), maka nilai tercatat dan akumulasi penyusutannya dikeluarkan dari laporan posisi keuangan, dan keuntungan atau kerugian yang terjadi diakui dalam laporan laba rugi.

Aset dalam penyelesaian untuk 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.

Apabila nilai tercatat aset tetap lebih besar dari nilai yang dapat dipulihkan, nilai tercatat aset tersebut diturunkan menjadi sebesar nilai yang dapat dipulihkan kembali, yang ditentukan sebagai nilai tertinggi antara harga jual neto dan nilai pakai.

Pada setiap akhir tahun, nilai residu, umur dan metode penyusutan dikaji ulang dan disesuaikan secara prospektif jika diperlukan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

k. Fixed Assets

Fixed assets are initially recognized at acquisition cost. After initial measurement, fixed assets are measured using the cost model, carried at cost less any accumulated depreciation and accumulated impairment losses, if any.

Acquisition cost includes purchase price and any costs directly attributable to bring the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is stated at cost and not depreciated.

Depreciation of fixed assets other than land are calculated on the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Repairs and maintenance costs, are charged to the the statement of profit or loss during the period in which they are incurred. Expenditures that extend the future life of assets or provide further economic benefits are capitalized and depreciated.

The carrying amount of fixed assets are derecognized upon disposal or when there is no longer a future economic benefit expected from its use or disposal.

When fixed assets are derecognized (retired or disposed of), their carrying values and the related accumulated depreciation are removed from the statement of financial position, and the resulting gains or losses are recognized in the statement of profit or loss.

Asset in progress 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.

When the carrying amount of fixed assets is greater than its estimated recoverable amount, it is written down to its recoverable amount which is determined at the higher of net selling price or value in use.

At the end of each year, residual values, useful lives and method of depreciation are reviewed and adjusted prospectively, if appropriate.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

l. Aset Tak Berwujud

Perangkat lunak

Perangkat lunak pada awalnya dinyatakan sebesar biaya perolehan. Biaya perolehan awal perangkat lunak meliputi harga pembelian, termasuk biaya-biaya yang dapat diatribusikan secara langsung untuk membawa perangkat lunak siap dipakai. Setelah pengakuan awal, perangkat lunak diukur menggunakan model biaya, dicatat sebesar biaya perolehannya dikurangi akumulasi amortisasi dan akumulasi kerugian penurunan nilai.

Pengeluaran selanjutnya untuk perangkat lunak akan dikapitalisasi hanya jika pengeluaran tersebut menambah manfaat ekonomi di masa mendatang untuk aset yang bersangkutan. Semua pengeluaran lainnya dibebankan pada saat terjadinya.

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.

m. Pajak Penghasilan

Beban pajak terdiri dari beban pajak kini dan beban pajak tangguhan. Beban pajak diakui pada laporan laba rugi kecuali untuk bagian yang langsung diakui di komponen ekuitas lainnya, dimana beban pajak yang terkait dengan bagian tersebut diakui di penghasilan komprehensif lain.

Beban pajak kini adalah utang pajak yang ditentukan berdasarkan laba kena pajak untuk tahun yang bersangkutan yang dihitung berdasarkan tarif pajak yang berlaku atau yang secara substansial telah berlaku pada tanggal pelaporan.

Beban pajak tangguhan diakui sehubungan dengan adanya perbedaan temporer antara nilai tercatat aset dan liabilitas untuk tujuan pelaporan keuangan, dan nilai aset dan liabilitas yang digunakan untuk tujuan perpajakan. Pajak tangguhan diukur dengan menggunakan tarif pajak yang diharapkan untuk diterapkan atas perbedaan temporer pada saat pembalikan, berdasarkan peraturan yang telah berlaku atau secara substantif berlaku pada tanggal pelaporan. Metode ini juga mengharuskan pengakuan manfaat pajak di masa depan, seperti kompensasi rugi fiskal, apabila besar kemungkinan manfaat pajak tersebut dapat direalisasi.

Aset dan liabilitas pajak tangguhan diakui untuk perbedaan temporer antara basis komersial dan basis fiskal atas aset dan liabilitas pada setiap tanggal pelaporan.

l. 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.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are expensed as incurred.

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.

m. Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss except to the extent it relates to items recognized directly in other equity components, in which case it is recognized in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the current year, using tax rates enacted or substantively enacted at reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. This method also requires the recognition of future tax benefits, such as tax loss carryforwards, to the extent that realization of such benefits is probable.

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.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

m. Pajak Penghasilan (Lanjutan)

Aset pajak tangguhan dikaji ulang setiap tanggal pelaporan dan dikurangi apabila besar kemungkinan manfaat pajak terkait tidak lagi mungkin direalisasi. Pengurangan tersebut akan berlaku terbalik saat kemungkinan laba fiskal di masa depan membaik. Aset pajak tangguhan yang belum diakui dikaji ulang pada setiap tanggal pelaporan dan diakui apabila besar kemungkinan bahwa jumlah laba fiskal pada masa mendatang akan tersedia untuk merealisasikan manfaat pajak tersebut.

Aset pajak kini dan liabilitas pajak kini saling hapus dan nilai netonya disajikan dalam laporan posisi keuangan jika, dan hanya jika, Perusahaan memiliki hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui tersebut dan berniat untuk menyelesaikan secara neto atau untuk merealisasikan aset dan menyelesaikan liabilitasnya secara simultan.

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 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.

n. 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.

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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

m. Income Tax (Continued)

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Current tax assets and current tax liabilities shall be offset and the net amount is presented in the statement of financial position when and only when, the Company has a legal enforceable right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

n. 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.

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.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

o. Surat Berharga yang Diterbitkan

Surat berharga yang diterbitkan meliputi utang Obligasi dan *Medium Term Notes*.

Surat berharga yang diterbitkan diklasifikasikan sebagai liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi.

Biaya tambahan yang dapat diatribusikan secara langsung dengan penerbitan surat berharga diakui sebagai diskonto dan dikurangkan langsung dari hasil emisi dan diamortisasi selama jangka waktu surat berharga yang diterbitkan tersebut dengan menggunakan metode suku bunga efektif.

Lihat Catatan 2d untuk kebijakan akuntansi atas liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi.

p. Imbalan Kerja

Imbalan kerja jangka pendek

Imbalan kerja jangka pendek diakui pada saat terutang kepada karyawan berdasarkan metode akrual.

Imbalan kerja jangka panjang dan imbalan pasca-kerja

Perusahaan menerapkan PSAK 24 (Amandemen 2014): "Imbalan Kerja", yang berlaku efektif sejak tanggal 1 Januari 2016.

Imbalan kerja jangka panjang dan imbalan pasca-kerja 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 pensiun. 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 tahun dimana keuntungan/(kerugian) aktuarial terjadi. Akumulasi keuntungan dan kerugian aktuarial dicatat di saldo laba.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

o. Securities Issued

Securities issued consist of Bonds payable and Medium Term Notes.

Securities issued are classified as financial liabilities at amortized cost.

Additional cost directly attributable to the issuance of securities are recognized as a discount and offset directly from the proceeds derived from such offerings and amortized over the period of the securities issued using effective interest rate method.

Refer to Note 2d for accounting policy of financial liabilities at amortized cost.

p. Employees' Benefits

Short-term employees' benefits

Short-term employees' benefits are recognized when they are owed to the employees based on an accrual method.

Long-term and post-employment benefits

The Company applies SFAS 24 (Amendment 2014): "Employee Benefits", which became effective as of 1 January 2016.

Long-term and post-employment benefits as stipulated under the Labor Law regarding to pension, 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 year when such actuarial gain/(losses) occur. Accumulated actuarial gains and losses are recorded in retained earnings.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

p. Imbalan Kerja (Lanjutan)

Perusahaan dan entitas anaknya 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.

q. Pengakuan Pendapatan dan Beban

Pendapatan dari sewa pembiayaan (Catatan 2f) dan pembiayaan konsumen (Catatan 2g), pendapatan bunga dan beban bunga 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 dan penerimaan kas di masa mendatang selama perkiraan umur dari aset keuangan atau liabilitas 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, Perusahaan dan entitas anaknya mengestimasi arus kas di masa datang dengan mempertimbangkan seluruh persyaratan kontraktual dalam instrumen keuangan tersebut (seperti pelunasan dipercepat, opsi beli (*call option*) dan opsi serupa lainnya), tetapi tidak mempertimbangkan kerugian kredit di masa datang.

Perhitungan suku bunga efektif mencakup seluruh biaya 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 dan entitas anaknya 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)**

p. Employees' Benefits (Continued)

The Company and its subsidiary 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.

q. Revenue and Expenses Recognition

Income from finance lease (Note 2f) and consumer financing (Note 2g), interest income and interest expense 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 the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Company and its subsidiary estimates future 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 and its subsidiary 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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Ekshibit E/27

Exhibit E/27

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

q. 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, pendapatan administrasi, denda keterlambatan dan pendapatan terminasi diakui sebagai penyesuaian atas suku bunga efektif atas pinjaman yang diberikan dan piutang (Catatan 2d).

Beban diakui pada saat terjadinya dengan menggunakan dasar akrual.

r. 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.

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 2017 dan 2016, berdasarkan kurs tengah yang diterbitkan Bank Indonesia, yaitu sebagai berikut:

	2017 (nilai penuh)/ (full amount)
1 Dollar Amerika Serikat (USD)	13.548

Penjabaran mata uang asing dicatat sesuai dengan PSAK 10 (revisi 2010) - Pengaruh Perubahan Nilai Tukar Valuta Asing.

s. 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

q. 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, administration income, late charges and termination income 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.

r. 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.

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 2017 and 2016 are based of the mid rates published by Bank Indonesia, are as follows:

	2016 (nilai penuh)/ (full amount)	
	13.436	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.

s. 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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Ekshibit E/28

Exhibit E/28

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

s. 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 31).

t. 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.

u. 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 20 untuk perlakuan akuntansi atas kompensasi berbasis saham ini).

v. Laba per Saham

Sesuai dengan PSAK 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

s. 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 31).

t. 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.

u. 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 20 for the accounting treatments of these share-based payments).

v. Earnings per Share

In accordance with SFAS 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.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

v. Laba per Saham (Lanjutan)

v. Earnings per Share (Continued)

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.

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.

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.

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.

Perusahaan dan entitas anaknya tidak mempunyai efek berpotensi saham biasa yang bersifat dilutif pada tanggal 31 Desember 2017 dan 2016, oleh karena itu laba per saham dilusian tidak dihitung dan disajikan pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian.

The Company and its subsidiary has no outstanding dilutive potential dilutive ordinary shares as of 31 December 2017 and 2016, accordingly no diluted earnings per share is calculated and presented in the consolidated statements of profit or loss other comprehensive income.

w. Dividen

w. Dividends

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.

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.

x. Provisi

x. Provisions

Provisi diakui ketika Perusahaan dan entitas anaknya 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.

Provisions are recognized when the Company and its subsidiary 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.

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.

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.

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.

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. Kontinjensi

y. Contingencies

Liabilitas kontingen tidak diakui di dalam laporan keuangan. Liabilitas kontinjensi diungkapkan di dalam catatan atas laporan keuangan kecuali kemungkinan arus keluar sumber daya ekonomi adalah kecil.

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.

Aset kontingen tidak diakui di dalam laporan keuangan, namun diungkapkan di dalam catatan atas laporan keuangan jika terdapat kemungkinan suatu arus masuk manfaat ekonomis.

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. Peristiwa Setelah Periode Pelaporan

z. Events After the Reporting Period

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.

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.

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Ekshibit E/30

Exhibit E/30

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3. PENGGUNAAN ESTIMASI DAN PERTIMBANGAN

a. 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 dan entitas anaknya menetapkan kategori atas aset dan liabilitas tertentu sebagai aset keuangan dan liabilitas keuangan dengan mempertimbangkan definisi yang ditetapkan PSAK 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 dan entitas anaknya 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 dan entitas anaknya.

Cadangan spesifik ini dievaluasi kembali dan disesuaikan jika tambahan informasi yang diterima mempengaruhi jumlah cadangan kerugian penurunan nilai investasi pembiayaan dan cadangan piutang pembiayaan konsumen. Nilai tercatat dari piutang sewa pembiayaan sebelum cadangan kerugian penurunan nilai pada tanggal 31 Desember 2017 dan 2016 masing-masing sebesar Rp 9.520.807 dan Rp 7.181.481. Penjelasan lebih rinci diungkapkan dalam Catatan 5. Nilai tercatat dari piutang pembiayaan konsumen Perusahaan sebelum cadangan kerugian penurunan nilai pada tanggal 31 Desember 2017 dan 2016 masing-masing sebesar Rp 6.068.675 dan Rp 4.584.879. Penjelasan lebih rinci diungkapkan dalam Catatan 6.

3. USE OF ESTIMATES AND JUDGEMENTS

a. 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 and its subsidiary 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 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 and its subsidiary 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 and its subsidiary expected to collect.

These specific allowances are re-evaluated and adjusted as additional information received affects the amounts of allowance for impairment of finance lease receivables and consumer financing receivables. The carrying amount of the Company's finance lease receivables before allowance for impairment losses as of 31 December 2017 and 2016 were amounted to Rp 9,520,807 and Rp 7,181,481, respectively. Further details are shown in Note 5. The carrying amount of the Company's consumer financing receivables before allowance for impairment losses as of 31 December 2017 and 2016 were amounting to Rp 6,068,675 and Rp 4,584,879, respectively. Further details are shown in Note 6.

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3. PENGGUNAAN ESTIMASI DAN PERTIMBANGAN (Lanjutan)

a. Pertimbangan Akuntansi yang Penting, Estimasi dan Asumsi (Lanjutan)

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 dan entitas anaknya. 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 substantial sama, analisis arus kas yang didiskonto, atau model penilaian lainnya. Penjelasan lebih rinci diungkapkan dalam Catatan 36.

(ii) Cadangan kerugian penurunan nilai aset keuangan

Perusahaan dan entitas anaknya 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.

3. USE OF ESTIMATES AND JUDGEMENTS (Continued)

a. Significant Accounting Judgements, Estimates and Assumptions (Continued)

II. Estimates and Assumptions

The key assumptions concerning the future and other key 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 and its subsidiary. 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 36.

(ii) Allowance for impairment losses of financial assets

The Company and its subsidiary 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.

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3. PENGGUNAAN ESTIMASI DAN PERTIMBANGAN (Lanjutan)

a. Pertimbangan Akuntansi yang Penting, Estimasi dan Asumsi (Lanjutan)

II. Estimasi dan Asumsi (Lanjutan)

(ii) Cadangan kerugian penurunan nilai aset keuangan (Lanjutan)

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 objektif 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 5 dan 6.

(iii) Estimasi umur manfaat aset tetap dan aset tak berwujud

Perusahaan dan entitas anaknya 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 9 untuk jumlah tercatat aset tetap.

(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 dan entitas anaknya 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.

3. USE OF ESTIMATES AND JUDGEMENTS (Continued)

a. Significant Accounting Judgements, Estimates and Assumptions (Continued)

II. Estimates and Assumptions (Continued)

(ii) Allowance for impairment losses of financial assets (Continued)

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 5 and 6.

(iii) Useful life estimate for fixed assets and intangible assets

The Company and its subsidiary 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 9 for the carrying amount of fixed assets.

(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 and its subsidiary 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.

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3. PENGGUNAAN ESTIMASI DAN PERTIMBANGAN (Lanjutan)

a. Pertimbangan Akuntansi yang Penting, Estimasi dan Asumsi (Lanjutan)

II. Estimasi dan Asumsi (Lanjutan)

(iv) Imbalan pasca-kerja (Lanjutan)

Asumsi kunci liabilitas imbalan pasca-kerja lainnya sebagian ditentukan berdasarkan kondisi pasar saat ini. Penjelasan lebih rinci diungkapkan dalam Catatan 29.

(v) Program kompensasi manajemen dan karyawan berbasis saham

Perusahaan dan entitas anaknya 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 20.

(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 dan entitas anaknya mengakui liabilitas atas pajak penghasilan badan berdasarkan estimasi apakah terdapat tambahan pajak penghasilan badan. Penjelasan lebih rinci diungkapkan dalam Catatan 15b.

(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 15c.

3. USE OF ESTIMATES AND JUDGEMENTS (Continued)

a. Significant Accounting Judgements, Estimates and Assumptions (Continued)

II. Estimates and Assumptions (Continued)

(iv) Post-employment benefits (Continued)

Other key assumptions for post-employment benefit obligations are based in part on current market conditions. Further details are shown in Note 29.

(v) Management and employees stock option program

The Company and its subsidiary 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 20.

(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 and its subsidiary 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 15b.

(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 15c.

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4. KAS DAN SETARA KAS

Kas dan setara kas terdiri dari:

	2017	2016
Kas	42.303	32.961
Bank		
Pihak ketiga		
Rupiah		
PT Bank Mandiri (Persero) Tbk	64.307	31.768
PT Bank Central Asia Tbk	44.422	57.666
Standard Chartered Bank, cabang Jakarta	16.188	7.360
PT Bank Rakyat Indonesia (Persero) Tbk	13.294	3.811
PT Bank JTrust Indonesia Tbk	10.015	2.782
PT Bank Permata Tbk	3.919	2.411
PT Bank Negara Indonesia (Persero) Tbk	3.839	3.530
Lain-lain (Saldo di bawah Rp 1.000)	1.797	3.099
Jumlah bank	157.781	112.427
Jumlah kas dan bank	200.084	145.388
Setara kas		
Deposito berjangka		
Pihak ketiga		
Rupiah		
PT Bank Bukopin Syariah Tbk	25.119	-
PT Bank Muamalat Tbk	-	20.000
Jumlah setara kas	25.119	20.000
Jumlah kas dan setara kas	225.203	165.388

Kisaran suku bunga kontraktual dari deposito berjangka diatas adalah sebagai berikut:

	2017	2016
Tingkat bunga deposito berjangka per tahun Rupiah	7,00% - 9,50%	4,30% - 10,50%

Tidak ada saldo kas dan setara kas yang dibatasi penggunaannya pada tanggal 31 Desember 2017 dan 2016.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the followings:

Cash on hand
Cash in banks
Third parties
Rupiah
PT Bank Mandiri (Persero) Tbk
PT Bank Central Asia Tbk
Standard Chartered Bank, Jakarta Branch
PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank JTrust Indonesia Tbk
PT Bank Permata Tbk
PT Bank Negara Indonesia (Persero) Tbk
Others (Balances below Rp 1,000)
Total cash in banks
Total cash on hand and in banks
Cash equivalents
Time deposits
Third parties
Rupiah
PT Bank Bukopin Syariah Tbk
PT Bank Muamalat Tbk
Total cash equivalents
Total cash and cash equivalents

The range of the contractual interest rates from the above time deposits is as follows:

Time deposit interest rate per annum
Rupiah

There is no restricted cash and cash equivalents as of 31 December 2017 and 2016.

5. PIUTANG SEWA PEMBIAYAAN

Rincian piutang sewa pembiayaan kepada pihak ketiga adalah sebagai berikut:

	2017	2016
Piutang sewa pembiayaan - bruto	11.724.499	8.809.005
Nilai sisa yang terjamin	6.943.980	5.336.545
Pendapatan sewa pembiayaan yang belum diakui	(2.101.622)	(1.553.267)
Biaya transaksi yang belum diamortisasi	(102.070)	(74.257)
Simpanan jaminan	(6.943.980)	(5.336.545)
Jumlah	9.520.807	7.181.481
Dikurangi cadangan kerugian penurunan nilai	(85.492)	(60.306)
Bersih	9.435.315	7.121.175

5. FINANCE LEASES RECEIVABLES

The details of finance leases receivables to third parties are as follows:

Finance leases receivables - gross
Guaranteed residual value
Unearned finance lease income
Unamortized transaction costs
Security deposits

Total
Less allowance for impairment losses

Net

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5. PIUTANG SEWA PEMBIAYAAN (Lanjutan)

Angsuran piutang sewa pembiayaan - bruto yang akan diterima dari konsumen sesuai dengan tanggal jatuh temponya adalah sebagai berikut:

	2017	2016
<= 1 tahun	6.699.641	5.203.178
1 - 2 tahun	3.690.044	2.738.256
> 2 tahun	1.334.814	867.571
Jumlah	11.724.499	8.809.005

Pengelompokan piutang sewa pembiayaan - bruto menurut jumlah hari tunggakan adalah sebagai berikut:

	2017	2016	2017 %	2016 %
Belum jatuh tempo	10.084.710	7.731.574	86,02	87,77
Lewat jatuh tempo:				
1-30 hari	1.412.841	884.572	12,05	10,04
31-90 hari	159.489	139.033	1,36	1,58
91-120 hari	20.329	17.475	0,17	0,20
121-180 hari	30.852	26.987	0,26	0,31
> 180 hari	16.278	9.364	0,14	0,10
Jumlah	11.724.499	8.809.005	100,00	100,00

Mutasi cadangan kerugian penurunan nilai piutang sewa pembiayaan berdasarkan penilaian secara individual dan kolektif adalah sebagai berikut:

	2017		
	Individual/ Individual	Kolektif/ Collective	Jumlah/ Total
Saldo awal	-	60.306	60.306
Penambahan cadangan selama tahun berjalan - bersih	33.042	92.659	125.701
Penghapusan	(20.570)	(79.945)	(100.515)
Saldo akhir	12.472	73.020	85.492

Persentase cadangan kerugian penurunan nilai terhadap jumlah piutang sewa pembiayaan sebesar 0,90% dan 0,84% masing-masing pada tanggal 31 Desember 2017 dan 2016.

5. FINANCE LEASES RECEIVABLES (Continued)

The installments of finance leases receivables - gross, which will be collected from consumers in accordance with the due dates are as follows:

	2017	2016
<= 1 year	6.699.641	5.203.178
1 - 2 years	3.690.044	2.738.256
> 2 years	1.334.814	867.571
Total	11.724.499	8.809.005

The classification of finance leases receivables - gross based on days overdue are as follows:

	2017 %	2016 %
Current	86,02	87,77
Past due:		
1-30 days	12,05	10,04
31-90 days	1,36	1,58
91-120 days	0,17	0,20
121-180 days	0,26	0,31
> 180 days	0,14	0,10
Total	100,00	100,00

The movements in the allowance for impairment losses of finance leases receivables based on individual and collective assessments are as follows:

	2017		
	Individual/ Individual	Kolektif/ Collective	Jumlah/ Total
Saldo awal	-	60.306	60.306
Penambahan cadangan selama tahun berjalan - bersih	33.042	92.659	125.701
Penghapusan	(20.570)	(79.945)	(100.515)
Saldo akhir	12.472	73.020	85.492

Percentage of the allowance for impairment losses to finance leases receivables is 0.90% and 0.84% as of 31 December 2017 and 2016, respectively.

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5. PIUTANG SEWA PEMBIAYAAN (Lanjutan)

Manajemen berkeyakinan bahwa cadangan kerugian penurunan nilai yang dibentuk memadai untuk menutup kerugian yang mungkin timbul akibat tidak tertagihnya piutang sewa pembiayaan tersebut.

Seluruh transaksi sewa pembiayaan dilakukan dengan pihak ketiga.

Jangka waktu kontrak sewa pembiayaan yang disalurkan oleh Perusahaan atas kendaraan bermotor dan alat-alat berat berkisar antara 6 - 48 bulan.

Rincian bunga kontraktual per tahun untuk piutang sewa pembiayaan adalah sebagai berikut:

	2017 %
Alat berat dan mesin	15 - 18
Kendaraan bermotor	17 - 22

Sebagai jaminan atas piutang 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 oleh Perusahaan.

Pada saat perjanjian sewa pembiayaan dimulai, lessee memberikan simpanan jaminan. Simpanan jaminan ini akan digunakan sebagai pembayaran pada akhir masa sewa pembiayaan.

Piutang sewa pembiayaan pada tanggal 31 Desember 2017 dan 2016 masing-masing sebesar Rp 4.243.795 dan Rp 2.758.323 digunakan sebagai jaminan atas pinjaman yang diterima (Catatan 13) dan sebesar Rp 1.619.833 dan Rp 980.490 digunakan sebagai jaminan surat berharga yang diterbitkan (Catatan 14).

5. FINANCE LEASES RECEIVABLES (Continued)

The management believes that the allowance for impairment losses was sufficient to cover possible losses arising from uncollectible finance leases receivables.

All of the Company's finance lease transactions conducted with third parties.

The period of finance leases for vehicle and heavy equipment contract ranged from 6 - 48 months.

The detail of contractual interest rates per annum on finance lease receivables are as follows:

	2016 %	
	16 - 19	<i>Heavy equipment and machinery</i>
	16 - 22	<i>Vehicles</i>

As the collateral to the finance lease receivables, the Company receives the Book of Vehicle Ownership (BPKB) and purchase invoices of the motor vehicles and heavy equipment financed by the Company.

At the time of execution of the finance leases contracts, the lessees pay security deposits. The security deposits are used as the final installment at the end of the finance lease period.

Finance leases receivable as of 31 December 2017 and 2016 amounting to Rp 4,243,795 dan Rp 2,758,323 were used as collateral to borrowings (Note 13) and amounting to Rp 1,619,833 dan Rp 980,490 were used as collateral to bonds payable, respectively (Note 14).

6. 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.

	2017
Piutang pembiayaan konsumen - bruto	
Pihak ketiga	8.041.032
Pendapatan pembiayaan konsumen yang belum diakui	
Pihak ketiga	(1.688.886)
Biaya transaksi yang belum diamortisasi	63.161
	6.415.307
Pembiayaan bersama dan penerusan pinjaman - bersih	(346.632)
	6.068.675
Cadangan kerugian penurunan nilai	(151.990)
Jumlah piutang pembiayaan konsumen-bersih	5.916.685

6. 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	
	7.202.876	<i>Consumer financing receivables - gross</i>
		<i>Third parties</i>
	(1.433.264)	<i>Unearned consumer financing income</i>
	74.784	<i>Third parties</i>
	5.844.396	<i>Unamortized transaction costs</i>
	(1.259.517)	<i>Joint financing and channeling - net</i>
	4.584.879	
	(122.695)	<i>Allowance for impairment losses</i>
Jumlah piutang pembiayaan konsumen-bersih	4.462.184	<i>Total consumer financing receivables - net</i>

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6. PIUTANG PEMBIAYAAN KONSUMEN (Lanjutan)

Angsuran piutang pembiayaan konsumen - bruto yang akan diterima dari konsumen sesuai dengan tanggal jatuh temponya adalah sebagai berikut:

	2017	2016
<= 1 tahun	4.311.690	3.939.755
1 - 2 tahun	2.149.321	1.970.110
> 2 tahun	1.580.021	1.293.011
Jumlah	8.041.032	7.202.876

Pengelompokan piutang pembiayaan konsumen-bruto menurut jumlah hari tunggakan adalah sebagai berikut:

	2017	2016	2017 %	2016 %
Belum jatuh tempo	6.817.115	6.204.912	84,78	86,14
Lewat jatuh tempo:				
1-30 hari	981.866	805.818	12,21	11,19
31-90 hari	158.176	127.463	1,97	1,77
91-120 hari	24.626	16.994	0,30	0,24
121-180 hari	41.613	29.327	0,52	0,41
> 180 hari	17.636	18.362	0,22	0,25
Jumlah	8.041.032	7.202.876	100,00	100,00

Jangka waktu kontrak pembiayaan konsumen yang disalurkan oleh Perusahaan atas kendaraan bermotor berkisar antara 6 - 48 bulan dan perumahan (KPR) berkisar 12 - 180 bulan.

Mutasi cadangan kerugian penurunan nilai piutang pembiayaan konsumen berdasarkan penilaian secara kolektif adalah sebagai berikut:

	2017		
	Individual/ Individual	Kolektif/ Collective	Jumlah/ Total
Saldo awal	-	122.695	122.695
Penambahan cadangan selama tahun berjalan - bersih	10.163	166.893	177.056
Penghapusan	(7.642)	(140.119)	(147.761)
Saldo akhir	2.521	149.469	151.990
	2016		
	Individual/ Individual	Kolektif/ Collective	Jumlah/ Total
Saldo awal	2.273	94.543	96.816
Penambahan cadangan selama tahun berjalan - bersih	(2.273)	192.407	190.134
Penghapusan	-	(164.255)	(164.255)
Saldo akhir	-	122.695	122.695

Persentase cadangan kerugian penurunan nilai terhadap jumlah piutang pembiayaan konsumen masing-masing sebesar 2,50% dan 2,68% pada tanggal 31 Desember 2017 dan 2016.

6. CONSUMER FINANCING RECEIVABLES (Continued)

The installments of consumer financing receivables - gross, which will be collected from customer in accordance with the due dates are as follows:

	2017	2016
<= 1 year	4.311.690	3.939.755
1 - 2 years	2.149.321	1.970.110
> 2 years	1.580.021	1.293.011
Total	8.041.032	7.202.876

The classification of consumer financing receivables-gross based on days overdue are as follows:

	2017 %	2016 %
Current	84,78	86,14
Past due:		
1-30 days	12,21	11,19
31-90 days	1,97	1,77
91-120 days	0,30	0,24
121-180 days	0,52	0,41
> 180 days	0,22	0,25
Total	100,00	100,00

The term of consumer financing contracts financed by the Company on vehicles range between 6 - 48 months and housing ranges between 12 - 180 months.

The movements in the allowance for impairment losses of consumer financing receivables based on collective assessments are as follows:

	2017		
	Individual/ Individual	Kolektif/ Collective	Jumlah/ Total
Saldo awal	-	122.695	122.695
Penambahan cadangan selama tahun berjalan - bersih	10.163	166.893	177.056
Penghapusan	(7.642)	(140.119)	(147.761)
Saldo akhir	2.521	149.469	151.990
	2016		
	Individual/ Individual	Kolektif/ Collective	Jumlah/ Total
Saldo awal	2.273	94.543	96.816
Penambahan cadangan selama tahun berjalan - bersih	(2.273)	192.407	190.134
Penghapusan	-	(164.255)	(164.255)
Saldo akhir	-	122.695	122.695

Percentage of the allowance for impairment losses to consumer financing receivables is 2.50% and 2.68% as of 31 December 2017 and 2016, respectively.

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6. PIUTANG PEMBIAYAAN KONSUMEN (Lanjutan)

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:

	2017	2016
	%	%
Mobil	16 - 20	16 - 21
Sepeda motor	38 - 41	38 - 41
Properti	17 - 21	14 - 18

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.

Piutang Pembiayaan konsumen pada tanggal 31 Desember 2017 dan 2016 masing-masing sebesar Rp 2.267.700 dan Rp 1.801.116 digunakan sebagai jaminan atas pinjaman yang diterima (Catatan 13) dan sebesar Rp 662.055 dan Rp 769.548 digunakan sebagai jaminan surat berharga yang diterbitkan (Catatan 14).

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, PT FWD Life Indonesia, PT Asuransi Adira Dinamika dan PT Asuransi Purna Artanugraha (ASPAN). Seluruh perusahaan asuransi yang bekerja sama dengan Perusahaan tersebut adalah pihak ketiga.

7. BEBAN DIBAYAR DIMUKA DAN UANG MUKA

	2017	2016
Sewa	39.891	37.784
Uang muka	677	1.103
Asuransi	251	1.920
Lain-lain	2.252	2.225
Jumlah	43.071	43.032

8. PIUTANG LAIN-LAIN

	2017	2016
Piutang dalam proses penyelesaian - bersih	67.099	58.282
Piutang Kustodian Sentral Efek Indonesia (KSEI) atas pajak dividen	57.944	-
Piutang penerimaan angsuran konsumen	44.418	24.649
Piutang karyawan	24.606	26.741
Piutang opsi saham karyawan (MESOP)	22.177	50.329
Premi asuransi	4.945	3.394
Lain-lain	15.599	7.265
Jumlah	236.788	170.660

6. CONSUMER FINANCING RECEIVABLES (Continued)

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:

	2017	2016	
	%	%	
Mobil	16 - 20	16 - 21	Cars
Sepeda motor	38 - 41	38 - 41	Motorcycles
Properti	17 - 21	14 - 18	Property

As the collateral to the consumer financing receivables, the Company receives the Book of Vehicle Ownership (BPKB), Proprietary Certificate (SHM) and Property Use Right Certificate (SHGB) of the vehicles and property (building) financed by the Company.

Consumer financing receivable as of 31 December 2017 and 2016 amounting to Rp 2,267,700 dan Rp 1,801,116 were used as collateral to borrowings (Note 13) and amounting to Rp 662,055 dan Rp 769,548 were used as collateral to bonds payable, respectively (Note 14)

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, PT FWD Life Indonesia, PT Asuransi Adira Dinamika and PT Asuransi Purna Artanugraha (ASPAN). All insurance companies that the engaged by the Company are third parties.

7. PREPAID EXPENSES AND ADVANCES

	2017	2016	
Sewa	39.891	37.784	Rent
Uang muka	677	1.103	Advance payment
Asuransi	251	1.920	Insurance
Lain-lain	2.252	2.225	Others
Jumlah	43.071	43.032	Insurance Total

8. OTHER RECEIVABLES

	2017	2016	
Piutang dalam proses penyelesaian - bersih	67.099	58.282	Receivables in the settlement process - net
Piutang Kustodian Sentral Efek Indonesia (KSEI) atas pajak dividen	57.944	-	Receivables from Indonesia Central Securities Depository (KSEI) on dividend tax
Piutang penerimaan angsuran konsumen	44.418	24.649	Customer installment receipt receivables
Piutang karyawan	24.606	26.741	Employee receivables
Piutang opsi saham karyawan (MESOP)	22.177	50.329	Employee share option (MESOP) receivables
Premi asuransi	4.945	3.394	Insurance premium
Lain-lain	15.599	7.265	Others
Jumlah	236.788	170.660	Total

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8. PIUTANG LAIN-LAIN (Lanjutan)

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 2017 dan 2016 masing-masing sebesar Rp 35.077 dan Rp 25.763 cukup untuk menutupi kerugian yang mungkin timbul akibat tidak tertagihnya piutang dalam proses penyelesaian - pihak ketiga.

8. OTHER RECEIVABLES (Continued)

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 2017 and 2016 amounting to Rp 35,077 and Rp 25,763, respectively, are adequate to cover possible losses from uncollectible receivables from receivables in the settlement process - third parties.

9. ASET TETAP

9. FIXED ASSETS

	2017					
	Saldo awal/ Beginning balance	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	Saldo akhir/ Ending balance	
Harga perolehan						Acquisition cost
Pemilikan langsung						Direct ownership
Tanah	109.914	-	(372)	-	109.542	Land
Bangunan dan prasarana	281.242	2.707	(1.316)	10.966	293.599	Building and improvements
Peralatan kantor	121.345	16.438	(2.205)	422	136.000	Office equipment
Kendaraan	132.413	72.546	(31.020)	2.298	176.237	Vehicles
Perabot dan perlengkapan kantor	14.500	895	(87)	143	15.451	Furniture and fixtures
	659.414	92.586	(35.000)	13.829	730.829	
Aset dalam penyelesaian	8.584	30.746	-	(13.829)	25.501	Asset in progress
Jumlah Harga Perolehan	667.998	123.332	(35.000)	-	756.330	Total Cost
Akumulasi penyusutan						Accumulated depreciation
Bangunan dan prasarana	94.329	20.843	(1.272)	-	113.900	Building and improvements
Peralatan kantor	85.143	16.666	(2.106)	-	99.703	Office equipment
Kendaraan	63.802	27.936	(19.166)	-	72.572	Vehicles
Perabot dan perlengkapan kantor	10.581	2.279	(81)	-	12.779	Furniture and fixtures
Jumlah Akumulasi Penyusutan	253.855	67.724	(22.625)	-	298.954	Total Accumulated Depreciation
Jumlah Tercatat	414.143				457.376	Carrying Amount

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9. ASET TETAP (Lanjutan)

9. FIXED ASSETS (Continued)

	2016					
	Saldo awal/ Beginning balance	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	Saldo akhir/ Ending balance	
Harga perolehan						Acquisition cost
Pemilikan langsung						Direct ownership
Tanah	108.743	-	-	1.171	109.914	Land
Bangunan dan prasarana	266.033	2.400	(63)	12.872	281.242	Building and improvements
Peralatan kantor	111.103	11.080	(1.016)	178	121.345	Office equipment
Kendaraan	119.742	24.637	(16.289)	4.323	132.413	Vehicles
Perabot dan perlengkapan kantor	13.766	780	(49)	3	14.500	Furniture and fixtures
	619.387	38.897	(17.417)	18.547	659.414	
Aset dalam penyelesaian	9.403	17.728	-	(18.547)	8.584	Asset in progress
Jumlah Harga Perolehan	628.790	56.625	(17.417)	-	667.998	Total Cost
Akumulasi penyusutan						Accumulated depreciation
Bangunan dan prasarana	73.623	20.741	(35)	-	94.329	Building and improvements
Peralatan kantor	69.391	16.636	(884)	-	85.143	Office equipment
Kendaraan	49.524	23.432	(9.154)	-	63.802	Vehicles
Perabot dan perlengkapan kantor	8.377	2.236	(32)	-	10.581	Furniture and fixtures
Jumlah Akumulasi Penyusutan	200.915	63.045	(10.105)	-	253.855	Total Accumulated Depreciation
Jumlah Tercatat	427.875				414.143	Carrying Amount

Jumlah penyusutan yang dibebankan pada operasi adalah sejumlah Rp 67.724 dan Rp 63.045 masing-masing untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2017 dan 2016 (Catatan 25).

Depreciation charged to operations amounted to Rp 67,724 and Rp 63,045 for the years ended 31 December 2017 and 2016, respectively (Note 25).

Perusahaan memiliki beberapa bidang tanah dengan status Hak Guna Bangunan ("HGB") yang memiliki masa manfaat yang akan berakhir antara tahun 2019 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.

The Company owns several plots of land with "Property Use Rights" titles ("HGB") with remaining useful lives that will expire in the various years between 2019 and 2045. The management of the Company believes that there will be no difficulty in extending the land rights as the land were acquired legally and supported by sufficient evidences of ownership.

Pengurangan aset tetap untuk tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016 terdiri dari penghapusbukuan peralatan kantor dan rehabilitasi gedung kantor, serta penjualan aset tetap kendaraan dan peralatan kantor dengan rincian keuntungan yang diperoleh adalah sebagai berikut:

Deductions of fixed assets for the years ended 31 December 2017 and 2016 consisted of written off office equipment and leasehold improvement, and sales of fixed assets - vehicles and office equipment with details of gain on sale are as follows:

	2017	2016	
Hasil penjualan	28.431	11.823	Proceeds
Jumlah tercatat	(12.375)	(7.312)	Carrying amount
Keuntungan atas penjualan aset tetap	16.056	4.511	Gain on sale of fixed assets

Keuntungan atas penjualan aset tetap diakui sebagai bagian dari "Pendapatan Lain-lain" pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian.

Gain on sale of fixed assets is recognized as part of "Other Income" in the consolidated statement of profit or loss and other comprehensive income.

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 396.889 dan Rp 438.666 pada tanggal 31 Desember 2017 dan 2016. Manajemen berkeyakinan bahwa nilai pertanggungan tersebut telah memadai untuk menutup kemungkinan kerugian atas aset tetap terhadap risiko-risiko yang dipertanggungan.

All fixed assets, except for land, are covered by insurance with PT Asuransi Asoka Mas, third party, against losses from fire, flood and other risks (all risks) with a total sum insured amounting to Rp 396,889 and Rp 438,666 as of 31 December 2017 and 2016, respectively. The management believes that the sum insured is sufficient to cover the possible losses that may arise from the said insured risks.

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9. ASET TETAP (Lanjutan)

Manajemen Perusahaan dan entitas anaknya 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 dan entitas anaknya berkeyakinan bahwa tidak ada perbedaan secara signifikan antara nilai wajar aset tetap dengan jumlah tercatat.

Tidak terdapat aset tetap yang dijaminkan sebagai jaminan sehubungan dengan fasilitas pinjaman yang diperoleh Perusahaan.

Seluruh aset tetap yang ada pada tanggal pelaporan digunakan untuk menunjang aktivitas operasi Perusahaan.

9. FIXED ASSETS (Continued)

The management of the Company and its subsidiary 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 and its subsidiary believes that there is no significant difference between the fair value and the carrying amount of fixed assets.

There are no fixed assets pledged as security collateral for the Company's credit facilities.

All of fixed assets as at the reporting date are fully used to support the Company's operation activities.

10. ASET TIDAK BERWUJUD

10. INTANGIBLE ASSETS

2017						
	Saldo awal/ Beginning balance	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	Saldo akhir/ Ending balance	
Harga perolehan						Acquisition cost
Piranti lunak	63.399	4.497	-	5.364	73.260	Software
Piranti lunak dalam Penyelesaian	4.129	2.927	-	(5.364)	1.692	Software in progress
Jumlah Harga Perolehan	67.528	7.424	-	-	74.952	Total Cost
Akumulasi amortisasi						Accumulated amortization
Piranti lunak	47.816	6.584	-	-	54.400	Software
Jumlah Tercatat	19.712				20.552	Carrying Amount
2016						
	Saldo awal/ Beginning balance	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	Saldo akhir/ Ending balance	
Harga perolehan						Acquisition cost
Piranti lunak	59.196	2.490	-	1.713	63.399	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						Accumulated amortization
Piranti lunak	39.605	8.211	-	-	47.816	Software
Jumlah Tercatat	22.287				19.712	Carrying Amount

Jumlah amortisasi yang dibebankan pada operasi adalah sejumlah Rp 6.584 dan Rp 8.211 masing-masing untuk tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016 (Catatan 25).

Amortization charged to operations amounted to Rp 6,584 and Rp 8,211 for the year ended 31 Desember 2017 and 2016, respectively (Note 25).

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11. ASET (LIABILITAS) DERIVATIF

Perusahaan memiliki beberapa kontrak *cross currency* dan *interest rate swap* dengan beberapa bank. Perincian dari kontrak-kontrak tersebut adalah sebagai berikut:

11. DERIVATIVE ASSETS (LIABILITIES)

The Company has several *cross currency* and *interest rate swap* contracts with several bank. The details of these contracts are as follows:

		2017			
Pihak lawan/ Counterparty	Jumlah nosional (nilai penuh)/ Notional amount (full amount)	Tanggal perjanjian/ Agreement date	Tanggal jatuh tempo/ Due date	Nilai wajar/Fair value Aset (Liabilitas) derivatif/ Derivative assets (Liabilities)	
<i>Cross Currency and Interest Rate Swap</i>					
Standard Chartered Bank, Jakarta Branch	USD 2.142.857	23-Jan-2015	12-Feb-2018	1.942	
PT Bank ANZ Indonesia	USD 10.000.000	20-Mar-2015	27-Jun-2018	3.296	
Standard Chartered Bank, Jakarta Branch	USD 1.935.484	11-Jun-2015	25-Jun-2018	92	
PT Bank Permata Tbk	USD 37.500.000	30-Jul-2015	13-Nov-2018	(11.215)	
PT Bank CIMB Niaga Tbk	USD 7.500.000	11-Oct-2016	10-Jan-2020	(1.130)	
Standard Chartered Bank, Jakarta Branch	USD 20.000.000	4-Apr-2017	4-Apr-2018	(343)	
Standard Chartered Bank, Jakarta Branch	USD 60.000.000	13-Jun-2017	24-Aug-2020	(3.421)	
The Bank of Tokyo- Mitsubishi UFJ, Ltd. Jakarta Branch	USD 65.000.000	13-Jun-2017	11-Dec-2020	11.982	
PT Bank ANZ Indonesia	USD 20.000.000	18-Aug-2017	10-Oct-2018	93	
PT Bank CIMB Niaga Tbk	USD 16.000.000	21-Nov-2017	14-Dec-2020	(1.913)	
				(817)	
2016					
Pihak lawan/ Counterparty	Jumlah nosional (nilai penuh)/ Notional amount (full amount)	Tanggal perjanjian/ Agreement date	Tanggal jatuh tempo/ Due date	Nilai wajar/Fair value Aset (Liabilitas) derivatif/ Derivative assets (Liabilities)	
<i>Cross Currency and Interest Rate Swap</i>					
Standard Chartered Bank, Jakarta Branch	USD 23.772.000	16-Jun-2014	25-Sep-2017	34.500	
Standard Chartered Bank, Jakarta Branch	USD 18.181.818	7-Oct-2014	13-Oct-2017	19.047	
Standard Chartered Bank, Jakarta Branch	USD 15.000.000	23-Jan-2015	12-Feb-2018	13.835	
PT Bank ANZ Indonesia	USD 30.000.000	20-Mar-2015	27-Jun-2018	7.151	
Standard Chartered Bank, Jakarta Branch	USD 5.806.452	11-Jun-2015	25-Jun-2018	(630)	
PT Bank Permata Tbk	USD 79.500.000	30-Jul-2015	13-Nov-2018	(629)	
The Bank of Tokyo- Mitsubishi UFJ, Ltd. Jakarta Branch	USD 10.000.000	13-Jul-2016	17-Jul-2017	(30.973)	
				43.071	

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11. ASET (LIABILITAS) DERIVATIF (Lanjutan)

Perusahaan melakukan kontrak *cross currency swap* dan *interest rate swap* dengan tujuan lindung nilai atas risiko fluktuasi arus kas yang ditimbulkan oleh kurs mata uang dan tingkat suku bunga atas pinjaman yang diterima.

Perubahan atas nilai wajar dari kontrak *cross currency swap* dan *interest rate swap* yang ditetapkan sebagai instrumen lindung nilai, yang secara efektif menghapus variabilitas arus kas dari pinjaman terkait, dicatat di ekuitas. Nilai ini kemudian diakui dalam laporan laba rugi sebagai penyesuaian atas laba atau rugi selisih kurs dan beban bunga pinjaman terkait yang dilindungi nilai pada periode yang sama dimana selisih kurs dan beban bunga tersebut diakui pada perkiraan laba rugi.

Kerugian kumulatif yang timbul dari perubahan nilai wajar instrumen derivatif pada tanggal 31 Desember 2017 dan 2016 sebesar (Rp 35.477) dan (Rp 32.875) disajikan sebagai "Kerugian kumulatif atas instrumen derivatif untuk lindung nilai arus kas-bersih" sebagai bagian "Ekuitas" pada laporan posisi keuangan konsolidasian dan akan diakui dalam laporan laba rugi pada saat realisasinya.

11. DERIVATIVE ASSETS (LIABILITIES) (Continued)

The Company entered into cross currency swap and interest rate swap contracts to hedge the risk of fluctuations in cash flows arising from exchange rates and interest rates on borrowing.

Changes in the fair value of cross currency swap and interest rate swap contract designated hedging instruments that effectively offset the variability of cash flows associated with the borrowings are recorded in equity. The amounts subsequently are recognized to the profit or loss as adjustments of the exchange rate differences and interest payments related to the hedged borrowings in the same period in which the related exchange rate differences and interest affects profit or loss.

The cumulative losses arising from the changes in fair values of the derivative instruments as of 31 December 2017 and 2016 amounting to (Rp 35,477) and (Rp 32,875) were presented as "Cumulative losses on derivative instrument for cash flow hedges - net" under the "Equity" section in the consolidated statement of financial position and will be recognized in the statement of profit or loss upon its realization.

12. ASET LAIN-LAIN

Akun ini terdiri dari:

	2017	2016
Uang muka pembelian tanah	81.055	-
Lainnya	1.640	2.107
Jumlah	82.695	2.107

12. OTHER ASSETS

This account consist of:

<i>Advance for land acquisition</i>
<i>Others</i>
<i>Total</i>

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13. PINJAMAN YANG DITERIMA - PIHAK KETIGA	2017	2016	13. FUND BORROWINGS - THIRD PARTIES
Pinjaman yang diterima terdiri dari			Borrowings consist of the followings:
Pinjaman (Dolar AS)			Borrowings (US Dollar)
Standard Chartered Bank (Facility Agent)	2.201.550	1.387.563	Standard Chartered Bank (Facility Agent)
Standard Chartered Bank, Jakarta Branch	270.960	-	Standard Chartered Bank, Jakarta Branch
PT Bank ANZ Indonesia	270.960	-	PT Bank ANZ Indonesia
PT Bank CTBC Indonesia	216.768	-	PT Bank CTBC Indonesia
Qatar National Bank SAQ, Singapore Branch	135.480	403.080	Qatar National Bank SAQ, Singapore Branch
JA Mitsui Leasing Singapore Pte. Ltd.	101.610	-	JA Mitsui Leasing Singapore Pte. Ltd.
Standard Chartered Bank, Singapore Branch	29.031	201.540	Standard Chartered Bank, Singapore Branch
Emirates NBD Bank PJSC (Facility Agent)	26.222	78.015	Emirates NBD Bank PJSC (Facility Agent)
The Korea Development Bank (Facility Agent)	-	244.291	The Korea Development Bank (Facility Agent)
The Bank of Tokyo Mitsubishi UFJ, Ltd, Jakarta Branch	-	134.360	The Bank of Tokyo Mitsubishi UFJ, Ltd, Jakarta Branch
Jumlah pinjaman (Dolar AS)	3.252.581	2.448.849	Total borrowings (US Dollar)
Pinjaman (Rupiah)			Borrowings (Rupiah)
PT Bank Mandiri (Persero) Tbk	1.360.141	757.819	PT Bank Mandiri (Persero) Tbk
PT United Tractors Tbk	536.167	217.529	PT United Tractors Tbk
PT Bank Central Asia Tbk	344.167	-	PT Bank Central Asia Tbk
PT Bank KEB Hana Indonesia	286.069	184.181	PT Bank KEB Hana Indonesia
PT Bank Pembangunan Daerah Jawa Barat & Banten Tbk	245.000	295.972	PT Bank Pembangunan Daerah Jawa Barat & Banten Tbk
PT Bank Pan Indonesia Tbk	208.333	-	PT Bank Pan Indonesia Tbk
PT Bank CIMB Niaga Tbk	174.167	50.000	PT Bank CIMB Niaga Tbk
PT Bank Nusantara Parahyangan Tbk	95.080	-	PT Bank Nusantara Parahyangan Tbk
PT Bank Tabungan Pensiunan Nasional Tbk	95.000	-	PT Bank Tabungan Pensiunan Nasional Tbk
Bank of China Limited, Jakarta Branch	87.500	137.500	Bank of China Limited, Jakarta Branch
PT Bank Permata Tbk	72.833	225.224	PT Bank Permata Tbk
PT Bank Danamon Indonesia Tbk	48.611	81.944	PT Bank Danamon Indonesia Tbk
PT Bank Negara Indonesia (Persero) Tbk	47.094	270.622	PT Bank Negara Indonesia (Persero) Tbk
PT Bank CTBC Indonesia	-	52.059	PT Bank CTBC Indonesia
Jumlah pinjaman (Rupiah)	3.600.162	2.272.850	Total borrowings (Rupiah)
Jumlah pinjaman	6.852.743	4.721.699	Total borrowings
Dikurangi:			Less:
Biaya transaksi yang belum diamortisasi	(33.691)	(30.760)	Unamortized transaction costs
Pinjaman - bersih	6.819.052	4.690.939	Borrowings - net
Kisaran suku bunga kontraktual setahun untuk pinjaman dari bank di atas adalah sebagai berikut:			The range of contractual interest rates per annum on the above bank loans are as follows:
	2017	2016	
Rupiah	5,00 - 12,00	5,50 - 12,00	Rupiah
Dolar AS	2,42 - 3,97	2,22 - 3,30	US Dollar

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13. PINJAMAN YANG DITERIMA - PIHAK KETIGA (Lanjutan)

13. FUND BORROWINGS - THIRD PARTIES (Continued)

Rincian dari pinjaman yang diterima adalah sebagai berikut:

The detail of borrowings are as follows:

Nama Bank/ Bank's Name	Perjanjian terakhir/ Latest agreement	Jatuh tempo fasilitas/ Facility due date	Batas Fasilitas/ Facility Limit	Saldo pinjaman/ Outstanding loan	
				31 Desember / December 2017	2016
Dolar AS/US Dollar					
Standard Chartered Bank (Facility Agent)	30-Jun-2014 29-Jul-2015 6-Oct-2017	25-Sep-2017 13-Nov-2018 11-Dec-2020	USD 100.000.000 USD 105.000.000 USD 125.000.000	- 508.050 1.693.500	319.401 1.068.162 -
Standard Chartered Bank, Jakarta Branch	4-Apr-2017	4-Apr-2018	USD 20.000.000	270.960	-
PT Bank ANZ Indonesia	18-Aug-2017	10-Oct-2018	USD 20.000.000	270.960	-
PT Bank CTBC Indonesia	14-Nov-2017	14-Dec-2020	USD 16.000.000	216.768	-
Qatar National Bank SAQ, Singapore Branch	19-Mar-2015	27-Jun-2018	USD 50.000.000	135.480	403.080
JA Mitsui Leasing Singapore Pte.Ltd.	11-Oct-2016	10-Jan-2020	USD 10.000.000	101.610	-
Standard Chartered Bank, Singapore Branch	27-Jan-2015	12-Feb-2018	USD 30.000.000	29.031	201.540
Emirates NBD Bank PJSC	8-Jun-2015	25-Jun-2018	USD 50.000.000	26.222	78.015
The Korea Development Bank (Facility Agent)	2-Oct-2014	13-Oct-2017	USD 50.000.000	-	244.291
The Bank of Tokyo Mitsubishi UFJ, Ltd. Jakarta Branch	30-Jun-2016	17-Jul-2018	USD 10.000.000	-	134.360
Rupiah					
PT Bank Mandiri (Persero) Tbk	15-Aug-2016 26-Oct-2016 30-Mar-2017	27-Sep-2019 20-Feb-2020 23-Jan-2021	500.000 500.000 1.000.000	302.837 364.964 692.340	459.025 298.794 -
PT United Tractors Tbk	10-Mar-2017	8-Jan-2021	800.000	536.167	217.529
PT Bank Central Asia Tbk	10-Mar-2017	12-May-2020	450.000	344.167	-
PT Bank KEB Hana Indonesia	30-Aug-2017	16-May-2020	500.000	286.069	184.181
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	19-Jan-2015 22-Apr-2016 28-Sep-2016 22-Aug-2017	28-Apr-2018 16-May-2019 30-Mar-2020 28-Dec-2020	150.000 120.000 250.000 250.000	9.861 56.667 168.472 10.000	59.861 96.667 139.444 -
PT Bank Pan Indonesia Tbk	31-Aug-2017	19-Jun-2020	350.000	208.333	-
PT Bank CIMB Niaga Tbk	22-Dec-2017	17-Dec-2019	300.000	174.167	50.000
PT Bank Nusantara Parahyangan Tbk	27-Oct-2017	27-Oct-2020	100.000	95.080	-
PT Bank Tabungan Pensiunan Nasional Tbk	20-Nov-2017	5-Jan-2018	500.000	95.000	-
Bank of China Limited, Jakarta Branch	20-Jun-2016	21-Jul-2019	150.000	87.500	137.500
PT Bank Permata Tbk	18-Dec-2017	29-Jun-2020	650.000	72.833	225.224
PT Bank Danamon Indonesia Tbk	19-Nov-2017	20-Jun-2019	200.000	48.611	81.944
PT Bank Negara Indonesia (Persero) Tbk	8-Jun-2017	10-Jun-2019	400.000	47.094	270.622
PT Bank CTBC Indonesia	16-Oct-2014	8-Dec-2017	150.000	-	52.059
Jumlah pinjaman/Total Borrowings				6.852.743	4.721.699

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13. PINJAMAN YANG DITERIMA (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"*).

Pada tanggal 30 Juni 2014, Perusahaan menandatangani perubahan perjanjian di atas, dan perubahan mengenai total fasilitas pinjaman menjadi sebesar USD 100.000.000 (nilai penuh).

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"*).

Pada tanggal 12 Juni 2017, Perusahaan menandatangani Perjanjian Fasilitas Sindikasi Pinjaman Berjangka dengan Jaminan (*Term Loan*) sebesar USD 100.000.000 (nilai penuh) dengan sejumlah bank, dimana Standard Chartered Bank, Sumitomo Mitsui Banking Corporation dan The Bank of Tokyo-Mitsubishi UFJ, Ltd. bersama-sama 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"*).

Pada tanggal 6 Oktober 2017, Perusahaan menandatangani perubahan perjanjian di atas, dan perubahan mengenai total fasilitas pinjaman menjadi sebesar USD 125.000.000 (nilai penuh).

Seluruh perjanjian di atas mencakup adanya pembatasan-pembatasan tertentu yang umumnya diharuskan untuk fasilitas-fasilitas kredit tersebut, antara lain, pembatasan untuk melakukan penggabungan usaha atau konsolidasi dengan pihak lain, mengadakan perjanjian pinjaman dengan pihak lain selain yang timbul dalam kegiatan usaha yang normal atau melakukan perubahan atas struktur modal dan/atau anggaran dasar tanpa adanya pemberitahuan/persetujuan tertulis dari kreditur dan mempertahankan rasio-rasio keuangan tertentu.

Pada tanggal 31 Desember 2017 dan 2016, seluruh fasilitas pinjaman, dijamin dengan piutang sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 5 dan 6).

Pembayaran bunga dan pokok pinjaman telah dibayarkan oleh Perusahaan sesuai dengan jadwal.

Pada tanggal 31 Desember 2017, Perusahaan telah memenuhi seluruh persyaratan yang disebutkan dalam perjanjian fasilitas-fasilitas pinjaman ini.

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13. FUND BORROWINGS (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.

On 30 June 2014, the Company signed an amendment to the above agreement and amendment related to the total facility increase to USD 100,000,000 (full amount).

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.

On 12 June 2017, the Company entered into a Secured Syndicated Term Loan Facility Agreement amounting to USD 100,000,000 (full amount) with several banks, whereas Standard Chartered Bank, Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd collectively 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.

On 6 October 2017, the Company signed an amendment to the above agreement and amendment related to the total facility increase to USD 125,000,000 (full amount).

All loan agreements include certain covenants which are normally required for such credit facilities, such as limitations to initiate merger or consolidation with other parties, obtain loans from other parties except loans obtained in the normal course of business, or changes in its capital structure and/or articles of association without notification to/prior written approval from creditors and maintenance of certain agreed financial ratios.

As of 31 December 2017 and 2016, all of the loan facilities, are secured by finance lease receivables and consumer financing receivables (Notes 5 and 6).

Interest and principal loan payments have been paid by the Company on schedule.

As of 31 December 2017, the Company has complied with all the requirements mentioned in the loan facility agreements.

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14. SURAT BERTAHAP YANG DITERBITKAN

14. SECURITIES ISSUED

Surat berharga yang diterbitkan terdiri dari:

Securities issued consisting of:

	2017	2016	
Obligasi (a)	3.859.411	2.865.295	Bonds (a)
Medium Term Notes (MTN) (b)	50.000	100.000	Medium Term Notes (MTN) (b)
Jumlah	3.909.411	2.965.295	Total
a. Obligasi			a. Bonds
	2017	2016	
Nilai nominal:			Nominal value:
Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014	-	220.000	Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014
Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015	550.000	655.000	Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015
Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016	800.000	1.000.000	Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016
Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016	683.000	1.000.000	Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016
Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017	1.000.000	-	Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017
Obligasi Berkelanjutan III BFI Finance Indonesia Tahap III Tahun 2017	835.000	-	Obligasi Berkelanjutan III BFI Finance Indonesia Tahap III Tahun 2017
Jumlah nilai nominal	3.868.000	2.875.000	Total nominal value
Dikurangi:			Less:
Biaya emisi Obligasi yang belum diamortisasi	(8.589)	(9.705)	Unamortized Bonds issuance cost
Jumlah - bersih	3.859.411	2.865.295	Total - net
	2017	2016	
Utang Obligasi sesuai jatuh temponya:			Bonds payable by maturity profile:
• < 1 tahun	1.567.000	842.000	• < 1 year
• 1-2 tahun	1.308.000	692.000	• 1-2 years
• 2-3 tahun	860.000	1.341.000	• 2-3 years
• 3-5 tahun	133.000	-	• 3-5 years
	3.868.000	2.875.000	
Amortisasi biaya emisi Obligasi yang dibebankan ke laporan laba rugi dan penghasilan komprehensif lain (Catatan 23)	7.044	4.404	Amortization of Bonds issuance costs charged to the statement of profit or loss and other comprehensive income (Note 23)

Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014

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	Status pembayaran/ Payment Status	Peringkat/ Rating
Seri/Series A	Rp 225.000	10,50%	17 Maret/March 2015	Lunas/Paid	AA-(idn)
Seri/Series B	Rp 55.000	11,00%	7 Maret/March 2016	Lunas/Paid	AA-(idn)
Seri/Series C	Rp 220.000	11,50%	7 Maret/March 2017	Lunas/Paid	AA-(idn)

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14. SURAT BERHARGA YANG DITERBITKAN (Lanjutan)

14. SECURITIES ISSUED (Continued)

a. Obligasi (Lanjutan)

a. Bonds (Continued)

Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015

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	Status pembayaran/ Payment Status	Peringkat/ Rating
Seri/Series A	Rp 345.000	9,875%	29 Maret/March 2016	Lunas/Paid	AA-(idn)
Seri/Series B	Rp 105.000	10,500%	19 Maret/March 2017	Lunas/Paid	AA-(idn)
Seri/Series C	Rp 550.000	10,875%	19 Maret/March 2018	Belum lunas/Not yet paid	AA-(idn)

Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016

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	Status pembayaran/ Payment Status	Peringkat/ Rating
Seri/Series A	Rp 200.000	9,75%	5 Maret/March 2017	Lunas/Paid	AA-(idn)
Seri/Series B	Rp 142.000	10,25%	25 Februari/ February 2018	Belum lunas/Not yet paid	AA-(idn)
Seri/Series C	Rp 658.000	10,75%	25 Februari/ February 2019	Belum lunas/Not yet paid	AA-(idn)

Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016

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	Status pembayaran/ Payment Status	Peringkat/ Rating
Seri/Series A	Rp 317.000	8,10%	5 November 2017	Lunas/Paid	AA-(idn)
Seri/Series B	Rp 550.000	8,80%	25 Oktober/ October 2019	Belum lunas/Not yet paid	AA-(idn)
Seri/Series C	Rp 133.000	9,10%	25 Oktober/ October 2021	Belum lunas/Not yet paid	AA-(idn)

Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017

Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017

Obligasi/ Bonds	Nilai nominal/ Nominal value	Tingkat bunga tetap/ Fixed interest rate	Jatuh tempo/ Due date	Status pembayaran/ Payment Status	Peringkat/ Rating
Seri/Series A	Rp 540.000	8,00%	12 Maret/March 2018	Belum lunas/Not yet paid	AA-(idn)
Seri/Series B	Rp 460.000	9,15%	2 Maret/March 2020	Belum lunas/Not yet paid	AA-(idn)

Obligasi Berkelanjutan III BFI Finance Indonesia Tahap III Tahun 2017

Obligasi Berkelanjutan III BFI Finance Indonesia Tahap III Tahun 2017

Obligasi/ Bonds	Nilai nominal/ Nominal value	Tingkat bunga tetap/ Fixed interest rate	Jatuh tempo/ Due date	Status pembayaran/ Payment Status	Peringkat/ Rating
Seri/Series A	Rp 335.000	6,75%	19 November 2018	Belum lunas/Not yet paid	AA-(idn)
Seri/Series B	Rp 100.000	7,25%	9 November 2019	Belum lunas/Not yet paid	AA-(idn)
Seri/Series C	Rp 400.000	7,75%	9 November 2020	Belum lunas/Not yet paid	AA-(idn)

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14. SURAT BERHARGA YANG DITERBITKAN (Lanjutan)

a. Obligasi (Lanjutan)

Sesuai dengan Perjanjian Perwalianamanatan Obligasi, Perusahaan memberikan jaminan fidusia berupa piutang sewa pembiayaan dan piutang pembiayaan konsumen dengan kategori lancar sebesar 80% untuk Obligasi Berkelanjutan II BFI Finance Indonesia dan 60% untuk Obligasi Berkelanjutan III BFI Finance Indonesia, dari nilai pokok Obligasi yang terutang (Catatan 5 dan 6).

Selain itu, selama pokok Obligasi belum dilunasi, Perusahaan tidak diperkenankan antara lain, membagi dividen dalam hal Perusahaan lalai dalam membayar jumlah terutang obligasi, melakukan penggabungan usaha kecuali dilakukan pada bidang usaha yang sama, dan menjual atau mengalihkan lebih dari 50% aset Perusahaan, kecuali dalam rangka kegiatan usaha sehari-hari. Perusahaan telah memenuhi batasan-batasan yang diwajibkan dalam perjanjian tersebut.

Semua pembayaran pokok Obligasi dilakukan secara penuh pada saat jatuh tempo. Pembayaran bunga Obligasi dilakukan secara triwulan.

b. Medium Term Notes (MTN)

	2017	2016
Nilai nominal: Medium Term Notes BFI Finance Indonesia III Tahun 2015	50.000	100.000
Jumlah - bersih	<u>50.000</u>	<u>100.000</u>
MTN sesuai jatuh temponya:		
• < 1 tahun	50.000	50.000
• 1-2 tahun	-	50.000
	<u>50.000</u>	<u>100.000</u>
Amortisasi biaya emisi MTN yang dibebankan ke laporan laba rugi dan penghasilan komprehensif lain (Catatan 23)	-	447

Medium Term Notes BFI Finance Indonesia III Tahun 2015

MTN	Nilai nominal/ Nominal value	Tingkat bunga tetap/ Fixed interest rate	Jatuh tempo/ Due date	Status pembayaran/ Payment Status	Peringkat/ Rating
Seri/Series A	Rp 50.000	5,50%	13 April/April 2017	Lunas/Paid	AA-(idn)
Seri/Series B	Rp 50.000	5,50%	13 Mei/May 2018	Belum lunas/Not yet paid	AA-(idn)

Dalam perjanjian perwalianamanatan MTN, juga diatur beberapa pembatasan yang harus dipenuhi oleh Perusahaan antara lain memberikan jaminan fidusia berupa piutang sewa pembiayaan dan piutang pembiayaan konsumen dengan kategori lancar sebesar 50% dari nilai pokok MTN yang terutang (Catatan 5 dan 6).

14. SECURITIES ISSUED (Continued)

a. Bonds (Continued)

According to the Bonds Trustee agreement, the Company provides collateral with fiduciary transfer of finance lease receivables and consumer financing receivables amounting to 80% for Obligasi Berkelanjutan II BFI Finance Indonesia and 60% for Obligasi Berkelanjutan III BFI Finance Indonesia, of the outstanding principal amount of the Bonds (Notes 5 and 6).

Moreover, during the time that the bonds principals are still outstanding, the Company is not allowed to, among others, declare dividends in the event that the Company defaults in bond obligations, merge unless performed on the same business, and sells or hand over more than 50% of the Company's assets, except for daily operation activity. The Company has complied with the covenants on the trustee agreements.

All Bonds principal is paid in full on due date. All Bonds Interest is paid on quarterly basis.

b. Medium Term Notes (MTN)

Nominal value:
Medium Term Notes BFI Finance
Indonesia III Tahun 2015

Total - net

MTN have the following maturity:
• < 1 year
• 1-2 years

Amortization of MTN costs charged to
the statement of profit or loss
and other comprehensive income
(Note 23)

Medium Term Notes BFI Finance Indonesia III Tahun 2015

The MTN trustee agreement requires several negative covenants to the Company, among others, collateral with fiduciary transfer of finance lease receivables and consumer financing receivables amounting to 50% of the principal amount of the MTN payable (Notes 5 and 6).

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14. SURAT BERTAHAP YANG DITERBITKAN (Lanjutan)

b. Medium Term Notes (MTN) (Lanjutan)

Selain itu, selama pokok MTN belum dilunasi, Perusahaan tidak diperkenankan antara lain, membagi dividen selama Perusahaan lalai dalam membayar jumlah terutang MTN, melakukan penggabungan usaha kecuali dilakukan pada bidang usaha yang sama, dan menjual atau mengalihkan lebih dari 50% aset Perusahaan, kecuali dalam rangka kegiatan usaha sehari-hari. Perusahaan telah memenuhi batasan-batasan yang diwajibkan dalam perjanjian tersebut.

14. SECURITIES ISSUED (Continued)

b. Medium Term Notes (MTN) (Continued)

Moreover, during the time that the MTN principals are still outstanding, the Company is not allowed to, among others, declare dividends in the event that the Company defaults in MTN obligations, merge unless performed on the same business, and sells or hand over more than 50% of the Company's assets, except for daily operation activity. The Company has complied with the covenants on the trustee agreements.

15. PERPAJAKAN

a. Utang pajak

	2017	2016
Pajak Penghasilan:		
Pasal 21	24.652	17.599
Pasal 23	601	414
Pasal 25	25.978	18.452
Pasal 26	34.200	29.078
Pasal 4 (2) - Final	4.419	2.620
Pajak Pertambahan Nilai (PPN)	1.119	880
Taksiran Pajak Penghasilan Badan (Pasal 29)	49.182	24.498
Jumlah	140.151	93.541

b. Beban pajak penghasilan

	2017	2016
Kini	321.973	210.238
Tanggungan	(21.750)	(6.907)
Penyesuaian tahun lalu	53	23.267
Jumlah	300.276	226.598

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 2017 dan 2016 adalah sebagai berikut:

	2017	2016
Laba sebelum pajak sebagaimana disajikan dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian	1.487.786	1.024.963
Beban pajak dengan tarif pajak tunggal yang berlaku	297.557	204.993
Pengaruh pajak penghasilan atas: Beda tetap pada tarif pajak tunggal yang berlaku	2.666 (	1.662)
Penyesuaian tahun lalu	53	23.267
Jumlah	300.276	226.598

15. TAXATION

a. Taxes payable

	2016	
	17.599	Income Taxes:
	414	Article 21
	18.452	Article 23
	29.078	Article 25
	2.620	Article 26
	880	Article 4(2) - Final
	24.498	Value Added Tax (VAT)
	93.541	Estimated Corporate Income Tax (Article 29)
Total	93.541	Total

b. Income tax expense

	2016	
	210.238	Current
	(6.907)	Deferred
	23.267	Adjustment on prior fiscal year
Total	226.598	Total

A reconciliation between the income tax expense calculated by applying the applicable tax rates to 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 2017 and 2016 are as follows:

Profit before tax as presented in the consolidated statement of profit or loss and other comprehensive income

Tax expense at the applicable single tax rate

Tax effects on:
Permanent differences at the applicable single tax rate
Adjustment on profit fiscal year

Total

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15. PERPAJAKAN (Lanjutan)

15. TAXATION (Continued)

b. Beban pajak penghasilan (Lanjutan)

b. Income tax expense (Continued)

Rekonsiliasi antara laba sebelum pajak, sebagaimana yang disajikan dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian, dengan taksiran laba kena pajak untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut :

A reconciliation between profit before tax, as presented in the consolidated statement of profit or loss and other comprehensive income, and estimated taxable profit for the years ended 31 December 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>	
Laba sebelum pajak menurut laporan laba rugi dan penghasilan komprehensif lain konsolidasian -	1.487.786	1.024.963	Profit before tax per consolidated statements of profit or loss and other comprehensive income
Laba entitas anak sebelum Pajak penghasilan	-	-	Profit before tax of subsidiary
Laba sebelum pajak - Perusahaan	1.487.786	1.024.963	Profit income before tax of the Company
Beda tetap:			Permanent differences:
Beban sewa	1.990	1.881	Rent expenses
Pendapatan keuangan yang pajaknya bersifat final	(8.859)	(22.947)	Finance income subjected to final tax
Beban asuransi	8.121	9.455	Insurance expenses
Beban depresiasi	5.853	2.663	Depreciation expenses
Beban lain-lain	6.224	636	Other expenses
Jumlah beda tetap	13.329	(8.312)	Total permanent differences
Beda temporer:			Temporary differences:
Gaji dan imbalan pasca-kerja	85.687	(7.280)	Salaries and post-employment benefits
Cadangan kerugian penurunan nilai piutang sewa pembiayaan, piutang pembiayaan konsumen dan piutang lain-lain	224.391	231.963	Allowance for impairment losses of finance lease receivables, consumer financing receivables and other receivables
Penghapusan piutang	(247.356)	(209.168)	Receivables written-off
Penyusutan aset tetap	6.766	6.396	Depreciation of fixed assets
Keuntungan bersih atas penjualan aset tetap	(1.270)	(598)	Net gain on sale of fixed assets
Amortisasi biaya emisi surat berharga yang diterbitkan	1.116	(5.821)	Amortization of securities issued cost
Biaya transaksi yang belum diamortisasi atas pinjaman yang diterima	(2.932)	19.980	Unamortized transaction cost on fund borrowings
Biaya transaksi yang belum diamortisasi atas piutang pembiayaan konsumen	42.348	(261)	Unamortized transaction cost on consumer financing receivables
Beban lain-lain	-	(675)	Other expenses
Jumlah beda temporer	108.750	34.536	Total temporary differences
Taksiran laba kena pajak	1.609.865	1.051.187	Estimated taxable profit
Tarif pajak	20%	20%	Tax rate
Taksiran beban pajak penghasilan - kini	321.973	210.238	Estimated income tax expense - current
Dikurangi : pajak dibayar dimuka	(272.791)	(185.740)	Less : prepaid taxes
Taksiran utang pajak penghasilan	49.182	24.498	Estimated income tax payable

Perhitungan pajak penghasilan badan untuk tahun 2017 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 2017 was a preliminary estimate made for accounting purposes and is subject to revision when the Company filed its Annual Corporate Income Tax Return.

Perhitungan pajak penghasilan badan tahun 2016 sesuai dengan SPT Perusahaan.

The corporate income tax calculation for 2016 conforms with the Company's Corporate Income Tax Return.

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15. PERPAJAKAN (Lanjutan)

c. Pajak tangguhan

Pengaruh pajak tangguhan atas beda temporer yang signifikan antara laporan komersial dan laporan fiskal terdiri dari:

	31 Desember/ December 2016	Dikreditkan (dibebankan) ke laporan laba rugi / Credited (charged) to statement of profit or loss	Dikreditkan ke ekuitas dari pendapatan komprehensif lain/ Credited to equity from other comprehensive income	31 Desember/ December 2017	
Aset (liabilitas) pajak tangguhan					Deferred tax assets (liabilities)
Cadangan kerugian penurunan nilai	11.609 (	4.593)	-	7.016	Allowance for impairment losses
Imbalan pasca-kerja	28.078	11.865	-	39.943	Post-employment benefits
Beban yang masih harus dibayar	5.605	5.272	-	10.877	Accrued expenses
Penyusutan aset tetap	(7.494)	1.099	-	(6.395)	Depreciation of fixed assets
Biaya transaksi yang belum diamortisasi atas piutang sewa pembiayaan dan pembiayaan konsumen	(1.356)	8.469	-	7.113	Unamortized transaction cost on finance lease and consumer financing receivables
Biaya emisi surat berharga yang diterbitkan belum diamortisasi	(1.941)	223	-	(1.718)	Unamortized securities issued cost
Biaya transaksi yang belum diamortisasi atas pinjaman yang diterima	(6.152)	(586)	-	(6.738)	Unamortized transaction cost on fund borrowings
Penghasilan komprehensif lain	8.205	-	7.285	15.490	Other comprehensive income
Aset pajak tangguhan - Bersih	36.554	21.749	7.285	65.588	Deferred tax assets - Net

15. TAXATION (Continued)

c. Deferred tax

The deferred tax effects of the significant temporary differences between commercial and fiscal reporting are as follows:

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15. PERPAJAKAN (Lanjutan)

15. TAXATION (Continued)

c. Pajak tangguhan (Lanjutan)

c. Deferred tax (Continued)

Pengaruh pajak tangguhan atas beda temporer yang signifikan antara laporan komersial dan laporan fiskal terdiri dari: (Lanjutan)

The deferred tax effects of the significant temporary differences between commercial and fiscal reporting are as follows: (Continued)

	31 Desember/ December 2015	Dikreditkan (dibebankan) ke laporan laba rugi / Credited 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 piutang sewa pembiayaan dan pembiayaan konsumen	(1.304) (	52)	- (	1.356)	Unamortized transaction cost on 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

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.

d. Administrasi

d. 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.

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15. PERPAJAKAN (Lanjutan)

d. Administrasi (Lanjutan)

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".

Pada tanggal 21 November 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 No. 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 2017 dan 2016, 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-assesment*. Fiskus dapat menetapkan atau mengubah pajak-pajak tersebut dalam jangka waktu tertentu sesuai dengan peraturan yang berlaku.

e. 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.

15. TAXATION (Continued)

d. Administration (Continued)

On 28 December 2007, the President of the Republic of 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".

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 2017 and 2016, 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-assesment. The tax authorities may assess or amend taxes within the statute of limitations, under prevailing regulations.

e. 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 other with holding 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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16. BEBAN YANG MASIH HARUS DIBAYAR		16. ACCRUED EXPENSES		
	2017	2016		
Bonus dan tunjangan	111.166	76.939	Bonus and allowances	
Bunga	84.408	72.748	Interest	
Jasa tenaga ahli	47.263	1.551	Professional fees	
Lainnya (saldo dibawah Rp 1.000)	50.690	39.002	Others (balance below Rp 1,000)	
Jumlah	293.527	190.240	Total	
17. UTANG LAIN-LAIN - PIHAK KETIGA		17. OTHER PAYABLES - THIRD PARTIES		
	2017	2016		
Titipan konsumen	104.659	73.286	Customer deposits	
Premi asuransi	43.810	29.097	Insurance premium	
Utang kepada dealer	23.957	9.535	Payable to dealers	
Utang pengurusan fidusia	1.073	1.024	Fiducia processing payables	
Lainnya (saldo dibawah Rp 1.000)	41.222	26.972	Others (balance below Rp 1,000)	
Jumlah	214.721	139.914	Total	
18. MODAL SAHAM		18. SHARE CAPITAL		
Susunan pemegang saham Perusahaan pada tanggal 31 Desember 2017 dan 2016 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 2017 and 2016, are as follows:		
Pemegang saham	2017			Shareholders
	Jumlah saham/ Number of shares	Nilai nominal/ Amount	%	
Trinugraha Capital & CO SCA	6.835.249.660	170.881	42,80	Trinugraha Capital & CO SCA
Db Spore DCS A/C Ntasian Discovery	1.306.275.640	32.657	8,18	Db Spore DCS A/C Ntasian Discovery
Maste Er Fund-864134218	6.822.858.320	170.572	42,74	Maste Er Fund-864134218
Lainnya (masing-masing di bawah 5%)	14.964.383.620	374.110	93,72	Others (each below 5%)
Saham treasuri	1.002.732.000	25.068	6,28	Treasury stock
Jumlah	15.967.115.620	399.178	100,00	Total
Pemegang saham	2016			Shareholders
	Jumlah saham/ Number of shares	Nilai nominal/ Amount	%	
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

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18. MODAL SAHAM (Lanjutan)

Berdasarkan keputusan Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) Perusahaan yang diaktakan dengan Akta notaris No. 25 tanggal 18 April 2017 yang dibuat dihadapan Aryanti Artisari, S.H., M.Kn., Notaris di Jakarta, para pemegang saham menyetujui perubahan nilai nominal saham Perusahaan dari Rp 250 (nilai penuh) per saham menjadi Rp 25 (nilai penuh) per saham (pemecahan saham/*stock split*) Keputusan RUPSLB ini telah diterima dan dicatat di dalam Sistem Administrasi Badan Hukum Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia sebagaimana dinyatakan dalam surat penerimaan pemberitahuan No. AHU-AH.01.03-0134738 tahun 2017 tanggal 9 Mei 2017.

Dengan demikian, per 31 Desember 2017 modal dasar Perusahaan yang telah ditempatkan seluruhnya dan disetor penuh adalah Rp 399.178 yang terdiri dari 15.967.115.620 saham dengan nilai nominal Rp 25 per saham.

Pada tahun 2016, jumlah saham ditempatkan dan disetor penuh bertambah sebanyak 30.752.000 saham sebagai hasil eksekusi opsi saham dari program MESOP oleh manajemen dan karyawan (Catatan 20), dan berkurang sebesar 100.273.200 saham sebagai hasil dari pembelian kembali saham Perusahaan (*buy-back*).

Saham Treasuri

Per tanggal 15 Oktober 2016 program *buyback shares* ini dinyatakan berakhir.

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.

Pada tanggal 31 Desember 2017 dan 2016, jumlah saham yang telah dibeli kembali oleh Perusahaan masing-masing adalah sebanyak 1.002.732.000 dan 100.273.200 saham dengan nilai pembelian sebesar Rp 252.160.

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*).

18. SHARE CAPITAL (Continued)

Based on the resolution of the Extraordinary General Meeting of Shareholders (EGMS) of the Company as covered by Notarial deed No. 25 dated 18 April 2017 of Aryanti Artisari, S.H., M.Kn., Notary in Jakarta the shareholders approved the changes of nominal value of shares from Rp 250 (full amount) to Rp 25 (full amount) per shares (stock split). The resolutions of the EGM has been 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 notification letter No. AHU-AH.01.03-0134738 tahun 2017 dated 9 May 2017.

Therefore, as of 31 December 2017 the Company's authorized fully issued and paid-up shares capital amounted to Rp 399,178 which comprised of 15,967,115,620 shares with par value of Rp 25 per share.

In 2016, the number of issued and fully paid-up shares increased of 30,752,000 shares, as result by MESOP program exercised (Note 20), and decreased of 100,273,200 shares as result of repurchase of the Company's shares.

Treasury stock

As of 15 October 2016 the shares buyback program was officially ended.

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 2017 and 2016, total shares bought back by the Company were 1,002,732,000 and 100,273,200 shares for a total purchase price of Rp 252,160, respectively.

This repurchase transaction was intended to increase the Company's capital management where the implementation will increase the value of Earnings per Share (EPS).

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18. MODAL SAHAM (Lanjutan)

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 589.407.540 dan 57.698.754 saham, yang merupakan kepemilikan sebesar 3,69% dan 3,61% dari jumlah saham Perusahaan yang beredar masing-masing pada tanggal 31 Desember 2017 dan 2016 dengan rincian sebagai berikut:

Nama Anggota/ Name of Members	Jabatan/Positions	Jumlah Saham/ Total Shares		%	
		31 Desember/ December 2017	31 Desember/ December 2016	31 Desember/ December 2017	31 Desember/ December 2016
Francis Lay Sioe Ho	Presiden Direktur/ President Director	389.885.080	38.988.508	2,44	2,44
Kusmayanto Kadiman	Presiden Komisaris / President Commissioner	300.000	-	0,00	-
Sudjono	Direktur/ Director	33.380.000	3.338.000	0,21	0,21
Sutadi	Direktur/ Director	22.000.000	2.200.000	0,14	0,14
Sigit Hendra Gunawan	Direktur/ Director	10.000.000	1.000.000	0,06	0,06
Andrew Adiwijanto	Direktur/ Director	12.120.000	-	0,08	-
Cornelius Henry Kho	Komisaris/ Commissioner	121.719.980	12.171.998	0,76	0,76
Johanes Sutrisno	Komisaris/ Commissioner	2.480	248	0,00	0,00
Jumlah/ Total		589.407.540	57.698.754	3,69	3,61

18. SHARE CAPITAL (Continued)

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 589,407,540 and 57,698,754 shares representing 3.69% and 3.61% of the total outstanding shares of the Company as of 31 December 2017 and 2016, respectively with detail as follows:

19. TAMBAHAN MODAL DISETOR

Pada tanggal 31 Desember 2017 dan 2016, saldo akun ini masing-masing sejumlah Rp 553.286 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, tambahan sejumlah Rp 78.110 berasal dari pembayaran berbasis saham dari program Kompensasi Manajemen dan Karyawan Berbasis Saham (MESOP) (Catatan 20).

19. ADDITIONAL PAID-IN CAPITAL

On 31 December 2017 and 2016 balance of this account amounted to Rp 553,286 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, addition of Rp 78,110, derived from payments of Management and Employee Stock Options Program (MESOP) (Note 20).

20. 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").

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.

20. 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").

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.

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**20. PROGRAM KOMPENSASI MANAJEMEN DAN KARYAWAN
BERBASIS SAHAM (MESOP) (Lanjutan)**

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

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**20. MANAGEMENT AND EMPLOYEE STOCK OPTIONS PROGRAM
(MESOP) (Continued)**

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 EGMS 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*

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20. PROGRAM KOMPENSASI MANAJEMEN DAN KARYAWAN
BERBASIS SAHAM (MESOP) (Lanjutan)

20. MANAGEMENT AND EMPLOYEE STOCK OPTIONS PROGRAM
(MESOP) (Continued)

Rincian dan mutasi MESOP Tahap I untuk tahun yang
berakhir pada tanggal 31 Desember 2017 adalah sebagai
berikut:

The details and movements of MESOP Phase I for the year
ended 31 December 2017 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 2017 adalah sebagai
berikut:

The details and movements of MESOP Phase II for the year
ended 31 December 2017 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:

	Tahap I - Grant Date 1 dan 2	Tahap II - Grant Date 1	Tahap II - Grant Date 2	Assumption:
Asumsi:				
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 24) sebesar Rp 11.872
untuk tahun yang berakhir pada tanggal 31 Desember 2016.

The amount recognized under "Salaries and employee
benefits" (Note 24) amounted to Rp 11,872 for the year
ended 31 December 2016.

Pada tanggal 31 Mei 2016, semua cadangan saham program
kompensasi manajemen dan karyawan berbasis saham telah
dieksekusi.

As of 31 May 2016, all management and employee stock
options program share reserve have been exercised.

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21. PENDAPATAN SEWA PEMBIAYAAN		21. FINANCE LEASE INCOME	
	2017	2016	
Pendapatan sewa pembiayaan			Finance lease income
Pihak ketiga	1.777.425	1.332.174	Third parties
Pendapatan administrasi	274.002	192.545	Administration income
Denda keterlambatan	137.519	91.806	Late charges
Pendapatan terminasi	92.724	58.962	Termination income
Pendapatan sewa pembiayaan - bersih	2.281.670	1.675.487	Finance lease income - net
<p>Pada tahun 2017 dan 2016, amortisasi biaya transaksi yang diakui sebagai penambah dari pendapatan sewa pembiayaan masing-masing sebesar Rp 12.689 dan Rp 18.544.</p>		<p>In 2017 and 2016, the amortization of transaction costs recognized as a addition to finance lease income amounted to Rp 12,689 and Rp 18,544, respectively.</p>	
22. PENDAPATAN PEMBIAYAAN KONSUMEN		22. CONSUMER FINANCING INCOME	
	2017	2016	
Pendapatan pembiayaan konsumen			Consumer financing income
Pihak ketiga	1.297.114	1.275.759	Third parties
Pendapatan administrasi	280.339	199.763	Administration income
Denda keterlambatan	122.310	129.284	Late charges
Pendapatan terminasi	44.006	46.225	Termination income
Jumlah	1.743.769	1.651.031	Total
Dikurangi:			Less:
Bagian pendapatan yang dibiayai bank sehubungan dengan kerjasama penerusan pinjaman dan pembiayaan bersama (Catatan 32)	(89.438)	(214.673)	Portion of funds financed by banks in relation to channeling and joint financing cooperation (Note 32)
Pendapatan pembiayaan konsumen - bersih	1.654.331	1.436.358	Consumer financing income - net
<p>Pada tahun 2017 dan 2016, amortisasi biaya transaksi yang diakui sebagai pengurang dari pendapatan pembiayaan konsumen masing-masing sebesar Rp 97.899 dan Rp 79.263.</p>		<p>In 2017 and 2016, the amortization of transaction costs recognized as a reduction to consumer financing income amounting to Rp 97,899 and Rp 79,263, respectively.</p>	
<p>Pada tahun 2017 dan 2016, tidak terdapat pendapatan pembiayaan konsumen yang melebihi 10% dari jumlah pendapatan kepada satu konsumen saja.</p>		<p>In 2017 and 2016, the Company had no consumer financing income in excess of 10% of total revenues to a single customer.</p>	
23. BEBAN BUNGA DAN KEUANGAN		23. INTEREST AND FINANCING CHARGES	
	2017	2016	
Bunga atas pinjaman yang diterima	567.005	558.146	Interest on borrowings
Bunga atas surat berharga yang diterbitkan (Catatan 14)	321.596	227.682	Interest on securities issued (Note 14)
Amortisasi biaya emisi atas surat berharga yang diterbitkan (Catatan 14)	7.044	4.851	Amortization on securities issued (Note 14)
Beban administrasi bank	1.679	1.602	Bank administration charges
Jumlah	897.324	792.281	Total

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24. BEBAN GAJI DAN TUNJANGAN

	2017	2016
Pihak ketiga		
Gaji dan imbalan kerja	767.969	626.338
Imbalan pasca-kerja (Catatan 29)	45.867	32.001
Cadangan opsi saham (Catatan 20)	-	7.491
	<u>813.836</u>	<u>665.830</u>
Pihak berelasi		
Gaji dan imbalan kerja	50.748	41.469
Imbalan pasca-kerja (Catatan 29)	4.250	4.085
Cadangan opsi saham (Catatan 20)	-	4.381
	<u>54.998</u>	<u>49.935</u>
Jumlah	<u>868.834</u>	<u>715.765</u>

Lihat catatan 30 untuk rincian saldo dan transaksi dengan pihak berelasi.

24. SALARIES AND BENEFITS EXPENSES

Third parties
Salaries and employee benefits
Post-employment benefits (Note 29)
Share options reserve (Note 20)

Related parties
Salaries and employee benefits
Post-employment benefits (Note 29)
Share options reserve (Note 20)

Total

Refer to note 30 for details of balances and transactions with related parties.

25. BEBAN UMUM DAN ADMINISTRASI

	2017	2016
Penyusutan aset tetap (Catatan 9)	67.724	63.045
Honorarium tenaga ahli	62.369	22.637
Perbaikan dan pemeliharaan	45.561	39.934
Jasa penerimaan angsuran	45.409	51.220
Perjalanan dinas dan transportasi	33.002	26.552
Asuransi	30.720	28.576
Pendidikan dan pelatihan	28.537	18.567
Pengiriman, perangko dan materai	20.299	14.350
Sewa kantor dan gudang	19.422	16.906
Perlengkapan kantor	18.158	16.204
Komunikasi	17.943	16.098
Listrik dan air	13.922	12.476
Pemasaran	6.752	4.472
Amortisasi (Catatan 10)	6.584	8.211
Lain-lain	65.192	53.067
Jumlah	<u>481.594</u>	<u>392.315</u>

25. GENERAL AND ADMINISTRATIVE EXPENSES

Depreciation of fixed assets (Note 9)
Professional fees
Repairs and maintenance
Installment collection fees
Travel and transportation
Insurance
Training and education
Courier, postage stamp and stamp duty
Office and warehouse rental
Office supplies
Communications
Electricity and water
Marketing
Amortization (Note 10)
Others

Total

26. PENDAPATAN LAIN-LAIN

Akun ini merupakan pendapatan usaha lain-lain yang merupakan bagian dari pendapatan utama dari kegiatan usaha Perusahaan dan entitas anaknya sebagai berikut:

	2017	2016
Pemulihan dari piutang yang dihapusbukkan	73.004	75.812
Keuntungan bersih atas penjualan aset tetap (Catatan 9)	16.056	4.511
Lain-lain	10.090	13.699
Jumlah	<u>99.150</u>	<u>94.022</u>

26. OTHER INCOME

This account represents other operating income that are part of the main revenue of the Company and its subsidiary's operations as follows:

Recovery on written-off receivables
Gain on sale of fixed assets - net (Note 9)
Others

Total

27. BEBAN LAIN-LAIN

Rincian beban lain-lain adalah sebagai berikut:

	2017	2016
Penyisihan (pemulihan) kerugian penurunan nilai atas piutang dalam proses penyelesaian (Pemulihan) penghapusan piutang dalam proses penyelesaian	9.314 (	10.565)
	(5.291)	39.025
Jumlah	<u>4.023</u>	<u>28.460</u>

27. OTHER EXPENSES

The details of other expenses are as follows:

Provision (recovery) for impairment losses of receivables in the settlement process (Recovery) written-off receivables in the settlement process

Total

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**28. DIVIDEN KAS DAN SALDO LABA YANG TELAH DITENTUKAN
PENGUNAANNYA**

Berdasarkan Berita Acara Rapat Direksi PT BFI Finance Indonesia Tbk pada tanggal 21 November 2017, Perusahaan menetapkan pembagian dividen tunai interim untuk tahun buku 2017, sebesar Rp 23 (nilai penuh) per saham atau setara dengan Rp 344.181 kepada para pemegang saham Perusahaan, yang telah dibagikan pada tanggal 18 Desember 2017.

Berdasarkan Berita Acara Rapat Umum Pemegang Saham Tahunan PT BFI Finance Indonesia Tbk pada tanggal 18 April 2017, Perusahaan menetapkan pembagian dividen tunai sebesar Rp 260 (nilai penuh) per saham. Setelah memperhitungkan dividen tunai interim sebesar Rp 150 (nilai penuh) per lembar saham atau setara dengan Rp 224.466 yang telah dibayarkan kepada pemegang saham pada tanggal 16 Desember 2016, sisanya sebesar Rp 110 (nilai penuh) per lembar saham atau setara dengan Rp 164.608 yang telah dibayarkan pada tanggal 18 Mei 2017. Perusahaan juga menyetujui untuk menyisihkan sebesar Rp 41.037 sebagai cadangan.

Berdasarkan Berita Acara Rapat Direksi PT BFI Finance Indonesia Tbk pada tanggal 21 November 2016, Perusahaan menetapkan pembagian dividen 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 dividen tunai sebesar Rp 208 per saham. Setelah memperhitungkan dividen 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.

**28. CASH DIVIDENDS AND APPROPRIATION OF RETAINED
EARNINGS**

Based on the Minutes of the Meeting of the Board of Directors of PT BFI Finance Indonesia Tbk on 21 November 2017, the Company establishes an interim cash dividend for the financial year 2017, amounted to Rp 23 (full amount) per share, equivalent to Rp 344,181 to the shareholders of the Company, which have been distributed on 18 December 2017.

Based on the decision of Shareholders' Annual and Extraordinary General Meeting on 18 April 2017, the Company announced a cash dividend from net profit in 2016 amounted to Rp 260 (full amount) per share. After taking into account the interim cash dividend amounted to Rp 150 (full amount) per share amounting to Rp 224,466 to the shareholders of the Company, which has been distributed on 16 December 2016, the remaining balance amounted to Rp 110 (full amount) per share amounting to Rp 164,608 which has been distributed on 18 May 2017. The Company agreed to set aside Rp 41,037 for the reserve.

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.

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29. 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 dan entitas anaknya 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 5 Januari 2018 dan 18 Januari 2017 masing-masing untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2017 dan 2016, dengan menggunakan metode "Projected Unit Credit". Jumlah karyawan yang berhak memperoleh imbalan kerja tersebut untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2017 dan 2016 masing-masing adalah 5.971 dan 5.316 karyawan.

Rincian kewajiban atas imbalan pasca-kerja karyawan adalah sebagai berikut:

	2017	2016	
Nilai kini kewajiban imbalan pasti	244.807	181.619	<i>Present value of defined benefit obligation</i>
Nilai wajar aset program	(45.091)	(41.227)	<i>Fair value of plan asset</i>
Imbalan pasca-kerja	199.716	140.392	<i>Post-employment benefits</i>

Mutasi nilai kini kewajiban imbalan pasti yang diakui pada laporan posisi keuangan konsolidasian sebagai berikut:

	2017	2016	
Nilai kini kewajiban imbalan pasti pada awal periode	181.619	142.473	<i>Present value of defined benefit obligation at beginning of period</i>
Biaya jasa kini	25.883	19.639	<i>Current service cost</i>
Biaya jasa lalu atas perubahan imbalan	(3.535)	-	<i>Past service cost due to plan amendment</i>
Biaya bunga	15.299	12.779	<i>Interest cost</i>
Pembayaran imbalan oleh Perusahaan (sesuai provisi yang dihitung)	(3.408)	(3.550)	<i>Benefit payment from Company</i>
Pembayaran imbalan dari Aset Program	(8.416)	-	<i>Benefit payment from plan assets</i>
Penyesuaian liabilitas akibat pengakuan masa kerja lalu	1.394	1.666	<i>Liability assumed due to recognition of past services</i>
Pengukuran kembali atas nilai kini kewajiban imbalan pasti:			<i>Remeasurement of present value of defined benefit obligation:</i>
Kerugian atas perubahan asumsi ekonomis	36.222	13.694	<i>Loss from changes in financial assumption</i>
Keuntungan atas penyesuaian pengalaman	(251)	(5.082)	<i>Gain from experience adjustments</i>
Nilai kini kewajiban imbalan pasti pada akhir periode	244.807	181.619	<i>Present value of defined benefit obligation at end of period</i>

29. 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 and its subsidiary 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 5 January 2018 and 18 January 2017 for the years ended 31 December 2017 and 2016, by using the "Projected Unit Credit". Number of employees entitled for the employee benefits for the years ended 31 December 2017 and 2016 was 5,971 and 5,316 employees, respectively.

The details of the obligation for post-employment benefits are as follows:

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29. IMBALAN PASCA-KERJA (Lanjutan)

29. POST-EMPLOYMENT BENEFITS (Continued)

	2017	2016	
Nilai wajar aset program pada awal tahun	41.227	30.506	Fair value of plan assets at beginning of year
Pendapatan bunga atas aset program	3.482	3.116	Interest income on plan assets
Iuran Perusahaan	6.000	6.000	Company contribution
Pembayaran imbalan dari aset program	(8.416)	-	Benefit payment from plan assets
Imbal hasil aset program (tidak termasuk pendapatan bunga)	2.798	1.605	Return on plan assets excluding interest income
Nilai wajar aset program pada akhir tahun	45.091	41.227	Fair value of plan assets at end of year
	2017	2016	
Saldo awal	140.392	111.967	Beginning balance
Iuran Perusahaan yang dibayarkan (aktual)	(6.000)	(6.000)	Contribution to plan made by the Company
Pembayaran imbalan oleh Perusahaan (sesuai provisi yang dihitung)	(3.408)	(3.550)	Benefits paid by the Company excluding excess benefits paid
Beban yang diakui pada laporan laba rugi	50.117	36.086	Expense recognized in profit loss statement
Beban yang diakui pada penghasilan komprehensif lain	33.173	7.007	Expense recognized in other comprehensive income
Biaya terminasi	(14.558)	(5.118)	Termination benefit
Liabilitas yang diakui di laporan posisi Keuangan	199.716	140.392	Liability recognized in statement of financial position
Jumlah yang diakui pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian adalah sebagai berikut:			The amounts recognised in the consolidated statement of profit or loss and other comprehensive income are as follows:
	2017	2016	
Biaya jasa kini	25.883	19.639	Current service cost
Biaya jasa lalu atas perubahan imbalan	(3.535)	-	Past service cost due to changes in benefit
Biaya bunga	15.299	12.779	Interest cost
Pendapatan bunga atas aset program	(3.482)	(3.116)	Interest income on plan assets
Penyesuaian liabilitas akibat pengakuan masa kerja lalu	1.394	1.666	Liability assumed due to recognition of past services
Biaya terminasi oleh Perusahaan	14.558	5.118	Termination benefit by Company
Jumlah beban	50.117	36.086	Total expenses

Riwayat penyesuaian pengalaman adalah sebagai berikut:

The history of experience adjustment are as follows:

	31 Desember/December					
	2017	2016	2015	2014	2013	
Nilai kini kewajiban imbalan pasti	(244.807)	(181.619)	(142.473)	(126.365)	(86.199)	Present value of defined benefit obligation
Nilai wajar aset program	45.091	41.227	30.506	25.587	23.514	Fair value of plan assets
Defisit	(199.716)	(140.392)	(111.967)	(100.778)	(62.685)	Deficit
Penyesuaian pengalaman liabilitas program	251	5.082	(279)	(15.982)	(33.634)	Experience adjustment on plan liabilities
Penyesuaian pengalaman aset program	2.798	1.605	(3.597)	653	-	Experience adjustment on plan assets

Kategori utama aset program per 31 Desember 2017 dan 2016 sebagai persentase dari total aset program adalah pasar uang 50%, pendapatan tetap 30% dan saham 20%.

The main categories of plan assets as of 31 December 2017 and 2016 as percentage of total plan assets was money market 50%, fixed income 30% and shares 20%.

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29. IMBALAN PASCA-KERJA (Lanjutan)

29. POST-EMPLOYMENT BENEFITS (Continued)

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 2017 dan 2016:

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 2017 and 2016:

	31 Desember/ December 2017		31 Desember/ December 2016		
	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	(214.464)	(37.407)	(161.727)	(31.153)	Increase in interest rate in 100 basis point
Penurunan suku bunga dalam 100 basis poin	281.402	45.657	205.267	34.261	Decrease in interest rate in 100 basis point

Asumsi-asumsi utama yang digunakan dalam perhitungan di atas:

Key assumptions used in the above calculation:

2017		
Asumsi ekonomi:		Economic assumptions:
- Tingkat diskonto per tahun	7,70% per tahun/7.70% per annum	Annual discount rate -
- Tingkat kenaikan penghasilan dasar per tahun	10% per tahun/10% per annum	Annual salary incremental rate -
Asumsi lainnya:		Other assumptions:
- Tingkat kematian	Tabel Mortalitas Indonesia - 2011/ Indonesian Mortality table - 2011	Mortality table -
- Tingkat cacat	10% dari Tabel Mortalitas/10% of Mortality Table	Disability rate -
- Tingkat pengunduran diri peserta	10% per tahun sebelum usia 31 dan terus menurun menjadi 0% pada usia 56/ 10% per annum before the age of 31 and linearly decreasing to 0% per annum at age of 56.	Resignation rate -
- Usia pensiun normal	56 tahun/56 years old	Normal retirement age -
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 Mortalitas Indonesia - 2011/ Indonesian Mortality table - 2011 (TMI - 2011)	Mortality table -
- Tingkat cacat	10% dari Tabel Mortalitas/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 -

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30. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI

Dalam menjalankan kegiatan usahanya, Perusahaan dan entitas anaknya melakukan transaksi-transaksi dengan pihak-pihak berelasi tertentu sebagai berikut:

Pihak berelasi/Related parties	Sifat hubungan/ Nature of relationship	
Karyawan/Employee	Personil manajemen kunci/ Key management personnel	
	2017	2016
Saldo dan transaksi-transaksi kepada/dari pihak yang berelasi adalah sebagai berikut:		
Beban gaji dan tunjangan		
Personil manajemen kunci:		
Imbalan kerja jangka-pendek	50.748	41.469
Imbalan pasca-kerja	4.250	4.085
Pembayaran berbasis saham	-	4.381
	<u>54.998</u>	<u>49.935</u>
Persentase terhadap jumlah beban	<u>2,15%</u>	<u>2,27%</u>

Transaksi dengan pihak berelasi, kecuali beban gaji dan imbalan kerja kepada personil manajemen kunci, dilakukan dengan menggunakan persyaratan usaha normal.

30. RELATED PARTY TRANSACTIONS

In carrying out its business activities, the Company and its subsidiary 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
	2017	2016	
Balances and transactions to or from a related party are as follows:			
Salaries and employee benefits			
Key management personnel:			
Short-term employees' benefits	50.748	41.469	
Post-employment benefits	4.250	4.085	
Stock plan compensation	-	4.381	
	<u>54.998</u>	<u>49.935</u>	
Percentage of total expenses	<u>2,15%</u>	<u>2,27%</u>	

Transaction with related parties, except salary expense and employee benefits to key management personnel, conducted by normal operations requirements.

31. INFORMASI SEGMENT

Segmen operasi Perusahaan dan entitas anaknya 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.

31. SEGMENT INFORMATION

The Company and its subsidiary'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.

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31. INFORMASI SEGMENT (Lanjutan)

31. SEGMENT INFORMATION (Continued)

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.

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.

	2017				
	Sewa pembiayaan/ <i>Finance Lease</i>	Pembiayaan konsumen/ <i>Consumer financing</i>	Lain-lain/ <i>Others</i>	Jumlah/ <i>Total</i>	
Jumlah pendapatan	2.313.751	1.683.807	44.759	4.042.317	Total income
Hasil					Result
Pendapatan segmen	2.313.751	1.683.807	44.759	4.042.317	Segment income
Beban bunga dan keuangan	-	-	897.324	897.324	Interest and financing charges
Beban gaji dan tunjangan	-	-	868.834	868.834	Salaries and benefits
Beban umum dan administrasi	11.563	35.578	434.453	481.594	General and administrative
Penyisihan kerugian penurunan nilai	125.700	177.056	-	302.756	Provision for impairment losses
Beban lain-lain	(9.912)	13.935	-	4.023	Other expenses
Laba sebelum pajak penghasilan			1.487.786	1.487.786	Profit before income tax
Beban pajak penghasilan	-	-	300.276	300.276	Income tax expense
Laba tahun berjalan	-	-	1.187.510	1.187.510	Profit for the year
Penghasilan komprehensif lain setelah pajak	-	-	29.140	29.140	Other comprehensive income net of tax
Penghasilan komprehensif tahun berjalan	-	-	1.158.370	1.158.370	Comprehensive income for the year
Aset dan Liabilitas					Assets and Liabilities
Aset segmen	9.474.484	5.947.762	1.061.027	16.483.273	Segment assets
Liabilitas segmen	43.549	44.630	11.490.828	11.579.007	Segment liabilities
Informasi Segmen Lainnya					Other Segment Information
Pengeluaran modal:					Capital expenditure:
- Aset tetap berwujud	-	-	123.332	123.332	Tangible fixed assets -
- Aset tak berwujud	-	-	7.425	7.425	Intangible assets -
Penyusutan aset tetap	-	-	67.724	67.724	Depreciation of fixed assets
Amortisasi aset tak berwujud	-	-	6.584	6.584	Amortization of intangible assets
Beban non kas lainnya:					Other non-cash expense:
- Imbalan pasca-kerja	-	-	50.117	50.117	Post-employment benefits -

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31. INFORMASI SEGMENT (Lanjutan)

31. SEGMENT INFORMATION (Continued)

	2016					
	Sewa pembiayaan/ Finance Lease	Pembiayaan konsumen/ Consumer financing	Lain-lain/ Others	Jumlah/ Total		
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	Segment income	
Beban bunga dan keuangan	-	-	792.281	792.281	Interest and financing charges	
Beban gaji dan tunjangan	-	-	715.765	715.765	Salaries and benefits	
Beban umum dan administrasi	4.283	43.542	344.490	392.315	General and administrative	
Penyisihan kerugian penurunan nilai	83.191	190.134	-	273.325	Provision for impairment losses	
Beban lain-lain	11.837	16.623	-	28.460	Other expenses	
Laba sebelum pajak penghasilan	-	-	1.024.963	1.024.963	Profit before income tax	
Beban pajak penghasilan	-	-	226.598	226.598	Income tax expense	
Laba tahun berjalan	-	-	798.365	798.365	Profit for the year	
Penghasilan komprehensif lain setelah pajak	-	-	63.044	63.044	Other comprehensive income net of tax	
Penghasilan komprehensif tahun berjalan	-	-	735.321	735.321	Comprehensive income for the year	
Aset dan Liabilitas					Assets and Liabilities	
Aset segmen	7.148.427	4.496.606	831.223	12.476.256	Segment assets	
Liabilitas segmen	23.588	43.452	8.154.532	8.221.572	Segment liabilities	
Informasi Segmen Lainnya					Other Segment Information	
Pengeluaran modal:					Capital expenditure:	
- Aset tetap berwujud	-	-	56.625	56.625	Tangible fixed assets -	
- Aset tak berwujud	-	-	5.636	5.636	Intangible assets -	
Penyusutan aset tetap	-	-	63.045	63.045	Depreciation of fixed assets	
Amortisasi aset tak berwujud	-	-	8.211	8.211	Amortization of Intangible assets	
Beban non kas lainnya:					Other non - cash expense:	
- Imbalan pasca-kerja	-	-	36.086	36.086	Post-employment benefits -	
Segmen Geografis					Geographical Segments	
	2017					
	Jawa/ Java	Kalimantan/ Kalimantan	Sumatera/ Sumatera	Sulawesi/ Sulawesi	Lain-lain/ Others	Jumlah/ Total
Jumlah Pendapatan	2.128.885	435.277	753.143	680.463	44.549	4.042.317
Informasi Segmen Lainnya						Other Segment Information
- Aset segmen	10.683.087	1.572.537	2.848.675	873.879	505.095	16.483.273
Pengeluaran Modal						Capital expenditure
- Aset tetap berwujud	51.938	11.345	41.464	18.585	-	123.332
- Aset tak berwujud	7.425	-	-	-	-	7.425
	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
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
Pengeluaran Modal						Capital expenditure
- Aset tetap berwujud	24.076	5.075	18.003	9.471	-	56.625
- Aset tak berwujud	5.636	-	-	-	-	5.636

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32. PERJANJIAN KERJASAMA YANG PENTING

32. SIGNIFICANT COOPERATION AGREEMENTS

a. Pembiayaan Bersama dan Penerusan Pinjaman

a. Joint Financing and Channeling

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*) dan penerusan pinjaman (*chanelling*) yang dibukukan secara *off balance sheet*.

For the purpose to support funding requirement on business expansion, the Company has also engaged a partnership with banking institutions in the form of joint financing and channeling which are classified as "off balance sheet" transactions.

	2017	2016	
Penerusan Pinjaman			Channeling
PT Bank Rakyat Indonesia (Persero) Tbk	-	3.248	PT Bank Rakyat Indonesia (Persero) Tbk
Pembiayaan Bersama			Joint Financing
PT Bank Rakyat Indonesia (Persero) Tbk	337.121	140.618	PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank Mandiri (Persero) Tbk	141.849	671.049	PT Bank Mandiri (Persero) Tbk
PT Bank Tabungan Pensiunan Nasional Tbk	48.341	175.002	PT Bank Tabungan Pensiunan Nasional Tbk
PT Bank Maybank Indonesia Tbk	-	276.954	PT Bank Maybank Indonesia Tbk
Jumlah	527.311	1.266.871	Total
Dikurangi:			Less:
Biaya transaksi yang belum diamortisasi	(3.350)	(6.254)	Unamortized transaction costs
Jumlah - Bersih	523.961	1.260.617	Total - Net

Dalam perjanjian kerjasama dengan skema pembiayaan bersama (*joint financing*) porsi fasilitas pembiayaan yang akan diberikan untuk konsumen dari masing-masing pihak adalah berkisar 5% - 10% dari Perusahaan, dan 90% - 95% dari pemberi pembiayaan bersama (bank). Sedangkan untuk jangka waktu pembiayaan bersama sampai dengan 48 (empat puluh delapan) bulan kepada konsumen.

Pursuant to the agreements with joint financing scheme, the amount of funds to be financed by each party range from 5% - 10% from the Company, and 90% - 95% from joint financing providers (banks). As for The tenor of joint financing scheme is available up to 48 (forty eight) months.

Rincian dari pembiayaan bersama adalah sebagai berikut:

The detail of joint financing are as follows:

Pemberi pembiayaan bersama/ <i>Joint financing provider</i>	Fasilitas maksimum pembiayaan/ <i>Maximum financing facility</i>	Perjanjian terakhir/ <i>Latest agreement</i>	Jangka waktu/ <i>Period</i> (bulan/ <i>month</i>)
PT Bank Rakyat Indonesia (Persero) Tbk	600.000	3 Juni/June 2016	24
PT Bank Mandiri (Persero) Tbk	500.000	10 Juni/June 2015	14
PT Bank Maybank Indonesia Tbk	500.000	17 November 2016	12
PT Bank Tabungan Pensiunan Nasional Tbk	1.300.000	18 Desember/December 2014	24

Fasilitas tersebut di atas berlaku sampai dengan dibayarkannya angsuran terakhir piutang pembiayaan bersama oleh konsumen.

The above facility will be expired at the time customers pay the latest installment of joint financing receivables.

Perusahaan bersama dengan pemberi pembiayaan bersama di atas bertindak sebagai penyedia dana dalam pemberian pembiayaan kepada konsumen yang memenuhi kriteria tertentu. Perusahaan bertanggung jawab untuk mengelola dokumentasi dan administrasi setiap konsumen.

The Company, together with the joint financing providers mentioned above, extend credit to consumers in accordance with certain criteria laid down in agreements. The Company is responsible to maintain the customers' documentation and administration.

Kerjasama pembiayaan bersama yang dilakukan ini bersifat *without recourse*, dimana Perusahaan tidak memiliki kewajiban untuk membayar atau menyetor angsuran pokok termasuk bunganya kepada pemberi pembiayaan bersama jika konsumen gagal melakukan pembayaran angsurannya kepada Perusahaan.

The joint financing facilities were arranged without recourse, whereby the Company is not obliged to pay installments including interest to joint financing providers in the event that the customers fail to meet their installment obligation to the Company.

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32. PERJANJIAN KERJASAMA YANG PENTING (Lanjutan)

a. Pembiayaan Bersama dan Penerusan Pinjaman

Perusahaan melakukan perjanjian kerjasama dengan PT Finacel Teknologi Indonesia (Finacel), sebuah perusahaan teknologi untuk menyalurkan pembiayaan berbasis digital melalui aplikasi Kredivo. Finacel menjamin pembayaran dari konsumen yang dibiayai dengan melakukan mekanisme *buy back* atas akun yang mengalami keterlambatan pembayaran diatas 60 hari.

Pada tanggal 31 Desember 2017, jumlah keseluruhan piutang yang dibiayai oleh Perusahaan dan disalurkan melalui aplikasi Kredivo adalah sebesar Rp 176.816 untuk pembiayaan kepada *end user* dengan keterlambatan pembayaran sampai dengan 60 hari dan sebesar Rp 459 untuk pembiayaan yang wajib dilunasi oleh Finacel dengan keterlambatan pembayaran diatas 60 hari.

b. Penyalur kendaraan

Perusahaan mengadakan perjanjian kerjasama dengan beberapa penyalur kendaraan. Pembiayaan yang telah disetujui namun belum dibayarkan kepada penyalur kendaraan dicatat sebagai utang kepada penyalur kendaraan.

c. Asuransi

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, PT FWD Life Indonesia, PT Asuransi Adira Dinamika dan PT Asuransi Purna Artanugraha (ASPAN). dalam rangka penyediaan asuransi perlindungan kredit dan penutupan asuransi kendaraan bermotor yang dibiayai.

Perusahaan melakukan penutupan asuransi atas kendaraan bermotor demi kepentingan Perusahaan dalam kapasitasnya sebagai penyedia pembiayaan. Pembayaran premi asuransi yang telah diterima dari konsumen namun belum dibayarkan kepada perusahaan asuransi dicatat sebagai utang premi asuransi.

33. 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.

	<u>2017</u>
Laba bersih untuk perhitungan laba per saham dasar	1.187.510
Jumlah rata-rata tertimbang saham	<u>14.964.383.620</u>
Laba bersih per saham dasar (nilai penuh)	<u>79</u>

*) Setelah pemecahan saham (Catatan 1b)

Pada bulan Mei 2017, Perusahaan melakukan pemecahan nilai nominal saham yang mengakibatkan kenaikan jumlah saham yang beredar menjadi 15.967.115.620 (lihat catatan 1b). Sesuai PSAK 56 : Laba per Saham, perhitungan laba per saham dasar untuk seluruh periode telah disajikan secara retrospektif.

32. SIGNIFICANT COOPERATION AGREEMENTS (Continued)

a. Joint Financing and Channeling

The Company entered into a cooperation agreement with PT Finacel Teknologi Indonesia (Finacel), a technology company, for the purpose of channeling a digital based financing through Kredivo application. Finacel provide guarantee over the loan payment from customer through a *buy back* mechanism for past due accounts over 60 days.

On 31 December 2017, total outstanding loans which represents channeling loans by the Company through Kredivo application was amounting to Rp 176,816 for receivables due from end user with past due up to 60 days and amounting to Rp 459 for the receivables which need to be settled by Finacel for the past due accounts of more than 60 days.

b. Joint Financing

The Company has entered into cooperation agreements with dealers of motor vehicles. Approved financing that has not yet been paid to dealers are recorded as payable to dealers.

c. Insurance

The Company has entered into cooperation agreements with insurance companies which are 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, PT FWD Life Indonesia, PT Asuransi Adira Dinamika and PT Asuransi Purna Artanugraha (ASPAN) to provide credit shield and insurance coverage of financed vehicles.

The Company insures vehicles for the interest of the Company in its capacity as financing provider. Insurance premium payments received from customers that have not yet been paid to insurance companies are recorded as insurance premium payable.

33. 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.

	<u>2016</u>	
	798.365	Net profit for the computation of basic earning per shares
	<u>15.243.120.782*</u>	The weighted average of shares outstanding
	<u>52*</u>	Basic earnings per share (full amount)

*) After stocks split (Note 1b)

In May 2017, the Company performed a stock split which increased the number of shares outstanding to 15,967,115,620 (refer to note 1b). In accordance to SFAS 56 : Earning per Shares, the calculation of basic earnings per shares for all periods are adjusted retrospectively.

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34. PENGHASILAN KOMPREHENSIF LAIN

Perubahan komponen penghasilan komprehensif lain yang tidak mempengaruhi laba rugi adalah sebagai berikut:

	2017	2016
Saldo awal tahun - sebelum pajak penghasilan tangguhan	(82.265)	(19.221)
Bagian efektif dari perubahan nilai wajar instrumen lindung nilai arus kas	(3.252)	(71.798)
Kerugian aktuarial program manfaat pasti	(33.173)	(7.007)
	(118.690)	(98.026)
Aset pajak tangguhan (Catatan 15c)	7.285	15.761
Saldo akhir tahun - setelah pajak penghasilan tangguhan	(111.405)	(82.265)

34. OTHER COMPREHENSIVE INCOME

The movement of other comprehensive income component that have not yet affected the profit and loss were as follows:

	2017	2016
	(82.265)	(19.221)
	(3.252)	(71.798)
	(33.173)	(7.007)
	(118.690)	(98.026)
	7.285	15.761
	(111.405)	(82.265)

35. 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 dan entitas anaknya pada dasarnya sudah dilakukan sejak perusahaan berdiri, meskipun dengan cara yang masih konvensional dan berkembang sesuai dengan perkembangan kondisi internal dan eksternal.

Perusahaan dan entitas anaknya 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 dan entitas anaknya 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.

35. 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 and its subsidiary 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.

The Company and its subsidiary realize 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 and its subsidiary keep 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.

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35. MANAJEMEN RISIKO (Lanjutan)

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.

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 mengkonversi 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.

35. RISK MANAGEMENT (Continued)

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.

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.

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35. MANAJEMEN RISIKO (Lanjutan)

Kerangka 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)

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.

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.

35. RISK MANAGEMENT (Continued)

Framework of 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)

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.

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.

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35. MANAJEMEN RISIKO (Lanjutan)

Proses dan penilaian risiko (Lanjutan)

1. Risiko Kredit (Lanjutan)

Manajemen risiko yang telah diterapkan Perusahaan adalah sebagai berikut: (Lanjutan)

- 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:

	2017		
	Korporasi/ Corporate	Ritel/ Retail	Eksposur maksimum/ Maximum exposure
Kas dan setara kas	225.203	-	225.203
Piutang sewa pembiayaan	1.740.819	7.779.988	9.520.807
Piutang pembiayaan konsumen	1.606	6.067.069	6.068.675
Piutang karyawan	-	24.606	24.606
	<u>1.967.628</u>	<u>13.871.663</u>	<u>15.839.291</u>

	2016		
	Korporasi/ Corporate	Ritel/ Retail	Eksposur maksimum/ Maximum exposure
Kas dan setara kas	165.388	-	165.388
Piutang sewa pembiayaan	1.312.341	5.869.140	7.181.481
Piutang pembiayaan konsumen	2.298	4.582.581	4.584.879
Aset derivatif	41.301	-	41.301
Piutang karyawan	-	26.741	26.741
	<u>1.521.328</u>	<u>10.478.462</u>	<u>11.999.790</u>

35. RISK MANAGEMENT (Continued)

Process and risk assessments (Continued)

1. Credit Risk (Continued)

Risk management that has been applied by the Company are as follows: (Continued)

- 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:

Cash and cash equivalents
Finance lease receivables
Consumer financing receivables
Employee receivables

Cash and cash equivalents
Finance lease receivables
Consumer financing receivables
Derivative assets
Employee receivables

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35. MANAJEMEN RISIKO (Lanjutan)

35. RISK MANAGEMENT (Continued)

Proses dan penilaian risiko (Lanjutan)

Process and risk assessments (Continued)

1. Risiko Kredit (Lanjutan)

1. Credit Risk (Continued)

Tabel berikut menjelaskan rincian aset keuangan Perusahaan yang dibedakan antara yang mengalami penurunan nilai dan yang tidak:

The following table illustrates the detail of financial assets distinguished between those which impaired and not impaired:

	2017			
	Tidak Mengalami Penurunan nilai/ <i>Not impaired</i>	Mengalami penurunan nilai/ <i>Impaired</i>	Jumlah/ <i>Total</i>	
Kas dan setara kas	225.203	-	225.203	Cash and cash equivalents
Piutang sewa pembiayaan	9.453.348	67.459	9.520.807	Finance lease receivables
Piutang pembiayaan konsumen	5.985.457	83.218	6.068.675	Consumer financing receivables
Piutang karyawan	24.606	-	24.606	Employee receivables
	<u>15.688.614</u>	<u>150.677</u>	<u>15.839.291</u>	
Dikurangi: Cadangan kerugian penurunan nilai			(237.482)	Less: Allowance for impairment losses
			<u>15.601.809</u>	
	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	Cash and cash equivalents
Piutang sewa pembiayaan	7.127.656	53.825	7.181.481	Finance lease receivables
Piutang pembiayaan konsumen	4.521.634	63.245	4.584.879	Consumer financing receivables
Aset derivatif	41.301	-	41.301	Derivative assets
Piutang karyawan	26.741	-	26.741	Employee receivables
	<u>11.882.720</u>	<u>117.070</u>	<u>11.999.790</u>	
Dikurangi: Cadangan kerugian penurunan nilai			(183.001)	Less: Allowance for impairment losses
			<u>11.816.789</u>	

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35. MANAJEMEN RISIKO (Lanjutan)

Proses dan penilaian risiko (Lanjutan)

1. Risiko Kredit (Lanjutan)

Tabel berikut menjelaskan rincian aset keuangan Perusahaan yang penilaian penurunan nilainya dibedakan antara yang dinilai secara individual dan kolektif.

	2017			
	Individual/ Individual	Kolektif/ Collective	Jumlah/ Total	
Kas dan setara kas	225.203	-	225.203	Cash and cash equivalents
Piutang sewa pembiayaan	2.231.489	7.289.318	9.520.807	Finance lease receivables
Piutang pembiayaan konsumen	332.469	5.736.206	6.068.675	Consumer financing receivables
Piutang karyawan	24.606	-	24.606	Employee receivables
	<u>2.813.767</u>	<u>13.025.524</u>	<u>15.839.291</u>	
Dikurangi: Cadangan kerugian penurunan nilai			(237.482)	Less: Allowance for impairment losses
			<u>15.601.809</u>	

	2016			
	Individual/ Individual	Kolektif/ Collective	Jumlah/ Total	
Kas dan setara kas	165.388	-	165.388	Cash and cash equivalents
Piutang sewa pembiayaan	1.651.814	5.529.667	7.181.481	Finance lease receivables
Piutang pembiayaan konsumen	-	4.584.879	4.584.879	Consumer financing receivables
Aset derivatif	41.301	-	41.301	Derivative assets
Piutang karyawan	26.741	-	26.741	Employee receivables
	<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>	

35. 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.

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35. 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 2017. Termasuk didalamnya adalah instrumen keuangan Perusahaan pada nilai tercatat, dikategorikan berdasarkan jenis mata uang.

	2017		
	USD (Nilai penuh)/ (Full amount)	Nilai (Rp)/ Equivalent (Rp)	
Liabilitas			Liabilities
Pinjaman yang diterima	240.078.341	3.252.581	Fund borrowings
Beban yang masih harus dibayar	2.541.350	34.430	Accrued expenses
Jumlah liabilitas	242.619.691	3.287.011	Total liabilities
Liabilitas bersih	242.619.691	3.287.011	Net liabilities
Kontrak valuta berjangka pertukaran mata uang asing	(242.619.691)	(3.287.011)	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.

35. 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 result 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 2017. 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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35. 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 dan sewa pembiayaan:

	2017	2016	
<u>Pendapatan pembiayaan konsumen:</u>			<u>Consumer finance income:</u>
Kenaikan suku bunga 1% (100 basis poin)	51.363	47.247	Increase in interest rate by 1% (100 basis point)
Penurunan suku bunga 1% (100 basis poin)	(51.363) (	47.247)	Decrease in interest rate by 1% (100 basis point)
<u>Pendapatan sewa pembiayaan:</u>			<u>Finance lease income:</u>
Kenaikan suku bunga 1% (100 basis poin)	80.052	58.345	Increase in interest rate by 1% (100 basis point)
Penurunan suku bunga 1% (100 basis poin)	(80.052) (	58.345)	Decrease in interest rate by 1% (100 basis point)

Tabel berikut menjelaskan rincian aset dan liabilitas keuangan Perusahaan yang dikelompokkan menurut mana yang lebih awal antara tanggal repricing atau tanggal jatuh tempo kontraktual untuk melihat dampak perubahan tingkat suku bunga:

The following table illustrates the Company's financial assets and liabilities at carrying amounts, categorized by the earlier of contractual repricing of maturity dates to analyze the impact of changes in interest rate:

	Tahun 2017/ Year 2017						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	225.203	-	-	-	-	-	225.203	Cash and cash equivalents
Piutang sewa pembiayaan	-	-	1.625.361	3.604.911	3.085.732	1.204.803	9.520.807	Finance lease receivables
Piutang pembiayaan konsumen	-	-	1.106.789	2.107.428	1.578.154	1.276.304	6.068.675	Consumer financing receivables
Jumlah aset keuangan	225.202	-	2.732.150	5.712.339	4.663.886	2.481.107	15.814.685	Total financial assets
Liabilitas keuangan								Financial liabilities
Pinjaman yang diterima	12.437	74.667	813.824	2.737.272	2.150.816	1.030.036	6.819.052	Fund borrowings
Surat berharga yang diterbitkan	-	-	1.230.179	381.923	1.305.504	991.805	3.909.411	Securities issued
Jumlah liabilitas keuangan	12.437	74.667	2.044.033	3.119.195	3.456.320	2.021.841	10.728.463	Total financial liabilities
Bersih	212.765	(74.667)	688.147	2.593.144	1.207.566	459.266	5.086.222	Net

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35. MANAJEMEN RISIKO (Lanjutan)

35. RISK MANAGEMENT (Continued)

Proses dan penilaian risiko (Lanjutan)

Process and risk assessments (Continued)

2. Risiko Pasar (Lanjutan)

2. Market Risk (Continued)

Tabel berikut menyajikan rincian aset dan liabilitas keuangan Perusahaan yang dikelompokkan menurut mana yang lebih awal antara tanggal repricing atau tanggal jatuh tempo kontraktual untuk melihat dampak perubahan tingkat suku bunga: (Lanjutan)

The following table presents the Company's financial assets and liabilities at carrying amounts, categorized by the earlier of contractual repricing of maturity dates to analyze the impact of changes in interest rate: (Continued)

	Tahun 2016/ Year 2016						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	165.388	-	-	-	-	-	165.388	Cash and cash equivalents
Piutang sewa pembiayaan	-	-	1.264.401	2.822.215	2.305.717	789.149	7.181.482	Finance lease receivables
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

3. Risiko Likuiditas

3. Liquidity Risk

Risiko likuiditas merupakan risiko terkait dengan kemampuan sumber dana Perusahaan untuk memenuhi liabilitasnya pada jatuh tempo.

Liquidity risk is the risk associated with the ability of the Company to meet its obligations when they fall due.

Manajemen risiko yang diterapkan oleh Perusahaan adalah sebagai berikut:

Risk management that has been applied by the Company are as follows:

- 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.

- 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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35. MANAJEMEN RISIKO (Lanjutan)

Proses dan penilaian risiko (Lanjutan)

3. Risiko Likuiditas (Lanjutan)

Tabel berikut ini menyajikan profil perbedaan jatuh tempo atas aset dan liabilitas keuangan Perusahaan pada tanggal 31 Desember 2017 dan 2016:

35. RISK MANAGEMENT (Continued)

Process and risk assessments (Continued)

3. Liquidity Risk (Continued)

The following table presents the maturity gap profile of the Company's financial assets and liabilities as of 31 December 2017 and 2016:

		2017							
		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	225.203	-	-	-	-	-	225.203		Cash and cash equivalents
Piutang sewa pembiayaan	-	710.324	915.037	3.604.910	4.209.500	81.036	9.520.807		Finance lease receivables
Piutang pembiayaan konsumen	-	544.545	562.244	2.107.428	2.443.991	410.467	6.068.675		Consumer financing receivables
Piutang karyawan	-	82	226	2.363	10.723	11.212	24.606		Employees receivables
Jumlah aset keuangan	225.203	1.254.951	1.477.507	5.714.701	6.664.214	502.715	15.839.291		Total financial assets
Liabilitas keuangan									Financial liabilities
Pinjaman yang diterima	-	315.559	516.491	2.787.514	3.233.179	-	6.852.743		Fund borrowings
Surat berharga yang diterbitkan	-	-	1.232.000	385.000	2.168.000	133.000	3.918.000		Securities issued
Beban yang masih harus dibayar	-	84.408	-	-	-	-	84.408		Accrued expenses
Liabilitas derivatif	-	2.186	(74)	3.257	(4.553)	-	816		Derivative liabilities
Utang premi asuransi	-	33.910	6.554	2.922	424	-	43.810		Insurance premium payables
Utang kepada dealer	-	23.957	-	-	-	-	23.957		Payable to dealers
Jumlah liabilitas keuangan	-	460.020	1.754.971	3.178.693	5.397.050	133.000	10.923.734		Total financial liabilities
Perbedaan jatuh tempo	225.203	794.931	(277.464)	2.536.008	1.267.164	369.715	4.915.557		Difference in maturity
		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
Piutang sewa pembiayaan	-	547.021	717.380	2.822.214	3.067.902	26.964	7.181.481		Finance lease receivables
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	-	532.802	428.903	1.830.124	1.920.506	9.364	4.721.699		Fund borrowings
Surat berharga yang diterbitkan	-	-	525.000	367.000	1.950.000	133.000	2.975.000		Securities issued
Beban yang masih harus dibayar	-	78.610	-	-	-	-	78.610		Accrued expenses
Utang kepada dealer	-	10.534	9.193	7.104	2.226	-	29.097		Payable to dealers
Utang premi asuransi	-	9.535	-	-	-	-	9.535		Insurance premium payables
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

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35. 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 menghindarkan/ mengurangi potensi penyimpangan.
- Adanya penilaian kinerja yang *fair* dan transparan serta adanya kesempatan untuk pengembangan karir.

5. Risiko Permodalan

Tujuan Perusahaan dan entitas anaknya 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 dan entitas anaknya 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.

35. 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 and its subsidiary'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 and its subsidiary monitor 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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35. MANAJEMEN RISIKO (Lanjutan)

35. RISK MANAGEMENT (Continued)

Proses dan penilaian risiko (Lanjutan)

Process and risk assessments (Continued)

5. Risiko Permodalan (Lanjutan)

5. Capital Risk (Continued)

Struktur Modal Keterangan	PMK No.84/ PMK.012/2006	Struktur Modal Perusahaan/ Company's Capital Structure		Capital Structure
		2017	2016	Description
Modal Disetor (dalam miliar Rupiah)	Minimal Rp 100 miliar/ Minimum Rp 100 billion	399	399	Paid-up Capital (in billion Rupiah)
Rasio Utang Terhadap Ekuitas	Maksimum 10x/ Maximum 10x	2,2	1,8	Debt to Equity Ratio

Pada tahun 2017 dan 2016 tingkat rasio utang terhadap ekuitas Perusahaan masing-masing berada pada kondisi sehat, yaitu 2,2 kali dan 1,8 kali.

As of 2017 and 2016, debt-to-equity ratio level of the Company was healthy at 2.2 times and 1.8 times, respectively.

36. ASET DAN LIABILITAS KEUANGAN

36. FINANCIAL ASSETS AND LIABILITIES

Nilai wajar aset keuangan dan liabilitas keuangan

Fair value of financial assets and financial liabilities

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.

In the following table, financial instrument have been allocated based on their respective. 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.

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.

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.

Tabel berikut menyajikan nilai tercatat dan nilai wajar dari aset keuangan dan liabilitas keuangan Perusahaan pada tanggal 31 Desember 2017 dan 2016:

The following table sets out the carrying value and fair value of financial assets and financial liabilities as of 31 December 2017 and 2016:

2017	Nilai tercatat / Carrying amount						2017
	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	-	225.203	-	225.203	225.203	Cash and cash equivalents	
Piutang sewa pembiayaan - bersih	-	9.435.315	-	9.435.315	9.435.315	Finance lease receivables - net	
Piutang pembiayaan konsumen - bersih	-	5.916.685	-	5.916.685	5.916.685	Consumer financing receivables - net	
Aset lain-lain	-	24.606	-	24.606	24.606	Other assets	
Jumlah	-	15.601.809	-	15.601.809	15.601.809	Total	
Liabilitas keuangan							Financial liabilities
Pinjaman yang diterima	-	-	6.819.052	6.819.052	6.819.052	Fund borrowings	
Beban yang masih harus dibayar	-	-	293.527	293.527	293.527	Accrued expenses	
Surat berharga yang diterbitkan	-	-	3.909.411	3.909.411	3.909.411	Securities issued	
Liabilitas derivatif	817	-	-	(43.529)	817	Derivative liabilities	
Utang lain-lain	-	-	214.721	214.721	214.721	Other payables	
Jumlah	817	-	11.236.711	11.193.182	11.237.528	Total	

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36. ASET DAN LIABILITAS KEUANGAN (Lanjutan)

36. FINANCIAL ASSETS AND LIABILITIES (Continued)

Nilai wajar aset keuangan dan liabilitas keuangan
(Lanjutan)

Fair value of financial assets and financial liabilities
(Continued)

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	
Aset keuangan					
Kas dan setara kas	-	165.388	-	165.388	165.388
Piutang sewa pembiayaan - bersih	-	7.121.175	-	7.121.175	7.121.175
Piutang pembiayaan konsumen - bersih	-	4.462.184	-	4.462.184	4.462.184
Aset derivatif	41.301	-	-	82.395	41.301
Aset lain-lain	-	26.741	-	26.741	26.741
Jumlah	41.301	11.775.488	-	11.857.883	11.816.789
Liabilitas keuangan					
Pinjaman yang diterima	-	-	4.690.939	4.690.939	4.690.939
Beban yang masih harus dibayar	-	-	190.240	190.240	190.240
Surat berharga yang diterbitkan	-	-	2.965.295	2.965.295	2.965.295
Utang lain-lain	-	-	139.914	139.914	139.914
Jumlah	-	-	7.986.388	7.986.388	7.986.388

Metode dan asumsi yang digunakan untuk estimasi nilai wajar adalah sebagai berikut:

The following methods and assumptions are used to estimate the fair value:

- 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 hutang 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.
- Piutang 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.
- Nilai wajar untuk aset keuangan derivatif ditetapkan menggunakan harga pasar.
- 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.
- Finance lease receivables, 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.
- The fair value for derivative financial assets is based on market rates.

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36. 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 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 68, "Pengukuran Nilai Wajar" mensyaratkan pengungkapan atas pengukuran nilai wajar dengan tingkat hirarki nilai wajar sebagai berikut:

- harga kuotasian (tidak disesuaikan) dalam pasar aktif untuk aset atau liabilitas yang identik (tingkat 1);
- 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
- 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.

37. LITIGASI

Perkara perdata antara Perusahaan dengan PT Aryaputra Teguharta (APT) berdasarkan Putusan Mahkamah Agung RI dalam tingkat Peninjauan Kembali Nomor 240PK/Pdt/2006 tertanggal 20 Februari 2007 (Putusan PK No.240) yang telah memiliki kekuatan hukum tetap, pada intinya antara lain menyatakan bahwa :

- Perusahaan dan Direksi Perusahaan dihukum untuk mengembalikan dan menyerahkan saham-saham APT (111.804.732 saham) kepada APT.

Terhadap Putusan PK No.240 tersebut, APT telah mengajukan permohonan Sita Eksekusi kepada Ketua Pengadilan Negeri Jakarta Pusat, namun berdasarkan Penetapan Ketua Pengadilan Negeri Jakarta Pusat Nomor 079/2007.EKS tertanggal 10 Oktober 2007 menyatakan bahwa Putusan PK No.240 tersebut tidak dapat dilaksanakan (*non-executable*).

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 atas Penetapan Non-Executable tersebut di atas. Pada tanggal 23 September 2014, Ketua Pengadilan Negeri Jakarta Pusat mengeluarkan Penetapan Nomor 079/2007.EKS yang menyatakan bahwa Putusan PK No.240 tersebut dapat dilaksanakan (*executable*).

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36. 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 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. 68, "Fair Value Measurement" requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);*
- 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*
- 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.

37. LITIGATION

The legal case between the Company and PT Aryaputra Teguharta (APT) was decided through the judicial review verdict of the Supreme Court of the Republic of Indonesia Number 240PK/Pdt/2006 dated 20 February 2007 (Verdict PK No.240) which is final and binding, states among others:

- *The Company and its directors were sentenced to return and deliver APT shares (111,804,732 shares) to APT.*

APT has filed petition for the implementation of the decision of the PK 240 for "Sita" Execution through the Central Jakarta and South Jakarta District Court, however the Head of the Central Jakarta District Control Degreed that the execution against the decision of the PK 240 was non-executable as stipulated on decision No. 079/2007.EKS dated 10 October 2007.

APT has since repeatedly requested to the successive heads of the Central Jakarta District Court to conduct the Sita Execution against the decision of the PK 240 by cancellation and/or revocation of the Non-Executable Stipulation. On 23 September 2014, the verdict of the Head of Central Jakarta District Court No.079/2007.Eks was issued, which declared that the execution of PK 240 decision is executable.

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37. LITIGASI (Lanjutan)

Dalam rangka pelaksanaan Putusan PK 240 (Eksekusi) berdasarkan Penetapan *Executable* tersebut di atas, Ketua Pengadilan Negeri Jakarta Pusat kembali melakukan proses pemanggilan dan/atau klarifikasi kepada pihak-pihak terkait, yaitu Otoritas Jasa Keuangan (OJK)/BAPEPAM, Bursa Efek Indonesia (BEI), Kustodian Sentral Efek Indonesia (KSEI), APT selaku Pemohon Eksekusi dan Perusahaan selaku Termohon Eksekusi. Berdasarkan hasil klarifikasi yang telah dilakukan, KSEI menyatakan bahwa di dalam administrasi KSEI tidak terdapat pencatatan penitipan saham-saham Perusahaan milik APT sesuai Surat KSEI No.KSEI-6536/DIR/1214 tertanggal 11 Desember 2014.

Selanjutnya berdasarkan proses klarifikasi tersebut, Ketua Pengadilan Negeri Jakarta Pusat kembali menyatakan bahwa eksekusi terhadap Putusan PK 240 dan Penetapan Ketua Pengadilan Negeri Jakarta Pusat Nomor 79/2007.Eks tertanggal 23 September 2014 belum dapat dilaksanakan karena obyek eksekusi berupa saham APT telah dijual dan tidak berada pada penguasaan Para Tergugat lagi.

Pada tanggal 20 November 2017, Perusahaan mengajukan permohonan Peninjauan Kembali kepada Mahkamah Agung RI berdasarkan Surat Edaran Mahkamah Agung RI Nomor 10 Tahun 2009 tertanggal 12 Juni 2009 sesuai Akta Permohonan Peninjauan Kembali Nomor 50/Srt.PK/2017/PN.Jkt.Pst jo Nomor 123/Pdt.G/2003/PN.Jkt.Pst dan Akta Penerimaan Memori Peninjauan Kembali Nomor 50/Srt.PK/2017/PN.Jkt.Pst jo Nomor 123/Pdt.G/2003/PN.Jkt.Pst, masing-masing tertanggal 20 November 2017, sehubungan dengan adanya 2 (dua) Putusan Mahkamah Agung dalam tingkat Peninjauan Kembali (PK) yang bertentangan satu sama lain terhadap obyek perkara yang sama, yaitu Putusan PK No.240 tersebut di atas dengan Putusan Mahkamah Agung RI Nomor 115PK/PDT/2007 tertanggal 19 Juli 2007 (Putusan PK No. 115) antara Perusahaan dengan PT Ongko Multicorpora (OM) terkait dengan Gadai Saham, dimana OM menuntut pengembalian dan penyerahan Saham OM tersebut, namun Mahkamah Agung RI dalam tingkat Peninjauan Kembali telah menolak gugatan OM terhadap Perusahaan melalui Putusan PK No.115 dan telah mempunyai kekuatan hukum tetap.

Manajemen berpendapat bahwa sampai dengan tanggal laporan auditor independen, perkara tersebut tidak akan mempengaruhi kegiatan operasional Perusahaan secara material.

37. LITIGATION (Continued)

In order to execute the PK 240 Decision, the Head of the Central Jakarta District Court had called and clarified with related parties, included Financial Services Authority (OJK), Stock Exchange Indonesia (BEI), Indonesian Central Securities Depository (KSEI), APT as Execution Appellant and the Company as Execution Respondent. Based on the clarifications, KSEI has re-stated that there is no listing of the Company's shares in KSEI administration under the name of APT as per KSEI Letter No.KSEI-6536/DIR/1214 dated 11 December 2014.

Subsequently, in response to the clarification above, the Head of the Central Jakarta District Court restated that the execution of the PK 240 Decision and based on the Stipulation Number 79/2007.Eks dated 23 September 2014 was not yet executable because the object of execution in the form of PT APT shares has been sold and are not in control of the defendants anymore.

On 20 November 2017, the Company has filed a request of Judicial Review to the Supreme Court of the Republic of Indonesia based on the Supreme Court Circular Letter Number 10 Year 2009 dated 12 June 2009 pursuant to Deed of Registration Request Number 50/Srt.PK/2017/PN.Jkt.Pst jo Number 123/Pdt.G/2003/PN.Jkt.Pst and Memorandum of Acceptance Memory Review Number 50/Srt.PK/2017/PN.Jkt.Pst jo Number 123/Pdt.G/2003/PN.Jkt.Pst, respectively dated 20 November 2017, in relation to the existence of 2 (two) Supreme Court Decisions in the level of Judicial Review (PK) contradictory to each other on the same object, namely Decision PK No.240 above with the Supreme Court Decision Number 115PK/PDT/2007 dated 19 July 2007 (Verdict PK No.115) between the Company and PT Ongko Multicorpora (OM) relating to Pledged Shares whereby OM also demanded the return and delivery of the OM Shares, but the Supreme Court of the Republic of Indonesia has rejected the lawsuit of OM (Verdict PK No.115) which is final and binding.

Management believes that up to the reporting date of the independent auditor, the case will not affect the Company's operational activities substantially

These Consolidated Financial Statements are Originally Issued
in Indonesian Language

Ekshibit E/86

Exhibit E/86

**PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2017
(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
(Expressed in millions of Rupiah, unless otherwise stated)**

38. REKLASIFIKASI

Laporan keuangan tahun 2016 di reklasifikasi agar sesuai dengan penyajian laporan keuangan 31 Desember 2017. Rincian reklasifikasi tersebut adalah sebagai berikut:

	Sebelum reklasifikasi/ <i>Before</i> <i>reclassification</i>	Reklasifikasi/ <i>Reclassification</i>	Sesudah reklasifikasi/ <i>After</i> <i>reclassification</i>	
Aset				Asset
Piutang lain-lain	164.090	6.570	170.660	Other receivables
Aset lain-lain	9.780 (	7.673)	2.107	Other assets
Beban dibayar dimuka dan uang muka	41.929	1.103	43.032	Prepaid expenses and advances
Pendapatan				Income
Sewa pembiayaan	1.332.174	343.313	1.675.487	Finance lease
Pembiayaan konsumen	1.068.610	367.748	1.436.358	Consumer financing
Lain-lain	805.083 (	711.061)	94.022	Others

38. RECLASSIFICATIONS

The 2016 financial statements have been reclassified to be consistent with the presentation of the 31 December 2017 financial statements. The details of the reclassifications are as follows:

**39. KEJADIAN PENTING SETELAH TANGGAL LAPORAN POSISI
KEUANGAN**

**Penerbitan Obligasi Berkelanjutan III BFI Finance
Indonesia Tahap IV Tahun 2018**

Pada tanggal laporan keuangan ini diterbitkan, Perusahaan sedang melakukan proses penerbitan Obligasi Berkelanjutan III BFI Finance Indonesia Tahap IV Tahun 2018 dengan jumlah pokok sebesar total Rp 2.165 miliar, dan jadwal pencatatan Obligasi di Bursa Efek Indonesia direncanakan pada awal Maret 2018.

**Susunan Dewan Komisaris, Direksi, Dewan Pengawas
Syariah**

Pada tanggal 15 Januari 2018, Perusahaan telah menerima Asli Salinan Keputusan dari OJK atas nama Asrori S. Karni dan Helda Rahmi Sina masing-masing nomor KEP-104/MB.22/2017 dan KEP-105/NB.22/2017 keduanya tertanggal 27 Desember 2017 yang antara lain menyatakan bahwa Asrori S. Karni dan Helda Rahmi Sina memenuhi persyaratan dan disetujui untuk menjadi Anggota Dewan Pengawas Syariah Perusahaan dan keputusan tersebut mulai berlaku pada tanggal ditetapkan yaitu 27 Desember 2017.

Selanjutnya, susunan Direksi, Dewan Komisaris dan Dewan Pengawas Syariah Perusahaan berdasarkan Akta Berita Acara RUPSLB Perusahaan No. 6 tanggal 25 Oktober 2017 juncto akta Pernyataan Keputusan Rapat No. 19 tanggal 21 Desember 2017 yang dibuat di hadapan Herna Gunawan, S.H., M.Kn. Notaris di Tangerang sebagaimana disajikan pada bagian Exhibit E9-Umum 1f, telah diterima oleh dan dicatat pada Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia dalam Surat No. AHU-AH.01.03-0027398 tanggal 19 Januari 2018.

Pada tanggal 15 Februari 2018, Perusahaan telah menerima Salinan Keputusan Dewan Komisiner Otoritas Jasa Keuangan Nomor Kep-27/NB.223/2018 tentang Pemberian Izin Pembukaan Unit Usaha Syariah Perusahaan Pembiayaan kepada Perusahaan, dan keputusan tersebut mulai berlaku pada tanggal ditetapkan yaitu 8 Februari 2018.

39. SUBSEQUENT EVENTS

**Issuance of Obligasi Berkelanjutan III BFI Finance
Indonesia Tahap IV Tahun 2018**

As of this report was published, the Company is in the process of issuing Obligasi Berkelanjutan III BFI Finance Indonesia Tahap IV Tahun 2018 with a total principal amount of Rp 2,165 billion, with a bond listing in the Indonesia Stock Exchange schedule on beginning of March 2018.

**Composition Boards of Commissioners, Directors, Sharia
Supervisory Board**

As of 15 January 2018, the Company has received the Original Copy of Decision from OJK on behalf of Asrori S. Karni and Helda Rahmi Sina respectively KEP-104/MB.22/2017 and KEP-105/NB.22/2017 both dated 27 December 2017 which among others states that Asrori S. Karni and Helda Rahmi Sina are eligible and approved to become Members of the Sharia Supervisory Board of the Company and the decree shall come into force as from the date of stipulation on 27 December 2017.

Further, the composition of the Board of Directors, Board of Commissioners and the Sharia Supervisory Board of the Company based on Deed of Company's EGMS No. 6 dated 25 October 2017 in conjunction with the Deed of Meeting Decision Letter No. 19 dated 21 December 2017 made before Herna Gunawan, S.H., M.Kn. Notary in Tangerang as presented in section Exhibit E9-General 1f, has been received by and recorded in the Ministry of Justice and Human Rights of the Republic of Indonesia in its Letter no. AHU-AH.01.03-0027398 dated 19 January 2018.

As of 15 February 2018, the Company has received the Original Copy of Decision from Commissioners of the Financial Services Authority (OJK) Number Kep-27/NB.223/2018 concerning the license to open sharia financing business unit to the Company, and the decree shall come into force as of the date of stipulation, 8 February 2018.

*These Consolidated Financial Statements are Originally Issued
in Indonesian Language*

Ekshibit E/87

Exhibit E/87

**PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2017
(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
(Expressed in millions of Rupiah, unless otherwise stated)**

**39. KEJADIAN PENTING SETELAH TANGGAL LAPORAN POSISI
KEUANGAN (Lanjutan)**

39. SUBSEQUENT EVENTS (Continued)

Litigasi

Litigation

Pada tanggal 26 Januari 2018, Pengadilan Negeri Jakarta Pusat kembali mengeluarkan Penetapan bahwa pelaksanaan eksekusi perkara atas putusan PK 240 tersebut tidak dapat dilaksanakan (*non-executable*) sesuai Penetapan No. 079/2007.Eks. Penetapan ini dibuat sebagai tindak lanjut atas Surat Permohonan APT No.Ref.001/XI/Dir-APT/2017 tertanggal 29 November 2017, yang untuk kesekian kalinya kembali mengajukan permohonan lanjutan perkembangan serta kepastian hukum pelaksanaan Putusan PK 240 tersebut di atas (Eksekusi).

On 26 January 2018, the Central Jakarta District Court reaffirmed that the Execution of the case against the decision of PK 240 is non-executable as stipulated on the issuance of Decree No. 079/2007.EKS. This decree is made as a response to APT Application Letter No.Ref.001/XI/Dir-APT/2017 dated 29 November 2017, which repeatedly requested for further review of the legal standing for the implementation of the Decision PK 240 (Execution).

Hingga saat ini, hasil pengajuan peninjauan kembali belum diketahui

Until today, the judicial review result is not yet known.



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This report is originally issued in Indonesian language

No. : 160/2.BG08/FH.1/12.17
 Hal : Laporan Keuangan Konsolidasian
 31 Desember 2017

No. : 160/2.BG08/FH.1/12.17
 Re : Consolidated Financial Statements
 31 December 2017

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 konsolidasian PT BFI Finance Indonesia Tbk ("Perusahaan") dan Entitas Anaknya terlampir, yang terdiri dari laporan posisi keuangan konsolidasian tanggal 31 Desember 2017, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas konsolidasian untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

We have audited the accompanying consolidated financial statements of PT BFI Finance Indonesia Tbk ("The Company") and its Subsidiary, which comprise the consolidated statements of financial position as of 31 December 2017, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Tanggung jawab manajemen atas laporan keuangan konsolidasian

Management's responsibility for the consolidated financial statements

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan konsolidasian tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan konsolidasian yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Management is responsible for the preparation and fair presentation of such consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Tanggung jawab auditor

Auditors' responsibility

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan konsolidasian tersebut berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan yang memadai tentang apakah laporan keuangan konsolidasian bebas dari kesalahan penyajian material.

Our responsibility is to express an opinion on such consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such consolidated financial statements are free from material misstatement.

TANUBRATA SUTANTO FAHMI BAMBANG & REKAN

Tanubrata Sutanto Fahmi Bambang & Rekan (Certified Public Accountants), an Indonesian partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of International BDO network of independent member firms.

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 konsolidasian terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan konsolidasian Perusahaan dan Entitas Anaknya tanggal 31 Desember 2017, serta kinerja keuangan dan arus kas konsolidasiannya 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company and its Subsidiary as of 31 December 2017, and their consolidated 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



Fahmi, SE, Ak, CPA, CA
NIAP AP.0124/
Licence No. AP.0124

19 Februari 2018/ 19 February 2018

TY/yn

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 Finance 2016 Sustainability Report and has reiterated the definition of 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.

In this report, there were no changes of material aspects from those stated in BFI Finance 2016 Sustainability Report. The Company emphasizes on four of its Social Responsibility aspects, consisting of (1) environment, (2) employment practices, health and occupational safety, (3) social and community development, and (4) responsibility to consumers.

Graphic 29: BFI Materiality Matrix

Influence on BFI Finance's stakeholders' perceptions	Very High			<ul style="list-style-type: none"> GCG (page 162-267) Business Development (page 104-130)
	High	<ul style="list-style-type: none"> Environmental Conservation (page 273) Social and Community Development* [page 274-277] 	<ul style="list-style-type: none"> Human Resources* (page 86-98) Education and Training* (page 89-91) Responsibility to Consumers* (page 106-109, 278) 	
	Medium		<ul style="list-style-type: none"> Employee Productivity (page 92) 	
		Medium	High	Very High
Impact to BFI Finance's sustainability				

Note: *Topic has been shown in previous report

MATERIAL ASPECTS AND THE COMPANY'S SUPPLIER CHAIN

As a financial services company, BFI Finance has a number of supply chains that are relatively simpler than those found in manufacturing companies. BFI Finance’s main suppliers consist of dealers and suppliers that provide items to be financed by BFI Finance, general and life insurance companies, consultants that provide various services including IT, and suppliers of office goods and services. All of BFI Finance’s main business processes are executed only by internal parties.

In 2017 there were 828 suppliers in cooperation with BFI Finance. As many as 100% are local suppliers, defined as those with a domicile in the country. In 2017 there were no significant changes to the Company’s supply chain across its operations.

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.

Tabel 134: List of Material Topics And Their Boundaries In BFI Finance

NO.	TOPIC	INTERNAL		EXTERNAL	
		BFI FINANCE	CUSTOMERS	SUPPLIERS	PUBLIC
1.	GCG	√		√	
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, employees, business partners, the public, and 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.

Tabel 135: Summary of BFI Finance's Stakeholder Issues in 2017

STAKEHOLDER GROUP	ENGAGEMENT METHOD	ISSUES RAISED IN 2017
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, GMS	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 Finance also engages its stakeholders by participating in relevant external organizations that support the achievement of the Company's goals. BFI Finance participates in the following organizations:

1. Indonesian Financial Services Association (IFSA / APPI) as member;
2. Indonesian Public Listed Companies 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.

GLOSSARY

AGMS	Annual General Meeting of Shareholders
BOC	Board of Commissioners
BOD	Board of Directors
CAGR	Compound Average Growth Rate
CSR	Corporate Social Responsibility
EGMS	Extraordinary General Meeting of Shareholders
GCG	Good Corporate Governance
GDP	Gross Domestic Product
GMS	General Meeting of Shareholders
HC	Human Capital
IDX	Indonesia Stock Exchange
IT	Information Technology
KNKG	Komite Nasional Kebijakan Governance/The National Committee on Governance
KPI	Key Performance Indicators
KSEI	Kustodian Sentral Efek Indonesia/Indonesian Central Securities Depository
MESOP	Management and Employee Stock Options Program

MIS	Management Information System
MPV	Multipurpose Vehicles
MTN	Medium Term Notes
NPF	Non-Performing Financing
OJK	Otoritas Jasa Keuangan/Financial Services Authority
POJK	Peraturan Otoritas Jasa Keuangan/Financial Services Authority Regulation
Rp	Rupiah
SFAS	Statement of Financial Accounting Standards
SEOJK	Surat Edaran Otoritas Jasa Keuangan/Financial Services Authority Circullar Letter
SK	Surat Keputusan/Decree
SLA	Service Level Agreement
SME	Small Medium Enterprises
SOP	Standard Operating Procedure
USD	US dollar

OJK Circular No. 30/SEOJK.04/2016 – Form and Content of Annual Report of Public Companies
SEOJK NOMOR 30/SEOJK.04/2016

1. 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.	√ √ √
2. ANNUAL REPORT CONTENT	
1. General Requirements a. The Annual Report must contain information regarding: 1) Significant Financial Highlights 2) Share Information (if any) 3) Board of Directors Report 4) Board of Commissioners Report 5) Company Profile 6) Management Discussion and Analysis 7) Corporate Governance 8) Corporate Social and Environment Responsibility of Public Company 9) Audited Financial Statements 10) Statement from the Board of Directors and Board of Commissioners on the responsibility for the accuracy of the Annual Report's content.	√
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. 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: a) Revenue/Sales b) Gross profit c) Income (loss) d) Total Income (loss) attributed to the shareholders of the holding company and the interest of the non-controlling e) Total comprehensive income (loss) f) Total comprehensive income (loss) attributed to the shareholders of the holding company and the interest of the non-controlling g) Earnings per share h) Total assets i) Total liabilities j) Total equity k) Return on assets l) Return on equity m) Net profit (loss) margin n) Current ratio o) Liabilities to equity ratio p) Liabilities to assets ratio q) Other information or financial ratios relevant to the company and the industry	8–9
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 b) Market capitalization c) Highest, lowest, and closing prices d) Trading volume	10

<p>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:</p> <p>a) Date of corporate action</p> <p>b) Stock split ratio, reverse stock ratio, dividend shares, bonus shares, and changes in the shares' par value</p> <p>c) Total number of shares outstanding before and after the corporate action</p> <p>d) Share price before and after the corporate action</p> <p>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.</p> <p>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.</p>	<p>74, 266</p> <p>N/A</p> <p>N/A</p>
<p>c. Report of the Board of Directors</p> <p>The report of the board of directors must contain at least the following:</p> <p>1) Description on the company's performance, consisting at least:</p> <p>a) The Company's of strategic policy</p> <p>b) Comparison between the results achieved and the targets</p> <p>c) The challenges faced by the company</p> <p>2) Overview of the company's business prospect</p> <p>3) implementation of corporate governance</p> <p>4) Changes in the composition of the board of directors and the reason for such changes (if any).</p>	<p>30-35</p> <p>32-24</p> <p>35</p> <p>34</p> <p>35</p>
<p>d. Report of the Board of Commissioners</p> <p>The report of the board of commissioners must contain at least the following:</p> <p>1) Assessment of the directors' performance in managing the company</p> <p>2) Supervision on the implementation of the company's strategy</p> <p>3) View on the company's business prospect as prepared by the board of directors</p> <p>4) View on the company's governance implementation</p> <p>5) Changes in the composition of the board of commissioners and the reason for such changes (if any)</p> <p>6) Frequency and mechanism for advising the members of the board of directors</p>	<p>24-29</p> <p>26-27</p> <p>26-29</p> <p>29</p> <p>27-28</p> <p>29</p> <p>28</p>
<p>e. Company Profile</p> <p>The company profile section must contain at least the following:</p> <p>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.</p> <p>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.</p> <p>3) The company's brief history.</p> <p>4) The company's vision and mission.</p> <p>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.</p> <p>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.</p> <p>7) Profiles of the members of the board of directors, including at least:</p> <p>a) Name and brief description on the duties and functions of each</p> <p>b) Latest photograph</p> <p>c) Age</p> <p>d) Nationality</p> <p>e) Education history</p> <p>f) Employment history, including:</p> <p>i. Legal basis of initial appointment in the company</p> <p>ii. Concurrent positions, either as director, commissioner, and/or committee member and other positions (if any)</p> <p>iii. Work experience in and outside of the company</p> <p>g) Training programs taken to improve competence throughout the reporting year (if any)</p> <p>h) Disclosure on the affiliation with other members of the board of directors and the shareholders (if any).</p>	<p>38</p> <p>38, 280-287</p> <p>42-44</p> <p>39</p> <p>46-47</p> <p>50-51</p> <p>58-60</p> <p>201</p> <p>207</p> <p>211</p> <p>206</p>

<p>8) Profiles of the members of the board of commissioners, including at least:</p> <ul style="list-style-type: none"> a) Name b) Latest photograph c) Age d) Nationality e) Education history f) Employment history, including: <ul style="list-style-type: none"> i. Legal basis of appointment in the company as member of the board of commissioners, which is not as independent commissioner at the company ii. Legal basis of initial appointment in the company as member of the board of commissioner, which is as independent commissioner at the company iii. Concurrent positions, either as director, commissioner, and/or committee member and other positions (if any) iv. Work experience in and outside of the company g) Training programs taken to improve competence throughout the reporting year (if any) h) Disclosure on the affiliation with other members of the board of directors and the shareholders (if any) 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) <p>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.</p> <p>10) Number of employees and description on their level of education and age group within the reporting year.</p> <p>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:</p> <ul style="list-style-type: none"> a) Shareholders with ownership of more than 5% or more in the company b) commissioners and directors that own the company's shares c) Public shareholders (less than 5%) <p>12) Number of shareholders and percentage of ownership of the company's shares based on:</p> <ul style="list-style-type: none"> a) Ownership by local institutions b) Ownership by foreign institutions c) Ownership by local individuals d) Ownership by foreign individuals <p>13) Information on the ultimate and controlling shareholders of the company, both directly and indirectly, up to the individual shareholders, presented in the form of a chart or diagram.</p> <p>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.</p> <p>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).</p> <p>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).</p> <p>17) Names and addresses of capital market supporting institutions and professions.</p> <p>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.</p> <p>19) Awards and/or certifications obtained by the company, both on the national and international level within the reporting year (if any), containing:</p> <ul style="list-style-type: none"> a) Name of the award/certification b) Name of the awarding/certifying institution c) Validity period of the award and/or certification (if any) 	<p>54-57</p> <p>189</p> <p>194</p> <p>198-199 192-193 193-194</p> <p>189, 201</p> <p>86-101 68-69</p> <p>69</p> <p>69</p> <p>83</p> <p>70-74</p> <p>75-82</p> <p>83 83</p> <p>20-23</p>
<p>f Management Discussion and Analysis</p> <p>The management discussion and analysis section analyzes and discusses the financial statements of the company as well as other material information with emphasis on material changes occurring during the reporting period, including at least:</p> <p>1) Operational review for each segment of operations in line with the company's business, containing, among others:</p> <ul style="list-style-type: none"> a. Production, including process, capacity, and expansion b. Sales/revenue c. Profitability 	<p>119-125 144-145 148-149</p>

2) A comprehensive analysis on the financial statements that includes the comparison between the financial performance in the last 2 (two) fiscal years, and the explanation for the causes of the changes as well as the impact of such changes, including among others:	
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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	

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:	157-158
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g. Corporate Governance	
The corporate governance section must include brief description on at least the following:	
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b) Statement that the board of directors has a board of directors guideline or charter	202
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e) The company's policy on the board of directors' and the board of commissioners' performance assessment and the implementation thereof, at least including:	197, 210
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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	
ii. Nomination and remuneration procedures taking place in the reporting year	N/A
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<p>4) Audit committee, including among others:</p> <ul style="list-style-type: none"> a) Names and positions in the committee b) Age c) Nationality d) Education history e) Employment history, including: <ul style="list-style-type: none"> i. Legal basis of appointment in the company as member of the committee ii. Concurrent positions, either as director, commissioner, and/or committee member and other positions (if any) iii. Work experience in and outside of the company f) Term of office and the period as member of the audit committee g) Statement of independence of the audit committee h) Disclosure on the company's policy and its implementation regarding the meetings of the audit committee and the attendance of members of the audit committee in these meetings i) Education and/or training participated in within the reporting year (if any) j) Audit committee's activities in the reporting year as stipulated in the audit committee charter 	<p>213-217</p> <p>62</p> <p>215</p> <p>215</p> <p>216</p> <p>N/A</p> <p>217</p>
<p>5) Other committees in the company that have been established to assist the board of directors and/or the board of commissioners, such as the nomination and remuneration committee, at least containing information on:</p> <ul style="list-style-type: none"> a) Names and positions in the committee b) Age c) Nationality d) Education history e) Employment history, including: <ul style="list-style-type: none"> i. Legal basis of appointment in the company as member of the committee ii. Concurrent positions, either as director, commissioner, and/or committee member and other positions (if any) iii. Work experience in and outside of the company f) Term of office and the period as member of the audit committee g) Description of duties and responsibilities h) Statement that the committee charter is present i) Statement of of independence of the committee j) Disclosure on the company's policy and its implementation regarding the meetings of the committee and the attendance of members of the committee in these meetings k) Education and/or training participated in within the reporting year (if any) l) The committee's activities in the reporting year <p>6) Corporate secretary, including among others:</p> <ul style="list-style-type: none"> a) Name b) Domicile c) Employment history, including: <ul style="list-style-type: none"> i. Legal basis of appointment as corporate secretary ii. Work experience and the respective period of work within and outside of the company d) Education history e) Education and/or training participated in within the reporting year (if any) f) Brief description of the corporate secretary's activities in the reporting year <p>7) Internal audit unit, including among others:</p> <ul style="list-style-type: none"> a) Name of the head of internal audit b) Employment history, including: <ul style="list-style-type: none"> i. Legal basis of appointment as head of internal audit ii. Work experience and the respective period of work within and outside of the company c) Qualifications and certifications related to the internal audit profession (if any) d) Education and/or training participated in within the reporting year (if any) e) structure and position of the internal audit unit f) Duties and responsibilities of the internal g) Statement that the internal audit charter is present h) Brief description on the execution of duties of the internal audit within the reporting year 	<p>218-225</p> <p>63-64</p> <p>219, 223</p> <p>218, 221</p> <p>221</p> <p>219, 223</p> <p>N/A</p> <p>220-225</p> <p>226-227</p> <p>58, 227</p> <p>227</p> <p>211</p> <p>227</p> <p>228-231</p> <p>231</p> <p>230</p> <p>228</p> <p>228-229</p> <p>228-229</p> <p>228</p> <p>231</p>

	<p>8) Description on internal control system implemented in the company, including at least the following:</p> <ul style="list-style-type: none"> a) Operational and financial control, and compliance with pertinent regulations b) Review on the effectiveness of the internal control system <p>9) Risk management system implemented in the company, including at least the following:</p> <ul style="list-style-type: none"> a) Overview of the company's risk management system b) Risk categories and risk mitigation measures c) Review on the effectiveness of the company's risk management system 	<p>244-245</p> <p>234-243</p>
	<p>10) Litigations involving the company, its subsidiaries, and the current members of the board of directors and the board of commissioners, including among others:</p> <ul style="list-style-type: none"> a) Case material b) Case status c) Impact on the company's condition <p>11) Information on administrative sanctions received by the company, members of the board of commissioners and the board of directors, from capital market or other authorities within the reporting year.</p> <p>12) Information on the company's code of conduct, including:</p> <ul style="list-style-type: none"> a) Components of the code of conduct b) Form of dissemination of the code of conduct and means to enforce the code of conduct c) Statement that the code of conduct applies to the board of directors, the board of commissioners, and the employees of the company <p>13) Information on the company's corporate culture or values (if any).</p> <p>14) Description on employee/management share ownership program conducted by the company, containing, among others:</p> <ul style="list-style-type: none"> a) Amount of shares and/or options b) Program term c) Employee/management requirements for eligibility d) Exercise price <p>15) Description on the company's whistleblowing system, including, among others:</p> <ul style="list-style-type: none"> a) Whistleblowing mechanism b) Protection for whistleblowers c) Handling of reports d) Party handling the reports e) Results of the handling of reports, at least concerning: <ul style="list-style-type: none"> i. The number of reports received and processed in the reporting year ii. Follow up of the reports <p>16) Implementation of the corporate governance guidelines should the company issue equity-based securities, including:</p> <ul style="list-style-type: none"> a) Statement on the recommendations that have been implemented and/or b) Explanation regarding the recommendations that have not been implemented, along with the reasons and alternative measures (if any) 	<p>246-253</p> <p>253</p> <p>259-261</p> <p>40-41 72-73, 143, 266</p> <p>264-265</p> <p>162-172, 267</p>
	<p>h. Corporate Social and Environmental Responsibility</p> <p>1) Description on corporate social responsibility, including the policy, programs, and expenditures, for among others the following aspects:</p> <ul style="list-style-type: none"> a. Environment, such as: <ul style="list-style-type: none"> i. The use of environmentally-friendly and renewable/recyclable materials and energy ii. The company's waste management system iii. Mechanisms for submitting complaints on environmental issues d. Environmental certifications b. Practices related to labor and occupational health and safety, such as: <ul style="list-style-type: none"> i. Gender equality and equal opportunity for work ii. Work facilities and work opportunity iii. Employee turnover rate iv. Occupational incident rate v. Employee training and/or development vi. Remuneration vii. Mechanisms for submitting complaints on labor-related issues 	<p>270-279</p> <p>273</p> <p>86-98, 277-278</p>

	<p>c. Social and community development, such as:</p> <ul style="list-style-type: none"> i. Utilization of local workforce ii. Community empowerment in the company's operational areas, among others through the use of raw materials produced by local society or the provision of education iii. Development of social facilities and infrastructure iv. Other donations and v. Communications on the policies and procedures on anti-corruption, and training on anti-corruption 	274-277, 279
	<p>d. Product and/or service responsibility, such as:</p> <ul style="list-style-type: none"> i. Consumer health and safety ii. Product/service information iii. Facility, number of customer complaints and the resolution thereof 	278
	<p>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.</p> <p>3) The sustainability report as discussed in point 2 above must be submitted together with the annual report.</p>	N/A N/A
	<p>i. Audited Financial Statements</p> <p>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.</p>	√
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INTEGRATED ANNUAL REPORT