



# EMBRACING A NEW NORMAL

Integrated  
Annual Report

2018

PT BFI Finance Indonesia Tbk

## COVER STORY

Throughout history, human fingerprints have always been a means of identification, yet over the course of time, their functions have significantly evolved. From ink fingerprinting to fingerprint recognition feature on the latest mobile devices, innovation in fingerprint identification technology has progressed rapidly. The need for fingerprint identification, however, shows that even the most sophisticated technology still requires human touch. This human touch remains important, even as we become more reliant on technology.

This is illustrated in BFI Finance's cover concept for this year. The Company is a customer centric business that strives to evolve with its customers and continuously improve the way it does business to serve them better. But all along recognizing the importance of human interaction to understand the customer better and never leaving them behind.

### 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 these Integrated Annual Report and Financial Statements 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 Annual Financial Statements.

# EMBRACING A NEW NORMAL

The only constant is change. In line with the constant evolution of technology and the way businesses are run, BFI Finance continuously strives to be a trusted provider of financial services in Indonesia, for many generations to come. We cannot stress enough how important it is to build an organization that is dynamic and nimble, with employees who are adaptable and always ready to accept new challenges. “Embracing a New Normal”, our theme for 2018, aptly describes this mindset of change.

We have to grow with our customers, as well as constantly adjust and recalibrate our strategy to meet customers’ needs. The role of information technology, therefore, is crucial in growing and supporting modern business. Requisite IT capacity and capabilities will provide the Company with greater flexibility in offering a wider range of products and services, as well as in supporting efficient business operations and risk management.

Additionally, flexible operational and transactional experiences will boost the Company’s growth in line with the evolving customer needs and expectations.

Internally, BFI Finance has always adopted new approaches and methodologies for better organizational culture and improved agility. Together with customers, we are evolving by retaining a new generation of employees who are more technologically savvy and innovative. Through these initiatives, the Company continues its effort to identify and develop new leaders, who will propel BFI Finance forward and make it stay relevant today and in the future.



# THEME CONTINUITY



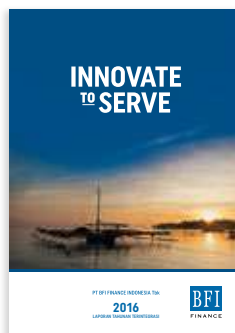
## EMBRACING A NEW NORMAL

In today's world, information technology's role in supporting the Company's performance and as business process catalyst is increasingly crucial. Aiming to develop services to consistently meet customer needs and expectations, the Company has aligned its business strategies and is focused on continuing to provide better services to its customers, while accelerating the development of digital-based information technology, to address modern challenges and evolve together with its customers.



## 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.

# INTRODUCTION TO INTEGRATED REPORTING

BFI Finance presents this 2018 Annual Report in the form of an Integrated Report. This report describes how the maintaining balance along the Triple Bottom Line (Profit-People-Planet) has contributed to BFI Finance's long-term achievements and how the Company, engaged in the financial services industry, is focused on innovation in order to fulfill the aspirations of shareholders, interact across generations, cater the various needs of our customers and business partners that always move dynamically with the times and technology, and create sustainable added value.

## REPORTING REFERENCES

This 2018 Integrated Report of BFI Finance combines the Annual Report (including the financial statements from independent auditor) and the Sustainability Report. This practice has been ongoing since 2016, with the publication of the BFI Finance 2016 Integrated Report as the first edition of the Integrated Report, on 24 March 2017.

The 2018 Integrated Report covers a reporting period spanning from 1 January until 31 December 2018. The Company publishes the Integrated Report once every year.

In its preparation, this report refers to the prevailing laws and regulations that pertain 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 presented in this report are in line with the prevailing SFAS 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 2018 Integrated Report.

The integration of the financial and non-financial reporting in this report has been prepared following the

principal guidelines from the International Integrated Reporting Framework issued by the International Integrated Reporting Council. This report presents various non-financial topics that are material for BFI Finance and the views of its stakeholders. The report's theme, "Embracing a New Normal", has been chosen for reasons explained in the Theme Explanation section (see page 1).

## SCOPE AND RESTATEMENTS

The reporting scope in the Company's 2018 Consolidated Financial Statements included all of the Company's business operations and its subsidiaries.

In this 2018 Integrated Reporting, the Company did not make any restatements on any of the data it had presented in its 2017 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.

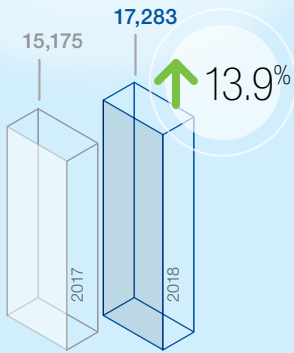
In keeping with its name, the Integrated Report presents how the resources owned by the Company interact with the external environment and the existing sources of capital, in order to create added value in the short, medium, and long term.

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

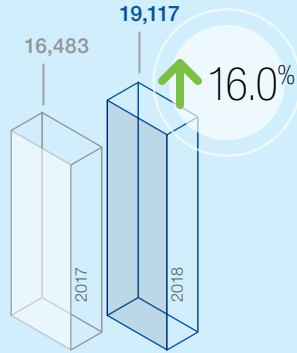
More on the IR framework and its supporting information is available on <https://integratedreporting.org>.

# FINANCIAL HIGHLIGHTS

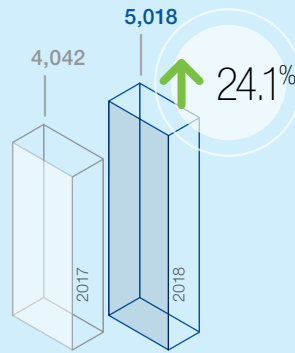
**Net Financing Receivables**  
(Rp billion)



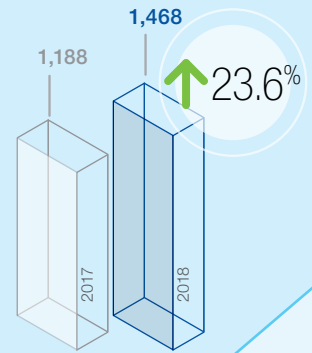
**Total Assets**  
(Rp billion)



**Total Revenue**  
(Rp billion)



**Profit for the Year**  
(Rp billion)



## KEY HIGHLIGHTS 2018

### KEY RATIOS

**ROAA**  
10.3%

**ROAE**  
26.4%

**NPF**  
1.21%

### MANAGED RECEIVABLES BY ASSET TYPE

9.4%

Motorcycle

73.7%  
Car

1.6%

Property and Others

Heavy Equipment

15.3%



## DISTRIBUTION OF OUTLETS

401 outlets

22 are sharia branches

- Java & Bali 55.3%
- Eastern Indonesia 17.5%
- Sumatera 17.5%
- Kalimantan 9.7%

## STRUCTURE OF SHAREHOLDERS

- Trinugraha Capital & Co SCA **42.80%**
- Others (each below 5%) **41.02%**
- NT Asian Discovery Fund **9.90%**
- PT BFI Finance Indonesia Tbk **6.28%**



↑ 20.7%

565,648

CONTRACTS



11,171 EMPLOYEES



## AWARDS



*Hat-trick* for the Top Position of Infobank Multifinance Awards in “Multifinance Companies with Assets Above Rp10 Trillion” category (2016-2018)



Platinum Trophy of Infobank Multifinance Awards 2018 for “Excellent Financial Performance” ten years in a row (2008-2017)



HR Asia Awards Indonesia “Best Companies to Work For in Asia” two years in a row (2017-2018)



The First Rank for Top 20 Financial Institutions 2018 in Multifinance category from The Finance

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“Being healthy is the key to success,” this slogan has always become a guide for all our employees. Exercise is no longer an obligation, but it has become our necessity to continue to be strong in embracing the new era.



# 2018 Performance Highlights

- 10 Key Financial Highlights
- 12 Share Highlights
- 15 Bonds Highlights
- 16 Important Events in 2018
- 24 Awards and Accolades



# 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  | 2016          | 2017          | 2018          |
|--|---------------|---------------|---------------|
| <b>Consolidated Statement of Profit or Loss and Other Comprehensive Income</b> |               |               |               |
| Financing Income   | 3,112         | 3,936         | 4,893         |
| Others   | 115           | 106           | 125           |
| <b>Total Income</b>  | <b>3,227</b>  | <b>4,042</b>  | <b>5,018</b>  |
| Interest and Financing Charges   | 792           | 895           | 1,036         |
| Salaries and Benefits  | 716           | 869           | 1,050         |
| General and Administrative   | 392           | 482           | 567           |
| Provision for Impairment Losses  | 273           | 303           | 509           |
| Others   | 29            | 5             | 16            |
| <b>Total Expenses</b>  | <b>2,202</b>  | <b>2,554</b>  | <b>3,178</b>  |
| Profit Before Tax  | 1,025         | 1,488         | 1,840         |
| Income Tax Expense   | 227           | 300           | 372           |
| <b>Profit for the Year</b>   | <b>798</b>    | <b>1,188</b>  | <b>1,468</b>  |
| Other Comprehensive Income for the Year - Net of Tax                           | (63)          | (29)          | 71            |
| <b>Total Comprehensive Income for the Year</b>                                 | <b>735</b>    | <b>1,159</b>  | <b>1,539</b>  |
| <b>Consolidated Statement of Financial Position</b>                            |               |               |               |
| Cash and Cash Equivalents  | 165           | 225           | 755           |
| Net Financing Receivables  | 11,583        | 15,175        | 17,283        |
| Other Receivables - Net  | 171           | 414           | 198           |
| Derivative Assets  | 0             | 0             | 110           |
| Fixed Assets - Net   | 414           | 457           | 530           |
| Intangible Assets - Net  | 20            | 20            | 32            |
| Other Assets   | 123           | 192           | 209           |
| <b>Total Assets</b>  | <b>12,476</b> | <b>16,483</b> | <b>19,117</b> |
| Fund Borrowings  | 4,691         | 6,819         | 6,900         |
| Securities Issued - Net  | 2,965         | 3,909         | 5,196         |
| Other Payables   | 565           | 851           | 817           |
| <b>Total Liabilities</b>   | <b>8,221</b>  | <b>11,579</b> | <b>12,913</b> |

| Description  | 2016          | 2017          | 2018          |
|--|---------------|---------------|---------------|
| Equity   | 4,255         | 4,904         | 6,204         |
| <b>Total Liabilities and Equity</b>                    | <b>12,476</b> | <b>16,483</b> | <b>19,117</b> |
| <b>Shares Data</b>                                     |               |               |               |
| Share Outstanding (million)*                           | 15,967        | 15,967        | 15,967        |
| Basic Earnings per Share (Full Amount of Rupiah)*      | 52            | 79            | 98            |
| Dividend per Share (Full Amount of Rupiah)*            | 26            | 39            | - **          |
| <b>Ratios</b>  |               |               |               |
| <b>Profitability</b>                                   |               |               |               |
| Return on Average Assets (ROAA)***                     | 8.5%          | 10.3%         | 10.3%         |
| Return on Average Equity (ROAE)****                    | 19.3%         | 25.9%         | 26.4%         |
| Profit for the Year / Total Income                     | 24.7%         | 29.4%         | 29.2%         |
| <b>Asset Quality</b>                                   |               |               |               |
| NPF (including Joint Financing)                        | 0.91%         | 0.95%         | 1.21%         |
| Allowance for Impairment Losses on Managed Receivables | 1.4%          | 1.5%          | 2.1%          |
| Coverage of NPF  | 1.5 x         | 1.6 x         | 1.7 x         |
| <b>Liquidity</b>                                       |               |               |               |
| Liquidity Ratio <sup>^</sup>                           | 1.7 x         | 1.5 x         | 1.4 x         |
| Asset Solvency <sup>^^</sup>                           | 0.7 x         | 0.7 x         | 0.7 x         |
| Gearing Ratio <sup>^^^</sup>                           | 1.8 x         | 2.2 x         | 1.9 x         |
| <b>Other Relevant Financial Ratios</b>                 |               |               |               |
| Financing-to-Assets Ratio                              | 92.8%         | 92.1%         | 90.4%         |
| Equity-to-Paid-up-Capital Ratio                        | 1,065.9%      | 1,228.6%      | 1,554.1%      |
| Operational Efficiency Ratio                           | 69.8%         | 64.8%         | 64.6%         |
| <b>Other Information</b>                               |               |               |               |
| Number of Outlets <sup>^^^^</sup>                      | 305           | 342           | 401           |
| Number of Employees                                    | 8,941         | 9,884         | 11,171        |

\* Restated to reflect the 10-for-1 Stock Split in May 2017

\*\* Waiting for the resolution of the 2019 GMS

\*\*\* Profit Before Tax / Average Assets

\*\*\*\* Profit for the Year / Average Equity

<sup>^</sup> Current Assets / Current Liabilities

<sup>^^</sup> Total Liabilities / Total Assets

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

<sup>^^^^</sup> Consists of 228 branches (including 22 sharia branches) and 173 kiosks

# SHARE HIGHLIGHTS

**TABLE 2 History of Share Issuance**

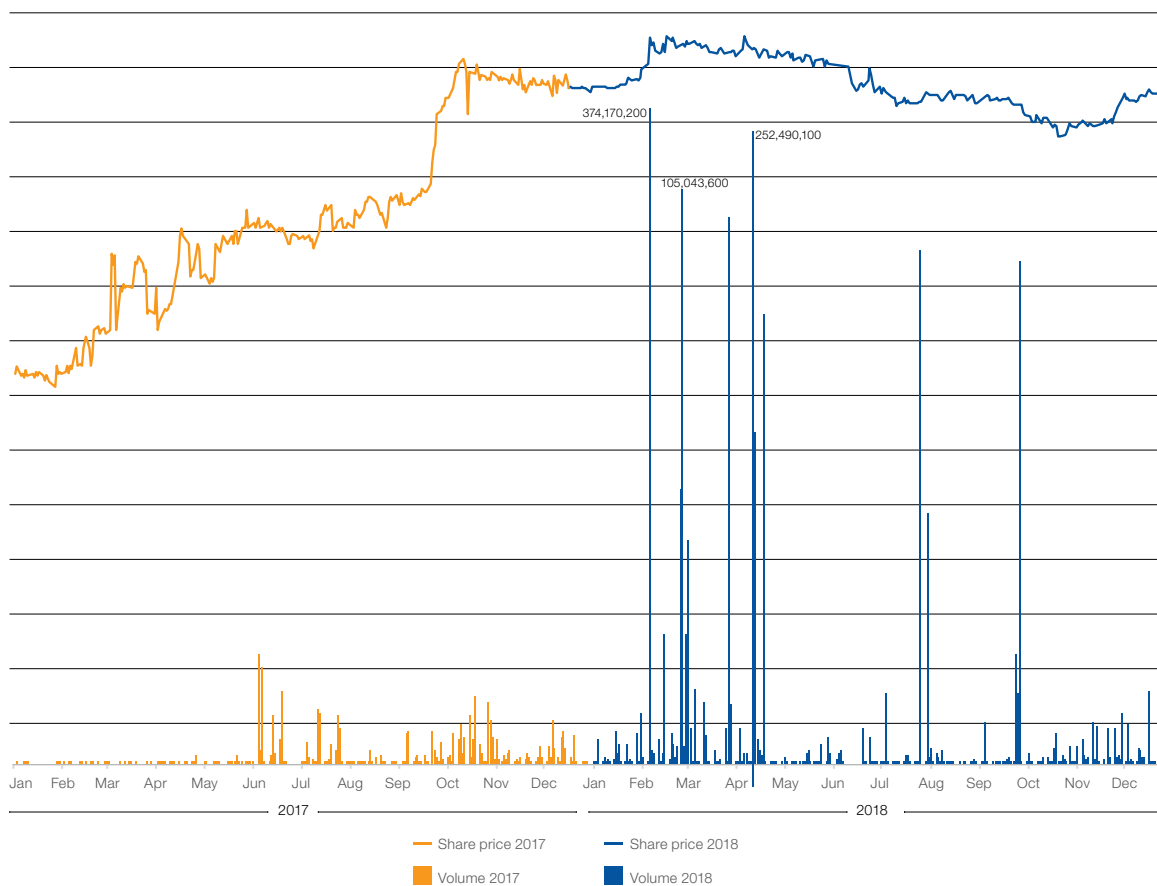
| Corporate Action               | Period                 | New Shares Issued (million) | Outstanding Shares (million) |
|--------------------------------|------------------------|-----------------------------|------------------------------|
| IPO @Rp5,750                   | April 1990             | 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           | June 2017              | 14,370.4                    | 15,967.1                     |

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) |      |                                    |          |
|                         | 2017         | 2018 | 2017        | 2018 | 2017         | 2018 | 2017                                 | 2018       | 2017                           | 2018 | 2017                               | 2018     |
| 1 <sup>st</sup> Quarter | 500          | 920  | 310         | 660  | 479          | 800  | 774,500                              | 87,820,000 | 2.8                            | 64.1 | 7,648.2                            | 12,773.7 |
| 2 <sup>nd</sup> Quarter | 530          | 900  | 370         | 660  | 520          | 680  | 85,454,600                           | 15,450,700 | 72.3                           | 11.9 | 8,302.9                            | 10,857.6 |
| 3 <sup>rd</sup> Quarter | 600          | 770  | 500         | 580  | 560          | 615  | 94,152,500                           | 65,283,000 | 49.8                           | 41.5 | 8,941.6                            | 9,819.8  |
| 4 <sup>th</sup> Quarter | 735          | 700  | 560         | 500  | 680          | 665  | 156,960,000                          | 73,783,900 | 107.1                          | 43.3 | 10,857.6                           | 10,618.1 |

**GRAPH 1 Share Performance**



BFI Finance shares' market capitalization as at end of 2018 was Rp10.6 trillion, a 2.2% decline from Rp10.8 trillion recorded as at end of 2017.

Total volume of BFI Finance shares traded in 2018 reached 242,337,600 units of shares worth Rp160.7 billion.

### Comparison between Share Price Performance of BFI Finance (BFIN) and Composite Share Price Index in 2018

Trading of BFIN shares opened on 2 January 2018 with an opening price of Rp675 and closed on 28 December 2018 with a closing price of Rp665 per share, reflecting a contraction of 1.5%, while the IHSG throughout 2018 declined by 2.5%.

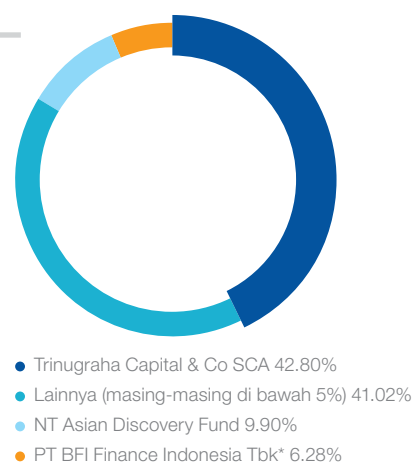
## STRUCTURE OF SHAREHOLDERS

BFI Finance's structure of shareholders with ownership of 5% or more as of 31 December 2018 are detailed below:

**TABLE 4 Structure of Shareholders**

| Shareholders                                     | 2018                  |                        |               |
|--|-----------------------|------------------------|---------------|
|  | Total Shares          | Nominal Amount (Rp)    | %             |
| Trinugraha Capital & Co SCA                      | 6,835,249,660         | 170,881,241,500        | 42.80         |
| NT Asian Discovery Fund                          | 1,581,275,640         | 39,531,891,000         | 9.90          |
| PT BFI Finance Indonesia Tbk*                    | 1,002,732,000         | 25,068,300,000         | 6.28          |
| Others (each below 5%)                           | 6,547,858,320         | 163,696,458,000        | 41.02         |
| <b>Total of Issued and Fully Paid-up Capital</b> | <b>15,967,115,620</b> | <b>399,177,890,500</b> | <b>100.00</b> |

**GRAPH 2 Composition of Shareholders**



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

**TABLE 5 Dividend Payment for the Last Five Years**

| Fiscal Year  | 2014*                             | 2015*                              | 2016*                              | 2017*                              | 2018     |
|--|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|----------|
| Date of BOD Meeting/ GMS                                     | 9 December 2014/<br>15 April 2015 | 19 November 2015/<br>25 April 2016 | 21 November 2016/<br>18 April 2017 | 21 November 2017/<br>17 April 2018 | -        |
| <b>Dividend per Share (in full amount - rupiah currency)</b> |                                   |                                    |                                    |                                    |          |
| Interim**  | 14                                | 14                                 | 15                                 | 23                                 | ***      |
| Final****  | 5                                 | 7                                  | 11                                 | 16                                 | ****     |
| <b>Total</b>   | <b>19</b>                         | <b>21</b>                          | <b>26</b>                          | <b>39</b>                          | <b>-</b> |
| Pay Out Ratio  | 49.6%                             | 49.7%                              | 48.7%                              | 49.1%                              | ****     |
| <b>Payment Date</b>  |                                   |                                    |                                    |                                    |          |
| Interim**  | 15 January 2015                   | 16 December 2015                   | 16 December 2016                   | 18 December 2017                   | ***      |
| Final****  | 15 May 2015                       | 25 May 2016                        | 18 May 2017                        | 18 May 2018                        | ****     |
| <b>Total of Dividend (Rp billion)</b>                        | <b>298</b>                        | <b>323</b>                         | <b>389</b>                         | <b>584</b>                         | <b>-</b> |

\* Restated to reflect Stock Split of 10-for-1 in May 2017

\*\* Interim cash dividend was determined at the BOD Meeting

\*\*\* No interim cash dividend payment in 2018

\*\*\*\* Any payment of final dividend for 2018 shall be determined during the 2019 GMS



## BONDS HIGHLIGHTS

The Company's debt securities issued in the last five years and listed on the Indonesia Stock Exchange are:

**TABLE 6 Bonds Issuance for the Last Five Years**

| Debt Securities Issued   |           | Date Listed on IDX | Effective Date   | Bond Ratings | Total (Rp million) | Amount Issued (Rp million) | Due Date         | Status      |
|--|-----------|--------------------|------------------|--------------|--------------------|----------------------------|------------------|-------------|
| <i>Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014</i>    | Series A: | 10 March 2014      | 28 February 2014 | 'AA-(idn)    | 500,000            | 225,000                    | 17 March 2015    | Paid        |
|  | Series B: |                    | (No.             |              |                    | 55,000                     | 7 March 2016     |             |
|  | Series C: |                    | S-121/D.04/2014) |              |                    | 220,000                    | 7 March 2017     |             |
| <i>Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015</i>   | Series A: | 20 March 2015      | 28 February 2014 | 'AA-(idn)    | 1,000,000          | 345,000                    | 29 March 2016    | Paid        |
|  | Series B: |                    | (No.             |              |                    | 105,000                    | 19 March 2017    |             |
|  | Series C: |                    | S-121/D.04/2014) |              |                    | 550,000                    | 19 March 2018    |             |
| <i>Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016</i>  | Series A: | 26 February 2016   | 28 February 2014 | 'AA-(idn)    | 1,000,000          | 200,000                    | 5 March 2017     | Paid        |
|  | Series B: |                    | (No.             |              |                    | 142,000                    | 25 February 2018 |             |
|  | Series C: |                    | S-121/D.04/2014) |              |                    | 658,000                    | 25 February 2019 |             |
| <i>Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016</i>   | Series A: | 26 October 2016    | 17 October 2016  | 'AA-(idn)    | 1,000,000          | 317,000                    | 5 November 2017  | Paid        |
|  | Series B: |                    | (No.             |              |                    | 550,000                    | 25 October 2019  |             |
|  | Series C: |                    | S588/D.04/2016)  |              |                    | 133,000                    | 25 October 2021  |             |
| <i>Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017</i>  | Series A: | 3 March 2017       | 17 October 2016  | 'AA-(idn)    | 1,000,000          | 540,000                    | 12 March 2018    | Paid        |
|  | Series B: |                    | (No.             |              |                    | 460,000                    | 2 March 2020     |             |
|  | Series C: |                    | S-588/D.04/2016) |              |                    |                            |                  |             |
| <i>Obligasi Berkelanjutan III BFI Finance Indonesia Tahap III Tahun 2017</i> | Series A: | 10 November 2017   | 17 October 2016  | 'AA-(idn)    | 835,000            | 335,000                    | 19 November 2018 | Paid        |
|  | Series B: |                    | (No.             |              |                    | 100,000                    | 9 November 2019  |             |
|  | Series C: |                    | S-588/D.04/2016) |              |                    | 400,000                    | 9 November 2020  |             |
| <i>Obligasi Berkelanjutan III BFI Finance Indonesia Tahap IV Tahun 2018</i>  | Series A: | 7 March 2018       | 17 October 2016  | 'AA-(idn)    | 2,165,000          | 946,000                    | 16 March 2019    | Not yet due |
|  | Series B: |                    | (No.             |              |                    | 253,000                    | 6 March 2020     |             |
|  | Series C: |                    | S-588/D.04/2016) |              |                    | 966,000                    | 6 March 2021     |             |
| <i>Obligasi Berkelanjutan IV BFI Finance Indonesia Tahap I Tahun 2018</i>    | Series A: | 27 June 2018       | 7 June 2018      | 'AA-(idn)    | 740,000            | 188,000                    | 6 July 2019      | Not yet due |
|  | Series B: |                    | (No.             |              |                    | 552,000                    | 26 June 2021     |             |
|  | Series C: |                    | S-67/D.04/2018)  |              |                    |                            |                  |             |

# IMPORTANT EVENTS IN 2018



## JANUARY

18

- Inauguration of Central Maluku Branch, Maluku
- The 4<sup>th</sup> Period Lucky Draw of UBER Milyaran 2017 and Launching of UBER Milyaran 2018 in Yogyakarta

31

- Inauguration of Nganjuk Branch, East Java



## FEBRUARY

10

- 2<sup>nd</sup> Run Clinic as a warming up to BFI RUN 2018, at The Breeze, BSD City, South Tangerang

15

- Employees health program of administering anti-diphtheria vaccines, in collaboration with Siloam Hospitals Kebon Jeruk
- CSR activity of Sampit Branch by donating computer sets and providing computer basic training to elementary school students in Parenggean Subdistrict, East Kotawaringin Regency, Central Kalimantan



23

- Received the Platinum Award (first rank) of "Indonesia CSR Award-II-2018" for Go-public Multifinance Company category from *Economic Review* magazine

**MARCH****19**

- Inauguration of BFI Finance's Sharia Business Unit and launching of *halal* travel and umrah products by BFI Finance Syariah, namely *My Ihram* and *My Safar*

**24**

- Handover of UBER Milyaran 2017 Grand Prize to customer from Kendal Branch, Central Java, and Main Prize to customer from Bitung Branch, North Sulawesi

**APRIL****8**

- BFI RUN 2018 at Scientia Square Park, Gading Serpong, Tangerang, attended by more than 5,000 runners in the National 21.1K (Half Marathon), National 10K, and National 5K categories

**9**

- The 36<sup>th</sup> BFI Finance's Anniversary Celebration (7 April) by conducting:
  - A CSR workshop for the community in Ciledug area, Tangerang, themed "Starting, Organizing, and Managing a Business"
  - Inauguration of BFI Sports Hall at BFI Tower, BSD City, South Tangerang

**11**

- "BFI Talk" Program by conducting live-streaming consultation with a psychologist from Awal Bros Tangerang Hospital themed "Psychological Impact Due to Frequent Use of Gadgets"

**17**

- The 2018 AGMS and EGMS as well as the Annual Public Expose at The Dharmawangsa Jakarta Hotel

## IMPORTANT EVENTS IN 2018

**19**

- Leader's Talk with Irzan Raditya, CEO of kata.ai, themed "Facing Industry 4.0 with Artificial Intelligence"

**20**

- Inauguration of the 2<sup>nd</sup> Gresik Branch, East Java

**20 – 28**

- The 1<sup>st</sup> Period of UBER Milyaran 2018 Regional Lucky Draw in Tanjung Pinang, Makassar, Cirebon, Jambi, Jakarta, and Surabaya

**23**

- Inauguration of the 5<sup>th</sup> Tangerang Branch, Banten

**25**

- Received the "Infobank 7<sup>th</sup> Digital Brand Awards 2018" from *Infobank* magazine

**26**

- Inauguration of the 3<sup>rd</sup> Malang Branch, East Java



**20 – 28 APRIL**



**4 MAY**



**26 MAY**

### MAY

**4**

- Received the "HR Asia Awards Indonesia 2018" as one of the "HR Asia Best Companies to Work For in Asia 2018" from *HR Asia* magazine

**24**

- CSR activity by sharing with teachers from various vocational high schools (SMK) to celebrate the Holy Month of Ramadan 1439 H in Bungaya Subdistrict, Gowa Regency, South Sulawesi

**26**

- Financial literacy education program on the introduction of multifinance companies for teachers and principals at SMK Negeri 3 Gowa, South Sulawesi
- The "Character Training Movement for 1000 Children of the Nation" dan iftar for students, parents, teachers, and principals from four vocational high schools (SMK) in Gowa, South Sulawesi

**31**

- Received the "Top 100 Most Valuable Indonesian Brands 2018" award from *SWA* magazine and Brand Finance



## JUNE

7

- Received the “Corporate Image Award 2018” for Heavy Equipment Leasing category from Frontier Consulting Group dan *MARKETING* magazine

## JULY

2

- Inauguration of the 2<sup>nd</sup> Depok Branch, West Java

5

- Inauguration of the 6<sup>th</sup> Bandung Branch, West Java

14

- National Dealer Gathering 2018 in Pekanbaru, Riau

21

- The 1<sup>st</sup> Period of UBER Milyaran 2018 National Lucky Draw in Mataram, West Nusa Tenggara

31

- BFI Finance’s press conference to clarify ongoing issues about a legal dispute between the Company and its former shareholder, in Jakarta



## AUGUST

8

- Inauguration of the 3<sup>rd</sup> Makassar Branch, South Sulawesi

25

- Handover of UBER Milyaran 2018 Main Prize (1<sup>st</sup> Period of National Lucky Draw) to customer of Solo 2 Branch, di Sukoharjo, Central Java

31

- Leader’s Talk with Joseph Bataona, an Indonesian HR figure, themed “~~Remove~~ People Before Flight”

IMPORTANT EVENTS  
IN 2018



**SEPTEMBER**

**1, 4, 5, 6, 12, 14**

- Participation of six branches in Surabaya in “Free from Waste 2018” program, held by the Surabaya City Government in collaboration with *Radar Surabaya Daily*

**6**

- Received the *hat-trick* for “Infobank Multifinance Awards” as the First Rank in the Rating of Indonesian Multifinance Companies from *Infobank* magazine

**11**

- Handover of UBER Milyaran 2018 Main Prize (1<sup>st</sup> Period of National Lucky Draw) to a customer of Pangkalan Balai Branch in Palembang, South Sumatera

**16**

- Exciting touring of driving around Denpasar City, Bali, themed “BFI FINANCE is NUMBER ONE” held by Denpasar Branch

**25**

- Inauguration of the 5<sup>th</sup> Pekanbaru Branch, Riau

**25 – 26**

- Initial implementation of four Micro-Business Training series for MSME entrepreneurs in Malang, East Java, in collaboration with Rumah Pengusaha Malang Raya (Rumah PMR) Community

## OCTOBER

1

- Inauguration of Barito Kuala Branch, South Kalimantan

6 – 19

- The 2<sup>nd</sup> Period of UBER Milyaran 2018 Regional Lucky Draw in Samarinda, Semarang, Bekasi, Ambon, Maluku, Denpasar, and Banjarbaru

15

- Inauguration of the operational office of PT Finansial Integrasi Teknologi (FIT), a subsidiary of BFI Finance in financial technology, at BFI Tower, BSD City, South Tangerang

17

- Regional CSR program in the form of sports and sanitary facilities renovation at an elementary school in North Bekasi, West Java

21

- Regional CSR program in the form of library renovation at an elementary school in Bolaang Mongondow Utara Regency, North Sulawesi

26

- Received “Indonesia Multifinance Consumer Choice Award 2018” as the Multifinance Company with Outstanding Performance from *Warta Ekonomi* magazine

26 – 28

- Participation in “Multifinance Day 2018” held by APPI in Makassar, South Sulawesi



1 OKTOBER



26 OKTOBER



26 – 28 OKTOBER

## IMPORTANT EVENTS IN 2018

### NOVEMBER

1

- Presentation of “BFI Tech Scholarships Program” at Purwadhika Startup and Coding School, BSD Green Office Park, BSD City, South Tangerang

6

- Leader’s Talk with Yoris Sebastian, Founder of OMG Creative Consulting, themed “Thinking Outside the Box, Execute Inside the Box”



6 – 9

- Post-earthquake and tsunami Trauma Healing program for Palu Branch employees in Central Sulawesi

7

- Received the Silver Achievement (Silver Winner) “OPEXCON Project Competition 2018” award in Financial Services category from *SHIFT Indonesia* magazine

14

- BFI RUN 2019 Launching Press Conference at Plaza Senayan, Jakarta

19

- Signing of Rp1 trillion Term Loan Facility Agreement (Uncommitted Line) from Bank Rakyat Indonesia (BRI) in Jakarta

29

- Received the First Rank award in “Top 20 Financial Institution 2018” from *The Finance*, an online portal news by Infobank Group
- Received “Best of the Best Awards 2018” as one of the Publicly-listed Companies with the Best Performance from *Forbes Indonesia* magazine





## DECEMBER

### 5

- Received the “Five Best Multifinance Companies in 2018” award from APPI at the “APPI Member Gathering & Appreciation”

### 10

- Received the “Best Disclosure and Transparency” Trophy and the “Top 50 Issuers of the Biggest Market Capitalization (Big Cap PLCs) with the Best Practices in Corporate Governance” from Indonesian Institute for Corporate Directorship (IICD)
- Inauguration of *Sekolah Indonesia Cepat Tanggap* school building in collaboration with Iluni FTUI and FUSI Foundation, in North Lombok Regency, West Nusa Tenggara

### 21

- Inauguration of Wira Bintari Waste Bank in Wirogunan Village, Mergansan Subdistrict, Yogyakarta, as one of the Company’s Regional CSR activities from Region 10 (Central Java and Yogyakarta)

# AWARDS AND ACCOLADES

2018



Platinum Trophy for Multifinance Companies with **Excellent Financial Performances for Ten Years Consecutively** (2008-2017) by *Infobank* magazine, held on 6 September 2018 in Jakarta



Infobank Multifinance Awards 2018 (three years in a row) as the **Multifinance Company with Excellent Financial Performance in 2017** and ranked Number One for the category of "Multifinance Companies with Assets Above Rp10 Trillion" by *Infobank* magazine, held on 6 September 2018 in Jakarta



**"The Best Five Multifinance Companies in 2018"** for the category of assets above Rp5 trillion by APPI, held on 5 December 2018 in Jakarta



**"Best Disclosure and Transparency"** Trophy as one of the 50 best public companies in Good Corporate Governance (GCG) implementation by Indonesia Institute for Corporate Directorship (IICD), held on 10 December 2018 in Jakarta



First rank in **"The Finance Top 20 Financial Institution 2018"** for the category of "Multifinance Companies with Assets Above Rp10 Trillion" by Infobank Group, held on 29 November 2018 in Jakarta



HR Asia Awards Indonesia as **"Best Companies to Work For in Asia 2018"** by *HR Asia* magazine, held on 4 May 2018 in Jakarta



Special Award **"The Biggest Leasing Financing"** for the multifinance company with the best achievement in Finance Lease business by *Infobank* magazine, held on 6 September 2018 in Jakarta



Special Award **"The Most Efficient Finance Company"** for the category of multifinance companies with assets above Rp10 trillion by *Infobank* magazine, held on 6 September 2018 in Jakarta



**"Best of the Best Awards 2018"** as one of "The Top 50 Companies for 2018" or Public Companies with the Best Performance by *Forbes Indonesia* magazine, held on 29 November 2018 in Jakarta



Corporate Image Award 2018 as **"The Best in Building and Managing Corporate Image"** for Heavy Equipment Leasing category by Frontier Consulting Group in collaboration with *MARKETING* magazine based on the Indonesia's Most Admired Companies (IMAC) 2018 survey results, held on 8 June 2018 in Jakarta



**"Indonesia Multifinance Consumer Choice Award 2018"** as the Multifinance Company with Outstanding Performance for the Category of Assets Above Rp10 Trillion by *Warta Ekonomi* magazine, held on 26 October 2018 in Jakarta



**"Infobank 7th Digital Brand Awards 2018"** by *Infobank* magazine and Isentia Indonesia, held on 25 April 2018 in Jakarta



**"Top 100 Most Valuable Indonesian Brands 2018"** award by Brand Finance and SWA magazine, held on 31 May 2018 in Jakarta



Silver Achievement (Silver Winner) of **"OPEXCON Project Competition 2018"** by *SHIFT Indonesia* magazine in "Indonesia Operational Excellence Conference and Award (OPEXCON) 2018" for the Financial Services category, held on 7 November 2018 in Jakarta



Platinum Award in **"Indonesia CSR Award-II-2018"** for Go-Public Multifinance Company Category by *Economic Review* magazine, held on 23 February 2018 in Jakarta

## AWARDS AND ACCOLADES



2017

### **“The Best Five Multifinance Companies in 2016”**

for the category of assets above Rp5 trillion by the Indonesian Financial Services Association (APPI), held on 24 January 2017 in Jakarta

Platinum Award in **“Indonesia CSR Award 2017”** for Public Multifinance Company Category by *Economic Review* magazine, held on 24 February 2017 in Jakarta

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 in Jakarta

HR Asia Awards Indonesia **“Best Companies to Work for in Asia 2017”** by HR Asia, held on 19 May 2017 in Jakarta

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 in Jakarta

2016

**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)

**Infobank Digital Brand Awards 2016** by *Infobank* magazine based on survey results by Infobank and Isentia Research during 2015

**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 15<sup>th</sup> Asia Business Leaders Awards (ABLA) 2016” from CNBC Asia



2015

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

**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

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

“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

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 Indonesia Stock Exchange (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



The era of disruption has triggered us to continue our journey out of our comfort zone, to adapt and move forward to constantly become the pioneer in the multifinance industry.

***Yoga Aryanto***  
***HETO and Machinery Product Head***



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# BOARD OF COMMISSIONERS' REPORT

## Esteemed shareholders and stakeholders,

It is an honor for me on behalf of all members of the BOC to extend our gratitude to you, for your staunch support for BFI Finance throughout 2018.

Under the prudent management of the BOD, BFI Finance recorded excellent performance and posted superior business growth compared to similar companies in the financing industry in Indonesia. In spite of the challenges in 2018, both from within the country and abroad, the BOD succeeded in delivering these strong results by the execution of the right business strategies as well as prudent management style.

The theme for 2018, “Embracing a New Normal”, strongly reflects BFI Finance’s business development in 2018. Current digital trends are gradually shifting patterns in consumer behavior, including how we work and do business, as well as creating new roles and opportunities for society. This phenomenon has motivated BFI Finance to create new, digital-based processes, so that our business can become more efficient and evolve with

these changes. This will help BFI Finance continue to grow and develop its primary business in the coming years.

The Company’s business sustainability is greatly dependent on existing policies and strategies. The BOC applauds management and employees’ every effort and initiative.

## OVERVIEW OF THE ECONOMY AND FINANCING INDUSTRY IN 2018

The global economy brought new and contrasting developments throughout 2018. During the first half of 2018, market sentiment was optimistic, with projections of strong economic growth rates in many developed countries, supported by rising prices of a number of key commodities. Market sentiment toward Indonesia was generally positive, which ensured an influx of foreign investments, creating greater liquidity in the market. Indonesia’s market economy’s efficiency continued to rise, although not





**Kusmayanto  
Kadiman**

President  
Commissioner

“

Current digital trends are gradually shifting patterns in consumer behavior, including how we work and do business, as well as creating new roles and opportunities for society.

“

## BOARD OF COMMISSIONERS' REPORT

yet at a pace expected by most. The completion of a number of infrastructure projects initiated by the government, and implemented in partnership with the private sector, brought about a sense of confidence that in the near future transportation will be smoother, stimulating economic activity in other sectors.

In the second half of 2018, however, the sentiment shifted. Negative sentiment towards emerging markets due to policy normalization of the US Federal Reserve (The Fed) to raise its Fed Funds Rate up to four times in 2018 boosted the US dollar's exchange rate, and as a consequence, the currencies of developing countries including the rupiah depreciated. In line with this, foreign capital flowed out of Indonesia, tightening the liquidity in the market. Interest rates for loans climbed in line with the preemptive move by Bank Indonesia (BI) to raise its benchmark interest rate, in order to restore rupiah's appeal and reignite market confidence in the Indonesian economy. At the end of the day, Indonesia's economy grew 5.17%, higher than the 5.07% rate recorded in 2017.

### **BFI FINANCE'S OPERATIONAL AND FINANCIAL PERFORMANCE IN 2018**

Amidst an atmosphere that weighed heavily on the financing business, BFI Finance managed to record an increase in net financing receivables by 13.9% in 2018, higher than the financing industry's average growth of 5.2%. The Company managed to continue growing more robustly than the industry average,

“  
**The Company managed to continue growing more robustly than the industry average, consistent with its performance in the past years.**  
“

consistent with its performance in the past years. In addition, the Company continued to innovate, through intensifying BFI Finance's main financing products (consumer financing and finance lease), opening of new branches and kiosks to increase market penetration, launching of new products in the Sharia Financing segment, reinforcing of the Property-Backed Financing, as well as empowering its employees to pursue leads and convert them into new businesses.

For the BOC, however, a key innovative move that has created an impact on strengthening the Company as a whole has been the effort to digitize the Company's business processes, from the financing origination process to collection and

customer services. This effort will undoubtedly convey enormous long-term benefits, especially in the way the Company approaches customers, manages the different business risks, and enhances its operational efficiency. All these will bolster the Company's financial position and performance. It is for this very reason that such initiatives must continue to be carried out. BFI Finance aims to become a leading multifinance company in terms of information technology, which will make it ready to adapt to the transformations taking place in the market.

The BOC applauds management's focus on not just information technology but on human capital as well. Without a qualified and competent workforce that is innovation-driven and has a change-ready mindset, any improvement in the Company's systems, infrastructure, and business procedures will never deliver an optimal impact.

For the short term, all of the Company's breakthroughs and initiatives have resulted in the Company's financially superior edge and satisfying performance. Supported by its financing portfolio growth of Rp18,342 billion by the end of 2018, BFI Finance posted a revenue of Rp5,018 billion and net income of Rp1,468 billion, reflecting a Return on Assets of 10.3%. This demonstrates BFI Finance's capability to deliver added value to its shareholders.

## BOD PERFORMANCE EVALUATION

Throughout 2018, the BOD and management policies were in line with BFI Finance position as an independent and respectable multifinance company. All measures to improve its systems, strengthen its operations, and expand its business have been in sync with the Company's efforts to achieve its medium-term and long-term targets. BFI Finance's growth will be consistent and its risk will remain under control at all times, all the while possessing a robust capital structure and supported by reliable systems and highly capable employees.

To that end, the BOC wishes to appreciate the initiatives taken by the BOD nearing the end of 2018 amidst unfavorable market conditions, namely limiting new lending activities while taking the time to conduct a comprehensive review of the quality of the Company's financing portfolio, in light of tougher challenges that lie ahead in the financing industry.

After having successfully maintained strong growth for the past five years, with a CAGR of 14.0%, far above the industry, BFI Finance managed to consistently keep its NPF ratio healthy, at 1.21%. Although this figure has increased compared with the NPF as at the end of 2017, this is still in the low and safe category, and far below the industry average of 2.71%. Through the implementation of a meticulous risk management system and new initiatives in the collection process, the BOC expects that NPF in 2019 can continue to be well managed.

## BOARD OF COMMISSIONERS' REPORT



### Board of Commissioners left to right:

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

BFI Finance has become a leading presence in the financing industry in Indonesia and has garnered a number of accolades from various external parties. In 2018, BFI Finance received many prestigious awards, among others: Number One Multifinance Company with Assets Above Rp10 Trillion for the third consecutive year by *Infobank*; Platinum Award and First Prize for Go-Public Multifinance Company by *Economic Review*; “Best Disclosure and Transparency” from Indonesian Institute for Corporate Directorship (IICD); “Top 100 Most Valuable Indonesian Brands 2018” from Brand Finance and SWA; “Best Company to Work For in Asia 2018” in “HR Asia Awards Indonesia” from *HR Asia*; “The Best Five Multifinance Companies in 2018” from Indonesian Financial Services Association (APPI); and “Best of the Best Awards 2018” as one of “The Top 50 Companies for 2018” from *Forbes Indonesia*. All these are testament to BFI Finance’s outstanding performance across a range of aspects that go beyond operational and financial performance.



### COMPLIANCE AND GOOD CORPORATE GOVERNANCE

In managing BFI Finance's business throughout 2018, the BOD had unfailingly coordinated and delivered information regarding business plans and the implementation thereof to the BOC. Every recommendation from the BOC delivered through periodic meetings with the BOD had been followed up properly in 2018, as in the previous years.

The BOC maintained the independence of each corporate governance organ by not interfering with the management of the Company, which remains the authority and responsibility of the BOD.

In early 2018, BFI Finance was comprehensively audited by OJK. The audit results showed that a majority of the Company's operations and governance aspects had been well performed,

with a low level of risk. All OJK's findings and recommendations were subsequently communicated to the BOC and followed up by the management in an appropriate manner. We believe that success in compliance rests on a disciplined application of good corporate governance principles. These very principles have inspired every employee on all levels of the organization as they carry out their duties and responsibilities.

In addition to that, and in view of current legal dispute affecting the Company, the BOC would like to state that it stands firm behind the BOD in the matter of the lawsuit from former shareholders against BFI Finance, the BOD, the current majority shareholder, and several other parties. The BOC has full trust in the necessary actions that have been and will be taken, in order to protect the interests of the Company and all stakeholders. It is our hope that this legal dispute will soon reach a favorable and equitable conclusion.

“  
**Without a qualified and competent workforce that is innovation-driven and has a change-ready mindset, any improvement in the Company's systems, infrastructure, and business procedures will never deliver an optimal impact.**  
“

#### **2018 PERFORMANCE OF INDEPENDENT COMMISSIONERS AND COMMITTEES UNDER THE BOC**

In 2018 there were no changes to the composition of the members of the BOC.

The Independent Commissioners carried out their duties in protecting the interests of various minority and external parties during 2018, and had reported on this accountability to the General Meeting of Shareholders.

The three committees under the BOC, namely the Audit Committee, Risk Management Committee, and Nomination and Remuneration Committee, have carried out their work independently and optimally to the extent that they assisted the BOC in overseeing the Company's business in 2018. Each committee regularly holds meetings and reports the meeting results and other key matters requiring the attention of the BOC, along with the pertinent recommendations for the BOC to take a stance and make a decision accordingly.

The Audit Committee in accordance with its responsibilities performed a thorough review of the Company's financial statements and ensured the Company's compliance with all regulations related to financial reporting and both internal and external audit processes. The performance of external auditors was evaluated by the Audit Committee. The Risk Management Committee ensured that all risks faced by the Company could be identified and mitigated prudently and adequately, so that any potential for decline in the Company's business metrics could be minimized or properly anticipated by the management. Meanwhile, the Nomination and Remuneration Committee in 2018 reviewed the nomination and remuneration system that the Company possesses, and sought ways to improve its quality and make improvements in accordance with the relevant regulations.

## 2019 BUSINESS PROSPECT AND PLANS

The BOC views that 2019 will again be a challenging year. The economic downturn in China will continue to be a concern for the market throughout the year, as the range of its potential repercussions is broad, and the magnitude difficult to predict. The sluggishness of the commodity market will to a certain extent affect Indonesia's economy, especially its export-oriented sectors. Growth in the capital market and in the banking sector will also be deeply influenced by the liquidity situation in the market. While domestic banks, as funding sources for the multifinance industry, may reduce their exposure to this industry, multifinance companies need to tap into potential funding sources abroad that are ready to channel their capital for ventures with potentially high returns and an acceptable level of risk.

In light of the developments of the economic situation in early 2019, the BOC has reviewed the business plans prepared by the BOD to be implemented throughout the year. The BOC is optimistic that these plans will drive the Company's performance as its growth perspective is maintained, with good financing portfolio quality and attractive net interest margin. The BOC supports the management's plan to strengthen the Company's origination sources, diversify its marketing channels (including through the business activities of PT Financial Integrasi Teknologi (FIT), a subsidiary engaged in P2P lending), and amplifying the role of information technology in overcoming various limitations often encountered in more conventional business processes. Thus, every link along

BFI Finance's chain of operations, starting from the processing of financing applications to collection, can take place more quickly, effectively, and remain fastidiously grounded on meticulous calculations and prudent analysis.

## ACKNOWLEDGMENTS AND CLOSING

In closing, I, as representative of the BOC wish to thank the BOD, the management, and employees of BFI Finance for their hard work, dedication, and passion that have enabled the Company to achieve excellent operational and financial results in 2018. We also appreciate the support and loyalty of BFI Finance's shareholders, customers, and business partners. We are thankful for the government, regulators and communities in each location where a BFI Finance outlet is operating. It is our hope that BFI Finance's presence in the midst of the community can deliver benefits not only in terms of financial empowerment through our financing products, but also in terms of quality of life and the capability to make their aspirations come true.

On behalf of the Board of Commissioners of  
PT BFI Finance Indonesia Tbk,



**Kusmayanto Kadiman**  
President Commissioner

# BOARD OF DIRECTORS' REPORT

Dear shareholders,

It is our pleasure to deliver BFI Finance's Integrated Annual Report for 2018, detailing our financial and operational performance for the year. We kicked off the year with optimism. Major commodity prices were back on the upswing as demand strengthened, and economic growth was in line with market expectations. As the year progressed, however, we witnessed how global macroeconomic and political uncertainties, continued rate hikes by the Federal Reserve, a weak rupiah and the upcoming Presidential Elections in 2019 resulted in businesses and consumers taking a generally cautious view toward expansion and spending.

Whilst we cannot control the macro environment or government policies, we can prepare our organization to face these challenges. In the course of this, we focused on meeting business targets and continued to roll-out various initiatives such as the upgrading of underwriting capabilities using scorecards, improvement of collections productivity with better systems and data analytics as well as organizational restructuring at branch level for improved productivity and efficiency. We value our business partners and continued to improve agency management through scoring and a better incentive structure.

We managed to disburse Rp16.4 trillion of new loans in 2018, resulting in a total asset size of Rp19.1 trillion. Though this growth rate was slower than in previous years, it is a sustainable one and remains higher than the industry average. We strive to continuously recalibrate and improve processes, and expand our business in areas where we have established strong competitive advantage. We remain focused on our collateralized lending portfolio and continually invest in people and systems in order to drive this strategy. Our growth has, and will continue to, come from focusing on and serving the market and a demographic that we know well.

## ECONOMIC AND INDUSTRY REVIEW

The defining moments in 2018 were undoubtedly the trade war tension between the US and China, repercussions of which were felt worldwide, and the US's aggressive economic measures, which ultimately called for the Federal Reserve to hike its interest rate four times to 2.5%.

In response to this, Bank Indonesia also increased its 7-day (reverse) repo rate seven times throughout 2018, from 4.25% to 6.00%, to reduce Indonesia's current account deficit and attract foreign investment whilst safeguarding rupiah's stability. In spite of this, foreign direct investment contracted during the year, recording a 20.2% decline year-on-year at the third quarter of 2018, resulting in three





**Francis Lay  
Sioe Ho**

President  
Director

“

As we evolve with our customers, we also evolve with a new generation of human capital, one that is tech savvy, innovative, and can potentially bring fresh new ideas to our workplace.

“

## BOARD OF DIRECTORS' REPORT

### Board of directors

left to right:

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



consecutive quarters of decline. Liquidity in the domestic market was not scarce, but there was a lot of caution exercised in corporate loans as concerns of bad debt loomed given all the economic and political uncertainties. According to PEFINDO, the growth of banking industry loans to financial institutions was only 7.7% during 2018, down from 10.4% in 2017 and 17.8% in 2016. Banks were more rigorous in loan disbursement to financial institutions, given the failure of some industry players to honour their financial obligations in 2017 and 2018.

Indonesia managed to record 5.17% GDP growth in 2018, with inflation kept under control at 3.13%, lower than 2017's 3.61% and well within the range of 3.5–4.5% as targeted. Rupiah, meanwhile, was volatile, reaching its lowest since the 1998 Asian Financial Crisis, at Rp15,253/USD in October, before closing the year at Rp14,380/USD. On the whole, Indonesia's multifinance industry grew at 5.2% in

2018, compared to 7.1% in the previous year. Total receivables rose to Rp436.3 trillion in December 2018, from Rp414.8 trillion in December 2017. NPF across the industry was 2.71%, compared to 2.96% at the end of 2017.

### 2018 FINANCIAL PERFORMANCE

The 2018 assets grew by 16.0%, amounting to Rp19.1 trillion on the back of a more challenging second half of the year, with net receivables of Rp17.3 trillion, up by 13.9%. Our profit for the year was 23.6% above the previous year, amounting to Rp1.5 trillion. New loans growth was 14.2% year-on-year, driven by our automotive business which contributing to 85.0% of total new loans disbursed during the year. This was instrumental in us generating a strong 11.9% net interest spread thanks to stable yields and the ability to still enjoy low cost of funds as a result of a fixed rate liabilities mix.



Extensive efforts were made throughout the year to contain the increase in NPF by enforcing higher underwriting standards and stricter collection procedures. Thanks to our very cautious approach to portfolio management, we saw only slight deterioration in NPF—1.21% from 0.95% the year before. According to OJK, 2018 NPF for the industry was 2.71%, so we are still way below the average.

### 2018 OPERATIONAL PERFORMANCE

In 2018, we expanded the reach of our network by opening 49 new kiosks and 11 branches across the country, bringing our total network to 401 outlets, consisting of 228 branches and 173 kiosks nationwide. In addition to that, we now also have 22 sharia representative offices attached to our regular branches.

We recognize the need for more seamless operational and transactional experiences as we continue to strive to evolve with our customers' needs and expectations. During the year, we continued to recalibrate and streamline our processes, optimize our agency management, boost our booking and credit engines and improve our product offering. One such offering is our Sharia product, which we market through both online and conventional platforms, and where feasibility assessments are conducted digitally with the aim to provide a seamless experience to customers.

Last year we shared about the inception of PT FIT, our Fintech subsidiary, whose registration was approved by OJK in September 2018 and it has commenced the peer-to-peer lending platform since. As this is our first foray into the world of Fintech, this is a learning curve for us as we build infrastructure, database and collaborate with external parties in order to develop this ecosystem.

## BOARD OF DIRECTORS' REPORT

In 2018, the Company's business operations were affected by earthquakes in Palu and Donggala, Central Sulawesi. To mitigate the impacts, a comprehensive disaster relief plan based on the Business Continuity Plan (BCP) was implemented by our Emergency Response Team (ERT), which continues to oversee the processes of potential loss identification, operations relocation, and facilities rehabilitation involving our assets and resources in the affected areas.

### HUMAN CAPITAL

We continue to adopt new approaches and methodologies to strengthen culture and agility within our organization. As we evolve with our customers, we also evolve with a new generation of human capital, one that is tech savvy, innovative, and can potentially bring fresh new ideas to our workplace. As such we are working to identify and develop new leaders, equip and empower them with the necessary skills to ensure they can thrive in the organization.

Our human resources management was further bolstered and facilitated by a series of ongoing information technology initiatives. A range of dashboards has been developed and is now in use in our daily operations, supporting the management in making the right decisions. Such processes have been carried out with the sound support from the newly-redefined core competencies for BFI Finance's employees, which range from organizational commitment and customer focus, to strategic partnership and agile decision.

“  
**We strive to  
continuously recalibrate  
and improve processes,  
and expand our  
business in areas  
where we have  
established strong  
competitive advantage.**  
”

### CORPORATE GOVERNANCE

BFI Finance continues to uphold our reputation as a leading independent multifinance company in Indonesia not just in terms of financial performance and size, but also in terms of corporate governance. Strong governance and compliance are of utmost importance to our business, and this is how we earn the trust of our stakeholders.

Our internal audit and risk management teams are fully equipped to deal with our ever-growing business and mitigate issues that we may face along the way. We have also enjoyed an ongoing, fruitful communication with our Board of Commissioners and also the committees under it, and through this we have received unyielding support in line with our shareholders' expectations.

With these mechanisms in place, BFI Finance remains a leading presence among multifinance companies in Indonesia in terms of corporate governance excellence, as affirmed by a series of accolades we have garnered over the years.

The most recent of these was the “Best Disclosure and Transparency” Trophy, awarded to BFI Finance by the Indonesian Institute for Corporate Directorship (IICD) in late 2018.

## **SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY**

Whilst natural disasters made headline news and was a large part of our CSR efforts during the year, we continued to also support many causes that have always been close to our hearts. Our initiatives in education was not only limited to scholarships to universities, but also included educational projects that promoted traditional and technology entrepreneurship, as well as created environmental awareness. We also supported an array of medical and water projects, just like previous years.

## **2019 BUSINESS OUTLOOK AND STRATEGIC PLANS**

As we move forward, we have to embrace new trends and rising uncertainties that are a part of a new normal. Facing prospects of slower economic growth in China and the eventualities of the US-China trade war, Indonesia will have to brace itself against potential capital flight and drop in commodity demand. We also expect a continued wait-and-see attitude for businesses and investments in the run up to the Presidential Elections in April 2019. We have to be also prepared for the inevitable rise of our cost of funds over time, as higher cost of new funding sets in.

With new challenges abound in 2019, we look forward to the continuous growth in business through the existence of better, more evenly spread infrastructure, and government efforts to accelerate progress and nurture productivity. Prudence and agility will continue to be the guiding principles behind how we run our business. We will continue to develop a more solid and independent base for our leads generation and new bookings, whilst managing our portfolio to continue bringing high yields but also tolerating risks at a level that we can measure and fully mitigate. With the adoption of new technologies, we also envision ourselves to be more digitally advanced and operationally streamlined to face future challenges.

## **CLOSING AND ACKNOWLEDGMENTS**

What we have achieved in 2018 will not be made possible without the support, trust, and confidence of our shareholders, customers, business partners and all stakeholders, and most importantly, the dedication of our employees. To them we extend our highest appreciation and most sincere thanks. Together, we hope to deliver yet another robust performance in 2019.

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



**Francis Lay Sioe Ho**  
President Director

# STATEMENT OF THE BOARD OF COMMISSIONERS ON THE RESPONSIBILITY FOR THE 2018 INTEGRATED ANNUAL REPORT OF PT BFI FINANCE INDONESIA Tbk

We, the undersigned, testify that all information contained in the 2018 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, 29 March 2019

## BOARD OF COMMISSIONERS



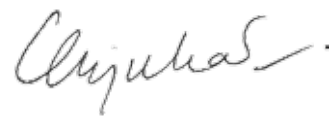
**Kusmayanto Kadiman**  
President Commissioner



**Johanes Sutrisno**  
Commissioner (Independent)



**Alfonso Napitupulu**  
Commissioner (Independent)



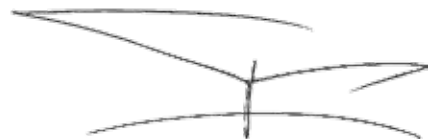
**Emmy Yuhassarie**  
Commissioner (Independent)



**Dominic John Picone**  
Commissioner



**Sunata Tjiterosampurno**  
Commissioner



**Cornellius Henry Kho**  
Commissioner

# STATEMENT OF THE BOARD OF DIRECTORS ON THE RESPONSIBILITY FOR THE 2018 INTEGRATED ANNUAL REPORT OF PT BFI FINANCE INDONESIA Tbk

We, the undersigned, testify that all information contained in the 2018 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, 29 March 2019

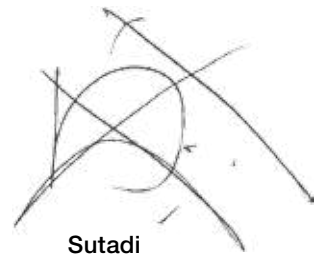
## BOARD OF DIRECTORS



**Francis Lay Sioe Ho**  
President Director



**Sudjono**  
Finance Director



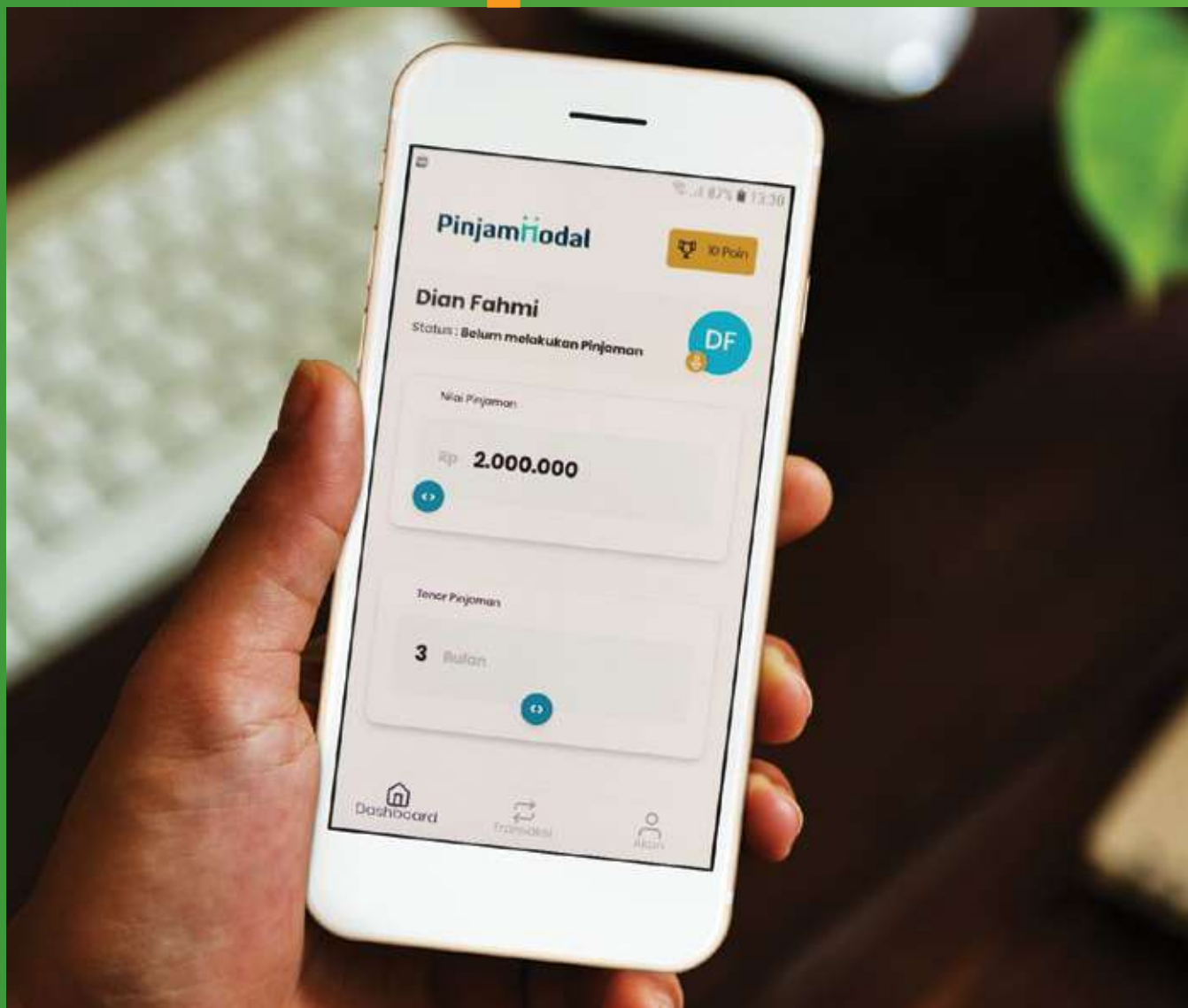
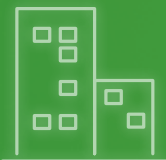
**Sutadi**  
Business Director



**Andrew Adiwijanto**  
Operations and Human Capital Director



**Sigit Hendra Gunawan**  
Enterprise Risk Director (Independent)



Synergy is the keyword for bridging existing differences based on mutual trust. Pinjamodal.id was born out of the synergy and creative collaboration to produce an innovative solution. We always strive to provide a way to make dreams come true.





## Company Profile

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# COMPANY IDENTITY

## COMPANY NAME

PT BFI Finance Indonesia Tbk  
(abbreviated as BFI Finance)

## DOMICILE

South Tangerang, Banten Province,  
Indonesia

## ESTABLISHED

7 April 1982

## DEED OF ESTABLISHMENT

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 published in the State Gazette No. 102 dated 21 December 1982, Supplement No. 1390.

## STOCK MARKET

BFI Finance shares listed and traded on 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: 9.90%
- PT BFI Finance Indonesia Tbk\*: 6.28%
- Public/Others (each below 5%): 41.02%

\* 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, Pawn Brokerage and Venture Mediation Board (BMPPVI)

## CORPORATE SECRETARY

corsec@bfi.co.id

## INVESTOR RELATIONS

investor@bfi.co.id

## WEBSITE

[www.bfi.co.id](http://www.bfi.co.id)

## CALL CENTER

1500018

## SOCIAL MEDIA

 BFI Finance

 @BFIFinance

 bffinance

 PT BFI Finance Indonesia Tbk

 BFI Finance Official

## MAIN BUSINESS ACTIVITIES

Investment Financing, Working Capital Financing, Multipurpose Financing, Sharia Financing

**Total Outlets:** 401 consists of 228 branches (including 22 sharia branches) and 173 kiosks

**Total Employees:** 11,171

## HEAD OFFICE

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

## VISION AND MISSION

**VISION**

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

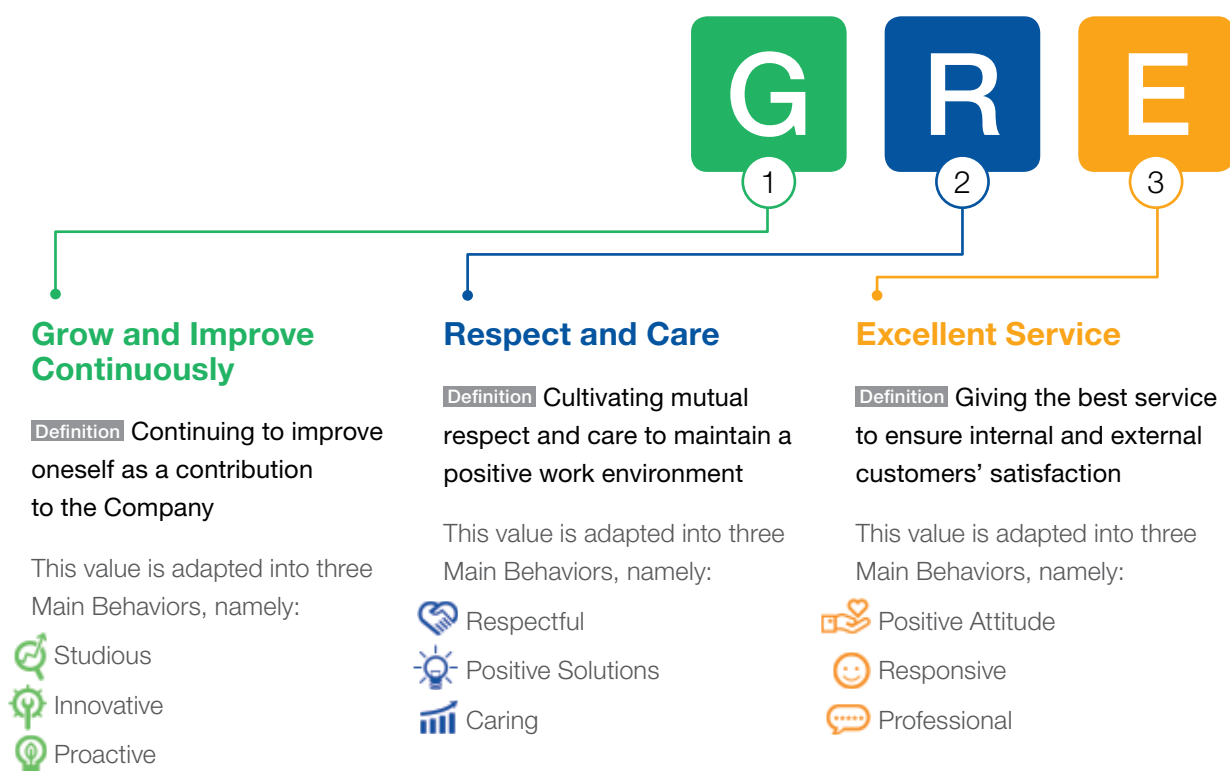
- To provide reliable and effective financial solutions to our customers
- To deliver superior return-on-investment and sustain our reputation as a trusted public company
- To provide an ecosystem that nurtures future leaders of the organization
- To build long-term collaboration with business partners,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

**MISSION**

The Company's Vision and Mission have been reviewed comprehensively to keep them up to date with the Company's dynamic business development. The Board of Commissioners and the Board of Directors 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**. GREAT adopted by BFI Finance are:



**TABLE 7 Dissemination and Internalization of Corporate Culture**

| Schedule       | Activities   | Place                    | Fasilitator   |
|----------------|--|--------------------------|---|
| Jan - Dec 2018 | It's a GREAT Day Video Challenge   | Head Office and Branches | Corporate Culture Team (Head Office) and HC in Branches   |
| Jun - Dec 2018 | GREAT Day: activities at branches in the form of knowledge sharing, BFI 4 U, Town Hall Meeting | Head Office and Branches | Department Head/Associate<br>Department Head/Regional Manager/<br>Area Manager/Branch Manager/<br>Corporate Culture/Unit Head |
| Aug - Dec 2018 | Captain's Vlog, Captain Inspires, GREAToon   | Head Office and Branches | Corporate Culture Team (Head Office)  |
| Feb & Dec 2018 | GREAT Index Survey   | Head Office and Branches | Corporate Culture Team (Head Office)  |

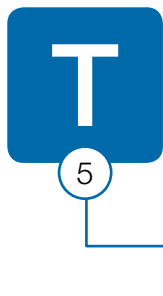


### Absolute Integrity

**Definition** Maintaining integrity in every action to maintain professional reputation of oneself and the Company's

This value is adapted into three Main Behaviors, namely:

- Honest
- Consistent
- Compliant



### Trust and Team Spirit

**Definition** Maintaining a spirit of cooperation and mutual trust to achieve mutual goals

This value is adapted into three Main Behaviors, namely:

- Communicative
- Cooperative
- Synergistic

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 Board of Commissioners and the Board of Directors 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.

| Purpose  | Participant                                | Number of Participant |
|--|--|-----------------------|
| Implementation of BFI Finance values                                   | Nationwide (all branches and head office)  | 377                   |
| Implementation of BFI Finance values                                   | Nationwide (all branches and head office)  | 11,149                |
| Internalization of corporate culture via digital media                 | BOD, Division Heads, and Regional Managers | 26                    |
| Measurement of employee behaviors' alignment with the Company's values | Nationwide (all branches and head office)  | 11,149                |

## BRIEF COMPANY HISTORY

### ESTABLISHMENT

BFI Finance 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. MHLC'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 Manufacturer Hanover Leasing Corporation'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.

### 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 also 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., previously 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 top multifinance companies in Indonesia with the widest network and product range, supported by 11,171 employees in 228 branches (including 22 sharia branches operating since March 2018) and 173 kiosks all across Indonesia.

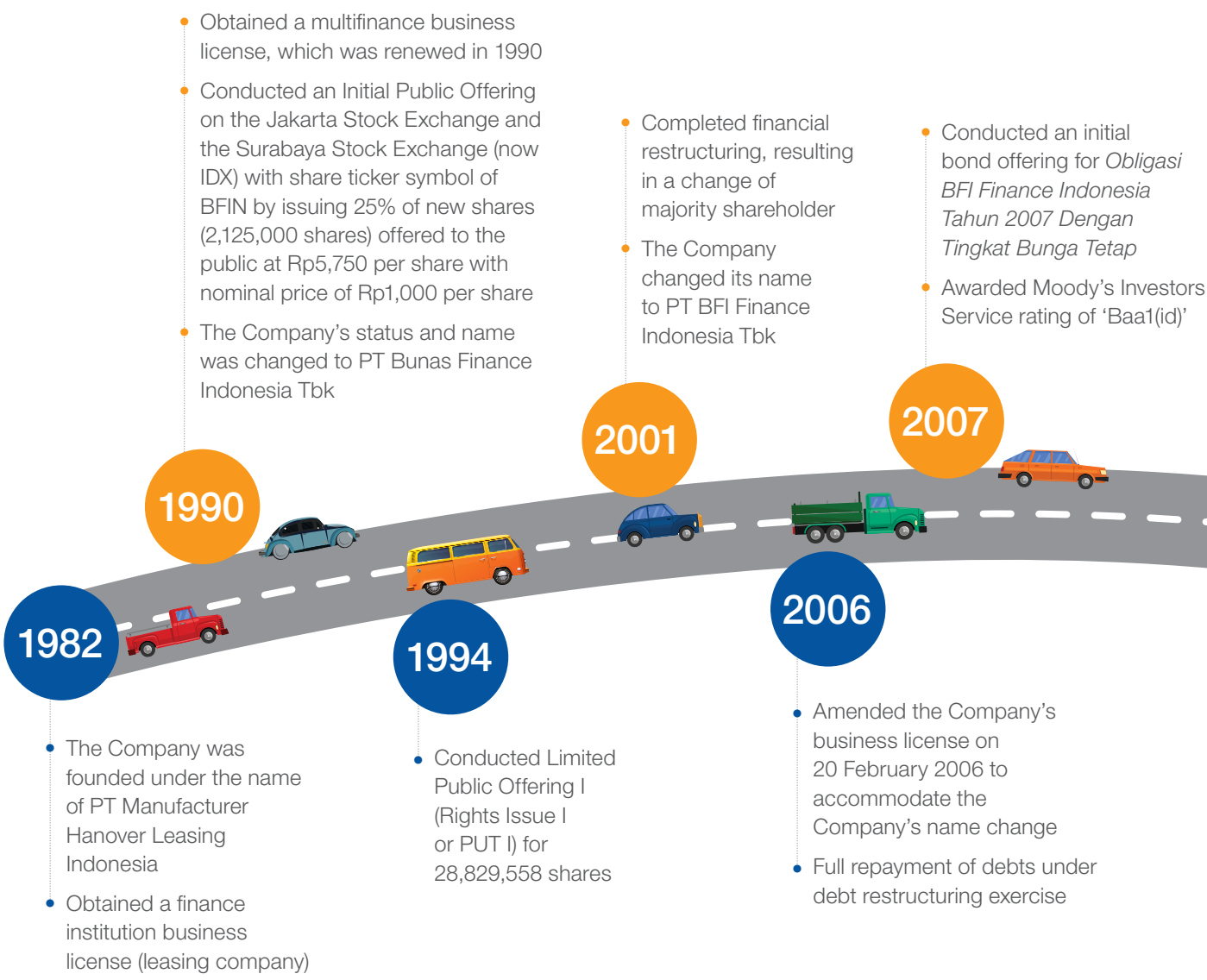
BFI Finance has demonstrated a continuous growth and won numerous awards, including the title of "Multifinance Company with Excellent Financial Performance" from *Infobank* magazine for thirteen consecutive financial years (2006–2018). The Company also made a milestone by scoring a hat-trick of being awarded the "Infobank Multifinance Awards" as the First in the asset category of above Rp10 trillion, for three years in a row (2016–2018). The Company also was at the top of the "Infobank Multifinance Awards" based on a rating of 172 multifinance companies in Indonesia by *Infobank's* research institution (source: *Infobank* magazine "Rating 172 Multifinance 2018" No. 481 – August 2018 – Vol. XL). Aside from earning accolades in terms of business and finance, BFI Finance has also received awards and accolades in other fields, most notably in the fields of Human Capital, Good Corporate Governance, and Corporate Social Responsibility (CSR). The complete details of the Company's awards and accolades in 2018 are presented in the Awards and Accolades section in the 2018 Performance Highlights chapter (page 24).

As at 31 December 2018, Trinugraha Capital & Co SCA, a Luxembourg-based financial institution, was the majority shareholder of BFI Finance, with a 42.80% stake.

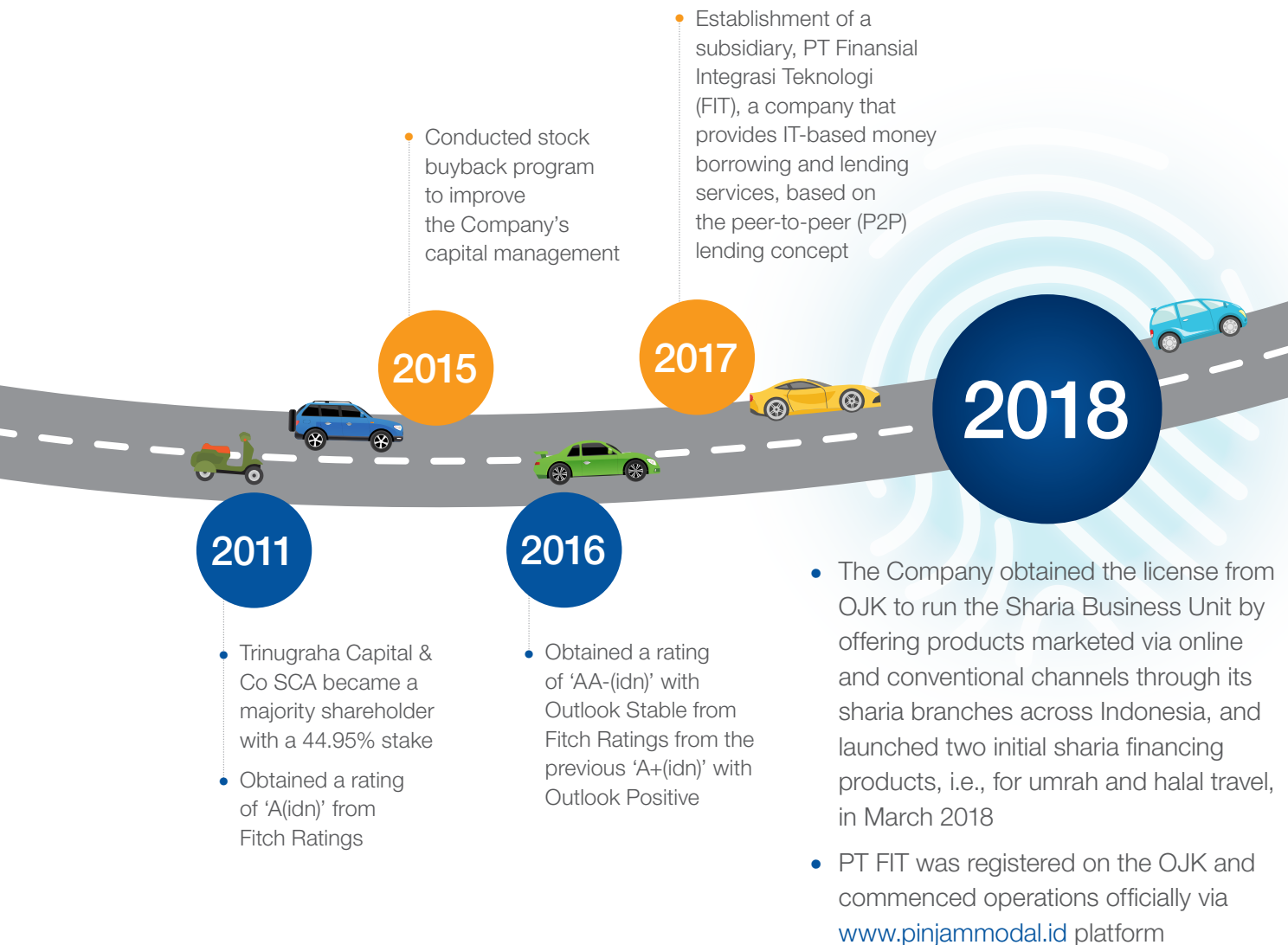
Since 2013, the Company's Head Office has been located in BFI Tower, Sunburst CBD Lot 1.2, Jl. Kapt. Soebijanto Djojohadikusomo, BSD City, South Tangerang, Banten Province.



# MILESTONES







# LINE OF BUSINESS

## BUSINESS ACTIVITIES

In accordance with POJK No. 29/POJK.5/2014 (POJK 29), as amended by POJK No. 35/POJK.05/2018 (POJK 35) on Business Operation of Finance Companies, 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:

**TABLE 8** Company's 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 amended 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 may engage in sharia-based financing activities based on Article 3 of POJK No. 31/POJK.05/2014 on Sharia Financing Business Operation (POJK 31), comprising:

- a. Sale and Purchase Financing;
- b. Investment Financing; and/or
- c. Services Financing.

## BUSINESS SEGMENTS

In line with the division of business activities in which the Company is engaged, as explained above, the types of business activities the Company conducts, by segment, are as follows:

### 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 Cars via Dealers

Cars 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 Cars via Non-Dealer

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.



“ Esty Setianingsih, Sales Head Dealer Suzuki (PT Tridharma Adigraha), Ambon, Maluku

I first knew about BFI Finance thanks to its promotional effort as one of the multifinance companies in Ambon. I am thoroughly satisfied with BFI Finance's services, especially in terms of its processing speed, procedural flexibility, and hassle-free administration, and these have been highly advantageous to my business. It is my hope that in the future BFI Finance improve the quality of its products and services even further, particularly in terms of more competitive interest rates and down payments, so as to boost sales. I also hope that BFI Finance create more attractive sales programs and expand its financing business to reach Southeast Maluku.

”

### Sharia-Based Consumer Financing

Sharia-based financing began to be engaged by the Company in March 2018, based on the Copy of the License for Opening the Sharia Business Unit of Financing Company PT BFI Finance Indonesia Tbk from OJK, No. S-218/NB.223/2018 dated 14 February 2018. Referring to the definition in POJK 31, the Sharia Business Unit (SBU) is a work unit of the head office of BFI Finance that functions as both a headquarter of the branch offices that conduct sharia financing (called the sharia representative branches).

Based on the Letter of Approval for the Use of Sharia Financing Deed of PT BFI Finance Indonesia Tbk from OJK, No. S-219/NB.223/2018 dated 14 February 2018, OJK approved BFI Finance's SBU to carry out and market the use of deeds from sharia-based financing, namely:

1. *Ijarah* contract for umrah financing;
2. *Ijarah* contract for halal travel financing; and
3. *Murabahah* contract for motorized vehicle financing.

In 2018, BFI Finance's SBU launched four sharia-based financing products to directly address the needs of consumers, both individual and institutional, comprising:

1. *My Ihram* for umrah financing;
2. *My Safar* for halal travel financing;
3. *My Ta'lim* for education financing; and
4. *My Hajat* for multipurpose financing and financing of various services, such as house/shop house contract services, home renovation, and consultancy.

All the above financing contracts are marketed online via BFI Finance Syariah microsite, <https://syariah.bfi.co.id/>, and conventionally via the sharia branches across 22 locations in various regions in Indonesia.

## FINANCING 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; and
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 145-151).

# MAP AND OPERATIONAL NETWORK




## Sumatera

47  branches  
23  kiosks  
6  branches are sharia representatives

## Kalimantan

24  branches  
15  kiosks  
1  branch is a sharia representative

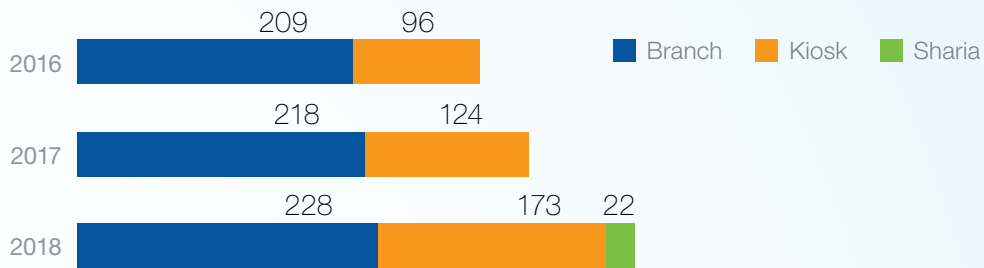
## Greater Jakarta

32  branches  
41  kiosks  
5  branches are sharia representatives

## Java & Bali

82  branches  
67  kiosks  
9  branches are sharia representatives

**GRAPH 3** Distribution of Branches, Kiosks, and Sharia



**Eastern Indonesia**

43  branches    27  kiosks

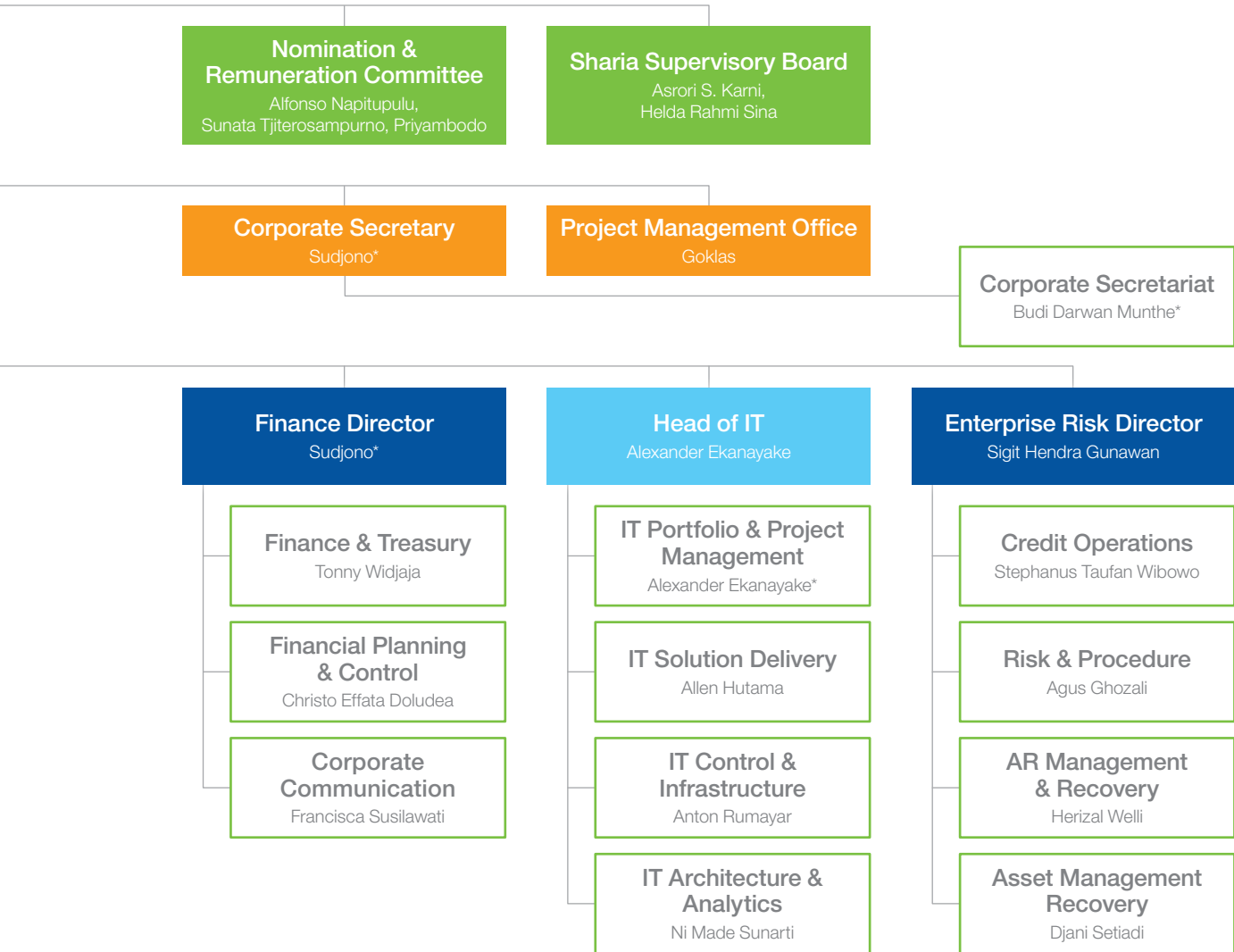
1  branch is a sharia representative

# ORGANIZATION STRUCTURE

BFI Finance's organization structure as at 31 December 2018 was as follows:







\*Concurrent position



Left to right:

**Dominic John Picone**  
Commissioner

**Sunata Tjiterosampurno**  
Commissioner

**Emmy Yuhassarie**  
Commissioner (Independent)

**Kusmayanto Kadiman**  
Presiden Commissioner

**Johanes Sutrisno**  
Commissioner (Independent)

**Alfonso Napitupulu**  
Commissioner (Independent)

**Cornellius Henry Kho**  
Commissioner

## BOARD OF COMMISSIONERS



Left to right:

**Sutadi**

Business Director

**Sigit Hendra Gunawan**

Enterprise Risk Director  
(Independent)

**Francis Lay Sioe Ho**

President Director

**Sudjono**

Finance Director

**Andrew Adiwijanto**

Operations &  
Human Capital Director

## BOARD OF DIRECTORS

## BOARD OF COMMISSIONERS' PROFILES



### **Kusmayanto Kadiman**

Indonesian citizen  
Age: 64  
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 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 the Company, he was a Commissioner and Adviser to several companies that focus on natural resources and power generation since 2009, served as Minister of Research and Technology of the Republic of Indonesia for the period of 2004-2009, Chairman of 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 for the period of 1993-1995, and Director of ITB Computer in 1990-1993.

He earned his Doctor of Philosophy degree from the Australian National University, Canberra, Australia, in 1988, and Bachelor of Physics Engineering from ITB in 1977.



## Johanes Sutrisno

**Indonesian citizen**

**Age: 67**

**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 reappointed for 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 a Chairman of the Risk Management Committee.

He once served as a member of the Audit Committee of PT Bentoel International Investama Tbk from March 2010 to 31 March 2016. He joined BFI Finance as a Credit Officer in 1982-1991, then served as a Director from 1991-1999 and President Commissioner from 2000-2011.

Previously he held positions as the Director of Finance PT Carsurin from April 2007 to June 2013, and joined with the Mutual International Finance Corporation in 1980-1982, and Auditor in SGV, Utomo, Mulia & Co. in 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 in 1980.

He serves as the Company's Independent Commissioner pursuant to the Deed of Minutes of AGMS No. 80 dated 15 June 2011, and 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 appointed as Chairman of the Nomination and Remuneration Committee.

He currently holds positions as 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, and Advisory Board of Perhimpunan Advokat Indonesia (Indonesian Advocates Association - PERADI).

Prior to joining BFI Finance, he worked in the Law Office of Alfonso, Giunseng & Kolopaking, Jakarta, in 1988-1993, International Lawyer Practitioner in Law Office of Bronson & McKinnon, San Francisco, California, USA, in 1984-1985, joined the Law Office of Gani Djemat & Partners in 1975-1988, and Legal Consultant Advocate for Capital Market and Intellectual Property Rights in 1976. He obtained his Bachelor of Law degree (Civil Law) from University of Indonesia, Jakarta, in 1975.

## Alfonso Napitupulu

**Indonesian citizen**

**Age: 68**

**Domicile: Jakarta,  
DKI Jakarta**



## BOARD OF COMMISSIONERS' PROFILES



### Emmy Yuhassarie

**Indonesian citizen**

**Age: 68**

**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, then Chairwoman of the Supervisory Board of the IICD started from 2018, Commissioner of PT Indonesia Asahan Aluminium (Persero) since 2007 to 2018, and Lecturer of the Faculty of Law, University of Indonesia, and Lecturer of the Faculty of Law, Prasetya Mulya University.

In addition, she once served as a Special Staff to the Minister of State-Owned Enterprises (BUMN) in 2007-2012, and Domestic Consultant to 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.

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 Partner at TPG Capital (S) Pte.Ltd. in Singapore, where he has been working 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 of Law in 2003 and Bachelor of Commerce (Honours-Finance) in 2001 from University of Melbourne, Australia.

### Dominic John Picone

**Australian citizen**

**Age: 40**

**Domicile: Singapore**





## Sunata Tjiterosampurno

**Indonesian citizen**

**Age: 46**

**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.

Previously he served as the Member of the Risk Management Committee from May 2013 until September 2014. He currently holds positions as the Managing Director of Northstar Advisors Pte. Ltd. starting from 2006, President Commissioner of PT Bukit Makmur Mandiri Utama since 2009, Commissioner of PT Delta Dunia Makmur Tbk since 2011, and Commissioner of PT Trimegah Sekuritas Indonesia since 2013.

He previously also served as Commissioner, member of the Audit, Risk Monitoring, and Remuneration and Nominations Committees of PT Bank Tabungan Pensiunan Nasional Tbk in 2008-2015, Director of Investment Banking of PT Danareksa Sekuritas in 2004-2006, and Consultant at Boston Consulting Group, Jakarta in 1998-2004. His career was started as Assistant Vice President for Equity Research of PT Lippo Securities – SBC Warburg in 1995-1998.

He obtained his Master of Finance (Merit) from London Business School, UK, 2002, and Bachelor of Business Administration (Distinction) from the University of Wisconsin-Madison, USA, in 1995.

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.

## Cornellius Henry Kho

**Indonesian citizen**

**Age: 52**

**Domicile: Jakarta, DKI Jakarta**



## BOARD OF DIRECTORS' PROFILES



### Francis Lay Sioe Ho

Indonesia citizen

Age: 70

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 for the period of 2016-2021.

Prior to joining BFI Finance, he worked as Executive Officer at the Ministry of Finance in Singapore in 1972-1973, then joined PT Indovest in 1975 as a 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.





## Sudjono

**Indonesia citizen**

**Age: 48**

**Domicile:  
South Tangerang,  
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/20140011 dated 24 June 2014.

Previously, he had concurrently held the position of Information Technology Director since May 2014 to 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 to 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 Enterprise Risk Manager (ERM™) 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.

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 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 as Sales Executive in Marketing Export of PT Tjiwi Kimia Pulp & Paper since 1999-2000 and Collection & Credit Analyst Officer of PT Bunas Finance Indonesia in 1997-1999.

He earned his Bachelor of Industrial Engineering degree from Trisakti University, Jakarta, in 1998, and had finished his study to obtain Executive MBA from IPMI Business School, Jakarta.

## Sutadi

**Indonesia citizen**

**Age: 44**

**Domicile: Tangerang,  
Banten**



## BOARD OF DIRECTORS' PROFILES



### Andrew Adiwijanto

Indonesian citizen

Age: 50

Domicile: Jakarta,  
DKI Jakarta

He has been serving as the Company's Operations and Human Capital Director since 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 Head of Operations & Control (2012-2017) and Head of Compensation & Benefit (2014-2017).

He joined with the company in 1993 as Marketing Officer and has held various other positions, among others, Branch Manager in Makassar, Denpasar, and Palembang, Regional Manager for Sumatera Region, and Department Head for Quality Service, Corporate Services, Human 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.

He joined the Company as Head of Enterprise Risk in 2015 and 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.

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.

### Sigit Hendra Gunawan

Indonesia citizen

Age: 50

Domicile: Tangerang,  
Banten



## SHARIA SUPERVISORY BOARD'S PROFILES



### Asrori S. Karni

Indonesian citizen

Age: 43

Domicile: Depok,  
West Java

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 earned his Competency Certification as a Sharia Supervisory from the Professional Certification Agency (LSP) of National Sharia Supervisory (DSN) of Indonesian Ulema Council (MUI). Currently, he is a Lecturer of Sharia Banking Course at the University of Nadhlatul Ulama Indonesia (UNUSIA) Jakarta, and also Lecturer at the Faculty of Sharia and Law of UIN Syarif Hidayatullah Jakarta, Vice Chairman of Qanuliyah (Islamic Law) at Bahtsul Masail Institution (LBM) Nahdlatul Ulama Supreme Leader, and Chairman of the Information and Communications Committee at the MUI Headquarter.

Currently, he is taking his Doctoral Program in Law study at Diponegoro University, Semarang. He earned his Master's degree in Law majoring in Economic Law from University of Indonesia in 2010, and Bachelor's degree from the Faculty of Sharia and Law at Institut Agama Islam Negeri (currently UIN), Syarif Hidayatullah, Jakarta, in 1998.

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 General Secretary of Yayasan Pendidikan Fatahillah Jakarta (YPFJ), Postgraduate Program Lecturer at Sekolah Tinggi Ilmu Ekonomi Indonesia (STEI) Rawamangun, East Jakarta, and Head of Consultation and Development Division for Sharia Financial Program at International Center for Development in Islamic Finance - Lembaga Pengembangan Perbankan Indonesia (ICDIF-LPPI).

Previously she served as a Lecturer of Sharia Contracts & Products of the class of MBA in Sharia Banking & Finance 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 (STIE Tiara) Rawamangun, East Jakarta (2006-2008).

She graduated from her Doctoral Program in Sharia Economics from Universiti Malaya Kuala Lumpur, Malaysia, in 2007, earned her Master in Islamic Economics (M.A.) from Universiti Kebangsaan Malaysia in 2000, and Bachelor in Syariah Islamiyyah (Lc) degree from the Faculty of Islamic Studies in Arabic Language, Al-Azhar University, in Cairo, Egypt, in 1996.

### Helda Rahmi Sina

Indonesian citizen

Age: 45

Domicile: Jakarta,  
DKI Jakarta



# COMMITTEES UNDER THE BOARD OF COMMISSIONERS' PROFILES

## AUDIT COMMITTEE

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 an Independent Commissioner, having been reappointed pursuant to the Deed of Minutes of EGMS No. 43 dated 25 April 2016. Her profile is presented in the BOC's Profiles section (page 68).

### Emmy Yuhassarie

Indonesian citizen

Age: 68

Domicile: Jakarta, DKI Jakarta



### Friso Palilingan

Indonesian citizen

Age: 35

Domicile: Jakarta, DKI Jakarta

He serves as Member of Audit Committee pursuant to BOC Decision Letter No. BOC/SK/IV/2015-0081 dated 13 April 2015 and was reconfirmed by the BOC Decision Letter No. BOC/SK/VI/2016-05 dated 21 June 2016 for the period of 2016-2021.

Currently, he also serves as a Senior Partner at Certified Public Accounting Firm (KAP) Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Partners (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 Committee 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 Kwik Kian Gie School of Business (formerly known as the Indonesian Institute of Business and Informatics) in Jakarta. He earned the Certified Public Accountant (CPA) in 2013, both from IAI, as well as Certified Audit Committee Practitioner from the Indonesian Institute of Audit Committee (IKAI) in 2016.

He serves as Member of Audit Committee pursuant to the BOC 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 Independent Commissioner for several other companies, among others, PT PP London Sumatra Indonesia Tbk, PT Wismilak Inti Makmur Tbk, and PT Trimegah Sekuritas Indonesia Tbk.

Previously he served as Director of Company Valuation of PT Bursa Efek Indonesia (2005-2012), Director of PT Kliring Penjaminan Efek Indonesia (2000-2005), and Director of PT Kustodian Sentral Efek Indonesia (1998-2000). He earned his Bachelor's degree in Accounting Economics from Trisakti University, Jakarta, in 1991.

### Edy Sugito

Indonesian citizen

Age: 54

Domicile: Jakarta, DKI Jakarta



## ■ RISK MANAGEMENT COMMITTEE

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 an 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 67).



### Jono Effendy

Indonesian citizen

Age: 44

Domicile: Jakarta, DKI Jakarta

He serves 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 reaffirmed by the BOC Decree No. BOC/SK/VI/2016-05 dated 21 June 2016 for the period of 2016-2021.

He is the Founder and Managing Director of PT Mudita Financial Teknologi (started from September 2018). Currently, he also serves as Independent Commissioner and Chairman of Risk Monitoring Committee PT Commonwealth Life, member of Audit Committee and member of Risk Monitoring Committee of PT Bank Commonwealth (since March 2013).

He previously served as Managing Director of PT Kiran Resources Indonesia for 14 years, and member of Audit Committee and Monitoring Risk Committee in several banks and financial institutions such as PT Bank BNP Paribas Indonesia for 11 years, PT Bank Barclays Indonesia for 1 year, and PT BII Finance Centre for 2 years. During the period of July 2001 to February 2004, he holds 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 an Accountant, and Senior Auditor at Arthur Andersen, Jakarta (August 1996 - July 1998), and Senior Consultant at Deloitte Touche, Jakarta (Desember 1998 - July 2001).

He obtained his Masters degree in Finance from Pelita Harapan University, Tangerang, in 2003, Bachelor of Economics majoring Accounting from the Tarumanagara University, Jakarta, in 1996, Risk Management Certification Level 3 from Badan Sertifikasi Manajemen Risiko (BSMR) in Indonesia, and 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.

### Johanes Sutrisno

Indonesian citizen

Age: 67

Domicile: Jakarta, DKI Jakarta



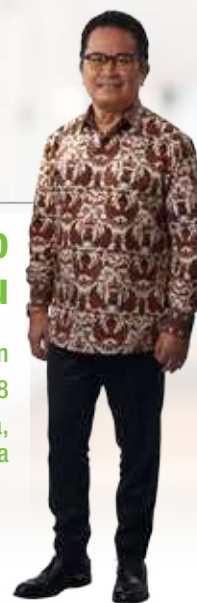
## COMMITTEES UNDER THE BOARD OF COMMISSIONERS' PROFILES

### ■ NOMINATION AND REMUNERATION COMMITTEE

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 67).

### Alfonso Napitupulu

Indonesian citizen  
Age: 68  
Domicile: Jakarta,  
DKI Jakarta



### Priyambodo

Indonesian citizen  
Age: 65  
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.



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 69).

### Sunata Tjiterosampurno

Indonesian citizen  
Age: 46  
Domicile: Jakarta,  
DKI Jakarta



# SENIOR MANAGEMENT PROFILES

## ■ HEAD OFFICE

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



### Djani Setiadi

Indonesia citizen  
Age: 51  
Domicile: Tangerang, Banten

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

### Goklas

Indonesia citizen  
Age: 40  
Domicile: Jakarta, DKI Jakarta



He joined BFI Finance in 2001 and served as Head of Branch Development Department since 2010, then served as Head of Non Dealer Financing Product since 2015, and has been positioned as Head of Project Management Office since 2015.



### Herizal Welli

Indonesia citizen  
Age: 49  
Domicile: Jakarta, DKI Jakarta

He joined BFI Finance in 1996 and served as Head of Collection and Recovery since September 2016, then taking the position as Head of AR Management & Recovery in 2018.

### Herman Handoko

Indonesia citizen  
Age: 39  
Domicile: Jakarta, DKI Jakarta



He joined BFI Finance in 2003. He has been serving as Head of Channel since 2017, and appointed as Director of BFI Finance's subsidiary that is focused on financial technology, PT Finansial Integrasi Teknologi (FIT) since 2018.



### Tan Rudy Eddywidjaja

Indonesia citizen  
Age: 48  
Domicile: Jakarta, DKI Jakarta

He has been serving as Head of Consumer Business since 2017.

### Tonny Widjaja

Indonesia citizen  
Age: 51  
Domicile: Jakarta, DKI Jakarta



He joined BFI Finance in 1994 and has been serving as Head of Finance & Treasury since 1996.

## SENIOR MANAGEMENT PROFILES



### Ariyo Putro

Indonesia citizen

Age 43 Tahun

Domicile: Jakarta, DKI Jakarta

Ariyo Putro joined BFI Finance in 2018 and has been serving as Human Capital Head which covers Human Capital Strategy & Policy, People Development & Culture, Payroll & Compensation, including HC Management & Service.

## REGIONAL OFFICES

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



### Sudi Hartono

Indonesia citizen

Age: 47

Domicile: Medan, North Sumatera

He joined BFI Finance in 1994 and has been serving as Regional Manager covering Medan and Pekanbaru areas since 2014, followed by Batam Area in 2018.

### Iwan

Indonesia citizen

Age: 48

Domicile: Palembang, South Sumatera



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



### Susinto Tenggono Then

Indonesia citizen

Age: 45

Domicile: South Tangerang, Banten

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

### Stefanus Wibowo

Indonesia citizen

Age: 37

Domicile: Bandung, West Java



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





### Tan Eng Han

Indonesia citizen  
Age: 43  
Domicile: Surabaya, East Java

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



### Khenriek Tjandra

Indonesia citizen  
Age: 45  
Domicile: Makassar, South Sulawesi

He joined BFI Finance in 2002, and has been serving as Regional Manager covering South, West, Central and Southeast Sulawesi since 2015.



### Stanly Darisang

Indonesia citizen  
Age: 47  
Domicile: Banjarmasin, South Kalimantan

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



### Rachmadi

Indonesia citizen  
Age: 48  
Domicile: Semarang, Central Java

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



### Hernandi Kusno

Indonesia citizen  
Age: 50  
Domicile: Samarinda, East Kalimantan

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



### John Piter Sinaga

Indonesia citizen  
Age: 49  
Domicile: Tangerang, Banten

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



### Augusten Silalahi

Indonesia citizen  
Age: 46  
Domicile: Tangerang, Banten

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



### I Kadek Tirtayasa

Indonesia citizen  
Age: 47  
Domicile: Denpasar, Bali

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

# SHARE OWNERSHIP COMPOSITION

Based on the Shareholders Register issued by PT Sirca Datapro Perdana as the Company's Share Registrar, the shareholders' composition of BFI Finance as at 31 December 2018 was as follows:

**TABLE 9 Composition of Shares and Shareholders**

| Description                      | Price per Share Rp25  |                        |               |
|----------------------------------|-----------------------|------------------------|---------------|
|                                  | Total Shares          | Face Value (Rp)        | %             |
| Authorized 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 Portfolio       | 4,032,884,380         | 100,822,109,500        | 20.16         |
| Shareholders:                    |                       |                        |               |
| Trinugraha Capital & Co SCA      | 6,835,249,660         | 170,881,241,500        | 42.80         |
| NT Asian Discovery Fund          | 1,581,275,640         | 39,531,891,000         | 9.90          |
| PT BFI Finance Indonesia Tbk*    | 1,002,732,000         | 25,068,300,000         | 6.28          |
| Others (each below 5%)           | 6,547,858,320         | 163,696,458,000        | 41.02         |
| <b>Total</b>                     | <b>15,967,115,620</b> | <b>399,177,890,500</b> | <b>100.00</b> |

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

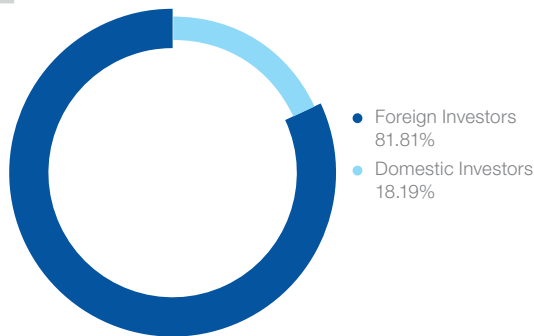
Share ownership of members of the BOC and the BOD as at 31 December 2018 was as follows:

**TABLE 10 Share Ownership of Members of the BOC and BOD**

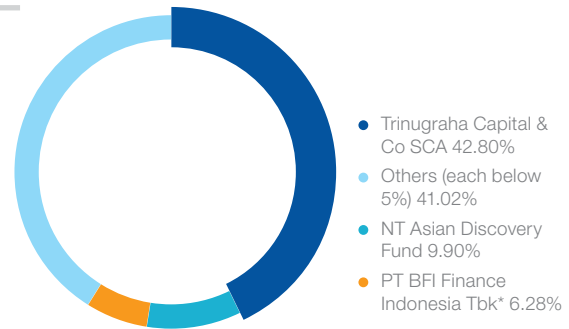
| Name                 | Position                   | Total Shares       | % Shares    |
|----------------------|----------------------------|--------------------|-------------|
| Francis Lay Sioe Ho  | President Director         | 389,885,080        | 2.44        |
| Kusmayanto Kadiman   | President Commissioner     | 74,500             | 0.00        |
| Sudjono              | Director                   | 33,380,000         | 0.21        |
| Sutadi               | Director                   | 21,382,800         | 0.14        |
| Sigit Hendra Gunawan | Director (Independent)     | 10,000,000         | 0.06        |
| Andrew Adiwijanto    | Director                   | 10,120,000         | 0.06        |
| Johanes Sutrisno     | Commissioner (Independent) | 2,480              | 0.00        |
| <b>Total</b>         |                            | <b>464,844,860</b> | <b>2.91</b> |

PT BFI Finance Indonesia Tbk's ownership structure, as at end of 2018, comprised a total of 1,023 individuals and institutions, of which, 81.81% were registered abroad and 18.19% locally. There are three institutions that own shares exceeding 5%, i.e., Trinugraha Capital & Co SCA, Luxembourg, with a 42.80% stake, NT Asian Discovery Fund with an 9.90% 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.

**GRAPH 4**  
Share Ownership Composition  
by Nationality



**GRAPH 5**  
Share Ownership Composition  
by Corporate Structure



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

## MAJORITY SHAREHOLDER'S PROFILE

### TRINUGRAHA CAPITAL & CO SCA

#### MANAGER

Trinugraha Capital (TC Sarl)

#### SUPERVISORY BOARD

##### Members:

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 extraordinary general meeting of shareholders,

dated 20 May 2011, made before Maitre Joseph Elvinger, Notary in Luxembourg.

#### OBJECTIVES AND INTERESTS OF TC&CO

TC&Co's objectives and interests are in participating, in any form, in companies, 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 CHANGES 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.

#### 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.

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

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 72,977,348 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 the Management and Employee Stock Options Program (MESOP) for Phase I in IDX for 60,826,400 shares with a nominal value of Rp250 per share for the period until 20 June 2014.

IDX, through letter No. S-04 847/BEI.PPJ/07-2012 dated 6 July 2012, approved the listing of the Company's shares resulting from the implementation of MESOP Phase I for pre-listing on IDX.

On 31 May 2013, the Company issued 5,936,000 new shares for the implementation of MESOP Phase I – Grant Date 1, which was executed so that the total outstanding shares of the Company became 1,526,614,562 shares.

### **12. Issuance of Shares for Implementation of Mesop Phase I – Grant Date 2**

On 30 May 2014, the Company issued 23,320,000 new shares for the implementation of MESOP Phase I – Grant Date 2, which was executed so 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.

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

### 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 Indonesia 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 11 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,<br>11 June 1993           | 1,062,500     | 3,187,500           | 3,187,500,000      |
| Bonus Share  | BEJ & BES      | 22 September 1993,<br>13 September 1993 | 9,934,668     | 13,122,168          | 13,122,168,000     |
| Company Listing  | BEJ & BES      | 6 December 1993,<br>2 December 1993     | 8,500,000     | 21,622,168          | 21,622,168,000     |
| Share Dividend   | BEJ & BES      | 22 March 1994,<br>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,<br>5 June 2006             | 414,384,585   | 760,339,281         | 380,169,640,500    |
| Stock Split  | BEI            | 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  | BEI            | 31 May 2013                             | 5,936,000     | 1,526,614,562       | 381,653,640,500    |
| Issuance of Shares for Implementation of MESOP Phase I - Grant Date 2  | BEI            | 30 May 2014                             | 23,320,000    | 1,549,934,562       | 387,483,640,500    |
| Issuance of Shares for Implementation of MESOP Phase II - Grant Date 1 | BEI            | 29 May 2015                             | 16,025,000    | 1,565,959,562       | 391,489,890,500    |
| Issuance of Shares for Implementation of MESOP Phase II - Grant Date 2 | BEI            | 31 May 2016                             | 30,752,000    | 1,596,711,562       | 399,177,890,500    |
| Stock Split  | BEI            | 5 June 2017                             | 1,596,711,562 | 15,967,115,620      | 399,177,890,500    |

# OTHER SECURITIES LISTING

## LISTING OF BONDS

TABLE 12 Bond Listing Summary

| Debt Securities Issued   |           | Date Listed on IDX | Effective Date                         | Bond Ratings | Total (Rp million) | Amount Issued (Rp million) | Due Date         | Status      |             |
|--|-----------|--------------------|--|--------------|--------------------|----------------------------|------------------|-------------|-------------|
| <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     |             |             |
|  | Series C: |                    |  |              |                    | 220,000                    | 7 March 2017     |             |             |
| <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    |             |             |
|  | Series C: |                    |  |              |                    | 550,000                    | 19 March 2018    |             |             |
| <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 |             |             |
|  | Series C: |                    |  |              |                    | 658,000                    | 25 February 2019 |             | Not yet due |
| <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 due |
|  | Series C: |                    |  |              |                    | 133,000                    | 25 October 2021  |             |             |
| <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    | Paid        |             |
|  | Series B: |                    |  |              |                    | 460,000                    | 2 March 2020     |             | Not yet due |
| <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 | Paid        |             |
|  | Series B: |                    |  |              |                    | 100,000                    | 9 November 2019  |             | Not yet due |
|  | Series C: |                    |  |              |                    | 400,000                    | 9 November 2020  |             |             |
| <i>Obligasi Berkelanjutan III BFI Finance Indonesia Tahap IV Tahun 2018</i>  | Series A: | 7 March 2018       | 17 October 2016 (No. S-588/D.04/2016)  | 'AA-(idn)    | 2,165,000          | 946,000                    | 16 March 2019    | Not yet due |             |
|  | Series B: |                    |  |              |                    | 253,000                    | 6 March 2020     |             |             |
|  | Series C: |                    |  |              |                    | 966,000                    | 6 March 2021     |             |             |
| <i>Obligasi Berkelanjutan IV BFI Finance Indonesia Tahap I Tahun 2018</i>    | Series A: | 27 June 2018       | 7 June 2018 (No. S-67/D.04/2018)       | 'AA-(idn)    | 740,000            | 188,000                    | 6 July 2019      | Not yet due |             |
|  | Series B: |                    |  |              |                    | 552,000                    | 26 June 2021     |             |             |

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

## Underwriters

### PT Danareksa Sekuritas

Gedung Danareksa, 1<sup>st</sup> 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, 7<sup>th</sup> 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 Kresna Graha Sekurindo Tbk**

Kresna Tower, 6<sup>th</sup> 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

**PT Trimegah Sekuritas Indonesia Tbk**

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

**Trustee****PT Bank Mega Tbk**

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

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

Prudential Tower, 17<sup>th</sup> 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, 6<sup>th</sup> floor, Suite 6C  
 Jl. HR Rasuna Said Blok X-1 Kav. 1-2  
 Jakarta Selatan 12950, Indonesia  
 Tel.: (62-21) 5290 7304-06  
 Fax: (62-21) 526 1136

**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 had fully paid all of the principal balance of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap I Tahun 2014 Series C*.

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

\*\* new address is listed in the bond issuance info 2017

## OTHER SECURITIES LISTING

### 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, were listed on Indonesia Stock Exchange on 20 March 2015. These bonds were rated 'AA-(idn)'. The Continuous Public Offering of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015* was supported by the following institutions and capital market professionals:

#### 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 & Partners**

#### 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 had fully paid all the principal balance of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015* Series B.

As of 19 March 2018, the Company had fully paid all the principal balance of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015* Series C.

As of 31 December 2018, the Company had fully paid all the principal balance of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015* Series A, Series B, and Series C.

### 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, were listed on Indonesia Stock Exchange on 26 February 2016. These bonds were rated 'AA-(idn)'. The Continuous Public Offering of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016* was supported by the following institutions and capital market professionals:

#### Underwriters

**PT Danareksa Sekuritas**

**PT Indo Premier Securities**

**PT Mandiri Sekuritas**

Plaza Mandiri 28<sup>th</sup> Floor

Jl. Jend. Gatot Subroto Kav. 36-38

Jakarta 12190, Indonesia

Phone: (62-21) 526 3445

Fax: (62-21) 526 3603, 526 3507

**PT Trimegah Sekuritas Indonesia Tbk**

#### Trustee

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

Menara BTN 18<sup>th</sup> Floor

Jl. Gajah Mada No. 1

Jakarta 10130, Indonesia

Phone: (62-21) 633 6789

Fax: (62-21) 634 6873

#### Public Accountant

**Tanubrata Sutanto Fahmi Bambang & Partners**

#### Legal Consultant

**Jusuf Indradewa & Partners**

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

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

**Bond Rating Agency****PT Fitch Ratings Indonesia**

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

As of 25 February 2018, the Company had fully paid all the principal balance of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016 Series B*.

As of 31 December 2018, the outstanding principal balance of *Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016* has amounted to Rp658 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, were listed on Indonesia Stock Exchange on 26 October 2016. These bonds were rated 'AA-(idn)'. The Continuous Public Offering of *Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016* was supported by the following institutions and capital market professionals:

**Underwriters****PT Danareksa Sekuritas****PT DBS Vickers Securities Indonesia**

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

**PT Mandiri Sekuritas****PT Trimegah Sekuritas Indonesia Tbk****Trustee****PT Bank Tabungan Negara (Persero) Tbk****Public Accountant****Tanubrata Sutanto Fahmi Bambang & Partners****Legal Consultant****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 had fully paid all the principal balance of *Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016 Series A*.  
 As of 31 December 2018, 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 Series A, Series B, and Series C* 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**

## OTHER SECURITIES LISTING

### Trustee

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

### Public Accountant

**Tanubrata Sutanto Fahmi Bambang & Partners**

### 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 12 March 2018, the Company had fully paid all the principal balance of *Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017 Series A*.

As of 31 December 2018, the outstanding principal balance of *Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017* has amounted to Rp460 billion.

## 2017

*Obligasi Berkelanjutan III BFI Finance Indonesia Tahap III Tahun 2017 Series A, Series B, and Series C* 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 & Partners**

### Legal Consultant

**Jusuf Indradewa & Partners**

### Notary

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

### Bond Rating Agency

**PT Fitch Ratings Indonesia**

As of 19 November 2018, the Company had fully paid all the principal balance of *Obligasi Berkelanjutan III BFI Finance Indonesia Tahap III Tahun 2017 A Series*.

As of 31 December 2018, the outstanding principal balance of *Obligasi Berkelanjutan III BFI Finance Indonesia Tahap III Tahun 2017* has amounted to Rp500 billion.

## 2018

*Obligasi Berkelanjutan III BFI Finance Indonesia Tahap IV Tahun 2018 Series A, Series B, and Series C* at a nominal value of Rp2,165 billion, were listed at the Indonesian Stock Exchange on 7 March 2018. These bonds were rated at 'AA-(idn)'. The Continuous Public Offering of *Obligasi Berkelanjutan III BFI Finance Indonesia Tahap IV Tahun 2018* was supported by the following institutions and capital market professionals:

### Underwriters

**PT Danareksa Sekuritas**

**PT DBS Vickers Sekuritas Indonesia**

**PT Mandiri Sekuritas**

**PT Trimegah Sekuritas Indonesia Tbk**

**Trustee****PT Bank Tabungan Negara (Persero) Tbk****Public Accountant****Tanubrata Sutanto Fahmi Bambang & Partners****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 2018, the outstanding principal balance of *Obligasi Berkelanjutan III BFI Finance Indonesia Tahap IV Tahun 2018* has amounted to Rp2,165 billion.

**2018**

*Obligasi Berkelanjutan IV BFI Finance Indonesia Tahap I Tahun 2018* Series A, Series B, and Series C at a nominal value of Rp740 billion, were listed at the Indonesian Stock Exchange on 27 June 2018. These bonds were rated at 'AA-(idn)'. The Continuous Public Offering of *Obligasi Berkelanjutan IV BFI Finance*

*Indonesia Tahap I Tahun 2018* was supported by the following institutions and capital market professionals:

**Underwriters****PT Danareksa Sekuritas****PT DBS Vickers Sekuritas Indonesia****PT Trimegah Sekuritas Indonesia Tbk****Trustee****PT Bank Tabungan Negara (Persero) Tbk****Public Accountant****Tanubrata Sutanto Fahmi Bambang & Partners****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 2018, the outstanding principal balance of *Obligasi Berkelanjutan IV BFI Finance Indonesia Tahap I Tahun 2018* has amounted to Rp740 billion.

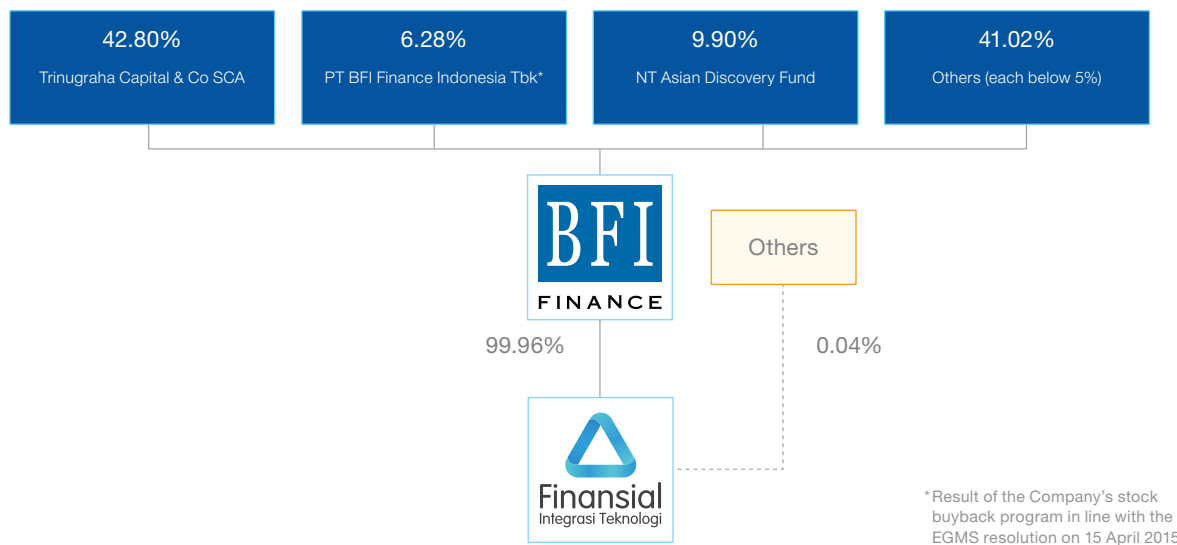
**LISTING OF MTN****TABLE 13 MTN Listing Summary**

| Debt Securities Issued                   | Date Listed on IDX | MTN Ratings | Total (Rp million) | Due Date       | Status |
|--|--------------------|-------------|--------------------|----------------|--------|
| MTN BFI Finance Indonesia II Tahun 2014  | Not listed         | -           | 130,000            | 14 June 2015   | Paid   |
| MTN BFI Finance Indonesia III Tahun 2015 | Series A:          | 'AA-(idn)'  | 50,000             | 13 April 2017  | Paid   |
|  | Series B:          |             | 50,000             | 13 May 2018    | Paid   |
| MTN BFI Finance Indonesia IV Tahun 2015  | Not listed         | -           | 155,000            | 15 August 2016 | Paid   |

## CORPORATE STRUCTURE

BFI Finance's corporate structure as at 31 December 2018 was as follows:

GRAPH 6 CORPORATE STRUCTURE



## 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.

Through the Letter No. S-588/NB.213/2018 dated 31 July 2018 from OJK, FIT's application for its platform, <http://www.pinjammodal.id>, as provider of Information Technology-Based Money Borrowing and Lending Services, was approved to be registered and supervised by OJK.

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



# CAPITAL MARKET SUPPORTING INSTITUTIONS AND PROFESSIONS

## TRUSTEES

### PT Bank Tabungan Negara (Persero) Tbk

Menara BTN  
Jl. Gajah Mada No. 1  
Jakarta 10130, Indonesia  
Phone: (62-21) 633 6789 ext. 1844-1847  
www.btn.co.id

## LEGAL CONSULTANT

### Jusuf Indradewa & Partners

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

## PUBLIC ACCOUNTING FIRM

### Tanubrata Sutanto Fahmi Bambang & Partners

Prudential Tower, 17<sup>th</sup> Floor  
Jl. Jend. Sudirman Kav. 79  
Jakarta 12910, Indonesia  
Phone: (62-21) 5795 7300  
Fax: (62-21) 5795 7301  
www.bdo.co.id

## 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



The integrity and quality of BFI Finance’s workforce has become its organizational strength to yield added value that benefits the welfare of the surrounding environment and communities. With the right assignments in keeping with each one’s competencies and skills, each individual can contribute their very best to the Company.



# Human Capital



- 98 Human Capital Management
- 105 BFI Enhanced Core Competencies (BECOCO)
- 107 Recruitment Management
- 108 Human Capital Development
- 111 Performance Management
- 112 Career Development
- 115 Employee Welfare Program
- 117 Industrial Relations
- 117 Occupational Health and Safety
- 119 Human Capital Technology
- 120 Employee Demographics



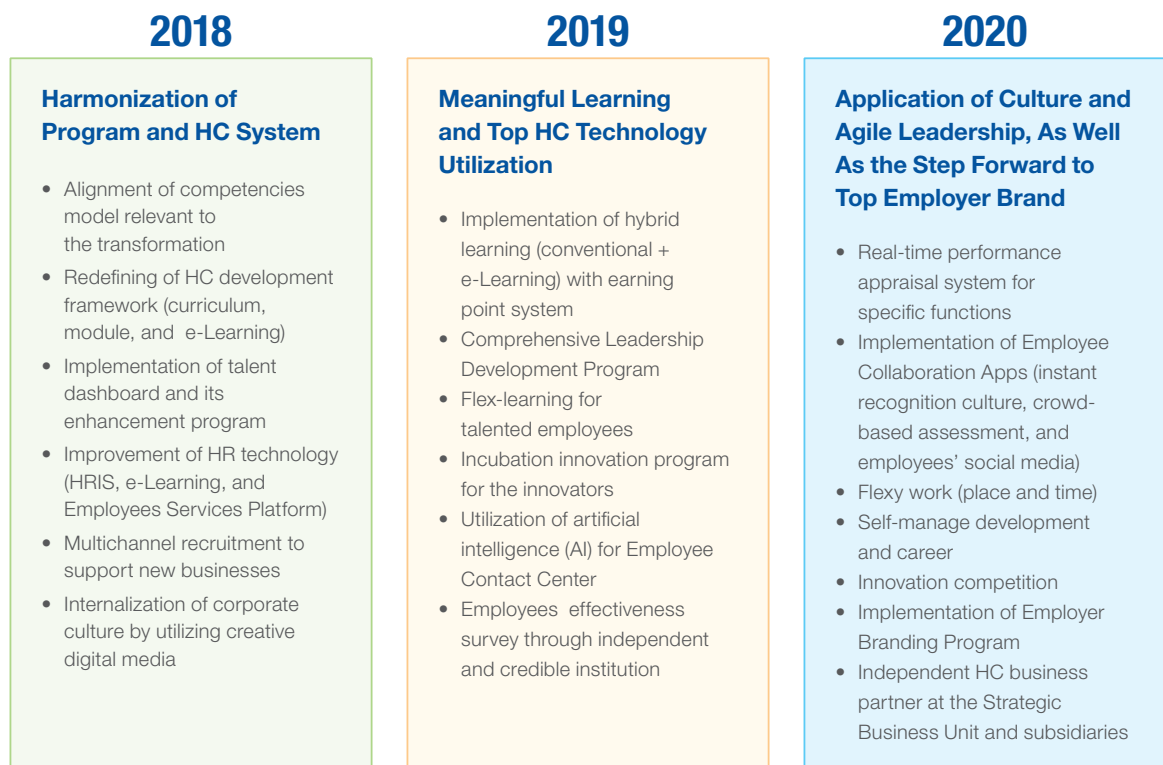
# HUMAN CAPITAL MANAGEMENT



BFI Finance always provides all its employees with the opportunity to grow and innovate, and the Company fully empowers its human capital (HC) as one of the main keys in the organization's transformation.

The Company's transformation was made possible by the role of Human Capital and all of the leaders in managing HC. The flexibility and capability of HC in adapting to changes are strongly correlated with the organization's resilience and agility in implementing HC policies and management that are dynamic and adaptive to various changes.

**GRAPH 7 Human Capital Framework**



## HUMAN CAPITAL MANAGEMENT

Organizational and HC designs that suit the organization's purpose, effective and creative recruitment strategy, talent management based on relevant competence model, culture internalization to support efforts of transformation, preparation of performance-based reward, implementation of HC Business Partner application, and the support of latest HC technology, have all been approved as the most suitable methods by all of the Company's employees, most of whom are part of the millennial generation. These factors are the strategies of BFI Finance Human Capital in managing its HC and guiding the Company to the desired direction in its transformation.

The management regularly adjusts its HC recruitment techniques to attract more millennials, in such a way that the very best talents can be identified and developed further. The millennial generation is the pillar of the future and the main driver of the Company in transforming and turning its vision into reality. The millennials are more capable in adjusting with new technology, so they are expected to apply and refine the positive values that form the Company's culture and developmental foundations.

The main characteristic of the millennial generation, namely their ability to swiftly adapt to technological development, needs to be harnessed in the most optimal manner possible to create an "agile" management style that can move quickly according to the Company's dynamic business rhythm and flow. To this end, the management provides more opportunity for all generations to grow and innovate, in order to ensure the Company's competitiveness in financing industry.

## COMPANY CULTURE

The Company's Leaders continuously instill the GREAT cultural values in all employees, so that they always apply the GREAT values in their daily activities. The process of culture internalization is complemented by the use of digital media. Culture internalization is carried out through the following programs at the head office and all branch offices:

- Leader Inspires, where the leaders visit branch offices;
- Leader's Talk, where experts hold a sharing session;
- Quarterly Town Hall Meeting;
- Annual Kick-Off;
- Bimonthly GREAT Video Competition;
- BFI Captain's Vlog, a vlog made by Leaders;
- Captain Inspires, e-flyers containing Leaders' quotes;
- BFIdaily, short videos on daily activities; and
- GREAToon, an e-cartoon series about corporate culture and behaviors.

Various materials related to corporate culture internalization are disseminated through digital media, such as e-mail, WhatsApp groups, and official social media accounts of Human Capital BFI Finance (#BFIners) on Instagram and YouTube.

# Captain's Inspire

**CAPTAIN'S INSPIRE** **BFI FINANCE**

“Di “Jaman NOW” success is about being agile, innovative and have the discipline to focus to achieve your goals”  
 - Firdaus Lety -  
 CEO BFI Finance



**CAPTAIN'S INSPIRE** **BFI FINANCE**

“Integritas adalah menjalankan apa yang diucapkan, dan mengucapkan apa yang dijalankan”  
 - Saizom -  
 Chief Finance Officer



**CAPTAIN'S INSPIRE** **BFI FINANCE**

“Melakukan sedikit hal yang meaningful akan lebih baik dibandingkan dengan mengetahui banyak hal namun tidak melaksanakannya”  
 - Andrey Kusnanto -  
 Chief Operation & IT Officer



**CAPTAIN'S INSPIRE** **BFI FINANCE**

“Make absolute integrity the compass that guides you in everything you do. Try to surround yourself only with people of integrity.”  
 - Sutadi -  
 Chief Marketing Officer BFI Finance



**CAPTAIN'S INSPIRE** **BFI FINANCE**

“Dua harga yang harus dibayar oleh karyawan: Integritas merupakan harga mati yang harus selalu kita jaga dan performance menunjukkan harga diri kita”  
 - Sya Huda Guswono -  
 Chief Risk Officer BFI Finance



**CAPTAIN'S INSPIRE** **BFI FINANCE**

“Semua usaha dan pekerjaan anda akan dikenal oleh konsumen jika anda memiliki Sikap Proaktif, Responsif dan Profesional”  
 - Susanto Wiragomo -  
 Regional Manager II



**CAPTAIN'S INSPIRE** **BFI FINANCE**

“3 words for the new leaders: Trust, Commitment and Care kepercayaan membuahkan komitmen jangka panjang dan rasa memiliki yang lebih tulus”  
 - Djani Setiadi -  
 Area Management Secondary Head



**CAPTAIN'S INSPIRE** **BFI FINANCE**

“If you see customer through customer's eyes, you'll get trust & loyalty. This is the right way to view your business.”  
 - Rachmadi -  
 Regional Manager III



**CAPTAIN'S INSPIRE** **BFI FINANCE**

“Jaman dulu cukup dengan memiliki pengetahuan & informasi yang baik kita bisa jadi pemenang Jaman Now kita tidak cukup hanya sekedar tahu tetapi harus lebih kreatif & inovatif agar bisa jadi pemenang”  
 - Kadek Tirtayasa -  
 Regional Manager II



**CAPTAIN'S INSPIRE** **BFI FINANCE**

“Every leader should know and believe: True respect come from compassion!”  
 - Goklas -  
 PMSD Head



**CAPTAIN'S INSPIRE** **BFI FINANCE**

“Satukan Hati & Pikiran dalam Berkerja untuk Meraih Kesuksesan”  
 - Tommy Wijaya -  
 Area Manager SB



# GREAT Video Competition



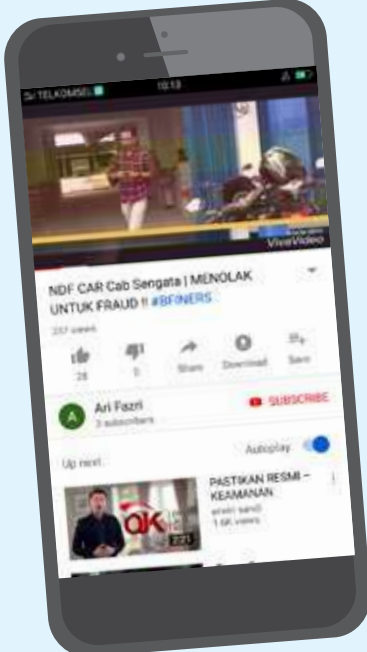
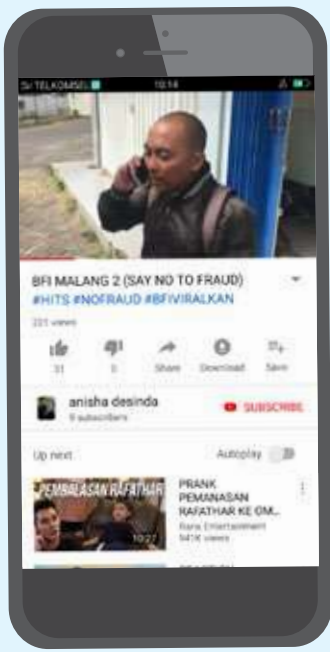
**It's a Great Day  
Video Challenge  
ANTI FRAUD**

**Bikin Videonya  
Raih Hadiyahnya**

Pengumpulan, 1-10 Agustus 2018.  
Upload ke Channel Youtube  
kalian dengan ketentuan

**Description :**  
#itsagreatday  
#BFIANTIFRAUD

**Caption :**  
Nama Cabang  
Departemen  
Judul Video







## Town Hall Meeting

The Company evaluates the implementation of its values on the employees using the GREAT Index survey with the 360° method. The average score from this survey was 3.43 out of 4, indicating that the Company's values have been implemented appropriately and consistently.

### HUMAN CAPITAL ACHIEVEMENTS IN 2018

In 2018, the Company continues to transform according to its future needs and strategies, in order to create more agile and effective organization. The Company has established a new subsidiary

in the field of financial technology, PT Finansial Integrasi Teknologi (FIT), with its flagship product [www.pinjammodal.id](http://www.pinjammodal.id). The Company also strengthened its efforts in digitalization, Customer Relations Management (CRM), big data, and technological development.

To help employees learn effectively, especially the millennial generation, the classroom learning method is complemented with M-BEAT (mobile BFI Edustream & Training) digital application. The app provides online courses that can be accessed by all employees using smartphone anytime and anywhere.



## Leader's Talk

## HUMAN CAPITAL MANAGEMENT

To effectively streamline the whole HC management process to be more relevant with the employees' learning and working needs, BFI Finance continues to develop applicative technology in addition to M-BEAT, such as an HC platform in form of employee dashboard that can be accessed through mobile application in real time. The Company also continuously refines the Human Capital Information System (HCIS) to improve employees' accessibility and comfort in employment-related information and transaction.

BFI Finance was once again rewarded with the "Best Company to Work for" award from *HR Asia* for the second consecutive year, in recognition of its exemplary HC management. *HR Asia* used the employee engagement index as evaluation criteria for the award.



*Best Place to Work Program Activation*

# BFI ENHANCED CORE COMPETENCIES (BECOCO)

In 2018, the Company formulated a series of new core competencies for all of its employees in order to be more aligned with its future business strategies. The successful achievement of these strategies largely depends on HC quality; therefore, these new competencies will serve as the baseline for assessing the quality and management of HC in every stage of employment: from recruitment, capability development, performance assessment, to career succession.

BFI Enhanced Core Competencies (BECOCO) consists of nine non-technical core competencies formulated by the Company, which were developed based on the Company's core values and corporate culture (GREAT). The nine core competencies are:

## 1. Organizational Commitment

Definition: Acting openly, honestly, professionally, consistently, and in line with organizational values in order to gain trust from other people.

Examples of actions and behaviors:

- Deliver accurate and complete information;
- Perform work according to the agreement;
- Act professionally by complying with the Company's ethics, policies, and regulations;
- Maintain consistency between words and actions (walk the talk).

## 2. Strategic Execution

Definition: Creating plans and performance standards based on macro and micro business analysis, ensuring their implementation is according to established targets.

Examples of actions and behaviors:

- Determine clear business direction and work priority;

- Translate work priorities to more specific work plans and targets and communicate them to the team;
- Allocate time and resources to achieve work plans and targets;
- Control, monitor, and evaluate performance achievement.

## 3. Customer Focus

Definition: Ensuring that the delivery of services always meets the needs of internal and external customers by prioritizing their point of view.

Examples of actions and behaviors:

- Actively identify customer needs through any necessary means or method;
- Prioritize customer satisfaction in conducting actions, even exceeding customer expectation;
- Evaluate customer satisfaction and create action plans to improve services.

## 4. Innovation

Definition: Creating conducive environment to support the development of new ideas for the purpose of finding new ways to solve problems in achieving organizational purposes.

Examples of actions and behaviors:

- Be open to new ideas;
- Actively provide new ideas according to current development and implement them;
- Give opportunities for other people to convey their ideas;
- Create innovative environment and opportunities, and confidently take necessary risks.

## BFI ENHANCED CORE COMPETENCIES (BECOCO)

### 5. Entrepreneurship

Definition: Harnessing the comprehension or knowledge related to business, trend, and market to improve organizational performance.

Examples of actions and behaviors:

- Have a strong understanding of business and financing products' process flow;
- Use all information related to economics, finance, and the market to identify business trends and opportunities; and
- Able to see business potentials that suit the needs of customers.

### 6. Strategic Partnership

Definition: Proactively building direct and indirect relationships with various parties (internal/ external) to achieve organizational purposes.

Examples of actions and behaviors:

- Identify mutually beneficial cooperation or partnership opportunities;
- Proactively give positive contributions in building relationship with internal and external parties;
- Maintain good relationship with various parties in accordance with work ethics;
- Develop long term business opportunities in achieving organizational purposes.

### 7. Leading Change

Definition: Directing and supporting change process effectively in order to achieve organizational purposes.

Examples of actions and behaviors:

- Be open and positive in responding to organizational changes;
- Identify better change or improvement opportunities;

- Inspire or motivate other people to change;
- Anticipate risks arising from changes.

### 8. Agile Decision

Definition: Identifying and understanding problems and being open to various alternative solutions in decision making according to existing conditions.

Examples of actions and behaviors:

- Identify problems and opportunities immediately and accurately;
- Find alternative solutions and make decisions based on relevant information and data according to their authority;
- Make agile decisions when condition changes;
- Be committed to implementing decisions according to their level of urgency.

### 9. Nurturing People

Definition: Encouraging learning process and capability development by understanding the diversity of individuals.

Examples of actions and behaviors:

- Build interactive communication and encourage team members to openly communicate their development needs;
- Set aside time to listen to team members' complaints and able to empathize with them;
- Act appropriately according to the needs of each individual or team member;
- Build learning culture and environment for development (knowledge sharing).

# RECRUITMENT MANAGEMENT

In order to fulfill the increasing demand of its business development, BFI Finance periodically recruits new employees for strategic, non-strategic, and trainee positions. Recruitment process for strategic and trainee positions is conducted at the head office, while recruitment for non-strategic positions is conducted at the branch offices.

In recruiting employees, the management has adjusted its techniques to be able to attract both millennial generation and specialist experts. The Company continues to improve its recruitment process effectiveness by utilizing various technologies, such as:

- Need-based analysis with anticipative approach;
- Dissemination of job vacancy through social media platforms such as Facebook, Twitter, Instagram, Career.com, LinkedIn, and JobStreet;
- Utilization of BFI Jobs and Applicant Tracking System digital platforms to recruit and process new employee candidates;

- Partnership with startup and coding school (Techinasia, Hacktiv8, Purwadhika, and Glints) to scout the best talents in technology field, and
- Scholarship program for potential innovators, data scientists, and web developers, to operate the digital peer-to-peer lending business through FIT.

The Company sources capable human resources through collaboration with external parties and utilization of internal employees' networks and relations. In 2018, the highest join rate was from BFI Finance internal employees, through the employee-get-employee program. The Company also establishes partnership with several universities in Indonesia through scholarship grants, apprenticeship opportunities, campus hiring, and campus awareness programs.



BFI Scholarships Program for Purwadhika Startup & Coding School through Job Connector Program

## HUMAN CAPITAL DEVELOPMENT

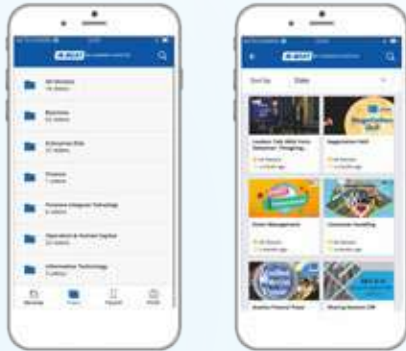
Recruiting high quality HC to keep up with its business development is the biggest challenge faced by the Company's HC management. With 11,171 employees across its 401 outlets throughout Indonesia, the Company must continuously ensure the balanced growth of the competence level of all employees.

In 2018, BFI provided 56 training programs for 24,685 employees, a 120% increase compared to 10,991 employees in 2017. The trainings were provided for employees from all levels, employment status, functions, and regions across the whole area of Indonesia, excluding Aceh.

BFI Learning Institute coordinates and facilitates HC development program by formulating training programs that suit the business needs and challenges frequently encountered by the Company. The training programs were given in attractive and effective presentation methods to ensure participants' understanding of the training materials.

BFI Learning Institute also encourages employees to become active users of M-BEAT platform. M-BEAT's Video Library feature contains over 200 video learning modules, while its Mobile Video Streaming shows important events of the Company in live mode that can be accessed by all employees interactively. Utilization of M-BEAT facilitate millennial-friendly learning system through cellphone.





Meanwhile, the Company also continues to hold offline training courses internally and externally, such as:

- Sharing Session/Leader's Talk;
- Great Leaders Program (GLP) for career preparation;
- Enhancement Programs in synergy with GLP;
- External training and certification; and
- Professional Education Assistance.

In 2018, the Company spent Rp32.3 billion for training, a 14% increase from 2017, which includes development of employees' competence and capability, as well as accommodation cost during training and other supporting expenses.



## HUMAN CAPITAL DEVELOPMENT

**TABLE 14 HC Development Metrics**

| Description                     | 2017           | 2018           | +/-           |
|---------------------------------|----------------|----------------|---------------|
| Training Expenditures           | Rp28.5 billion | Rp32.3 billion | Rp3.8 billion |
| Number of Training Participants | 11,206         | 24,685         | 13,479        |
| Number of Training Programs     | 54             | 56             | 2             |

**TABLE 15 Training and Education Programs**

| Training Category | Number of Program 2018 | Number of Participants 2018 |
|-------------------|------------------------|-----------------------------|
| Internal Training | 12                     | 22.662                      |
| External Training | 44                     | 2.023                       |
| <b>Total</b>      | <b>56</b>              | <b>24.685</b>               |

**TABLE 16 Training Participants by Position**

| Position Level | Internal Training | External Training | Number of Training Participants |
|----------------|-------------------|-------------------|---------------------------------|
| BOC & BOD      |                   | 16                | 16                              |
| Senior Manager | 13                | 141               | 154                             |
| Junior Manager | 167               | 127               | 294                             |
| Officer        | 2,831             | 390               | 3,221                           |
| Staff          | 19,651            | 1,349             | 21,000                          |
| <b>Total</b>   | <b>22,662</b>     | <b>2,023</b>      | <b>24,685</b>                   |

**TABLE 17 Average Training Hours per Employee per Year**

| Position Level | Male           |                                     |                                     | Female         |                                     |                                     | Average Training Hours per Employee |
|----------------|----------------|-------------------------------------|-------------------------------------|----------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                | Training Hours | Number of Employees per 31 Dec 2018 | Average Training Hours per Employee | Training Hours | Number of Employees per 31 Dec 2018 | Average Training Hours per Employee |                                     |
| BOC & BOD      | 118            | 11                                  | 11                                  | 10             | 1                                   | 10                                  | 10.7                                |
| Senior Manager | 1,581          | 331                                 | 5                                   | 420            | 87                                  | 5                                   | 4.8                                 |
| Junior Manager | 12,521         | 257                                 | 49                                  | 2,564          | 53                                  | 48                                  | 48.7                                |
| Officer        | 182,307        | 2,111                               | 86                                  | 70,897         | 821                                 | 86                                  | 86.4                                |
| Staff          | 41,215         | 6,037                               | 7                                   | 13,738         | 2,010                               | 7                                   | 6.8                                 |
| <b>Total</b>   | <b>237,742</b> | <b>8,747</b>                        | <b>37</b>                           | <b>87,629</b>  | <b>2,972</b>                        | <b>29</b>                           | <b>27.8</b>                         |



## PERFORMANCE MANAGEMENT

To ensure all of its employees deliver a high standard of performance, BFI Finance continuously implements numerous performance management mechanisms. The implementations of employee performance management consists following stages:

1. Employee Goal Setting:
  - Employees formulate Key Performance Indicators (KPI).
  - The KPIs are cascaded from superiors to employees to ensure performance sustainability.
  - Superiors provide input and approval on the KPIs formulated by their subordinates.
2. Performance Review: superiors conduct a mid-year assessment on the KPI achievements of its subordinates.
3. Performance Appraisal: superiors annually assess the KPI achievements of its subordinates at the end of the year to determine the amount of incentive payments and profit sharing for top achieving employees.

In 2018, BFI Finance's KPI structure underwent changes by the addition of "the leaders' role in developing its team" and the strengthening of "successor system" to make KPI more balanced in terms of management, leadership, and transformation.

Moreover, in 2018 the Company developed Employee Dashboard to enable leaders to monitor team composition under their supervision, their employment status, and their productivity in real time for the purpose of performance monitoring as well as quick and proper troubleshooting for performance issues.

**TABLE 18 Employee Productivity**

| Description                       | 2017  | 2018   | Change (%)    |
|-----------------------------------|-------|--------|---------------|
| Total Number of Employees         | 9,884 | 11,171 | 1,287 (13.0%) |
| Total Number of Outlets           | 342   | 401    | 59 (17.3%)    |
| Employees/Network                 | 28.9  | 27.9   | -1 (3.5%)     |
| New Contracts/Number of Employees | 39.3  | 41.0   | 1.7 (4.3%)    |

## CAREER DEVELOPMENT

BFI Finance works hard to maximize the potential of all its employees positively by implementing career development mechanism. This mechanism is managed together by the employees and management (through the Human Capital Department).

There are two main paths for the career development program: GREAT Talent Review and People Development. In the stage of GREAT Talent Review, the employees' potential is mapped using the Human Asset Value (HAV) method and projected against their respective competences: leadership, functional ability, and technical ability.

Special attention is given to develop high performance and high potential employees (talents) through Talent Development program that consist of Bootcamp, Flex-learning and regular coaching from the BOD and senior managers through direct meetings or digital media.



Bootcamp



“ Arman Hamka, Branch Manager of Kupang, East Nusa Tenggara

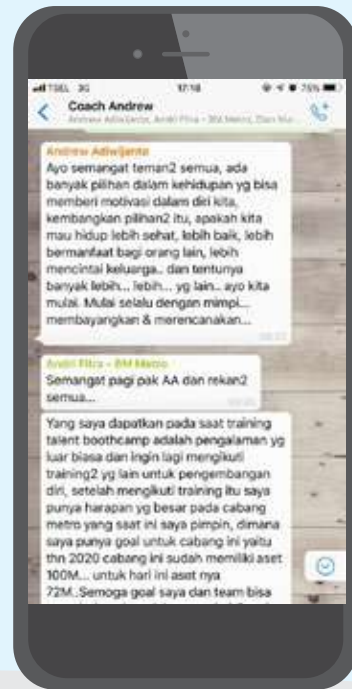
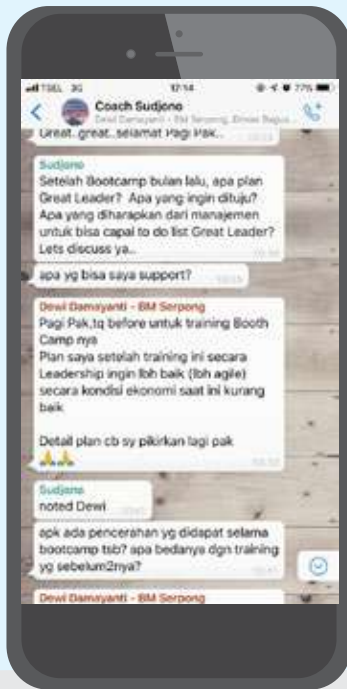
As a BFI Finance employee, I feel that this company is a very good place for learning and for developing expertise and competence according to each employee's interest and field of work. I experience this myself in my career development, in the past as HC Specialist, and currently as Branch Manager. For me, the comfortable work environment that is imbued with a sense of camaraderie at BFI Finance has played a huge role in boosting my productivity. In addition, transparency in the benefits scheme that is tied with employee performance encourages me to be even more persistent in furthering my career in this company.

”

**TABLE 19** Employees Participating in Talent Management and Succession Programs

| Position Level       | 31 Dec 2017 |           |            | 31 Dec 2018 |           |            | Change (%)          |
|----------------------|-------------|-----------|------------|-------------|-----------|------------|---------------------|
|                      | Male        | Female    | Total      | Male        | Female    | Total      |                     |
| Managerial and above | 56          | 18        | 74         | 110         | 44        | 154        | 80 (108.1%)         |
| Supervisor           | 85          | 31        | 116        | 243         | 51        | 294        | 178 (153.4%)        |
| <b>Total</b>         | <b>141</b>  | <b>49</b> | <b>190</b> | <b>353</b>  | <b>95</b> | <b>448</b> | <b>258 (135.8%)</b> |

# BFI Coaching



## EMPLOYEE WELFARE PROGRAM

To increase its employees' productivity, strengthen their loyalty and to retain the best talents in the industry and ensure their best performance, BFI Finance sets a competitive standard in formulating remuneration package and structure for all of its employees. The Company's remuneration policy is reviewed periodically and modified according to the needs and development in the financing industry and workforce market in the Company's operational areas.

The calculation of salary structure and performance bonus is based on the prevailing employment regulations on remuneration and minimum wage standard. In addition, the Company also calculates basic factors (i.e. position level) and other factors (such as achievement and contribution toward the individual, their team, and the Company's progress). In 2018, the Company determined a wage structure that would be gradually disseminated to its employees.



“ Devi Veronika, Head of Internal Control Unit, Head Office

Having been a part of BFI Finance for ten years, working here for me is not only a routine, but also an opportunity to obtain knowledge and other valuable experience. My colleagues at work are fun and supportive, regardless of their level or position. BFI Finance always pays special attention to the career and competence development of its employees by organizing useful and interesting training programs. I am highly satisfied with the facilities for us employees, especially as regards health and car ownership program. I hope that in the future training and education programs for employees can be developed even further.

”

## EMPLOYEE WELFARE PROGRAM

The Company's remuneration package for all of its permanent employees includes:

1. Basic salary;
2. Employee allowance, including:
  - a. Housing allowance;
  - b. Transportation allowance;
  - c. Hardship allowance;
  - d. Annual Religious Holiday Allowance;
  - e. Medical allowance (reimbursement of hospital expenses);
3. Motorcycle Ownership Program (MOP) and Car Ownership Program (COP);
4. Work supporting facilities ownership program;
5. Maternity leave;
6. Registration under the protection scheme of BPJS Ketenagakerjaan (Work Accident Insurance, Old Age Insurance, Life Insurance);
7. Personal insurance and life insurance; and
8. Performance bonus (optional).

Employees' motivation to work closely corresponds to their performance. Therefore, the Company continuously conducts activities to strengthen the bond between employees and close any gaps in their professional levels through casual interaction, which in 2018 included sport activities (badminton, basketball, table tennis, futsal, Zumba gymnastics, and running), video competition (on implementation of Company culture), outbound activity, outing, and community events (BFI Radio, Music Corner, Group Watch, and iftar).

## INDUSTRIAL RELATIONS

BFI Finance aims to create productive and mutually beneficial industrial relations in its interaction with all of its employees. Therefore, BFI Finance always complies with all Company Regulations and prevailing regulations on employment.

Company Regulations contains important employment aspects, such as work condition, dialogue, competence development, equality of rights and justice, and legal protection. The regulation protects the interests of all BFI Finance's employees.

The Company Regulations in 2018 has been ratified by the Ministry of Law and Human Rights of the Republic of Indonesia for three years period.

There is no labor union in BFI Finance, as the Company's employees have not considered it necessary to establish a labor union as a channel to express their aspiration.

Employee can directly submit their grievance related to fulfillment or violation of their rights or Company Regulations to the management, both verbally or in writing, to be gradually resolved according to BFI Finance's organizational structure. In 2018, BFI Finance has not received any grievance related to industrial relations from its employees.

## OCCUPATIONAL HEALTH AND SAFETY

One of the priorities of BFI Finance is to always maintain Occupational Health and Safety (OSH) of all its employees in their daily work activities. Therefore, the Company strives to create a safe, convenient, and ideal working environment to support employees' productivity.

BFI Finance implements an OHS Management System that applies to all of its employees, based on the OHS Management System and managed by Human Capital Department as well as Infrastructure Development Unit under Operations Division.

## OCCUPATIONAL HEALTH AND SAFETY

OHS provisions are stipulated in the Company Regulations under Prevention and Mitigation section. The Company obliges all of its employees to prevent and avoid potential riots, work accidents, disasters in the workplace, or other events that may incur damage to the Company's assets, and to mitigate the incidents they encounter at work.

The Company's employees are protected by several types of insurance, i.e. Work Accident Insurance from BPJS Ketenagakerjaan, as well as health insurance and personal accident insurance from partner insurance company.

BFI Finance ensures that security standards and permit of its building and office facilities are always complete and up to date. Every supporting system and infrastructure (such as elevator, generators, and waste treatment facility) of the building is periodically checked to ensure that they are working properly, and have their permits updated. Meanwhile, vital

assets including customer documents in the Custodian Center are secured in an earthquake and fireproof storage room located in the Head Office, BFI Finance Tower.

BFI Finance routinely holds evacuation drills, firefighting equipment tests, and regular maintenance of building facilities. Fire disaster rescue system and first aid kit are installed on every floor. Emergency response team remains ready at all times to respond to emergency situations, and the Company also prepares all employees to be alert and responsive and take proper action during emergency situations.

BFI Finance's field employees, including those in marketing, collecting, and operational functions, spend a lot of their time on the road. To protect them from possible traffic accident, BFI Finance always ensures that they comply with traffic rules and wear sufficient protections while driving vehicles.

**TABLE 20 Occupational Accidents**

| Occupational Accident Severity | Field Employees | Non-Field Employees | Total     |
|--------------------------------|-----------------|---------------------|-----------|
| Major Accidents                | 2               | 3                   | 5         |
| Minor Accidents                | 24              | 4                   | 28        |
| <b>Total Number of Cases</b>   | <b>26</b>       | <b>7</b>            | <b>33</b> |

BFI Finance encourages all employees to take good care of their health and the surrounding environment, and to be aware of the potential occupational disease that may arise due to their daily activities. In 2018, the Company ran a health campaign that included routine medical check-up, dissemination of information on endemic disease and adverse environmental conditions encountered in the areas, and various sessions to promote healthy lifestyle.



# HUMAN CAPITAL TECHNOLOGY

All HC management aspects in BFI Finance are supported by an integrated information system of Human Capital Technology. The Company annually updates, improves, and refines the features of Human Capital Information System (HCIS), which aims to enable the Company to run its HC management activities in an optimal and effective manner. All employees can rely on HCIS features to obtain the latest information, refresh their knowledge, develop their competency and capacity, and share information and knowledge with peers.

On the other side, leaders and management can also monitor performance of each individual and team in real time through the Human Capital Dashboard, so that they can make strategic decisions and prepare work plans more strategically.



# EMPLOYEE DEMOGRAPHICS

## WORKFORCE PROFILE

In 2018, BFI Finance recruited new employees to fill in new positions created in line with its business development and also vacant positions due to former employees leaving the Company for various reasons. The Company's employee head count as at end of 2018 was up by 1,287 personnel, or 14% higher than as at end of 2017. More than 90% of the new recruits in 2018 were millennials. This condition reflects BFI Finance's employee demographic profile that mainly consists of young people who are savvy and adept at harnessing digital technology.

**TABLE 21 Total Employees**

| Description     | 31 Dec 2017 | 31 Dec 2018 | Change (%)    |
|-----------------|-------------|-------------|---------------|
| Total Employees | 9,884       | 11,171      | 1,287 (13.0%) |

**TABLE 22 Number of Employees by Directorate**

| Description                          | 31 Dec 2017  |              |              | 31 Dec 2018  |              |               | Change (%)           |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------------|
|                                      | Male         | Female       | Total        | Male         | Female       | Total         |                      |
| BOC                                  | 6            | 1            | 7            | 7            | 2            | 9             | 2 (28.6%)            |
| BOD                                  | 5            | -            | 5            | 5            | -            | 5             | 0 (0.0%)             |
| CEO Directorate (President Director) | 130          | 42           | 172          | 146          | 57           | 203           | 31 (18.0%)           |
| Business Directorate                 | 3,884        | 705          | 4,589        | 4,319        | 805          | 5,124         | 535 (11.7%)          |
| Operations & HC Directorate          | 682          | 1,278        | 1,960        | 731          | 1,477        | 2,208         | 248 (12.6%)          |
| Enterprise Risk Directorate          | 2,505        | 403          | 2,908        | 2,917        | 448          | 3,365         | 457 (15.7%)          |
| Finance Directorate                  | 199          | 44           | 243          | 204          | 53           | 257           | 14 (5.8%)            |
| <b>Total</b>                         | <b>7,411</b> | <b>2,473</b> | <b>9,884</b> | <b>8,329</b> | <b>2,842</b> | <b>11,171</b> | <b>1,287 (13.0%)</b> |

**TABLE 23 Number of Employees by Employment Status**

| Employment Status | 31 Dec 2017  |              |              | 31 Dec 2018  |              |               | Change (%)           |
|-------------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------------|
|                   | Male         | Female       | Total        | Male         | Female       | Total         |                      |
| Permanent         | 4,319        | 1,663        | 5,982        | 4,797        | 1,849        | 6,646         | 648 (11.1%)          |
| Non-Permanent     | 1,712        | 445          | 2,157        | 3,532        | 993          | 4,525         | 623 (16.0%)          |
| <b>Total</b>      | <b>7,411</b> | <b>2,473</b> | <b>9,884</b> | <b>8,329</b> | <b>2,842</b> | <b>11,171</b> | <b>1,287 (13.0%)</b> |

**TABLE 24 Number of Employees by Employment Contract**

| Employment Contract | 31 Dec 2017  |              |              | 31 Dec 2018  |              |               | Change (%)           |
|---------------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------------|
|                     | Male         | Female       | Total        | Male         | Female       | Total         |                      |
| Full Time           | 7,411        | 2,473        | 9,884        | 8,329        | 2,842        | 11,171        | 1,287 (13.0%)        |
| Part Time           | -            | -            | -            | -            | -            | -             | -                    |
| <b>Total</b>        | <b>7,411</b> | <b>2,473</b> | <b>9,884</b> | <b>8,329</b> | <b>2,842</b> | <b>11,171</b> | <b>1,287 (13.0%)</b> |

**TABLE 25 Number of Employees by Region**

| Region            | 31 Dec 2017  |              |              | 31 Dec 2018  |              |               | Change (%)           |
|-------------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------------|
|                   | Male         | Female       | Total        | Male         | Female       | Total         |                      |
| Head Office       | 430          | 335          | 765          | 499          | 398          | 897           | 132 (17.2%)          |
| Greater Jakarta   | 696          | 239          | 935          | 830          | 232          | 1,062         | 153 (16.8%)          |
| Java & Bali       | 2,992        | 879          | 3,871        | 3,417        | 1,043        | 4,460         | 589 (15.2%)          |
| Sumatera          | 1,272        | 433          | 1,705        | 1,400        | 476          | 1,876         | 171 (10.0%)          |
| Kalimantan        | 736          | 212          | 948          | 790          | 243          | 1,033         | 85 (9.0%)            |
| Eastern Indonesia | 1,273        | 413          | 1,686        | 1,393        | 450          | 1,843         | 157 (9.3%)           |
| <b>Total</b>      | <b>7,411</b> | <b>2,473</b> | <b>9,884</b> | <b>8,329</b> | <b>2,842</b> | <b>11,171</b> | <b>1,287 (13.0%)</b> |

**TABLE 26 Number of Employees by Educational Level**

| Educational Level           | 31 Dec 2017  |              |              | 31 Dec 2018  |              |               | Change (%)           |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------------|
|                             | Male         | Female       | Total        | Male         | Female       | Total         |                      |
| Master's & Doctoral degrees | 33           | 13           | 46           | 36           | 16           | 52            | 6 (13.0%)            |
| Bachelor' degrees           | 4,181        | 1,715        | 5,896        | 4,775        | 2,029        | 6,804         | 908 (15.4%)          |
| Diplomas                    | 799          | 380          | 1,179        | 2,831        | 727          | 3,558         | 2,379 (201.8%)       |
| High School and below       | 2,398        | 365          | 2,763        | 687          | 70           | 757           | -2,006 (-72.6%)      |
| <b>Total</b>                | <b>7,411</b> | <b>2,473</b> | <b>9,884</b> | <b>8,329</b> | <b>2,842</b> | <b>11,171</b> | <b>1,287 (13.0%)</b> |

**EMPLOYEE  
DEMOGRAPHIC**

**TABLE 27 Number of Employees by Position Level**

| Position Level | 31 Dec 2017  |              |              | 31 Dec 2018  |              |               | Change (%)           |
|----------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------------|
|                | Male         | Female       | Total        | Male         | Female       | Total         |                      |
| BOC & BOD      | 11           | 1            | 12           | 12           | 2            | 14            | 2 (16.7%)            |
| Senior Manager | 113          | 32           | 145          | 142          | 37           | 179           | 34 (23.4%)           |
| Junior Manager | 402          | 94           | 496          | 447          | 102          | 549           | 53 (10.7%)           |
| Officer        | 1,882        | 711          | 2,593        | 2,099        | 822          | 2,921         | 328 (12.6%)          |
| Staff          | 5,003        | 1,635        | 6,638        | 5,629        | 1,879        | 7,508         | 870 (13.1%)          |
| <b>Total</b>   | <b>7,411</b> | <b>2,473</b> | <b>9,884</b> | <b>8,329</b> | <b>2,842</b> | <b>11,171</b> | <b>1,287 (13.0%)</b> |

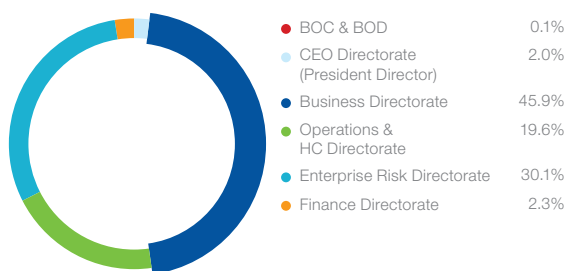
**TABLE 28 Number of Employees by Age Group**

| Age Group    | 31 Dec 2017  |              |              | 31 Dec 2018  |              |               | Change (%)           |
|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------------|
|              | Male         | Female       | Total        | Male         | Female       | Total         |                      |
| < 25 Year    | 1,290        | 750          | 2,040        | 2,077        | 1,217        | 3,294         | 1,254 (61.5%)        |
| 25-30 Year   | 3,711        | 1,259        | 4,970        | 3,965        | 1,177        | 5,142         | 172 (3.5%)           |
| 31-40 Year   | 2,139        | 403          | 2,542        | 2,041        | 391          | 2,432         | -110 (-4.3%)         |
| 41-50 Year   | 245          | 53           | 298          | 222          | 49           | 271           | -27 (-9.1%)          |
| > 50 Year    | 26           | 8            | 34           | 24           | 8            | 32            | -2 (-5.9%)           |
| <b>Total</b> | <b>7,411</b> | <b>2,473</b> | <b>9,884</b> | <b>8,329</b> | <b>2,842</b> | <b>11,171</b> | <b>1,287 (13.0%)</b> |

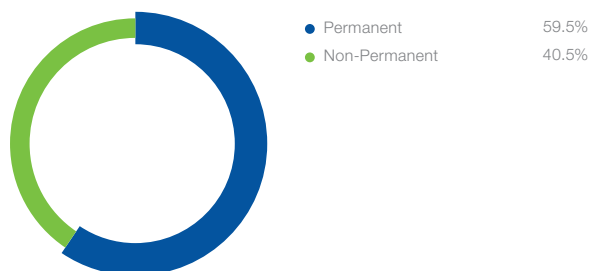
**TABLE 29 Number of Employees by Tenure**

| Tenure       | 31 Dec 2017  |              |              | 31 Dec 2018  |              |               | Change (%)           |
|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------------|
|              | Male         | Female       | Total        | Male         | Female       | Total         |                      |
| < 3 Year     | 4,790        | 1,389        | 6,179        | 5,508        | 1,708        | 7,216         | 1,037 (16.8%)        |
| 3-5 Year     | 1,461        | 551          | 2,012        | 1,450        | 536          | 1,986         | -26 (-1.3%)          |
| 6-10 Year    | 879          | 404          | 1,283        | 1,020        | 437          | 1,457         | 174 (13.6%)          |
| > 11 Year    | 281          | 129          | 410          | 351          | 161          | 512           | 102 (24.9%)          |
| <b>Total</b> | <b>7,411</b> | <b>2,473</b> | <b>9,884</b> | <b>8,329</b> | <b>2,842</b> | <b>11,171</b> | <b>1,287 (13.0%)</b> |

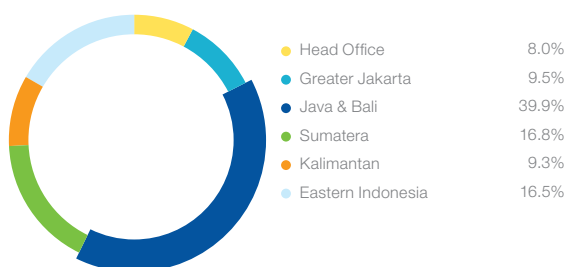
**GRAPH 8 Number of Employees by Directorate**



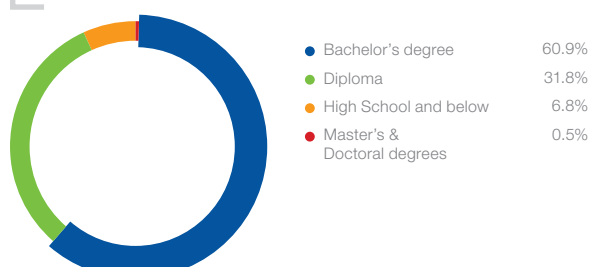
**GRAPH 9 Number of Employees by Employment Status**



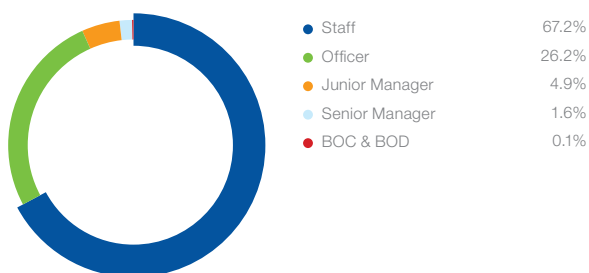
**GRAPH 10 Number of Employees by Region**



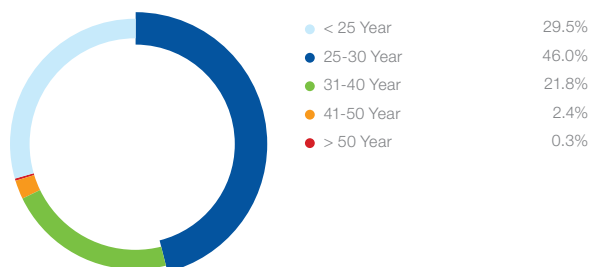
**GRAPH 11 Number of Employees by Level of Education**



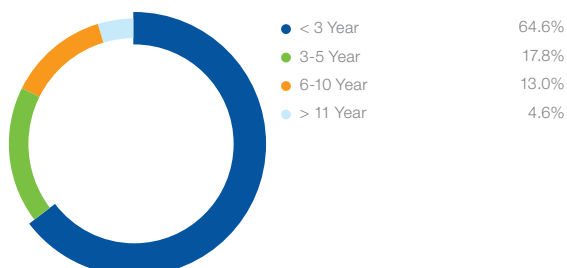
**GRAPH 12 Number of Employees by Position Level**



**GRAPH 13 Number of Employees by Age Group**



**GRAPH 14 Number of Employees by Tenure**





# Business Support Units

- 125 Network and Operations
- 131 Customer Service
- 136 Information Technology





Without having to wait for long, your dream destination can soon be a reality. Financing your travels is no longer a far-fetched idea, now that BFI Leisure is here for you. We understand that every journey will make one a better individual.

## NETWORK AND OPERATIONS DEVELOPMENT

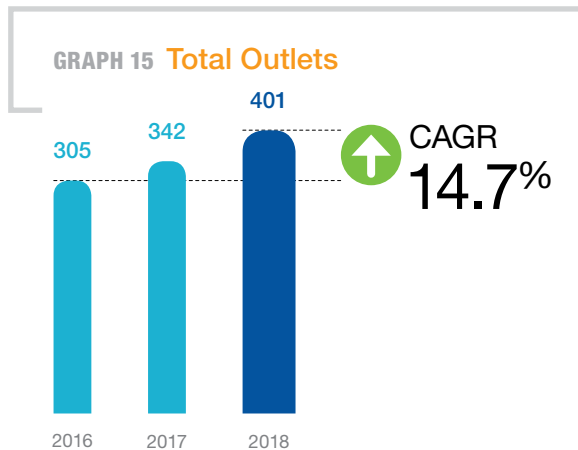




In 2018, BFI Finance's business expansion in Indonesia was carried out by opening 60 new outlets in a number of areas that showed promising growth potential and in need of further business expansion.

With the opening of 11 new branch offices and 49 new kiosks, at the end of 2018, BFI Finance operated 228 branches and 173 kiosks across Indonesia, an increase of 17.3% or 59 outlets, from 342 outlets in 2017.

Such business expansion was carried out based on various considerations, such as economic scale, competition level, population density, and university availability in targeted areas, in accordance with BFI Finance's business growth strategies.



Considering that the transition of business from traditional to digital financing can improve the agility and effectiveness of its operational activities, the Company synchronized various efforts to improve infrastructure, develop employee competencies, and increase customer adaptability to digital business process. This has been challenging for the Company in the midst of aggressive competition in the multifinance industry.

#### 1. Infrastructure development

Utilization and optimization of an integrated and updated information technology system in all of its business processes has become the basis for BFI Finance to increase its effectiveness, efficiency, and productivity. The Company developed its technological infrastructure following the development of multifinance industry landscape and arising, new business potentials. Thus, the Company will be ready to answer various customer needs swiftly and efficiently.

#### 2. Employee transformation

Human capital responsive to technological development is the heart of business growth in the digital era. The balance between infrastructure development and competency improvement as well as the readiness of its users (the Company's employees) enables the increase

## NETWORK AND OPERATIONS

in productivity. Digital transformation of the employees also helps BFI Finance to standardize and streamline various procedures, especially in small branch offices. This process is fully supported by the implementation of BECOCO, which redefines core competencies of the Company's employees in 2018. Going forward, all of this will accelerate its business growth in the midst of competition in the digital era.

### 3. Education for customers

Inequality in the ability of costumers to adapt to the digital era has made the Company realize the needs to educate its customers on the online-based business process. Digitalized process in the interaction between BFI Finance and its customers enables capability expansion and access acceleration for both parties regarding information exchange on customer needs and the Company's services. With increasing customer understanding on BFI Finance's processes that have transitioned into the digital method, the Company will have more freedom and agility to offer its unique value proposition (UVP).

As in 2017, the network and operations initiative is centered on three pillars: centralization of business process, outlet function automation, and cashless transactional ecosystem. All of these initiatives were continued in 2018, with the following purposes:

1. Through business process integration, control can be carried out in a centralized manner and the quality of service to customers can be improved,

2. Information provided in all layers of the Company becomes more transparent, and
3. Installment payment transactions through digital payment platform become easier.

The three pillars were translated into various initiatives, such as: rearranging a number of branch offices, establishing a zone for billing activities, Microbattle Project, centralizing payment to third parties, using of Gerai Card or Funding Card, deploying payment points, telecollection, and implementing Billing Information System to digital platform.

One of the most fundamental digital transformation at BFI Finance is the sharia financing operation. In 2018, after obtaining operational operational permit from the regulator for its 22 sharia branch offices, BFI Finance implemented various online and conventional marketing methods to reach the sharia financing market segment, and conducted customer feasibility assessment through a digital platform.

BFI Finance's Sharia Business Unit is different from the conventional financing business model. As sharia business market potential and trend develops, it emphasizes on partnerships with third parties in marketing non-conventional and non-collateral sharia financing products.

## THE IMPACTS OF NATURAL DISASTER ON THE COMPANY'S NETWORK

On 28 September 2018, Palu and Donggala in Central Sulawesi were hit by a 7.4 magnitude earthquake, causing large-scale damages and paralyzing economic activities in both areas. The Company's business operations in these areas were also affected by the earthquake-induced damages. In order to mitigate the impacts, the Company immediately carried out a number of strategic steps, including the implementation of a comprehensive disaster relief plan, which consisted of three groups of processes, as follows:

### 1. Rehabilitation

Aimed at restoring physical and non-physical conditions after the disaster, which includes building and network rehabilitations as well as providing physical and psychological treatments to restore moral and overall conditions of the employees.

### 2. Relocation

Aimed at relocating the Company's business operational locations (building and other supporting infrastructure) temporarily until the conditions are more favorable.

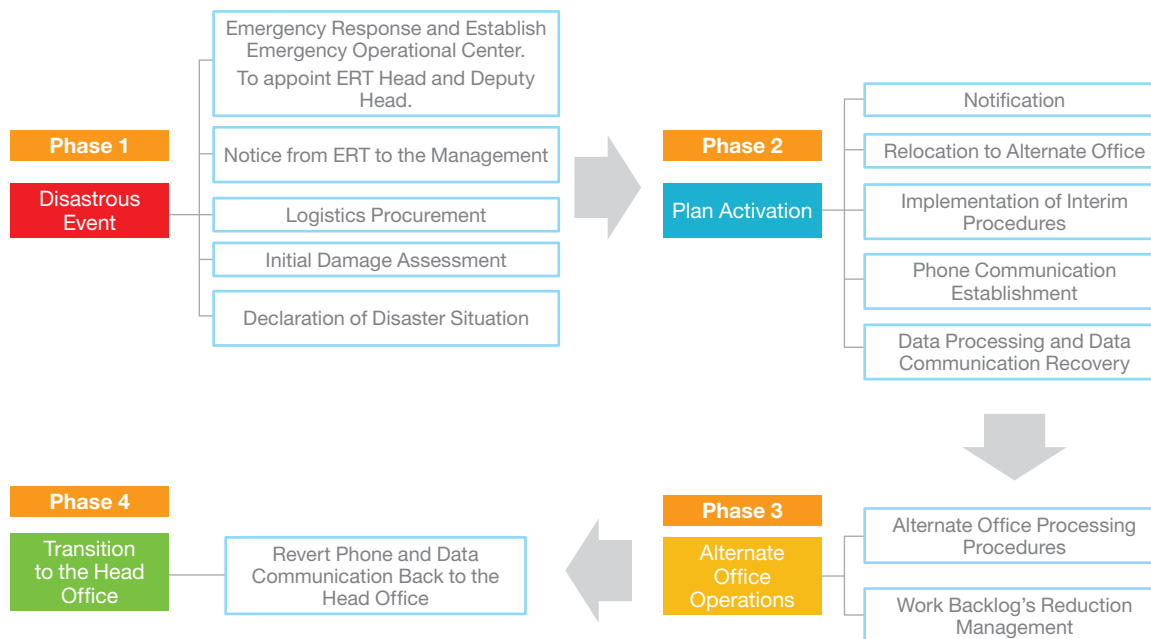
### 3. Identification

Aimed at conducting a detailed mapping on the conditions of employees, customers, and financing portfolio, assets, and important documents, as well as other matters, in order to calculate the potential loss of the Company. In addition, policies related to mitigation and recovery programs will subsequently be developed based on the result of this process.

BFI Finance has established a work structure based on Business Continuity Plan (BCP) to oversee and perform the three processes. The structure was led by the Emergency Operation Center (EOC), whose responsibilities include formulating mitigation steps, providing latest information on conditions in disaster-affected locations, and reporting the progress of the mitigation efforts.

On the field, the Emergency Response Team (ERT) carried out instructions directly from the EOC. The information gathered from both teams provided the Company's top management with comprehensive information regarding damages and potential losses, which subsequently helped them to make appropriate strategic decisions based on the information and BCP.

**GRAPH 16 Four Phases of Post-Disaster Operational Recovery Program**



Based on steps explained in Chart xxx above, the Company obtained a comprehensive overview on post-disaster situations as well as total incurred damages and losses. These were important elements of the Company's risk management process. Based on this information, the Company determined limits for writing-off financing receivables from customers affected by disasters. Therefore, the risk to the Company's business activity caused by natural disasters can be immediately mitigated without affecting the overall financial position of the Company.

## CUSTOMER SERVICE



Alfan Akbar, Director of CV Multikalimaji, Heavy Equipment Financing Customer, Tangerang, Banten

My company was introduced to BFI Finance through industry network and we have become partners for two years now. Recommendations from heavy equipment clients about BFI Finance have been satisfactory. I am especially satisfied with BFI Finance employees' quality service and BFI Finance's swift financing process. BFI Finance has supported my business through the competitive programs and facilities it offers, which provide convenience to its customers. I hope that in the future BFI Finance will develop its sharia financing business system even further, since there is a huge business potential to be tapped in that field.



Customer satisfaction is one of the critical factors for BFI Finance in sustaining its business. With the increasingly tough competition in the multifinance industry, BFI Finance must consistently refine its services to provide swift and proper responses that satisfy its customers.

Service quality improvement and customer protection are the embodiment of the Company's compliance with Law No. 8/1999 on Customer Protection, OJK Regulation (POJK) No. 1/POJK.07/2013 on Customer Protection in Financial Services Sector, and other relevant regulations. All of these efforts have been summarized in the Company's Service Quality Strategy framework, which aims to comprehensively improve the quality of the Company's services.

### THE SERVICE QUALITY STRATEGY

framework consists of four main steps, namely:

- 1. Sustaining Service Insight;**
- 2. Customer Relationship & Engagement;**
- 3. Converting Customer Service into Sales; and**
- 4. Complaint Handling & Service Recovery.**

## 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 and the public. The Service Insight core values are instilled in all employees, especially in the units that directly deal with customers.

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

- Tangibles: Physical facilities' appearance, equipment, employees, and communication materials;
- Reliability: Ability to deliver the promised services reliably and accurately;
- Responsiveness: Sincerity in helping customers 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, the Service Insight Community (SIC). Through SIC, employees can provide inputs on service culture as well as improve their knowledge on customer services suitable for the millennial era.



## Customer Relationship & Engagement

To better serve its customers, BFI Finance constantly equips all employees, especially frontliners and marketing staff, with new competencies and understanding of service quality and customer needs identification. By continuously fostering good relations with its customers, BFI Finance hopes to strengthen their loyalty to the Company.

Service-related training programs for BFI Finance employees in 2018 encompassed topics such as communication skills, response speed, complaint handling, and means to uphold integrity based on the Company's Core Values. In 2018, customer service employees also attended the Service Insight training and the monthly Service Star Action activity to improve service strategy and strengthen relationship between employees. They also participated in various service programs specifically designed for the customers in commemorating national celebrations (such as Independence Day and National Customer Day).

Related to these aspects, BFI Finance focused on providing special treatment and hampers for priority and distinctive customers as well as to employees as a form of appreciation. Through the "BM Goes to Front Office", an annual activity conducted since 2015, all Branch Managers joined the front-office staff to serve customers at BFI Finance's offices. In addition to giving special treatments, the Company encouraged the involvement of customers, particularly priority customers, to build relationship with them through various prize-

winning competitions at its branch offices, such as Customer Gathering, *UBER Milyaran*, and birthday gifts for customers.

These programs for priority customers and other customers continued in 2018. As part of its aftersales service to improve and maintain customer loyalty, BFI Finance established cooperation with number of popular merchants in each region. All BFI Finance customers in their respective areas were eligible for special discounts when shopping at the merchants' outlets. By the end of 2018, BFI Finance had partnered with 268 merchants in various industries, such as restaurants and cafes, car washes, car repair shops, health services, beauty care and grooming services, five star hotels, entertainment, as well as building materials and home supplies stores.

To improve Customer Experience, in 2018, BFI Finance implemented Digital Front Office in its 33 main branch offices. The system is supported by an Android application, which will be used by the Customer Service (CS) and Sales Promotion Advisor (SEPIA) teams in each branch office. In addition to improving service quality, this application will be used to introduce products, develop information, and complete surveys by customers, especially customer satisfaction survey, using the Smart Rating System. With this survey, the Company will be able to obtain real time service-related feedbacks from customers. The system will be implemented in more branch offices by mid-2019. By the end of 2018, 97% customers served by the Front Office team were satisfied by the Company's services.



Dian Sandra D.A., Car Financing Customer of BFI Finance since 2015, Malang, East Java

I was introduced to BFI Finance's financing products by a relative, and I have been BFI Finance's customer since 2015. I am happy with the services from BFI Finance employees, especially for their swiftness and politeness in service, and in responding to our needs, being extensively knowledgeable on BFI Finance products. Quick and simple service procedures is also one of the advantages of partnering with BFI Finance. Therefore, I am happy to be a customer over these last few years. If I have a need for future financing, I will undoubtedly return to BFI Finance.



### Converting Customer Service into Sales

In 2018, BFI Finance developed a function of Customer Service (CS) called the Sales Promotion Advisor (SEPIA), focusing primarily to increase the sales and marketing of BFI Finance products. The Company equipped its Customer Service (CS) and SEPIA staff in several large branches with competencies regarding marketing and product promotion as well as Apps2U tool and application to enable them to provide quality service and support their product promotion efforts.

### Complaint Handling & Service Recovery

All complaints received by the Company were followed-up immediately by the Customer Care Unit, in cooperation with other relevant units, ensuring a quick, accurate, thorough, and satisfying resolution to each complaint. Therefore, it is crucial to have excellent communication and integration between the Customer Care Unit and the branch offices.



BFI Finance records all customer and public feedbacks submitted through various channels. In 2018, the Company received 12,663 feedbacks in the form of complaints and suggestions, 60% of which were questions related to BFI Finance's products. There were no complaints from customers related to violation of customer privacy rights and customer data received by the Company in 2018.

BFI Finance has determined a Service Level Agreement (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 relevant prevailing regulations in Indonesia. In 2018, the Company's SLA achievement was maintained. Every complaint received in 2018 was resolved completely within 20 days.

### **CUSTOMER SATISFACTION MEASUREMENT**

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

In 2018, the customer service measurement was performed by involving 246,795 customers as respondents, all of whom were existing customers. The measurement resulted in a 2018 CSI Score of 4.38. As the number was slightly lower than in 2017, the Company is currently evaluating it and formulating the necessary improvement steps in order to improve customer satisfaction level.

### **INTERNAL CUSTOMER CARE**

In addition to improving service quality for external customers, BFI Finance has improved service quality for its internal customers. For this reason, the Company has established an Internal Customer Care program to receive complaints from internal customers, such as assessment by branch employees of their head office colleagues' performance and vice versa. This program also provides an overview on the satisfactory level of each work unit within the Company's organizational structure.

### **2019 CUSTOMER SERVICE FOCUS**

BFI Finance has launched the following programs to enhance its service to customers and to guarantee customer satisfaction in 2019:

1. Continuous development and training in service;
2. Value-adding efforts, special treatment, and convenience for BFI Finance's Priority Customers;
3. Stronger aftersales service by establishing mutually beneficial partnerships with more merchant partners; and
4. Extra service to mark special occasions, such as on public holidays.

# INFORMATION TECHNOLOGY

Information Technology (IT) is utilized systematically in BFI Finance's business processes on a platform that encompasses the infrastructure, systems, and procedures that are continually enhanced.

In general, this IT platform supports BFI Finance in its effort to actualize its short, medium, and long-term strategic plans, taking into consideration the risks faced by the Company. A comprehensive utilization of IT is ultimately intended to boost the effectiveness and efficiency of BFI Finance's business processes, starting from loan application processing to performance evaluation of each individual and the Company as a whole, while also maintaining the accuracy and reliability of data to be used for decision-making by the management.

In 2018 BFI Finance ensured that its business operations were running smoothly by:

- Upgrading its servers and storage media at its Data Center and Disaster Recovery Center, by following certain standards;
- Improving the monitoring process on operating system, database, servers, and network infrastructure; and
- Preparing a solution for system and data backup, to strengthen the availability of the Company's services.

## INFORMATION TECHNOLOGY ROADMAP

BFI Finance implements an IT work plan that is focused on improving capacity and transforming the infrastructure of its various application systems to support its business growth. The goals of BFI Finance's strategic IT projects conducted in 2018 were, among others:

- Improving IT performance and services;
- Boosting the efficiency and effectiveness of operational processes;
- Supporting business growth and development; and
- Strengthening IT security and data or information security.

The strategies that were pursued in 2018 will be continued in 2019, and these include improvements to IT systems and infrastructure, covering the following initiatives:

- Technological solutions involving digital transformation and updating of old and obsolete systems;
- Analytical data to support business needs and the management's needs;
- Updating of certain systems and hardware;
- Improvement of IT security and development of IT architecture; and
- IT organizational development and IT resources enhancement.

## INFORMATION TECHNOLOGY DEVELOPMENTS AND IMPLEMENTATIONS IN 2018

In keeping with business and operational developments, the structure and function of IT have been expanded into four main parts, namely:

- IT Portfolio & Project Management: covering business analysis, project management, and vendor management;
- IT Solution Delivery: covering the functions of application development and production;
- IT Control & Infrastructure: covering the infrastructure (hardware, data center, as well as physical security and network reliability); and
- IT Architecture & Analytics: covering the functions of data warehousing, management data, analytical data, and planning of IT architectural development and standardization.

To ensure that the applications, systems, and devices are built, improved upon, and implemented on the basis of performance and quality, BFI Finance is implementing and upgrading its IT governance by following these standards:

- System Development Life Cycle (SDLC);
- System Maintenance Life Cycle (SMLC); and
- IT Incident Management.

## INTEGRATED CORE SYSTEM

All BFI Finance's business processes are supported by an integrated core system that has been in use since 2010. The system is continuously managed and its capabilities are enhanced in line with its ongoing business developments.

The current core system has a web-based interface and it is integrated with the supporting systems. Thus, BFI Finance is able to ensure that all main business processes in each of its operational locations can be monitored and compared against the targets stipulated in the Service Level Agreement (SLA).

Up to the end of 2018, the systems that had been integrated into BFI Finance's core system included the Accounting system (GL), Salestrax, Telesales, TeleCollection, Procurement of Goods and Services, Fixed Assets Maintenance, Finance & Treasury Control System, Mobile application for customers, dealers, and agents, Multifinance Company Reporting Information System (SIPP), Mobile Collection, Regulatory Reporting Preparation, and Sharia System. In addition, Data Warehouse and Business Intelligence provide further support for the making of strategic decisions.

## **INFORMATION TECHNOLOGY WORK PLANS FOR 2019**

For 2019, BFI Finance has planned for a series of IT systems and infrastructure developments that are aligned with the Company's strategic plans to improve the aspects of system security, reliability, and availability. The development plans include:

1. **Loan Origination System Revamp**  
The dynamic change in business and ever-tighter competition requires BFI Finance to continue to innovate new, more flexible financing processes that will boost its competitiveness in the market and also tailor its products to the needs in the market.
2. **Document Management System**  
E-filing documentation system must be supported with ease of locating documents, and thus an adequate document management system is needed.
3. **Human Capital Information System**  
To manage its workforce, BFI Finance is going to develop new systems such as Chatbot to facilitate communication between the Company and the employees, and also Mobile Learning to improve the flexibility of learning for all employees, be they in the headquarters or in the branches that are spread across Indonesia.
4. **Customer Relationship Management (CRM)**  
BFI Finance will conduct an assessment on its CRM to improve its services to customers and offer the best solutions to them.
5. **Credit Scoring & Collection**  
To improve the quality of service to customers while continuing to uphold risk management, BFI Finance is developing an IT system to support the credit scoring and collection processes, thus making these processes more effective.
6. **Data Analytics**  
BFI Finance is implementing Data Management & Analytics as one of its strategies to keep expanding and building a strong and accurate foundation for its data, so that the business can enjoy a sustainable growth while the data's quality and security standards remain high.
7. **Development of IT architecture** will be directed on distributed architecture, by employing API or web services, for both the Company's internal needs as well as the needs of business partners.
8. **Development of IT infrastructure** will be focused on upgrading and purchasing of new computer units (servers) and expanding the storage capacity, to boost the performance of IT devices and to accommodate the increasing business needs that include the availability of a Data Center and Data Recovery Center.
9. **Development and procurement of firewall systems** to improve the security of the Company's various IT devices and information.
10. **Development of backup/restore for systems and data.**
11. **Development of IT device monitoring system** at the branches, the data center, and the data recovery center.

12. Enhancement of infrastructure, data and information security, through the development and implementation of:
  - a. Vulnerability Assessment of applications;
  - b. Penetration Testing on applications and systems;
  - c. Strengthening of the main computer framework's system configuration;
  - d. Monitoring of infrastructure security in collaboration with a third party (Security Operation Center—SOC); and
  - e. Standard Assessment on IT security.
13. Improvement and evaluation of IT standards and procedures by referring to three organizational core elements, namely People, Process, and Technology.



Employee self-development to become the best that they can be is a necessity. Now that time and distance are no longer the limit, M-BEAT has become the latest application in learning and knowledge sharing, and is also equipped with video streaming and virtual classroom features accessible any time and from anywhere. BFI Finance places a strong focus on its employees enhancement.



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**Mobile BFI Business Monitoring Application**

Learning application, equipped with video live streaming, video learning content, and virtual classroom for employee of PT BFI Finance Indonesia



# ECONOMIC AND INDUSTRY REVIEW





## GLOBAL MACROECONOMIC SITUATION

2018 was a year of global uncertainties, mainly due to events occurring in the United States (US) and China. This affected Indonesia's GDP, being export-oriented, and resulted in some slowing down toward the end of the year.

In the first half of 2018, the price increase of Indonesia's main commodities—palm oil, coal and petroleum—lifted Indonesia's export performance and managed to maintain economic growth rates, serving market expectations. Such increase was also supported by economic growth in the US and China, which are the two largest export destination countries for Indonesia.

However, growth slowed in the second half of 2018, due primarily to the negative impact of the normalization of the US Federal Reserve (The Fed) as it increased its benchmark interest rate to 2.25–2.5%. This policy subjected the Rupiah to intense pressure in the third and fourth quarters of 2018. In order to stabilize the currency, BI increased its benchmark interest rate to 6% as at end of 2018. Throughout 2018, the average exchange rate of the rupiah against the US dollar (USD) was recorded at Rp14,247/USD, around 6% higher than the government's target in the State Revenue and Expenditure Budget (amounting to Rp13,400/USD).

The trade war arising from the mutual enactment of import tariffs between the US and China throughout 2018 exacerbated global economic conditions. Not only in China, which recorded its lowest growth rate since the global financial crisis of 2008–09, slowing growth was also seen in export-oriented countries whose main trading partner was China. Commodity prices, which recovered slowly during the first half, were again depressed in the second half, and export performance was down due to feeble demand.

## INDONESIA'S ECONOMIC REVIEWS IN 2018

Amidst high levels of global uncertainty throughout 2018, and the occurrence of natural disasters causing large-scale damage (including in Lombok and Central Sulawesi), Indonesia managed to maintain its economic stability. Annual inflation rate was 3.13% (below the government's expectations) while the growth rate reached 5.17%.

The enactment of a number of policies that promptly responded to the market as well as the government's focus in completing various infrastructure projects contributed to such growth. This was especially true in the transportation sector, by eliminating bottlenecks in many industrial sectors. This, and a bullish mining sector in the first half, resulted in heavy equipment sales to various industrial sectors recording double-digit growth in 2018.

Domestic consumption in 2018 grew by 5.05% year-on-year, amidst a shift in household spending behavior which progressively is now preferring to spend on lifestyle compared to goods. This was influenced by the increasingly integrated digital business models which are proliferating very rapidly.

The rise of online transportation (ride hailing) businesses in various cities in Indonesia boosted sales of automotive products. About 1.1 million units of cars were sold in 2018, slightly higher than 2017, while the increase in motorcycle sales was even higher, from 5.9 million units in 2017 to 6.4 million units as at end of 2018.

### **FINANCING INDUSTRY DEVELOPMENTS IN 2018**

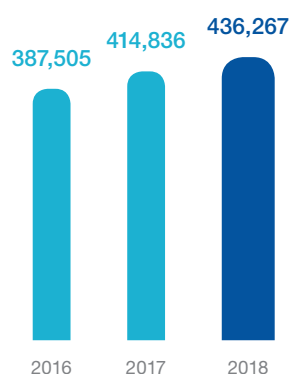
With rising benchmark rates as well as significant foreign capital outflow from the country, the financing industry faced many challenges during the year. In the stock market, foreign net sell in 2018 reached USD3.7 billion, or around 1% of total market capitalization as at end of 2018. While this condition appeared to be reversing in the end of 2018 and early 2019, with heavy capital inflows buoyed by some positive sentiment in the Indonesian market, liquidity has not fully recovered.

Despite being faced with such challenges, bank lending grew 12% in 2018. The figure was far above 2017's growth (8.2%) and achieved the upper level of BI's and OJK's projections (10–12%).

The multifinance industry recorded growth of 6% in 2018, with the amount of financing receivables (as at December 2018) reaching Rp436,267 billion. Such growth was accompanied by improvements in the quality of financing portfolio. Net NPF of multifinance industry was recorded at 2.71%, slightly lower than 2.96% in 2017.

In 2018, total conventional financing reached Rp416,794 billion (as at December 2018), still dominated by multipurpose financing (61% of total conventional financing), followed by investment financing (33%), as well as working capital and others (6%). The highest increase, 14%, was recorded by investment financing, in response to the growth of industrial sectors. Meanwhile, the amount of sharia-based financing fell by around 32% compared to 2017, and thus sharia's proportion to total financing narrowed from 7% in 2017 to less than 5% as at end of 2018.

**GRAPH 17 Multifinance Industry Receivables (Rp billion)**



## BUSINESS REVIEW

The Company conducts its business in accordance with OJK Regulation No. 29/POJK.05/2014 dated 19 November 2014—which was later updated by OJK Regulation No. 35/POJK.05/2018 dated 27 December 2018 (POJK 35)—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 perform 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 Company’s business activities cover the financing of and/or backed by cars, motorcycles, heavy equipment, machinery and other equipment, as well as property-backed financing. Such receivables are recorded in the financial statements under Consumer Financing, Finance Lease, as well as Sharia, which the Company began to operate in 2018.

**TABLE 30 New Financing by Types of Receivables**

| Description (Rp billion)  | 2017           | 2018           | Comparison with Last Year |              |
|---------------------------|----------------|----------------|---------------------------|--------------|
|                           |                |                | Total                     | Percentage   |
| Finance Lease             | 9,232          | 10,781         | 1,549                     | 16.8%        |
| Consumer Financing        | 5,109          | 5,588          | 479                       | 9.4%         |
| Sharia Financing          | -              | 3              | 3                         | n/a          |
| <b>Total</b>              | <b>14,341</b>  | <b>16,372</b>  | <b>2,031</b>              | <b>14.2%</b> |
| <b>Description (unit)</b> |                |                |                           |              |
| Finance Lease             | 85,883         | 96,928         | 11,045                    | 12.9%        |
| Consumer Financing        | 303,080        | 360,999        | 57,919                    | 19.1%        |
| Sharia Financing          | -              | 176            | 176                       | n/a          |
| <b>Total</b>              | <b>388,963</b> | <b>458,103</b> | <b>69,140</b>             | <b>17.8%</b> |

**TABLE 31 New Financing by Types of Assets**

| Description (Rp billion)   | 2017           | 2018           | Comparison with Last Year |              |
|----------------------------|----------------|----------------|---------------------------|--------------|
|                            |                |                | Total                     | Percentage   |
| Used Cars Financing        | 10,094         | 11,226         | 1,132                     | 11.2%        |
| New Cars Financing         | 270            | 301            | 31                        | 11.5%        |
| <b>Cars Financing</b>      | <b>10,364</b>  | <b>11,527</b>  | <b>1,163</b>              | <b>11.2%</b> |
| Used Motorcycles Financing | 1,878          | 2,388          | 510                       | 27.2%        |
| Heavy Equipment Financing  | 1,899          | 2,309          | 410                       | 21.6%        |
| Property Financing         | 200            | 145            | (55)                      | -27.5%       |
| Sharia Financing           | 0              | 3              | 3                         | n/a          |
| <b>Total</b>               | <b>14,341</b>  | <b>16,372</b>  | <b>2,031</b>              | <b>14.2%</b> |
| Description (unit)         |                |                |                           |              |
| Used Cars Financing        | 111,138        | 121,040        | 9,902                     | 8.9%         |
| New Cars Financing         | 1,495          | 1,491          | (4)                       | -0.3%        |
| <b>Cars Financing</b>      | <b>112,633</b> | <b>122,531</b> | <b>9,898</b>              | <b>8.8%</b>  |
| Used Motorcycles Financing | 271,693        | 331,426        | 59,733                    | 22.0%        |
| Heavy Equipment Financing  | 3,650          | 3,515          | (135)                     | -3.7%        |
| Property Financing         | 987            | 455            | (532)                     | -53.9%       |
| Sharia Financing           | -              | 176            | 176                       | n/a          |
| <b>Total</b>               | <b>388,963</b> | <b>458,103</b> | <b>69,140</b>             | <b>17.8%</b> |

## NEW FINANCING

The Company recorded Total New Financing of Rp16,372 billion in 2018, an increase by 14.2% from Total New Financing of Rp14,341 billion in 2017. Of this, Rp10,781 billion was recorded as Finance Lease and Rp5,588 billion as Consumer Financing. Based on Asset Type, the largest Asset Type financed was Cars, making up 70.4% of the total, and amounting to Rp11,527 billion. Majority of the Cars portfolio comprised of Used Cars—Rp11,226 billion or 97.4%. The Company has since 2016 reduced its focus on financing the purchase of New Cars.

### Cars Financing

The 2018 vehicle sales increased by 6.6% to 1,151,291 units, compared with 1,079,534 units in 2017, boosted by an almost 18% rise in commercial vehicle sales to 276,631 units from 235,310 units in the previous year. This in turn was driven by continued strong investment in infrastructure and private construction projects. Passenger vehicle sales were up by just 3.6% at 874,660 units, from 844,224 units.

The Company's Cars Portfolio consists of New and Used Cars with different financing purposes, i.e. for the purchase of New and Used Cars as well as Financing backed by Used Cars as collateral. Total Car Financing disbursed by the Company in 2018 was Rp11,527 billion, contributing the largest portion, of 70.4%, to Total New Financing. Compared to 2017, there was an increase of 11.2% from Rp10,364 billion recorded in Cars Financing. The most popular Car Type financed was Minibus/MPV, which rose by 14.6% in 2018 and made up 51.9% of the Total Cars Financing. This is followed by Jeeps (18.5%) and Trucks (12.2%). These three types make up 82.6% of Total Cars Financing.

Japanese brands made up 97.1% of the cars financed by the Company, with Toyota contributing 36.9% to the Company's New Total Cars Financing in 2018. Honda, the third-most popular brand, saw the highest increase of 18.8% in financing amount compared with its 2017 figure.

**TABLE 32 New Financing of Cars (New and Used) by Car Category and Type**

| Description (Rp billion)    | 2017          | 2018          | Comparison with Last Year |              |
|-----------------------------|---------------|---------------|---------------------------|--------------|
|                             |               |               | Total                     | Percentage   |
| Passenger Car               | 7,762         | 8,900         | 1,138                     | 14.7%        |
| Commercial Car              | 2,602         | 2,627         | 25                        | 1.0%         |
| <b>Total</b>                | <b>10,364</b> | <b>11,527</b> | <b>1,163</b>              | <b>11.2%</b> |
| <b>Percentage of Total:</b> |               |               |                           |              |
| Passenger Car               | 74.9%         | 77.2%         | n/a                       | 2.3%         |
| Commercial Car              | 25.1%         | 22.8%         | n/a                       | -2.3%        |
| <b>Total</b>                | <b>100.0%</b> | <b>100.0%</b> |                           |              |
| Minibus/MPV                 | 5,220         | 5,982         | 762                       | 14.6%        |
| Jeep                        | 1,869         | 2,132         | 263                       | 14.1%        |
| Truck                       | 1,402         | 1,406         | 4                         | 0.3%         |
| Pick-up                     | 1,126         | 1,128         | 2                         | 0.2%         |
| Sedan                       | 673           | 785           | 112                       | 16.6%        |
| Bus                         | 74            | 94            | 20                        | 27.0%        |
| <b>Total</b>                | <b>10,364</b> | <b>11,527</b> | <b>1,163</b>              | <b>11.2%</b> |
| <b>Percentage of Total:</b> |               |               |                           |              |
| Minibus/MPV                 | 50.4%         | 51.9%         | n/a                       | 1.5%         |
| Jeep                        | 18.0%         | 18.5%         | n/a                       | 0.5%         |
| Truck                       | 13.5%         | 12.2%         | n/a                       | -1.3%        |
| Pick-up                     | 10.9%         | 9.8%          | n/a                       | -1.1%        |
| Sedan                       | 6.5%          | 6.8%          | n/a                       | 0.3%         |
| Bus                         | 0.7%          | 0.8%          | n/a                       | 0.1%         |
| <b>Total</b>                | <b>100.0%</b> | <b>100.0%</b> |                           |              |

**TABLE 33 New Financing of Cars (New and Used) by Brand**

| Description (Rp billion)    | 2017          | 2018          | Comparison with Last Year |              |
|-----------------------------|---------------|---------------|---------------------------|--------------|
|                             |               |               | Total                     | Percentage   |
| Toyota                      | 3,785         | 4,249         | 464                       | 12.3%        |
| Mitsubishi                  | 1,642         | 1,717         | 75                        | 4.6%         |
| Honda                       | 1,284         | 1,526         | 242                       | 18.8%        |
| Daihatsu                    | 1,299         | 1,486         | 187                       | 14.4%        |
| Suzuki                      | 985           | 1,066         | 81                        | 8.2%         |
| Isuzu                       | 176           | 159           | (17)                      | -9.7%        |
| Other Japanese Brand        | 862           | 990           | 128                       | 14.8%        |
| Non-Japanese Brand          | 331           | 334           | 3                         | 0.9%         |
| <b>Total</b>                | <b>10,364</b> | <b>11,527</b> | <b>1,163</b>              | <b>11.2%</b> |
| <b>Percentage of Total:</b> |               |               |                           |              |
| Toyota                      | 36.5%         | 36.9%         | n/a                       | 0.4%         |
| Mitsubishi                  | 15.9%         | 14.9%         | n/a                       | -1.0%        |
| Honda                       | 12.4%         | 13.2%         | n/a                       | 0.8%         |
| Daihatsu                    | 12.5%         | 12.9%         | n/a                       | 0.4%         |
| Suzuki                      | 9.5%          | 9.2%          | n/a                       | -0.3%        |
| Isuzu                       | 1.7%          | 1.4%          | n/a                       | -0.3%        |
| Other Japanese Brand        | 8.3%          | 8.6%          | n/a                       | 0.3%         |
| Non-Japanese Brand          | 3.2%          | 2.9%          | n/a                       | -0.3%        |
| <b>Total</b>                | <b>100.0%</b> | <b>100.0%</b> |                           |              |

### Motorcycles Financing

The Company does not finance the purchase of motorcycles, and therefore the business is not directly affected by the sale of new motorcycles. The Company's motorcycle business consists of Financing backed by Used Motorcycles as collateral. This Used Motorcycles Financing is driven by the needs for working capital among the middle-to-low-income class population, aside from general consumption purposes.

The Company's Total New Financing of Used Motorcycles reached Rp2,388 billion, increasing by 27.2% from 2017's figure of Rp1,878 billion.

More than 90% of the Company's motorcycle financing collaterals comprised two most popular motorcycle brands in Indonesia, i.e., Honda and Yamaha, with each contributing 54.1% and 38.7% to the total New Financing collaterals, respectively.

**TABLE 34 New Financing of Used Motorcycles by Brand**

| Description (Rp billion)    | 2017          | 2018          | Comparison with Last Year |              |
|-----------------------------|---------------|---------------|---------------------------|--------------|
|                             |               |               | Total                     | Percentage   |
| Honda                       | 962           | 1,292         | 330                       | 34.3%        |
| Yamaha                      | 743           | 924           | 181                       | 24.4%        |
| Suzuki                      | 117           | 114           | (3)                       | -2.6%        |
| Others                      | 56            | 58            | 2                         | 3.6%         |
| <b>Total</b>                | <b>1,878</b>  | <b>2,388</b>  | <b>510</b>                | <b>27.2%</b> |
| <b>Percentage of Total:</b> |               |               |                           |              |
| Honda                       | 51.2%         | 54.1%         | n/a                       | 2.9%         |
| Yamaha                      | 39.6%         | 38.7%         | n/a                       | -0.9%        |
| Suzuki                      | 6.2%          | 4.8%          | n/a                       | -1.4%        |
| Others                      | 3.0%          | 2.4%          | n/a                       | -0.6%        |
| <b>Total</b>                | <b>100.0%</b> | <b>100.0%</b> |                           |              |

### Financing of Heavy Equipment, Machinery, and Other Equipment

The Company's Financing of Heavy Equipment, Machinery, and Other Equipment are carried out in various industries, including Mining, Construction, Services, Industrial and Manufacturing, Agriculture, Trade and Distribution, etc.

The Company's New Financing of Heavy Equipment, Machinery, and Other Equipment in 2018 amounted to Rp2,309 billion, 21.6% higher than in 2017, which reached Rp1,899 billion. It is worth noting that the government's infrastructure development projects which were expanded aggressively during the year had driven up the Company's Financing of Heavy Equipment, Machinery, and Other Equipment.

However, as the Company endeavored to maintain a well-diversified financing portfolio encompassing a great range of industries, in 2018 the highest rise was seen in the Plantation sector (by 70.0%) and in the Forestry sector (by 34.5%), although their contributions to the total financing in this group were only 6.6% and 6.8%, respectively.

Almost half of the Total Heavy Equipment, Machinery, and Other Equipment Financing was driven by financing of Excavators, which made up 48.5% of the total. Financing of Excavators also experienced a 55.6% increase in amount, from Rp720 billion in 2017 to Rp1,120 billion in 2018. This was partly due to sustained price recovery seen in the market for certain Mining commodities, most notably coal, one of Indonesia's prime export goods.

**TABLE 35 New Financing of Heavy Equipment, Machinery, and Other Equipment by Industry**

| Description (Rp billion)     | 2017          | 2018          | Comparison with Last Year |              |
|------------------------------|---------------|---------------|---------------------------|--------------|
|                              |               |               | Total                     | Percentage   |
| Mining                       | 481           | 634           | 153                       | 31.8%        |
| Construction                 | 444           | 590           | 146                       | 32.9%        |
| Services                     | 358           | 311           | (47)                      | -13.1%       |
| Industrial and Manufacturing | 224           | 255           | 31                        | 13.8%        |
| Forestry                     | 116           | 156           | 40                        | 34.5%        |
| Plantation                   | 90            | 153           | 63                        | 70.0%        |
| Trade and Distribution       | 94            | 100           | 6                         | 6.4%         |
| Others                       | 92            | 110           | 18                        | 19.6%        |
| <b>Total</b>                 | <b>1,899</b>  | <b>2,309</b>  | <b>410</b>                | <b>21.6%</b> |
| <b>Percentage of Total:</b>  |               |               |                           |              |
| Mining                       | 25.3%         | 27.4%         | n/a                       | 2.1%         |
| Construction                 | 23.4%         | 25.6%         | n/a                       | 2.2%         |
| Services                     | 18.9%         | 13.5%         | n/a                       | -5.4%        |
| Industrial and Manufacturing | 11.8%         | 11.0%         | n/a                       | -0.8%        |
| Forestry                     | 6.1%          | 6.8%          | n/a                       | 0.7%         |
| Plantation                   | 4.7%          | 6.6%          | n/a                       | 1.9%         |
| Trade and Distribution       | 4.9%          | 4.3%          | n/a                       | -0.6%        |
| Others                       | 4.9%          | 4.8%          | n/a                       | -0.1%        |
| <b>Total</b>                 | <b>100.0%</b> | <b>100.0%</b> |                           |              |

**TABLE 36 New Financing of Heavy Equipment, Machinery, and Other Equipment by Equipment Type**

| Description (Rp billion)     | 2017         | 2018         | Comparison with Last Year |              |
|------------------------------|--------------|--------------|---------------------------|--------------|
|                              |              |              | Total                     | Percentage   |
| Excavator                    | 720          | 1,120        | 400                       | 55.6%        |
| Truck                        | 314          | 302          | (12)                      | -3.8%        |
| Bulldozer                    | 95           | 90           | (5)                       | -5.3%        |
| Forklift                     | 36           | 48           | 12                        | 33.3%        |
| Wheel Loader                 | 35           | 45           | 10                        | 28.6%        |
| Other Heavy Equipment        | 131          | 156          | 25                        | 19.1%        |
| <b>Total Heavy Equipment</b> | <b>1,331</b> | <b>1,761</b> | <b>430</b>                | <b>32.3%</b> |
| Machinery                    | 533          | 524          | (9)                       | -1.7%        |
| Others                       | 35           | 24           | (11)                      | -31.4%       |
| <b>Total</b>                 | <b>1,899</b> | <b>2,309</b> | <b>410</b>                | <b>21.6%</b> |



**TABLE 36 New Financing of Heavy Equipment, Machinery, and Other Equipment by Equipment Type**

| Description (Rp billion)     | 2017          | 2018          | Comparison with Last Year |             |
|------------------------------|---------------|---------------|---------------------------|-------------|
|                              |               |               | Total                     | Percentage  |
| <b>Percentage of Total:</b>  |               |               |                           |             |
| Excavator                    | 37.9%         | 48.5%         | n/a                       | 10.6%       |
| Truck                        | 16.5%         | 13.1%         | n/a                       | -3.4%       |
| Bulldozer                    | 5.0%          | 3.9%          | n/a                       | -1.1%       |
| Forklift                     | 1.9%          | 2.1%          | n/a                       | 0.2%        |
| Wheel Loader                 | 1.9%          | 1.9%          | n/a                       | 0.0%        |
| Other Heavy Equipment        | 6.9%          | 6.8%          | n/a                       | -0.1%       |
| <b>Total Heavy Equipment</b> | <b>70.1%</b>  | <b>76.3%</b>  | <b>n/a</b>                | <b>6.2%</b> |
| Machinery                    | 28.1%         | 22.7%         | n/a                       | -5.4%       |
| Others                       | 1.8%          | 1.0%          | n/a                       | -0.8%       |
| <b>Total</b>                 | <b>100.0%</b> | <b>100.0%</b> |                           |             |

### Property Financing

The Company's Property Financing experienced a decline in 2018 due to the sluggishness of the property sector in the country, which had been ongoing for a few years. There was a 25.7% drop in the Company's Property Financing, from Rp200 billion in 2017 to Rp145 billion in 2018. Most of the new bookings were contributed by Financing of Houses at 95.9%.

**TABLE 37 New Financing of Property by Type**

| Description (Rp billion)    | 2017          | 2018          | Comparison with Last Year |               |
|-----------------------------|---------------|---------------|---------------------------|---------------|
|                             |               |               | Total                     | Percentage    |
| House                       | 187           | 139           | (48)                      | -25.7%        |
| Shop House                  | 13            | 6             | (7)                       | -53.8%        |
| <b>Total</b>                | <b>200</b>    | <b>145</b>    | <b>(55)</b>               | <b>-27.5%</b> |
| <b>Percentage of Total:</b> |               |               |                           |               |
| House                       | 93.5%         | 95.9%         | n/a                       | 2.4%          |
| Shop House                  | 6.5%          | 4.1%          | n/a                       | -2.4%         |
| <b>Total</b>                | <b>100.0%</b> | <b>100.0%</b> |                           |               |

### Sharia Financing

The Company commenced its Sharia Financing business after obtaining OJK permit in 2017. In 2018, new booking of Sharia Financing amounted to Rp3 billion.

## MARKETING ASPECT



## TARGET MARKET AND MARKETING STRATEGY

BFI Finance has formulated its marketing segmentation strategy based on geographical and demographical criteria as well as the changing customer behaviors in line with the trend in social needs. Market penetration has been conducted by offering superior products that are innovative, with a commitment to fast and efficient service. These products and services receive a strong operational support from the Company's entire business network.

BFI Finance evaluates this market segmentation strategy on a regular basis. Results of market segmentation evaluation and analysis have up to now enabled the Company to provide financing to a great range of sectors, among others various MSME industries, trading, services, infrastructure, commodity, manufacturing, food and beverage, transportation, and many others, spread across Indonesia.

BFI Finance's marketing strategy in 2018 involved a number of main channels, i.e.:

- Dealer/Supplier: for the marketing of financing of cars, heavy equipment, and machinery;
- Agency: for the marketing of multipurpose financing with cars, motorcycles, or house or shophouse ownership certificate as collateral; and
- In-house telemarketing: serving as a direct communication channel to reach the customers, to promote the Company's products and services via phone, short message service (SMS), and hotline 1500018.

## NETWORK DEVELOPMENT

Up to end of 2018, BFI Finance had been operating 401 outlets, consisting of 228 branches (22 are sharia branches) and 173 kiosks throughout Indonesia, an increase of 17.3% or by 59 outlets from 2017's figure. A majority of BFI Finance's outlets are located on Java and Bali, at 55.3% of total, followed by Sumatera and Eastern Indonesia (including Sulawesi, Maluku, and Papua) with equal share of 17.5% each, and 9.7% in Kalimantan.

## DATABASE MANAGEMENT AND DIGITAL MARKETING

BFI Finance continues to strengthen its marketing channels and improve its services with digitization, in order to address the needs of the market and adapt to the changes in market behavior. Marketing strategies aimed at the Company's intended target market have been conducted along various digital media, through among others digital marketing campaigns, social media exposure, as well as profiling activities based on geographical and demographical criteria, and customer qualifications and history. With this database management initiative the Company was able to enhance the effectiveness and efficiency in time and cost in conducting its marketing activities. It has also been able to reach out to potential target markets within a much larger geographical scope.



Mochammad Saikhu, Motorcycle Financing Customer of BFI Finance since 2011, Malang, East Java

I have been a BFI Finance customer since 2011 and I am satisfied with its services, especially since its administrative requirements are relatively hassle-free. Every BFI Finance employee has been polite and quick to respond so far, and they give attention to each customer's need without discriminating against the customer's social status. I will always choose BFI Finance as my go-to financing company because of its high service quality and quick financing process.



In 2018, the Company also carried out a number of large-scale digital marketing campaigns via partnerships with several external parties. Consequentially, there was a more than 250% increase in the number of applications submitted digitally. BFI Finance continues to improve its customers' experience via its digital services, to maintain its relevance in the increasingly digitized market.

### TELESALES CHANNEL ENHANCEMENT

Through 384 in-house telemarketing personnel assigned in different regions, BFI Finance's customers can obtain information related to the Company's promoted products and services,

its financing process, and also deliver their grievances related to the Company's service. In addition, BFI Finance's Telemarketing Team has been implementing the One Stop Solution concept through its 1500018 hotline, which is easily accessible to obtain information in a quick and accurate manner. This telemarketing program also provides ease of access for submitting applications and for expediting surveying process as well as fund transfer, through a single channel.

Marketing enhancement via telemarketing has not only been able to improve the Company's operational efficiency, but also the rate at which leads are converted into business. It also contributed significantly, by 65%, to the new bookings in car financing, and 54% in motorcycle financing.

## PARTNERSHIP WITH DEALERS

In line with the ongoing improvements in its internal processes, BFI Finance continues to engage in new and strong partnerships with dealers for the marketing of its car financing, as well as heavy equipment and machinery financing. Up to the end of 2018, the Company had enjoyed a partnership with about 1,660 car dealers across Indonesia, up from 1,500 dealers in the preceding year.

The Company's partnerships with its dealers in 2018 were highly selective and prioritized quality, governed by the principle of mutual benefit, in order to develop each side's business. As a token of appreciation for dealers, in 2018 BFI Finance provided certain rewards and incentives under the BFI Partnership Loyalty program.

## RELATIONSHIP WITH AGENTS

In addition to dealers, the Company also engages in cooperation with the agents to market its multipurpose financing product. The number of agents cooperating with the Company was on average 2,500 active car agents and 6,402 active motorcycle, from month to month. The Company provides rewards for agents with significantly positive contribution to the marketing of the Company's products. These rewards include:

- Financial bonus: application bonus, monthly bonus, and quarterly bonus, whose amount is adjusted to each agent's achievement;
- Non-financial bonus: trips, cars, and motorcycles for the best national agents; and
- Privilege Program: high-performing agents receive benefit in the form of prioritization of application processing.

## CORPORATE BUSINESS DEVELOPMENT

BFI Finance's partnerships with its suppliers and customers of heavy equipment, machinery, and other commercial equipment were well-maintained in 2018. The Company's strong commitment, professionalism, and integrity in providing its very best services have made it their most reliable partner.

In 2018, the government-backed infrastructure projects played an immense role in creating new business in the form of new financing for heavy equipment which BFI Finance recorded. In addition, the rise of coal prices up to the beginning of the third quarter of 2018 boosted the demand for heavy equipment in the mining sector, while for machinery financing, the largest proportion of financing in 2018 was directed to the printing industry (both digital and offset printing), given the rising demand for printing and printed materials seen in most of Indonesia's big cities.

In developing its corporate business, BFI Finance is intensively utilizing and processing its customer database, which contains, most importantly, its priority customers. The Company provides these priority customers with some special treatment, i.e. limit approval prior to the start of the financing process. Considering the corporate business' vast potential for growth to boost BFI Finance's financing business, and in line with the significantly high contribution of suppliers in the financing of heavy equipment and machinery, in 2018 the Company implemented various marketing programs to acquire these suppliers through partnerships, among others:

- Interest-subsidized financing program; and
- Low down-payment financing package.

## MARKETING ASPECT

### MARKETING OF SHARIA FINANCING

Having obtained the license to operate from the regulator for 22 of its sharia branches in 2018, the Sharia Business Unit (SBU) of BFI Finance is harnessing an integrated digital marketing strategy to reach out to a more extensive target market for sharia financing. The rising potential for sharia financing, along with the very specific trends unfolding in such a market, has compelled BFI Finance's SBU to run highly innovative and creative marketing strategies for its sharia financing products. Thus BFI Finance's SBU becomes one of the Company's financing operations that fully make use of digital channels as the primary media of interaction in its marketing activities. In addition, BFI Finance's SBU are also engaged in partnerships with third parties, i.e. licensed and trusted travel agencies, as the foundation for marketing its sharia financing products, which mostly do not require collaterals.

### PROMOTION FOR PROPERTY-BACKED FINANCING (PBF) PRODUCT

Since its launching some years ago, BFI Finance's PBF product has been gradually introduced to the greater public, amidst the somewhat anemic property sector in the country in the past few years. After having conducted a series of product enhancements, trials, and pilot projects in 2018, this PBF product will be expanded even further in 2019.

### LAUNCHING OF BFI EDUCATION AND BFI LEISURE

After a comprehensive study and analysis of market and customer behavior, BFI Finance finally launched two financing products in 2018. Through these programs, called BFI Education and BFI Leisure, customers of BFI Finance can now secure financing for their educational and leisure-related needs, respectively.



## CUSTOMER APPRECIATION

As part of BFI Finance's commitment to its Unique Value Proposition, that is to provide the very best service to all customers, in 2018 the Company conducted UBER Milyaran as its primary customer appreciation program.

This is one of BFI Finance's tokens of appreciation to its both individual and corporate customers in the entire archipelago who have chosen BFI Finance as their provider of financing solutions. Since its launching in 2015, UBER Milyaran has always been enthusiastically received by BFI Finance's customers. The 2018 UBER Milyaran was conducted on a nationwide scale, featuring a lucky draw coupon system tied with certain amounts of financing. Through the program's period of 1 January to 31 December 2018, BFI Finance's customers could participate in this program, which was open to all types of financing products that BFI Finance offered, from cars, motorcycles, and property, to other consumptive and productive needs.

Lucky Draw Coupon System:

| Produk          | Lucky Draw Coupon               |
|-----------------|---------------------------------|
| Car             | 1 coupon for every Rp25 million |
| Motorcycle      | 1 coupon for every contract     |
| Property        | 1 coupon for every Rp25 million |
| Machinery       | 1 coupon for every Rp50 million |
| Heavy Equipment | 1 coupon for every Rp50 million |

In contrast to the previous years, the 2018 UBER Milyaran's lucky draw system comprised 2 periods, namely the Regional Period and the National Period. There were four drawing periods, i.e. 2 Regional Periods and 2 National Periods, and the drawing events were conducted in 14 cities.

The first regional drawing was held in April 2018 in six cities: Cirebon, Tanjungpinang, Makassar, Jambi, Jakarta, and Surabaya. The first national drawing was held in Mataram, West Nusa

Tenggara, in July 2018. The second regional drawing was held in October 2018 in Samarinda, Semarang, Bekasi, Denpasar, Ambon, and Banjarbaru. As the climactic event and also to close the 2018 UBER Milyaran, the second and final national drawing took place in Bandar Lampung, Lampung, in January 2019.

Regional drawings gave the winners prizes such as foldable bikes, washing machines, smartphones, digital cameras, refrigerators, air conditioners (AC), 32-inch smart TVs, laptops, and Honda Beat motorcycles. Meanwhile, the national drawings featured prizes such as 10-gram noble metals, Yamaha NMAX motorcycles, a Mitsubishi Xpander car, and a Honda All-New CR-V 7-Seater.

## MARKETING FOCUS IN 2019

Given that 2019 is a political year, with the general election taking place, BFI Finance is focusing its marketing strategy towards maintaining its business stability and continuing its 2018 strategies. It is also formulating certain improvements to its marketing of new financing products, such as PBF, BFI Education, BFI Leisure, and BFI Syariah.

In keeping with the shifting of the market towards digital segments, in 2019 the Company in particular through its digital team has planned to prepare the necessary infrastructure for its front-end side, in order to expedite the implementation of digital systems; enhance its data management systems; carry out pilot projects collaborating online and offline channels; optimize digital marketing initiatives and enhance brand awareness of its digital portal; as well as sharpen its digital competencies and expand its digital branch network. These measures are all geared towards bringing a greater satisfaction for its customers in their digital experience, and at the same time improving the Company's operational efficiency.

## FINANCIAL PERFORMANCE REVIEW





## STATEMENTS OF FINANCIAL POSITION

## Assets

TABLE 38 Total Assets

| Description (Rp billion)           | 2017          | 2018          | Comparison with Last Year |              |
|------------------------------------|---------------|---------------|---------------------------|--------------|
|                                    |               |               | Total                     | Percentage   |
| Cash and Cash Equivalents          | 225           | 755           | 530                       | 235.6%       |
| Net Finance Lease Receivables      | 9,435         | 11,358        | 1,923                     | 20.4%        |
| Net Consumer Financing Receivables | 5,740         | 5,923         | 183                       | 3.2%         |
| Net Ijarah Assets                  | 0             | 2             | 2                         | n/a          |
| <b>Total Net Receivables</b>       | <b>15,175</b> | <b>17,283</b> | <b>2,108</b>              | <b>13.9%</b> |
| Other Receivables - Net            | 414           | 198           | (216)                     | -52.2%       |
| Derivative Assets                  | 0             | 110           | 110                       | n/a          |
| Prepaid Expenses and Advances      | 43            | 54            | 11                        | 25.6%        |
| Fixed Assets - Net                 | 457           | 530           | 73                        | 16.0%        |
| Intangible Assets - Net            | 20            | 32            | 12                        | 60.0%        |
| Deferred Tax Assets                | 66            | 68            | 2                         | 3.0%         |
| Other Assets                       | 83            | 87            | 4                         | 4.8%         |
| <b>Total Assets</b>                | <b>16,483</b> | <b>19,117</b> | <b>2,634</b>              | <b>16.0%</b> |
| <b>Percentage of Total:</b>        |               |               |                           |              |
| Cash and Cash Equivalents          | 1.4%          | 3.9%          | n/a                       | 2.5%         |
| Net Finance Lease Receivables      | 57.2%         | 59.4%         | n/a                       | 2.2%         |
| Net Consumer Financing Receivables | 34.8%         | 31.0%         | n/a                       | -3.8%        |
| Net Ijarah Assets                  | 0.0%          | 0.0%          | n/a                       | 0.0%         |
| <b>Total Net Receivables</b>       | <b>92.0%</b>  | <b>90.4%</b>  | <b>n/a</b>                | <b>-1.6%</b> |
| Other Receivables - Net            | 2.5%          | 1.0%          | n/a                       | -1.5%        |
| Derivative Assets                  | 0.0%          | 0.6%          | n/a                       | 0.6%         |
| Prepaid Expenses and Advances      | 0.3%          | 0.3%          | n/a                       | 0.0%         |
| Fixed Assets - Net                 | 2.8%          | 2.8%          | n/a                       | 0.0%         |
| Intangible Assets - Net            | 0.1%          | 0.2%          | n/a                       | 0.1%         |
| Deferred Tax Assets                | 0.4%          | 0.4%          | n/a                       | 0.0%         |
| Other Assets                       | 0.5%          | 0.4%          | n/a                       | -0.1%        |
| <b>Total Assets</b>                | <b>100.0%</b> | <b>100.0%</b> |                           |              |

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At 31 December 2018, Total Assets stood at Rp19,117 billion, a 16.0% increase from the previous year's position of Rp16,483 billion.

The largest portion of Total Assets was made up by Net Receivables, which stood at Rp17,283 billion (90.4%), a 13.9% increase from Rp15,175 billion at the end of 2017.

### Total Net Receivables

In the financial statements, Total Net Receivables are broadly classified as Net Finance Lease Receivables and Net Consumer Financing Receivables. Similar

to previous years, the growth in both Net Finance Lease Receivables and Net Consumer Financing Receivables bookings in 2018 was primarily driven by the increase in financing backed by used cars, details of which are described in greater detail in Table 39.

Total Net Receivables in 2018 amounted to Rp17,283 billion, a 13.9% year-on-year increase from Rp15,175 billion. This was contributed by the increase in Total Managed Receivables by 15.1% year-on-year, from Rp15,936 billion to Rp18,342 billion, less the portion of Joint Financing booked by third parties which grew 30.2% in 2018, from Rp524 billion to Rp682 billion.

**TABLE 39 Net Receivables**

| Description (Rp billion)           | 2017          | 2018          | Comparison with Last Year |              |
|------------------------------------|---------------|---------------|---------------------------|--------------|
|                                    |               |               | Total                     | Percentage   |
| Net Finance Lease Receivables      | 9,435         | 11,358        | 1,923                     | 20.4%        |
| Net Consumer Financing Receivables | 5,740         | 5,923         | 183                       | 3.2%         |
| Net Ijarah Assets                  | -             | 2             | 2                         | n/a          |
| <b>Total Net Receivables</b>       | <b>15,175</b> | <b>17,283</b> | <b>2,108</b>              | <b>13.9%</b> |

Joint Financing is explained further in Table 56 page 172. The resulting figure is then adjusted with the Allowance for Impairment Losses, which amounted to Rp378 billion by end of 2018, and increase of 59.5% from Rp237 billion one year earlier. Allowance for Impairment Losses is explained in detail in page 166.

**TABLE 40 Managed Receivables vs. Net Receivables**

| Description (Rp billion)                       | 2017          | 2018          | Comparison with Last Year |              |
|--|---------------|---------------|---------------------------|--------------|
|  |               |               | Total                     | Percentage   |
| Finance Lease Receivables                      | 9,521         | 11,515        | 1,994                     | 20.9%        |
| Consumer Financing Receivables                 | 6,415         | 6,825         | 410                       | 6.4%         |
| Ijarah Assets                                  | -             | 3             | 3                         | n/a          |
| <b>Total Managed Receivables</b>               | <b>15,936</b> | <b>18,343</b> | <b>2,407</b>              | <b>15.1%</b> |
| Less Joint Financing - booked by third parties | (524)         | (682)         | (158)                     | 30.2%        |
| <b>Total Receivables Before Allowance</b>      | <b>15,412</b> | <b>17,661</b> | <b>2,249</b>              | <b>14.6%</b> |
| Allowance for Impairment Losses                | 237           | 378           | 141                       | 59.5%        |
| <b>Total Receivables - Net</b>                 | <b>15,175</b> | <b>17,283</b> | <b>2,108</b>              | <b>13.9%</b> |

For purposes of more detailed analysis, discussions of Receivables will be focused on Total Managed Receivables, based on Asset Type. This reflects how the Company business is classified today.

**TABLE 41 Diversification of Financing Portfolio by Asset Type**

| Description (Rp billion)         | 2017          | 2018          | Comparison with Last Year |              |
|----------------------------------|---------------|---------------|---------------------------|--------------|
|                                  |               |               | Total                     | Percentage   |
| Used Cars Financing              | 11,211        | 12,959        | 1,748                     | 15.6%        |
| New Cars Financing               | 783           | 554           | (229)                     | -29.2%       |
| <b>Cars Financing</b>            | <b>11,994</b> | <b>13,513</b> | <b>1,519</b>              | <b>12.7%</b> |
| Heavy Equipment Financing        | 2,231         | 2,802         | 571                       | 25.6%        |
| Used Motorcycles Financing       | 1,378         | 1,720         | 342                       | 24.8%        |
| Property Financing               | 333           | 305           | (28)                      | -8.4%        |
| Sharia Financing                 | -             | 3             | 3                         | n/a          |
| <b>Total Managed Receivables</b> | <b>15,936</b> | <b>18,343</b> | <b>2,407</b>              | <b>15.1%</b> |
| <b>Percentage of Total:</b>      |               |               |                           |              |
| Used Cars Financing              | 70.4%         | 70.6%         | n/a                       | 0.2%         |
| New Cars Financing               | 4.9%          | 3.0%          | n/a                       | -1.9%        |
| <b>Cars Financing</b>            | <b>75.3%</b>  | <b>73.6%</b>  | <b>n/a</b>                | <b>-1.7%</b> |
| Heavy Equipment Financing        | 14.0%         | 15.3%         | n/a                       | 1.3%         |
| Used Motorcycles Financing       | 8.6%          | 9.4%          | n/a                       | 0.8%         |
| Property Financing               | 2.1%          | 1.7%          | n/a                       | -0.4%        |
| Sharia Financing                 | 0.0%          | 0.0%          | n/a                       | 0.0%         |
| <b>Total</b>                     | <b>100.0%</b> | <b>100.0%</b> |                           |              |

Total Cars Financing (Used and New) made up 73.6% of the entire Total Managed Receivables by end of 2018. It increased in absolute terms from Rp11,994 billion to Rp13,513 billion. The remainder, 26.4% of the total, was composed of Heavy Equipment Financing (15.3% of the total), followed by Used Motorcycles Financing (9.4%), and Property Financing (1.7%). In relation to the Company's new business, i.e. Sharia Financing, in 2018 the value of asset acquired for Ijarah was negligible.

#### Total Managed Receivables – Cars

For many years Cars Financing has been the mainstay of the Company's financing business, and

in 2018 the proportions of Used Cars Financing and New Cars Financing to the Total Managed Receivables were 70.6% and 3.0%, respectively. At end of 2017, the corresponding figures were 70.4% and 4.9%, respectively.

In 2018, the Company continued to wind down its New Cars Financing business, resulting in a 29.2% drop in the amount of Managed Receivables from this segment. Meanwhile, Used Cars Financing grew by 15.6% to reach Rp12,959 billion by end of 2018. The growth in the Company's Used Cars Financing in 2018 more than offset the decline in New Cars Financing.

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The Company's Used Cars Financing is classified under both Finance Lease Receivables and Consumer Financing Receivables, and comprises different types of cars. They include Minibus/MPV, Truck, Pick-up, Jeep, Sedan, and Bus.

In 2018, Minibus/MPV financing remained the largest contributor to total Cars Financing portfolio, making up 52.3% of the total, followed by Jeep at 17.1% and Truck at 12.9%. Almost all types of car grew, except for Pick-up. In percentage terms, Bus segment recorded a significant growth by 35.9%. Further details are provided in Table 42 below.

**TABLE 42 Diversification of Cars Financing Portfolio by Car Type**

| Description (Rp billion)    | 2017          | 2018          | Comparison with Last Year |              |
|-----------------------------|---------------|---------------|---------------------------|--------------|
|                             |               |               | Total                     | Percentage   |
| Minibus/MPV                 | 6,046         | 7,072         | 1,026                     | 17.0%        |
| Jeep                        | 1,955         | 2,306         | 351                       | 18.0%        |
| Truck                       | 1,694         | 1,738         | 44                        | 2.6%         |
| Pick-up                     | 1,477         | 1,392         | (85)                      | -5.8%        |
| Sedan                       | 744           | 899           | 155                       | 20.8%        |
| Bus                         | 78            | 106           | 28                        | 35.9%        |
| <b>Total</b>                | <b>11,994</b> | <b>13,513</b> | <b>1,519</b>              | <b>12.7%</b> |
| <b>Percentage of Total:</b> |               |               |                           |              |
| Minibus/MPV                 | 50.4%         | 52.3%         | n/a                       | 1.9%         |
| Jeep                        | 16.3%         | 17.1%         | n/a                       | 0.8%         |
| Truck                       | 14.1%         | 12.9%         | n/a                       | -1.2%        |
| Pick-up                     | 12.3%         | 10.3%         | n/a                       | -2.0%        |
| Sedan                       | 6.2%          | 6.6%          | n/a                       | 0.4%         |
| Bus                         | 0.7%          | 0.8%          | n/a                       | 0.1%         |
| <b>Total</b>                | <b>100.0%</b> | <b>100.0%</b> |                           |              |

In terms of brands, Japanese brands continued to dominate with 97.3% of the Company's total managed portfolio of Cars Financing at end of 2018. Toyota was the largest proportion with 36.8% to the total, while Mitsubishi and Daihatsu came second and third, each with 15.1% and 13.4% contribution. The largest relative growth in 2018 was seen in Honda brand, which grew 22.1% year-on-year. Further details are provided in Table 43.

**TABLE 43 Diversification of Cars Financing Portfolio by Brand**

| Description (Rp billion) | 2017  | 2018  | Comparison with Last Year |            |
|--------------------------|-------|-------|---------------------------|------------|
|                          |       |       | Total                     | Percentage |
| Toyota                   | 4,300 | 4,970 | 670                       | 15.6%      |
| Mitsubishi               | 1,971 | 2,043 | 72                        | 3.7%       |
| Daihatsu                 | 1,591 | 1,809 | 218                       | 13.7%      |
| Honda                    | 1,386 | 1,692 | 306                       | 22.1%      |
| Suzuki                   | 1,246 | 1,303 | 57                        | 4.6%       |

**TABLE 43 Diversification of Cars Financing Portfolio by Brand**

| Description (Rp billion)    | 2017          | 2018          | Comparison with Last Year |              |
|-----------------------------|---------------|---------------|---------------------------|--------------|
|                             |               |               | Total                     | Percentage   |
| Isuzu                       | 196           | 180           | (16)                      | -8.2%        |
| Other Japanese Brand        | 965           | 1,151         | 186                       | 19.3%        |
| Non-Japanese Brand          | 339           | 365           | 26                        | 7.7%         |
| <b>Total</b>                | <b>11,994</b> | <b>13,513</b> | <b>1,519</b>              | <b>12.7%</b> |
| <b>Percentage of Total:</b> |               |               |                           |              |
| Toyota                      | 35.9%         | 36.8%         | n/a                       | 0.9%         |
| Mitsubishi                  | 16.4%         | 15.1%         | n/a                       | -1.3%        |
| Daihatsu                    | 13.3%         | 13.4%         | n/a                       | 0.1%         |
| Honda                       | 11.6%         | 12.5%         | n/a                       | 0.9%         |
| Suzuki                      | 10.4%         | 9.7%          | n/a                       | -0.7%        |
| Isuzu                       | 1.6%          | 1.3%          | n/a                       | -0.3%        |
| Other Japanese Brand        | 8.0%          | 8.5%          | n/a                       | 0.5%         |
| Non-Japanese Brand          | 2.8%          | 2.7%          | n/a                       | -0.1%        |
| <b>Total</b>                | <b>100.0%</b> | <b>100.0%</b> |                           |              |

**Total Managed Receivables – Used Motorcycles**

The Company's Used Motorcycles Financing is classified under Consumer Financing Receivables. The Company's Total Managed Receivables of Used Motorcycles at end of 2018 reached Rp1,720 billion, a 24.8% rise from Rp1,378 billion one year earlier. This growth was contributed mostly by the 32.8% increase in Honda motorcycles, which made up 54.6% of the total Used Motorcycles Financing Portfolio on 31 December 2018. Yamaha motorcycles financing, which came second (38.4% of total), grew by 20.7% year-on-year. Further details are provided in Table 44.

**TABLE 44 Diversification of Used Motorcycles Financing Portfolio by Brand**

| Description (Rp billion)    | 2017          | 2018          | Comparison with Last Year |              |
|-----------------------------|---------------|---------------|---------------------------|--------------|
|                             |               |               | Total                     | Percentage   |
| Honda                       | 708           | 940           | 232                       | 32.8%        |
| Yamaha                      | 547           | 660           | 113                       | 20.7%        |
| Suzuki                      | 84            | 79            | (5)                       | -6.0%        |
| Others                      | 39            | 41            | 2                         | 5.1%         |
| <b>Total</b>                | <b>1,378</b>  | <b>1,720</b>  | <b>342</b>                | <b>24.8%</b> |
| <b>Percentage of Total:</b> |               |               |                           |              |
| Honda                       | 51.4%         | 54.6%         | n/a                       | 3.2%         |
| Yamaha                      | 39.7%         | 38.4%         | n/a                       | -1.3%        |
| Suzuki                      | 6.1%          | 4.6%          | n/a                       | -1.5%        |
| Others                      | 2.8%          | 2.4%          | n/a                       | -0.4%        |
| <b>Total</b>                | <b>100.0%</b> | <b>100.0%</b> |                           |              |

### Total Managed Receivables – Heavy Equipment, Machinery, and Others

The Company provides Financing of Heavy Equipment, Machinery, and Others, classified under Finance Lease Receivables. Total Managed Receivables in this segment by end of 2018 had expanded by 25.6% year-on-year, from Rp2,231 billion to Rp2,802 billion. The greatest component of this type of financing in 2018 was for Excavators, which made up 46.3% of the segment's total portfolio, with Rp1,297 billion worth of managed receivables. Total Heavy Equipment Financing in 2018 made up 76.3% of the segment's total portfolio, with 22.8% of the remainder contributed by Financing of Machinery, and 0.9% of Others.

This segment is exposed to a diversified range of industries, with the largest being the Mining sector (27.2% of the total managed portfolio in this segment on 31 December 2018), followed by Construction sector (25.4%) and Services sector (14.3%). Due to a bullish commodities cycle in the early part of 2018, financing provided to the Mining sector recorded the largest growth, by 48.2% from Rp514 billion at end of 2017 to Rp762 billion by end of 2018. Infrastructure projects, given a boost by government initiatives, contributed to the 29.5% increase in the Company's financing to the Construction sector in 2018.

**TABLE 45 Diversification of Heavy Equipment, Machinery, and Others Financing Portfolio by Asset Type**

| Description (Rp billion)     | 2017          | 2018          | Comparison with Last Year |              |
|------------------------------|---------------|---------------|---------------------------|--------------|
|                              |               |               | Total                     | Percentage   |
| Excavator                    | 851           | 1,297         | 446                       | 52.4%        |
| Truck                        | 328           | 402           | 74                        | 22.6%        |
| Bulldozer                    | 124           | 119           | (5)                       | -4.0%        |
| Forklift                     | 55            | 59            | 4                         | 7.3%         |
| Wheel Loader                 | 42            | 53            | 11                        | 26.2%        |
| Other Heavy Equipment        | 192           | 207           | 15                        | 7.8%         |
| <b>Total Heavy Equipment</b> | <b>1,592</b>  | <b>2,137</b>  | <b>545</b>                | <b>34.2%</b> |
| Machinery                    | 601           | 639           | 38                        | 6.3%         |
| Others                       | 38            | 26            | (12)                      | -31.6%       |
| <b>Total</b>                 | <b>2,231</b>  | <b>2,802</b>  | <b>571</b>                | <b>25.6%</b> |
| <b>Percentage of Total:</b>  |               |               |                           |              |
| Excavator                    | 38.1%         | 46.3%         | n/a                       | 8.2%         |
| Truck                        | 14.7%         | 14.3%         | n/a                       | -0.4%        |
| Bulldozer                    | 5.6%          | 4.3%          | n/a                       | -1.3%        |
| Forklift                     | 2.5%          | 2.1%          | n/a                       | -0.4%        |
| Wheel Loader                 | 1.9%          | 1.9%          | n/a                       | 0.0%         |
| Other Heavy Equipment        | 8.6%          | 7.4%          | n/a                       | -1.2%        |
| <b>Total Heavy Equipment</b> | <b>71.4%</b>  | <b>76.3%</b>  | <b>n/a</b>                | <b>4.9%</b>  |
| Machinery                    | 26.9%         | 22.8%         | n/a                       | -4.1%        |
| Others                       | 1.7%          | 0.9%          | n/a                       | -0.8%        |
| <b>Total</b>                 | <b>100.0%</b> | <b>100.0%</b> |                           |              |

**TABLE 46** Diversification of Heavy Equipment, Machinery, and Others Financing Portfolio by Industry

| Description (Rp billion)     | 2017          | 2018          | Comparison with Last Year |              |
|------------------------------|---------------|---------------|---------------------------|--------------|
|                              |               |               | Total                     | Percentage   |
| Mining                       | 514           | 762           | 248                       | 48.2%        |
| Construction                 | 550           | 712           | 162                       | 29.5%        |
| Services                     | 399           | 400           | 1                         | 0.3%         |
| Industrial and Manufacturing | 265           | 300           | 35                        | 13.2%        |
| Forestry                     | 182           | 206           | 24                        | 13.2%        |
| Plantation                   | 115           | 166           | 51                        | 44.3%        |
| Trade and Distribution       | 94            | 115           | 21                        | 22.3%        |
| Others                       | 112           | 141           | 29                        | 25.9%        |
| <b>Total</b>                 | <b>2,231</b>  | <b>2,802</b>  | <b>571</b>                | <b>25.6%</b> |
| <b>Percentage of Total:</b>  |               |               |                           |              |
| Mining                       | 23.0%         | 27.2%         | n/a                       | 4.2%         |
| Construction                 | 24.6%         | 25.4%         | n/a                       | 0.8%         |
| Services                     | 17.9%         | 14.3%         | n/a                       | -3.6%        |
| Industrial and Manufacturing | 11.9%         | 10.7%         | n/a                       | -1.2%        |
| Forestry                     | 8.2%          | 7.4%          | n/a                       | -0.8%        |
| Plantation                   | 5.2%          | 5.9%          | n/a                       | 0.7%         |
| Trade and Distribution       | 4.2%          | 4.1%          | n/a                       | -0.1%        |
| Others                       | 5.0%          | 5.0%          | n/a                       | 0.0%         |
| <b>Total</b>                 | <b>100.0%</b> | <b>100.0%</b> |                           |              |

**Total Managed Receivables – Property**

The Company provides Property-Backed Financing, whose Total Managed Receivables at end of 2018 shrank by 8.4% to Rp305 billion, owing to a weak Property sector in the past few years. This asset type represented 1.6% of the Company's end-of-2018 Total Managed Receivables.

**TABLE 47** Diversification of Property Portfolio by Type

| Description (Rp billion)   | 2017          | 2018          | Comparison with Last Year |              |
|----------------------------|---------------|---------------|---------------------------|--------------|
|                            |               |               | Total                     | Percentage   |
| House                      | 309           | 292           | (17)                      | -5.5%        |
| Shop House                 | 24            | 13            | (11)                      | -45.8%       |
| <b>Total</b>               | <b>333</b>    | <b>305</b>    | <b>(28)</b>               | <b>-8.4%</b> |
| <b>Percentage of Total</b> |               |               |                           |              |
| House                      | 92.8%         | 95.7%         | n/a                       | 2.9%         |
| Shop House                 | 7.2%          | 4.3%          | n/a                       | -2.9%        |
| <b>Total</b>               | <b>100.0%</b> | <b>100.0%</b> |                           |              |

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### Total Managed Receivables - Ijarah Assets

In line with the Company's new business of Sharia Financing, by end of 2018 the Company had accumulated Ijarah Assets – Net amounting to Rp2 billion, whereas the figure on 31 December 2017 was nil.

### Allowance for Impairment Losses

Allowance for Impairment Losses is a value set aside from Total Managed Receivables to anticipate future potential losses of Receivables. The value is calculated collectively using statistical methods, and

calculated individually for specific exposures and types of assets.

As stated in a preceding section, in 2018 there was an increase of 59.1% in Allowance for Impairment Losses, from Rp237 billion at end of 2017 to Rp378 billion at end of 2018. The increase was due to the rise in Total Managed Receivables and additional provision made for the Central Sulawesi earthquake and tsunami which occurred in September 2018. Excluding the specific provision for Sulawesi region, Allowance for Impairment Losses would have increased by 21.2%.

**TABLE 48 Allowance for Impairment Losses**

| Description (Rp billion)  | 2017   | 2018   | Comparison with Last Year |            |
|---|--------|--------|---------------------------|------------|
|   |        |        | Total                     | Percentage |
| Total Managed Receivables   | 15,936 | 18,343 | 2,407                     | 15.1%      |
| NPF (including Joint Financing)   | 151    | 222    | 71                        | 47.0%      |
| Allowance for Impairment Losses (include specific provision)                        | 237    | 378    | 141                       | 59.5%      |
| Allowance for Impairment Losses (exclude specific provision)                        | 237    | 288    | 51                        | 21.5%      |
| Allowance for Impairment Losses on Managed Receivables (include specific provision) | 1.5%   | 2.1%   | n/a                       | 0.6%       |
| Allowance for Impairment Losses on Managed Receivables (exclude specific provision) | 1.5%   | 1.6%   | n/a                       | 0.1%       |
| Coverage of NPF (include specific provision)  | 1.6x   | 1.7x   | n/a                       | 6.3%       |
| Coverage of NPF (exclude specific provision)  | 1.6x   | 1.3x   | n/a                       | -18.8%     |

Current allowance coverage level is 1.7x of NPF compared to 1.6x last year, signifying the Company's capability to provide for future credit losses without impacting its financial position.



### Cash and Cash Equivalents

As per 31 December 2018, the Company's Cash and Cash Equivalents amounted to Rp755 billion, a 2.4x increase from Rp225 billion recorded on 31 December 2017. This was partly owing to the sinking fund built up for Bonds repayment due in Q1 2019.

### Other Receivables – Net

The Company records Other Receivables in the form of, among others, Receivables in the Settlement Process (book value of asset collateral returned by or exercised from customers unable to continue serving their obligations), Customer Installment Receipt Receivables (where payment has been made by customers through various payment points yet the money will be transferred to

the Company's bank account the following business date), Employee Receivables, MESOP Receivables, and Insurance Premium.

On 31 December 2018, the value of Other Receivables – Net was Rp198 billion, a 52.2% decline from Rp414 billion one year earlier. This decline was due to digital financing agreement. This is related to Joint Financing with PT FinAccel Teknologi Indonesia, a Fintech lending company of "Kredivo" application, where the Company provided channeling facilities to the Fintech up to December 2017, and fully repaid back in 2018; and Receivables from KSEI on Dividend Tax, which went down respectively from Rp180 billion and Rp58 billion in 2017 to nil in 2018, but mainly it was contributed from the Joint Financing Digital Receivables (related to Kredivo, as explained above).

**TABLE 49 Other Receivables**

| Description (Rp billion)                    | 2017       | 2018       | Comparison with Last Year |               |
|---|------------|------------|---------------------------|---------------|
|   |            |            | Total                     | Percentage    |
| Receivables in the Settlement Process - Net | 67         | 93         | 26                        | 38.8%         |
| Customer Installment Receipt Receivables    | 44         | 61         | 17                        | 38.6%         |
| Employee Receivables                        | 25         | 22         | (3)                       | -12.0%        |
| MESOP Receivables                           | 22         | 8          | (14)                      | -63.6%        |
| Insurance Premium                           | 5          | 2          | (3)                       | -60.0%        |
| Joint Financing Digital Receivables         | 180        | 0          | (180)                     | -100.0%       |
| Receivables from KSEI on Dividend Tax       | 58         | 0          | (58)                      | -100.0%       |
| Other Receivables                           | 13         | 12         | (1)                       | -7.7%         |
| <b>Total</b>                                | <b>414</b> | <b>198</b> | <b>(216)</b>              | <b>-52.2%</b> |

### Derivative Assets (Liabilities)

Derivative Assets (Liabilities) arise from the swap arrangements that the Company has to hedge its foreign currency loans—in particular offshore loans denominated in USD—as one of its funding sources, in anticipation of interest rate

risk and currency exchange risk. The mitigation measure of the Company for these risks, as part of its comprehensive risk management, is by implementing a strict hedging policy for loans in foreign currencies and with floating interest rates. All hedging is performed through cross currency

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swap agreements with reputable banks. At present all foreign currency loans are fully hedged with no open exposure against foreign currency and interest rate risks.

On 31 December 2018, the Company recorded Rp110 billion in Derivative Assets (measured in fair value), as opposed to nearly Rp1 billion in Derivative Liabilities recorded at the end of 2017. Details of this are provided in Table 50.

**TABLE 50 Derivative Assets (Liabilities)**

| Description                             | 2017                              |  | 2018                              |  |
|---|-----------------------------------|--|-----------------------------------|--|
|   | USD Notional Amount (full amount) | Derivative Assets (Liabilities) (Rp billion) | USD Notional Amount (full amount) | Derivative Assets (Liabilities) (Rp billion) |
| MUFG Bank, Ltd., Jakarta Branch         | 65,000,000                        | 12   | 56,500,000                        | 47   |
| Standard Chartered Bank, Jakarta Branch | 84,078,341                        | (2)  | 42,000,000                        | 48   |
| PT Bank CIMB Niaga Tbk                  | 23,500,000                        | (3)  | 14,833,333                        | 15   |
| PT Bank Permata Tbk                     | 37,500,000                        | (11)   | -                                 | -  |
| PT Bank ANZ Indonesia                   | 30,000,000                        | 3  | -                                 | -  |
| <b>Total</b>                            | <b>240,078,341</b>                | <b>(1)</b>                                   | <b>113,333,333</b>                | <b>110</b>                                   |

### Fixed Assets – Net

The Company's Fixed Assets - Net rose 16.0% in 2018 to reach Rp530 billion on 31 December 2018, from Rp457 billion a year earlier. The largest contributor to this addition in Fixed Assets was in the form of vehicles, whose net carrying amount by end of 2018 had reached Rp123 billion, or 23.2% of total Fixed Assets - Net. Details will be explained further in the Material Capital Expenditures section.

### Intangible Assets – Net

As at 31 December 2018, the Company's Intangible Assets - Net rose 60.0% from Rp20 billion in the previous year to Rp32 billion. The increment was along with the Company's investment to improve the infrastructure of Information Technology (IT).

### Deferred Tax Assets

The Company recorded Deferred Tax Assets amounting to Rp68 billion on 31 December 2018, a 3.0% increase from Rp66 billion recorded one year earlier. This is in line with Assets Growth.

## Liabilities

**TABLE 51 Liabilities**

| Description (Rp billion)             | 2017          | 2018          | Comparison with Last Year |              |
|--------------------------------------|---------------|---------------|---------------------------|--------------|
|                                      |               |               | Total                     | Percentage   |
| Fund Borrowings                      | 6,819         | 6,900         | 81                        | 1.2%         |
| Securities Issued - Net              | 3,909         | 5,196         | 1,287                     | 32.9%        |
| Accrued Expenses                     | 294           | 288           | (6)                       | -2.0%        |
| Post-employment Benefits Liabilities | 200           | 202           | 2                         | 1.0%         |
| Taxes Payable                        | 140           | 67            | (73)                      | -52.1%       |
| Other Payables                       | 217           | 260           | 43                        | 19.8%        |
| <b>Total</b>                         | <b>11,579</b> | <b>12,913</b> | <b>1,334</b>              | <b>11.5%</b> |
| <b>Percentage of Total:</b>          |               |               |                           |              |
| Fund Borrowings                      | 58.9%         | 53.4%         | n/a                       | -5.5%        |
| Securities Issued - Net              | 33.8%         | 40.3%         | n/a                       | 6.5%         |
| Accrued Expenses                     | 2.5%          | 2.2%          | n/a                       | -0.3%        |
| Post-employment Benefits Liabilities | 1.7%          | 1.6%          | n/a                       | -0.1%        |
| Taxes Payable                        | 1.2%          | 0.5%          | n/a                       | -0.7%        |
| Other Payables                       | 1.9%          | 2.0%          | n/a                       | 0.1%         |
| <b>Total</b>                         | <b>100.0%</b> | <b>100.0%</b> |                           |              |

Total Liabilities on 31 December 2018 was recorded at Rp12,913 billion, 11.5% higher than Rp11,579 billion recorded one year earlier. The largest portion of Total Liabilities contributed by source of funding, consisting of Fund Borrowings and Securities Issued – Net.

**TABLE 52 Source of Funds**

| Description (Rp billion)             | 2017          | 2018          | Comparison with Last Year |              |
|--------------------------------------|---------------|---------------|---------------------------|--------------|
|                                      |               |               | Total                     | Percentage   |
| <b>Fund Borrowings</b>               |               |               |                           |              |
| Rupiah Borrowings                    | 3,588         | 5,267         | 1,679                     | 46.8%        |
| Foreign Currency Borrowings          | 3,231         | 1,633         | (1,598)                   | -49.5%       |
| <b>Total Fund Borrowings</b>         | <b>6,819</b>  | <b>6,900</b>  | <b>81</b>                 | <b>1.2%</b>  |
| <b>Securities Issued</b>             |               |               |                           |              |
| Bond Payable                         | 3,859         | 5,196         | 1,337                     | 34.6%        |
| MTN                                  | 50            | -             | (50)                      | -100.0%      |
| <b>Total Securities Issued - Net</b> | <b>3,909</b>  | <b>5,196</b>  | <b>1,287</b>              | <b>32.9%</b> |
| <b>Total Source of Funds</b>         | <b>10,728</b> | <b>12,096</b> | <b>1,368</b>              | <b>12.8%</b> |

### Fund Borrowings

Total Fund Borrowings recorded on 31 December 2018 reached Rp6,900 billion, reflecting a 1.2% rise from 2017's Rp6,819 billion. There was a large increase in Fund Borrowings in Rupiah, amounting to Rp1,679 billion or 46.8% rise, in 2018, due to new facilities utilized during the year. In contrast, the US Dollar borrowings declined by Rp1,598 billion or 49.5% from last year's balance due to debt repayment due as well as no new US Dollar facilities added during the year.

Currently, all of the Company's funding in foreign currency was covered with cross currency and interest rate swap with reputable parties. Details of the swap counter parties are available on Derivative Assets (Liabilities) page 168.

Details of the Company's Fund Borrowings are provided in Table 53 below.

**TABLE 53 Details of Fund Borrowings**

| Description (Rp billion)                           | 2017         | 2018         | Comparison with Last Year |
|--|--------------|--------------|---------------------------|
| <b>Borrowings (US Dollar)</b>                      |              |              |                           |
| Standard Chartered Bank (Facility Agent)           | 2,184        | 1,274        | (910)                     |
| PT Bank CTBC Indonesia                             | 216          | 154          | (62)                      |
| MUFG Bank, Ltd., Jakarta Branch                    | -            | 145          | 145                       |
| JA Mitsui Leasing Singapore Pte. Ltd.              | 101          | 60           | (41)                      |
| Standard Chartered Bank, Jakarta Branch            | 271          | -            | (271)                     |
| PT Bank ANZ Indonesia                              | 270          | -            | (270)                     |
| Qatar National Bank SAQ, Singapore Branch          | 134          | -            | (134)                     |
| Standard Chartered Bank, Singapore Branch          | 29           | -            | (29)                      |
| Emirates NBD Bank PJSC (Facility Agent)            | 26           | -            | (26)                      |
| <b>Total Borrowings (US Dollar)</b>                | <b>3,231</b> | <b>1,633</b> | <b>(1,598)</b>            |
| <b>Borrowings (Rupiah)</b>                         |              |              |                           |
| PT Bank Mandiri (Persero) Tbk                      | 1,354        | 1,782        | 428                       |
| PT United Tractors Tbk                             | 536          | 1,032        | 496                       |
| PT Bank Central Asia Tbk                           | 343          | 622          | 279                       |
| PT Bank Permata Tbk                                | 73           | 446          | 373                       |
| Standard Chartered Bank                            | 0            | 340          | 340                       |
| PT Bank KEB Hana Indonesia                         | 285          | 253          | (32)                      |
| PT Bank Pan Indonesia Tbk                          | 208          | 225          | 17                        |
| PT Bank ANZ Indonesia                              | 0            | 218          | 218                       |
| PT Bank Nusantara Parahyangan Tbk                  | 95           | 121          | 26                        |
| PT Bank Pembangunan Daerah Jawa Barat & Banten Tbk | 244          | 108          | (136)                     |
| PT Bank CIMB Niaga Tbk                             | 173          | 66           | (107)                     |
| Bank of China Limited, Jakarta Branch              | 87           | 37           | (50)                      |
| PT Bank Danamon Indonesia Tbk                      | 48           | 15           | (33)                      |
| PT Bank Negara Indonesia (Persero) Tbk             | 47           | 2            | (45)                      |
| PT Bank Tabungan Pensiunan Nasional Tbk            | 95           | 0            | (95)                      |
| <b>Total Borrowings (Rupiah)</b>                   | <b>3,588</b> | <b>5,267</b> | <b>1,679</b>              |
| <b>Borrowings - Net</b>                            | <b>6,819</b> | <b>6,900</b> | <b>81</b>                 |

### Securities Issued – Net

Aside from bank borrowings, the Company has also raised funding from debt capital markets in the form of shelf-registered rupiah Bonds and MTN. On 31 December 2018, the total Securities Issued – Net amounted to Rp5,196 billion, rose by 32.9% from Rp3,909 billion recorded one year earlier. This increase was mainly contributed by the two new issuance of shelf-registered bonds during the year totaling of Rp2,905 billion.

Details of the Company's issued securities are provided in Table 54 below.

**TABLE 54 Securities Issued**

| Description (Rp billion)  | 2017         | 2018         |
|---|--------------|--------------|
| <b>Bonds</b>  |              |              |
| Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015   | 550          | -            |
| Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016  | 800          | 658          |
| Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016   | 683          | 683          |
| Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017  | 1,000        | 460          |
| Obligasi Berkelanjutan III BFI Finance Indonesia Tahap III Tahun 2017 | 835          | 500          |
| Obligasi Berkelanjutan III BFI Finance Indonesia Tahap IV Tahun 2018  | -            | 2,165        |
| Obligasi Berkelanjutan IV BFI Finance Indonesia Tahap I Tahun 2018    | -            | 740          |
| <b>Total Nominal Value</b>  | <b>3,868</b> | <b>5,206</b> |
| Less Unamortized Bond Issuance Cost                                   | 9            | 10           |
| <b>Total - Net</b>  | <b>3,859</b> | <b>5,196</b> |
| <b>MTN</b>  |              |              |
| MTN BFI Finance Indonesia III Tahun 2015                              | 50           | -            |
| <b>Total Nominal Value</b>  | <b>50</b>    | <b>-</b>     |
| <b>Total Securities Issued</b>  | <b>3,909</b> | <b>5,196</b> |

### Taxes Payable

Taxes Payable decreased by 52.1% or representing Rp73 billion due to early settlement of monthly Corporate Income Tax (PPH Article 25) installment for December 2018 which was paid at the same month, and also the absence of Tax Payable on Interim Dividend in 2018.

### Other Payables

Other Payables are mainly consisting of Customer Deposits and Early Payment, IT Infrastructure, Enhancement Payable, and Insurance Premium Payable. Total Other Payables as at 31 December 2018 was Rp260 billion or 19.8% higher than Rp217 billion on the previous year.

Details of the Company's Other Payables are provided in Table 55.

**TABLE 55 Other Payable**

| Description (Rp billion)                   | 2017       | 2018       | Comparison with Last Year |              |
|--|------------|------------|---------------------------|--------------|
|  |            |            | Total                     | Percentage   |
| Customer Deposits                          | 105        | 120        | 15                        | 14.3%        |
| Fixed Asset & Intangible Asset Acquisition | -          | 58         | 58                        | n/a          |
| Insurance Premium                          | 44         | 27         | (17)                      | -38.6%       |
| Payables to Dealers                        | 31         | 5          | (26)                      | -83.9%       |
| Others (balance below Rp2,000)             | 37         | 50         | 13                        | 35.1%        |
| <b>Total</b>                               | <b>217</b> | <b>260</b> | <b>43</b>                 | <b>19.8%</b> |

### Joint Financing Arrangement

As explained in the Table 56, the Company has Joint Financing arrangements with several reputable Indonesian banks. The Company's portion of Joint Financing ranges from 5 to 10%, and the rest are finances by the corresponding banks. In these Joint Financing arrangements, the Company is acting as a servicer, responsible for among others; collecting and receiving payments from customers, forwarding payments received to the lending banks, and as a custodian for the documents of assets used as collateral.

The Company's Joint Financing arrangements by end of 2018 amounted to Rp684 billion, a rise of 30.5% from Rp524 billion one year earlier. The increase was mainly boosted by partnership with PT Bank Rakyat Indonesia (Persero) Tbk, which rose from Rp335 billion at year-end 2017 to Rp666 billion.

Details of the Company's Joint Financing arrangement is provided in Table 56 below.

**TABLE 56 Joint Financing**

| Description (Rp billion)                | 2017       | 2018       | BFI Finance's Portion | Comparison with Last Year |              |
|---|------------|------------|-----------------------|---------------------------|--------------|
|   |            |            |                       | Total                     | Percentage   |
| PT Bank Rakyat Indonesia (Persero) Tbk  | 335        | 666        | 5%                    | 331                       | 98.8%        |
| PT Bank Mandiri (Persero) Tbk           | 140        | 12         | 5%                    | (128)                     | -91.4%       |
| PT Bank Tabungan Pensiunan Nasional Tbk | 49         | 6          | 10%                   | (43)                      | -87.8%       |
| <b>Total</b>                            | <b>524</b> | <b>684</b> |                       | <b>160</b>                | <b>30.5%</b> |

## Equity

**TABLE 57 Total Equity**

| Description (Rp billion)  | 2017         | 2018         | 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%         |
| <b>Other Comprehensive Income</b>   |              |              |                           |              |
| Cumulative gain (Loss) on Derivative Instrument for Cash Flows Hedges - Net | (36)         | 2            | 38                        | -105.6%      |
| Loss on Defined Benefit Actuarial Program                                   | (76)         | (42)         | 34                        | -44.7%       |
| <b>Retained Earnings</b>  |              |              |                           |              |
| Appropriated  | 73           | 86           | 13                        | 17.8%        |
| Unappropriated  | 4,243        | 5,458        | 1,215                     | 28.6%        |
| <b>Total</b>  | <b>4,904</b> | <b>6,204</b> | <b>1,300</b>              | <b>26.5%</b> |

The Company's Total Equity is detailed on Table 57 above. On 31 December 2018, Total Equity stood at Rp6,204 billion, a 26.5% or Rp1,300 billion increase from Total Equity by end of 2017 of Rp4,904 billion.

This was driven by the Rp5,458 billion in Unappropriated Earnings in 2018, which was 28.6% higher than in 2017.

### Issued and Paid-up Capital

The Company's total Issued and Paid-up Capital on 31 December 2018 and 2017 comprised 15,967,115,620 shares (post-stock split in 2017), corresponding to a Share Capital of Rp399 billion.

### Additional Paid-up Capital

On 31 December 2018, the Company recorded Additional Paid-up Capital of Rp553 billion, unchanged from the previous year.

### Treasury Stock

There was no change to the amount of Treasury Stock in 2018, which stood at Rp252 billion (corresponding to 1,002,732,000 shares) on 31 December 2018 and 2017. This was a result of a buyback program conducted in 2015 and 2016 based on EGMS resolution on 15 April 2015.

**TABLE 58 Treasury Stock**

| Description    | Shares        | Percentage |
|----------------|---------------|------------|
| Treasury Stock | 1,002,732,000 | 6.28%      |

### MESOP Program

The Company implemented a MESOP program based on the EGMS resolution on 21 June 2012, which was ended on 30 June 2016.

The total new shares issued during the program represent 5% of the Company's Paid-up Capital which were granted to the eligible management and employees as approved by the shareholders.

**TABLE 59 Share Ownership of Members of the BOC and the BOD**

| Shareholders         | Position               | Total Shares       | % Shares    |
|----------------------|------------------------|--------------------|-------------|
| Francis Lay Sioe Ho  | President Director     | 389,885,080        | 2.44        |
| Kusmayanto Kadiman   | President Commissioner | 74,500             | 0.00        |
| Sudjono              | Director               | 33,380,000         | 0.21        |
| Sutadi               | Director               | 21,382,800         | 0.14        |
| Sigit Hendra Gunawan | Director (Independent) | 10,000,000         | 0.06        |
| Andrew Adiwijanto    | Director               | 10,120,000         | 0.06        |
| Johanes Sutrisno     | Commissioner           | 2,480              | 0.00        |
| <b>Total</b>         |                        | <b>464,844,860</b> | <b>2.91</b> |

### Other Comprehensive Income

In 2018 the Company recorded increase of Rp72 billion in Other Comprehensive Income, comprised Cumulative Gain on change in fair value of Derivative Instrument for Cash Flows Hedges – Net of Rp38 billion, and Loss on Defined Benefit Actuarial Program of Rp34 billion. Both were recorded as Other Comprehensive Income (Loss) for the year.

### Retained Earnings

The Company's total Retained Earnings in 2018 amounted to Rp5,544 billion, 28.5% higher than Rp4,316 billion of Retained Earnings obtained in 2017.

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From its business operations, the Company posted Profit for the Year of Rp1,468 billion in 2018, increasing by 23.6% from Rp1,188 billion in 2017.

#### Income

The Company's Income was derived from Financing Income—comprising Finance Lease, Consumer Financing, and Sharia Financing—as well as Finance Income and Other Income. The Company's Total Income in 2018 increased by 24.1% from Rp4,042 billion in 2017 to Rp5,018 billion in 2018.



## Financing Income

In 2018, Financing Income, as stated above, comprised Finance Lease Income, Consumer Financing Income, and Sharia Income. In 2018, Financing Income (net of Joint Financing, as previously explained) reached Rp4,893 billion, up by 24.3% or Rp957 billion from Rp3,936 billion in 2017.

Both Finance Lease Income and Consumer Financing Income experienced growth of 25.8% and 22.2%, respectively. They correspond to the growth of the Company's business as reflected by its Total Managed Receivables - Net. Finance Lease and Consumer Financing each contributed 57.2% and 40.3%, respectively, to Total Income in 2018. Booked under Finance Lease Income and Consumer Financing Income, the Company also earned Administrative, Late Charges and Termination Fee Income (collectively referred to as Total Fee-Based and Other Income). The details

of these are shown in Table 61. Collectively, Total Fee-Based and Other Income grew by 24.3% in 2018, from Rp3,936 billion to Rp4,893 billion. This represents a 97.5% of Total Income in 2018, compared to 97.4% in 2017.

Analyzed based on Asset Type, the largest contributor was Used Cars Financing, representing 68.3% of Total Financing Income, amounting to Rp3,371 billion. Income from Used Cars Financing grew by 21.6% from Rp2,772 billion in 2017. Significant growth in Income was also seen in Used Motorcycles Financing, by 43.2%, from Rp643 billion in 2017 to Rp921 billion in 2018, in line with the Company's stronger initiatives on this segment.

In line with the Company's commencement of Sharia Financing activities in 2018, the Company recorded Sharia Financing Income of Rp1 billion, whereas its figure in 2017 was nil. The details of these are shown in Table 60 below.

**TABLE 60 Financing Income by Asset Type**

| Description (Rp billion)                                   | 2017          | 2018          | Comparison with Last Year |              |
|--|---------------|---------------|---------------------------|--------------|
|  |               |               | Total                     | Percentage   |
| <b>Breakdown by Asset Type</b>                             |               |               |                           |              |
| Used Cars Financing  | 2,772         | 3,371         | 599                       | 21.6%        |
| Used Motorcycles Financing                                 | 643           | 921           | 278                       | 43.2%        |
| Heavy Equipment Financing                                  | 330           | 435           | 105                       | 31.8%        |
| New Cars Financing   | 208           | 139           | (69)                      | -33.2%       |
| Property Financing   | 72            | 70            | (2)                       | -2.8%        |
| Sharia Financing   | -             | 1             | 1                         | n/a          |
| <b>Total Financing Income (including Joint Financing )</b> | <b>4,025</b>  | <b>4,937</b>  | <b>912</b>                | <b>22.7%</b> |
| <b>Asset Type in Percentage</b>                            |               |               |                           |              |
| Used Cars Financing  | 68.9%         | 68.3%         | n/a                       | -0.6%        |
| Used Motorcycles Financing                                 | 15.9%         | 18.7%         | n/a                       | 2.8%         |
| Heavy Equipment Financing                                  | 8.2%          | 8.8%          | n/a                       | 0.6%         |
| New Cars Financing   | 5.2%          | 2.8%          | n/a                       | -2.4%        |
| Property Financing   | 1.8%          | 1.4%          | n/a                       | -0.4%        |
| Sharia Financing   | 0.0%          | 0.0%          | n/a                       | 0.0%         |
| <b>Total</b>   | <b>100.0%</b> | <b>100.0%</b> |                           |              |

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### Other Income

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

The Company's Other Income increased by 17.0% from Rp106 billion in 2017 to Rp124 billion in 2018. Such increase was contributed by higher cash position, recovery on written-off receivables and receivable in the settlement process in 2018 compared with in 2017.

**TABLE 61 Income**

| Description (Rp billion)               | 2017         | 2018         | Comparison with Last Year |              |
|--|--------------|--------------|---------------------------|--------------|
|  |              |              | Total                     | Percentage   |
| <b>Income</b>                          |              |              |                           |              |
| Self & Joint Financing                 | 4,025        | 4,937        | 912                       | 22.7%        |
| Other Income                           | 106          | 124          | 18                        | 17.0%        |
| <b>Total</b>                           | <b>4,131</b> | <b>5,061</b> | <b>930</b>                | <b>22.5%</b> |
| Less Joint Financing                   | (89)         | (43)         | 46                        | -51.7%       |
| <b>Total Income</b>                    | <b>4,042</b> | <b>5,018</b> | <b>976</b>                | <b>24.1%</b> |
| <b>Income (Self Financing)</b>         |              |              |                           |              |
| <b>Finance Lease</b>                   |              |              |                           |              |
| Finance Lease Income                   | 1,777        | 2,256        | 479                       | 27.0%        |
| Administration                         | 274          | 321          | 47                        | 17.2%        |
| Late Charges                           | 138          | 179          | 41                        | 29.7%        |
| Termination                            | 93           | 115          | 22                        | 23.7%        |
| <b>Total Finance Lease Income</b>      | <b>2,282</b> | <b>2,871</b> | <b>589</b>                | <b>25.8%</b> |
| <b>Consumer Financing</b>              |              |              |                           |              |
| Consumer Financing Income              | 1,210        | 1,483        | 273                       | 22.6%        |
| Administration                         | 280          | 358          | 78                        | 27.9%        |
| Late Charges                           | 121          | 134          | 13                        | 10.7%        |
| Termination                            | 43           | 46           | 3                         | 7.0%         |
| <b>Total Consumer Financing Income</b> | <b>1,654</b> | <b>2,021</b> | <b>367</b>                | <b>22.2%</b> |
| Sharia Financing                       | -            | 1            | 1                         | n/a          |
| <b>Total Financing Income</b>          | <b>3,936</b> | <b>4,893</b> | <b>957</b>                | <b>24.3%</b> |
| Other Income                           | 106          | 124          | 18                        | 17.0%        |
| <b>Total Income</b>                    | <b>4,042</b> | <b>5,018</b> | <b>976</b>                | <b>24.1%</b> |

## Expenses

**TABLE 62 Expenses**

| Description (Rp billion)        | 2017         | 2018         | Comparison with Last Year |              |
|---------------------------------|--------------|--------------|---------------------------|--------------|
|                                 |              |              | Total                     | Percentage   |
| Salaries and Benefits           | 869          | 1,050        | 181                       | 20.8%        |
| Interest and Financing Charges  | 895          | 1,036        | 141                       | 15.8%        |
| General and Administrative      | 482          | 567          | 85                        | 17.6%        |
| Provision for Impairment Losses | 303          | 509          | 206                       | 68.0%        |
| Others                          | 5            | 16           | 11                        | 220.0%       |
| <b>Total</b>                    | <b>2,554</b> | <b>3,178</b> | <b>624</b>                | <b>24.4%</b> |

The Company's Total Expenses in 2018 reached Rp3,178 billion, increasing by 24.4% from the previous year's figure of Rp2,554 billion. Contributions to 2018's Total Expenses primarily came from Interest and Financing Charges of Rp1,036 billion and Salaries and Benefits of Rp1,050 billion, representing 32.6% and 33.0% of the total, respectively.

### 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 63 Borrowings, Interest, and Financing Charges, and Cost of Fund**

| Description (Rp billion)       | 2017          | 2018          | Comparison with Last Year |              |
|--------------------------------|---------------|---------------|---------------------------|--------------|
|                                |               |               | Total                     | Percentage   |
| Fund Borrowings                | 6,819         | 6,900         | 81                        | 1.2%         |
| Securities Issued - Net        | 3,909         | 5,196         | 1,287                     | 32.9%        |
| <b>Total Borrowings</b>        | <b>10,728</b> | <b>12,096</b> | <b>1,368</b>              | <b>12.8%</b> |
| Interest and Financing Charges | 895           | 1,036         | 141                       | 15.8%        |
| <b>Average Cost of Fund</b>    | <b>10.0%</b>  | <b>8.6%</b>   |                           | <b>-1.4%</b> |

Interest and Financing Charges in 2018 amounted to Rp1,036 billion, a 15.8% rise from Rp895 billion recorded in 2017. The 2018 Interest and Financing Charges accounted for 32.6% of Total Expenses in 2018. Average Cost of Funds during the year was 8.6%, or 1.4% lower than 2017 which was 10.0%.

Due to the fixed rate nature of the Company's borrowings, there is a lag in movement compared to Bank Indonesia's benchmark rate, which increased from 4.25% to 6.00% during the year, and part of the lower Cost of Funds derived from the Company's ability to tap cheaper Cost of Funds from the debt capital market issuance.

### Salaries and Benefits

Salaries and Benefits consisted of all Salaries and Benefits paid throughout the current year, including all benefits related to position and retirement compensation which have been provisioned in accordance with the prevailing accounting standards.

**TABLE 64 Salaries and Benefit Expenses**

| Description (Rp billion)       | 2017       | 2018         | Comparison with Last Year |              |
|--------------------------------|------------|--------------|---------------------------|--------------|
|                                |            |              | Total                     | Percentage   |
| Salaries and Employee Benefits | 819        | 991          | 172                       | 21.0%        |
| Post-employment Benefits       | 50         | 59           | 9                         | 18.0%        |
| <b>Total</b>                   | <b>869</b> | <b>1,050</b> | <b>181</b>                | <b>20.8%</b> |

Salaries and Benefits increased by 20.8%, from Rp869 billion in 2017 to Rp1,050 billion in 2018. Such increase was in line with the Company's higher employee count by 13.0%, from 9,884 personnel to 11,171 in 2018. This was in turn driven by the business expansion measures undertaken by the Company by opening new outlets.

### General and Administrative Expenses

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

**TABLE 65 General and Administrative Expenses**

| Description (Rp billion)               | 2017 | 2018 | Comparison with Last Year |            |
|--|------|------|---------------------------|------------|
|  |      |      | Total                     | Percentage |
| Depreciation of Fixed Assets           | 68   | 75   | 7                         | 10.3%      |
| Repairs and Maintenance                | 46   | 61   | 15                        | 32.6%      |
| Installment Collection Expense         | 44   | 56   | 12                        | 27.3%      |
| Travel and Transportation              | 39   | 47   | 8                         | 20.5%      |
| Professional Fees                      | 62   | 41   | (21)                      | -33.9%     |
| Insurance                              | 31   | 40   | 9                         | 29.0%      |
| Marketing                              | 18   | 37   | 19                        | 105.6%     |
| Training and Education                 | 29   | 32   | 3                         | 10.3%      |
| Courier, Postage Stamp, and Stamp Duty | 20   | 25   | 5                         | 25.0%      |
| Office and Warehouse Rental            | 19   | 23   | 4                         | 21.1%      |
| Membership and Subscription            | 9    | 22   | 13                        | 144.4%     |
| Office Expense                         | 19   | 21   | 2                         | 10.5%      |
| Communications                         | 18   | 20   | 2                         | 11.1%      |

**TABLE 65 General and Administrative Expenses**

| Description (Rp billion)          | 2017       | 2018       | Comparison with Last Year |              |
|-----------------------------------|------------|------------|---------------------------|--------------|
|                                   |            |            | Total                     | Percentage   |
| Electricity and Water             | 14         | 16         | 2                         | 14.3%        |
| Amortization of Intangible Assets | 7          | 9          | 2                         | 28.6%        |
| Third Parties Services            | 4          | 6          | 2                         | 50.0%        |
| Fotocopy and Legalized Document   | 1          | 3          | 2                         | 200.0%       |
| Bank Administration Charges       | 2          | 2          | 0                         | 0.0%         |
| CSR Programs                      | 1          | 2          | 1                         | 100.0%       |
| Depreciation of Ijarah Assets     | 0          | 1          | 1                         | n/a          |
| Others                            | 31         | 28         | (3)                       | -9.7%        |
| <b>Total</b>                      | <b>482</b> | <b>567</b> | <b>85</b>                 | <b>17.6%</b> |

General and Administrative Expenses in 2018 amounted to Rp567 billion, up by 17.6% from 2017's figure of Rp482 billion. The largest increase in 2018 came from Marketing Expenses, which rose by 105.6% to reach Rp37 billion in 2018. There was a decline in Professional Fees by 33.9% after it had increased significantly by 169.6% in the previous 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 Position, which represent the fair value.

Provision for Consumer Financing Receivables increased by 66.1% from Rp177 billion in 2017 to Rp294 billion in 2018 whilst Finance Lease Receivables increased by 70.6% from Rp126 billion in 2017 to Rp215 billion in 2018. In total, Provision for Impairment Losses as at end of 2018 was Rp509 billion, increasing by 68.0% from Rp303 billion in 2017. This increase is largely driven by specific provision made for Central Sulawesi earthquake and tsunami by Rp90 billion. Excluding this extraordinary provision, the total Impairment Losses should only increase by 38.3%.

**TABLE 66 Provision for Impairment Losses**

| Description (Rp billion)   | 2017       | 2018       | Comparison with Last Year |              |
|--|------------|------------|---------------------------|--------------|
|  |            |            | Total                     | Percentage   |
| Provision for Impairment Losses - Consumer Financing Receivables | 177        | 294        | 117                       | 66.1%        |
| Provision for Impairment Losses - Finance Lease Receivables      | 126        | 215        | 89                        | 70.6%        |
| <b>Total</b>   | <b>303</b> | <b>509</b> | <b>206</b>                | <b>68.0%</b> |

## Profit for the Year

TABLE 67 Profit for the Year

| Description (Rp billion)   | 2017         | 2018         | Comparison with Last Year |              |
|----------------------------|--------------|--------------|---------------------------|--------------|
|                            |              |              | Total                     | Percentage   |
| Profit Before Tax          | 1,488        | 1,840        | 352                       | 23.7%        |
| Income Tax Expense         | 300          | 372          | 72                        | 24.0%        |
| <b>Profit for the Year</b> | <b>1,188</b> | <b>1,468</b> | <b>280</b>                | <b>23.6%</b> |

The Company's Profit Before Tax in 2018 amounted to Rp1,840 billion. This signifies an increase of 23.7% or Rp352 billion from Rp1,488 billion in 2017. Profit Before Tax was derived from the Total Income, which increased by Rp976 billion from 2017's figure, deducted by Total Expenses that increased by Rp624 billion.

Profit for the Year, which was derived by deducting Profit Before Tax with Income Tax Expense, increased by 23.6% from Rp1,188 billion in 2017 to Rp1,468 billion in 2018.

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.

The Company has complied with this requirement.

TABLE 68 Income Tax Expense Ratio

| Description (Rp billion)        | 2017         | 2018         | Comparison with Last Year |             |
|---------------------------------|--------------|--------------|---------------------------|-------------|
|                                 |              |              | Total                     | Percentage  |
| Profit Before Tax               | 1,488        | 1,840        | 352                       | 23.7%       |
| Income Tax Expense              | 300          | 372          | 72                        | 24.0%       |
| <b>Income Tax Expense Ratio</b> | <b>20.2%</b> | <b>20.2%</b> | <b>n/a</b>                | <b>0.0%</b> |

The tax ratio for 2017 and 2018 was 20.2%, above the normal rate of 20.0%.

### 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 Income Statements 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 69 Comprehensive Income for the Year**

| Description (Rp billion)                             | 2017         | 2018         | Comparison with Last Year |              |
|--|--------------|--------------|---------------------------|--------------|
|  |              |              | Total                     | Percentage   |
| Profit for the Year                                  | 1,188        | 1,468        | 280                       | 23.6%        |
| Other Comprehensive Income for the Year - Net of Tax | (29)         | 71           | 100                       | -344.8%      |
| <b>Total Comprehensive Income for the Year</b>       | <b>1,159</b> | <b>1,539</b> | <b>380</b>                | <b>32.8%</b> |

The Company's Total Comprehensive Income for the Year increased by 32.8%, from Rp1,159 billion in 2017 to Rp1,539 billion in 2018.

### Basic Earnings per Share

**TABLE 70 Basic Earnings per Share**

| Description (Rp billion)               | 2017* | 2018  | Comparison with Last Year |            |
|--|-------|-------|---------------------------|------------|
|  |       |       | Total                     | Percentage |
| Profit for the Year                    | 1,188 | 1,468 | 280                       | 23.6%      |
| Basic Earnings per Share (full amount) | 79    | 98    | 19                        | 24.1%      |

\* Restated after Stock Split

Basic Earnings per Share in 2018 was Rp98 per share, a rise of 24.1% from Rp79 in 2017. Such increase demonstrates the Company's robust financial performance in 2018.

## STATEMENT OF CASH FLOWS

The Company's Statement of Cash Flows are classified into Operating, Investing, and Financing Activities, as detailed below:

**TABLE 71 Statement of Cash Flows**

| Description (Rp billion)                               | 2017    | 2018  | Comparison with Last Year |            |
|--|---------|-------|---------------------------|------------|
|  |         |       | Total                     | Percentage |
| Cash and Cash Equivalents at the Beginning of the Year | 165     | 225   | 60                        | 36.4%      |
| Net Cash Flows from Operating Activities               | (2,335) | (367) | 1,968                     | -84.3%     |
| Net Cash Flows from Investing Activities               | (183)   | (158) | 25                        | -13.7%     |
| Net Cash Flows from Financing Activities               | 2,578   | 1,055 | (1,523)                   | -59.1%     |
| Net Increase in Cash and Cash Equivalents              | 60      | 530   | 470                       | 783.3%     |
| Cash and Cash Equivalents at the End of Year           | 225     | 755   | 530                       | 235.6%     |

The Company's Cash and Cash Equivalents recorded on 31 December 2018 experienced a significant increase by 235.6% or Rp530 billion, from Rp225 billion recorded at the end of 2017 to Rp755 billion. Such increase was mainly derived from a reduction in Net Cash Flow spent on Operating Activities.

### Cash Flow from Operating Activities

Cash Flow from Operating Activities concludes the movements of cash to fund the Company's business activities, mainly disbursement of new financing. In 2018, the net cash outflow on operating activities was Rp367 billion, declining by 84.3% from Rp2,335 billion in 2017. This, in turn, was mainly due to the greater increase in cash received from financing transactions than the increase in cash disbursement for new financing transactions.

### Cash Flow from Investing Activities

Cash Flow from Investing Activities is derived from the gain and loss from the Company's investing activities and spending on capital assets. The net cash outflow from investing activities in 2018 declined by 13.7%, from Rp183 billion in 2017 to Rp158 billion in 2018, mainly 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. These include new funding, debts repayment from funding, and payment of interests on sources of funding. Net cash inflow derived from financing activities in 2018 amounted to Rp1,055 billion, a drop by 59.1% from the net cash from financing activities in 2017, mainly due to lower new funding facilities in 2018.



# KEY RATIO ANALYSIS

## PROFITABILITY

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

The Company's ROAA in 2018 was unchanged from its 2017 figure, namely at 10.3%. This was far higher than the industry average of 4.3%.

Meanwhile, ROAE in 2018 rose from 25.9% at end of 2017 to 26.4%. The Company's ROAE was almost double the industry average of 13.9%, as calculated by OJK.

**TABLE 72 ROAA and ROAE**

| Ratio                              | 2017  | 2018  | Industry Average* |
|------------------------------------|-------|-------|-------------------|
| ROAA                               | 10.3% | 10.3% | 4.3%              |
| ROAE                               | 25.9% | 26.4% | 13.9%             |
| Profit for the Year / Total Income | 29.4% | 29.2% | 20.0%             |

\*Source: Data of Statistics of Indonesian Financial Institutions issued by OJK

## 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); and
- Rating results issued by accredited credit rating agencies.

The details on the Company's Debt Repayment Ability are provided in Table 73 below.

**TABLE 73 Debt Repayment Ability Ratio**

| Key Ratios     | 2017 | 2018 | 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      | 1.5x | 1.4x | 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        | 2.2x | 1.9x | 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 35/2018 is 10x.  |

## KEY RATIO ANALYSIS

### RECEIVABLES COLLECTIBILITY (RECEIVABLES QUALITY)

The Company classifies its Receivables Collectibility based on the number of days past due. Throughout 2018, the Company succeeded in maintaining its Collectibility Ratio, as indicated by the low Non-Performing Financing Ratio as compared to the industry.

Such performance is consistent with the strategy of the Company regarding early collection that has been implemented since 2014, which has demonstrated positive results. Moreover,

underwriting standard has been strictly applied by minimizing financing activities in high-risk sectors, such as commodities. Throughout 2018, the Company maintained strict coordination with the collection team, improved credit control measures, and introduced tighter risk management methods to facilitate decision-making process.

The results of effective risk management and collection were demonstrated by the Company's NPF ratio, which is calculated from the ratio of more than 90 days overdue receivables. In 2018, NPF was maintained at 1.21%, far below the industry's NPF of 2.71%.

**TABLE 74 Receivables Collectibility Level (Asset Quality)**

| Description          | Days Past Due  | Amount of Receivables |               | Percentage  |               |
|----------------------|----------------|-----------------------|---------------|-------------|---------------|
|                      |                | 2017                  | 2018          | 2017        | 2018          |
| 1 - Current          | 0 - 30 days    | 15,519                | 17,761        | 97.4%       | 96.8%         |
| 2a - Special Mention | 31 - 60 days   | 189                   | 242           | 1.2%        | 1.3%          |
| 2b - Special Mention | 61 - 90 days   | 77                    | 118           | 0.5%        | 0.6%          |
| 3a - Non-current     | 91 -120 days   | 45                    | 81            | 0.3%        | 0.4%          |
| 3b - Non-current     | 121 - 150 days | 40                    | 51            | 0.2%        | 0.3%          |
| 4 - Doubtful         | 151 - 180 days | 32                    | 45            | 0.2%        | 0.3%          |
| 5 - Bad              | >180 days      | 34                    | 45            | 0.2%        | 0.3%          |
| <b>Total</b>         |                | <b>15,936</b>         | <b>18,343</b> | <b>100%</b> | <b>100.0%</b> |

### OTHER RELEVANT FINANCIAL RATIOS

The Company consistently monitors its adherence to Bank Indonesia and OJK regulations as applicable, including the regulated Financial Ratios.

Table 75 compares the performance of the Company's other relevant Financial Ratios as with the performance of the financing industry in 2018, which indicates the Company's financial ratios against the industry.

**TABLE 75 Other Relevant Financial Ratios**

| Ratio                           | 2017     | 2018     | Industry Average* |
|---------------------------------|----------|----------|-------------------|
| Financing-to-Assets Ratio       | 92.0%    | 90.4%    | 86.4%             |
| Equity-to-Paid-up-Capital Ratio | 1,228.6% | 1,554.1% | 276.7%            |
| Operational Efficiency Ratio    | 64.8%    | 64.6%    | 80.7%             |

\* Source: Data of Statistics of Indonesian Financial Institutions issued by OJK

## COMPARISON BETWEEN TARGET AND REALIZATION IN 2018

**TABLE 76 Target and Realization Comparison**

| Description (Rp billion) | Target                | Realization | Notes for Budget Achievement   |
|--------------------------|-----------------------|-------------|--|
| New Financing Growth     | 20%                   | 14.2%       | Worse than budget, as discussed in the Business Review section               |
| Net Receivables Growth   | 17% - 20%             | 13.9%       | Worse than budget, as discussed in the Financial Performance Review section  |
| Asset Growth             | 17% - 20%             | 16.0%       | Worse than budget, as discussed in the Financial Performance Review section  |
| Revenue Growth           | 21%                   | 24.1%       | Better than budget, as discussed in the Financial Performance Review section |
| Net Profit               | Above 2017 Net Profit | 23.6%       | Better than budget, as discussed in the Financial Performance Review section |
| NPF                      | < 2%                  | 1.21%       | Better than budget, as discussed in the Receivables Collectibility section   |
| Debt-to-Equity Ratio     | < 3x                  | 1.95x       | Better than budget, as discussed in the Capital Structure section            |
| Dividend Payout Ratio    | Up to 50%             | *           | Better than budget, as discussed in the Dividends section                    |

\* Pending decision of 2019 GMS

As explained in the BOD Report page 38, the Company witnessed continued rate hikes by the Federal Reserve and followed by Bank Indonesia, resulting in a weak rupiah and tightened liquidity as well as uncertainty arising from the upcoming Presidential Elections in 2019 which resulted in businesses and consumers taking a generally cautious view towards expansion and spending. This, as well as some deterioration in Asset Quality, resulted in a slower second half after an optimistic start to the year.

The Company managed to meet and exceed its targets in Revenue, Net Profit, NPF Ratio, and Debt-to-Equity Ratio set for 2018. However, the Asset Growth is not as strong as expected due to slower New Financing Growth caused by the Company's conscious efforts to slow down growth as a result of increasing NPF and thus the switch in focus to collections and asset quality rather than growth.

# 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-up. Furthermore, 1,002,732,000 shares had been bought back by the Company as at 31 December 2018.

The Company refers to OJK Regulation No. 29/POJK.05/2014 on Business Operation of Finance Companies' dated 19 November 2014 (POJK 29)—which was later updated by OJK Regulation No. 35/POJK.05/2018 dated 27 December 2018 (POJK 35)—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 the following:

**TABLE 77 Capital Structure**

| Description (Rp billion)                 | POJK Requirement      | Company Realization |        |
|--|-----------------------|---------------------|--------|
|  |                       | 2017                | 2018   |
| Equity                                   | Minimum Rp100 billion | 4,904               | 6,204  |
| Ratio of Total Equity to Paid-up Capital | Minimum 50%           | 1,229%              | 1,554% |
| Ratio of Financing to Equity             | Maximum 10x           | 2.2x                | 1.9x   |

## MATERIAL COMMITMENTS

Throughout 2018, the Company made no material commitments, apart from those that have been discussed in the preceding sections.

## MATERIAL CAPITAL EXPENDITURES

The Company's Capital Expenditures in 2018 generally involved investments in Office Equipment and Land (in the form of advance for land acquisition). Funding resources for these Capital Expenditures were largely derived from the Company's own funds.

Total Capital Expenditures for 2018 amounted to Rp261 billion, of which Rp103 billion were completed and Rp158 billion were in progress, including Rp81 billion advance for land acquisition.

**TABLE 78 Value of Capital Goods Investment**

| Type of Capital Goods Investment<br>(Rp billion) | Value of Capital Goods Investment |             |                              |            |
|--|-----------------------------------|-------------|------------------------------|------------|
|  | Completed                         | In Progress | Advance for Land Acquisition | Total      |
| Land   | -                                 | -           | 81                           | 81         |
| Building and Infrastructure                      | 4                                 | 11          | -                            | 15         |
| Office Equipment                                 | 29                                | 65          | -                            | 94         |
| Vehicles   | 62                                | 1           | -                            | 63         |
| Furniture and Fixtures                           | 8                                 | -           | -                            | 8          |
| <b>Total</b>                                     | <b>103</b>                        | <b>77</b>   | <b>81</b>                    | <b>261</b> |

## SUBSEQUENT EVENTS

Subsequent to Annual Financial Statements date on 19 February 2019, the Company has issued the *Obligasi Berkelanjutan IV BFI Finance Indonesia Tahap II Tahun 2019*, with a total amount of Rp1 trillion.

## DIVIDENDS

The Company's Dividend Policy is summarized as follows:

- All shares have the same right to Dividend, except for Treasury Stock which have no right to Dividend;
- 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; and
- Distribution of Dividend can be done once or more than once through an Interim Dividend.

The Company distributed its Dividend from Net Profit in 2017 and 2018 as follows:

**TABLE 79 Dividend Policy and Payout**

| Description<br>(Rp billion)                 | 2017  | 2018  |
|---|-------|-------|
| Net Income for the Year                     | 1,187 | 1,468 |
| Cash Dividend                               | 583   | -     |
| % Cash Dividend to Previous Year Net Income | 49.1% | *     |

\* Pending decision of 2019 GMS

## USE OF PUBLIC OFFERING PROCEEDS

In 2018, the Company conducted the Public Offering of Rupiah Bonds, namely the *Obligasi Berkelanjutan III BFI Finance Indonesia Tahap IV Tahun 2018* Series A, B, and C on 7 March 2018, with nominal amount of Rp2,165 billion, and *Obligasi Berkelanjutan IV BFI Finance Indonesia Tahap I Tahun 2018* Series A and B on 27 June 2018, with nominal amount of Rp740 billion.

To meet OJK Regulation No. 30/POJK.04/2015 regarding the obligations in delivering the Report of the Realization of the Use of Funds from the Public Offerings, the Company submitted the realization of the use of funds from the public offerings.

As disclosed in the prospectus and published additional information required for the public offerings, the funds were fully used for working capital purposes.

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 those public offerings and have been reported to the authorities.

## MATERIAL INVESTMENT, DIVESTMENT, MERGER & ACQUISITION, AND DEBT OR CAPITAL RESTRUCTURING

The Company did not undertake any Material Investment, Divestment, Merger & Acquisition, nor Debt or Capital Restructuring activities in 2018, other than investment of Rp10 billion in its subsidiary, PT FIT.

## 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   |
|-----------------|--------------------------|--|
| Employee        | Key management personnel | Short-term employees' benefits<br>Post-employment benefits |

Transactions with the abovementioned related parties consisted of employee Salaries and Benefits, amounting to Rp65 billion in 2018, making up 2.1% of Total Expenses in the year. In 2017, the figure was Rp55 billion (2.2%).

These Transactions with Related Parties, except Salary Expense and Employee Benefits to key management personnel, are conducted under normal business operations requirements.

## IMPACT FROM REGULATORY CHANGES ON THE COMPANY

In 2018, the Government of the Republic of Indonesia issued eleven new policies related to the implementation of business and operations of multifinance companies, as follows:

**TABLE 80 Changes in Regulations**

| Regulator | Regulation Number                  | Description   |
|-----------|------------------------------------|---|
| OJK       | OJK Regulation No. 7/POJK.04/2018  | Submission of Reports via the Electronic Reporting System for Issuers or Public Companies   |
| OJK       | OJK Regulation No. 9/POJK.04/2018  | Public Company Takeover   |
| OJK       | OJK Regulation No. 13/POJK.02/2018 | Digital Finance Innovations in the Financial Services Sector  |
| OJK       | OJK Regulation No. 18/POJK.07/2018 | Consumer Complaints Service in the Financial Services Sector  |
| OJK       | OJK Regulation No. 22/POJK.02/2018 | Amendment to OJK Regulation No. 3/POJK.02/2014 on Procedures for Implementing OJK Levy  |
| OJK       | OJK Regulation No. 26/POJK.02/2018 | Second Amendment to OJK Regulation No. 4/POJK.04/2014 on Procedures for Billing of Administrative Penalties in the Form of Fines in the Financial Services Sector |

## IMPACT FROM REGULATORY CHANGES ON THE COMPANY

**TABLE 80** Changes in Regulations

| Regulator | Regulation Number  | Description   |
|-----------|--|---|
| OJK       | OJK Regulation No.34/POJK.03/2018  | Reevaluation of Main Parties of Financial Services Institutions   |
| OJK       | OJK Regulation No.35/POJK.05/2018  | Business Operation of Finance Companies   |
| OJK       | OJK Regulation No.36/POJK.04/2018  | Procedures for Audit in the Capital Market Sector   |
| OJK       | OJK Circular No.17/SEOJK.07/2018   | Guidelines for Implementing Consumer Complaints Service in the Financial Services Sector                                      |
| IDK       | Decree of the Board of Directors of PT Bursa Efek Indonesia No.Kep-00183/BEI/12-2018 | Amendment to Regulation No. I-A on Listing of Shares and Equity-Based Securities Other Than Shares Issued by Listed Companies |

The above changes in regulations and policies aims to improve service quality, clarity, as well as governance for the industry.

## ACCOUNTING POLICY CHANGES

### Changes to Statements of Financial Accounting Standards (SFAS) and Interpretations of Financial Accounting Standards (IFAS)

There were new SFAS and Interpretations of SFAS (IFAS) effective for periods beginning on or after 1 January 2018 as disclosed in Annual Financial Statements Exhibit E/12.

The implementation of above standards did not result in changes to the Company's accounting policies and had no significant impact on the amount reported for current or prior financial years.

The following table shows impact analysis of relevant Accounting Standards to the Company:

**TABLE 81** Changes of SFAS that Affect the Company

| Accounting Standards  | Summary of Changes   | Reason for the Change   | Impact on the Company  |
|---|--|---|--|
| Amendment to SFAS 2 "Cash Flows Report on Disclosure Initiatives" | Additional disclosure on reconciliation of initial and ending balances of cash flows from financing activities | Allowing financial statements users to evaluate changes in liabilities in financing activities (cash flows report), including changes arising from cash flows and non-cash activities | Additional disclosure is described in Note 35 of the Annual Financial Statements attached to this Integrated Annual Report |



## 2019 BUSINESS PROSPECT

2019 is slated to be a challenging year for the financing industry, as support from banking is predicted to be less robust than in prior years, owing to the high loan-to-deposit ratio (LDR) in the banking industry, resulting in tighter banking liquidity and reduced capacity to provide funding.

Beyond the factors from within the country, where the general elections will be held and the market will remain in a wait-and-see mode, the external factors that include the US–China trade war tension will also affect the domestic economy, mainly the commodity sector where growth relies heavily on exports.

In view of the Company's strong historical growth trajectory which consistently surpassed industry growth, the Company expects growth in 2019 to be more moderate as we continue to recalibrate and fine tune our business processing capability.

Our main focus in 2019 will be to build a strong foundation for future growth. The Company will review its 2019 budget after the general elections and if needed, adjust the budget accordingly.

**TABLE 82 2019 Business Targets**

| Description            | Target                                  |
|------------------------|---|
| New Financing Growth   | Approximately 5% above 2018 achievement |
| Net Receivables Growth | Approximately 5% above 2018 achievement |
| Asset Growth           | Approximately 5% above 2018 achievement |
| Revenue Growth         | Approximately 5% above 2018 achievement |
| Net Profit             | Same or better than 2018 Net Profit     |
| NPF                    | ≤ 1.5%                                  |
| Debt-to-Equity Ratio   | < 2.5x                                  |
| Dividend Payout Ratio  | Up to 50%                               |



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# Good Corporate Governance



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- 325 Whistleblowing System
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- 327 Stock Option
- 327 Transparency of Financial and Non-Financial Conditions Not Disclosed in the Report



# GOOD CORPORATE GOVERNANCE REPORT



BFI Finance implements GCG principles in its business by complying with the applicable rules, regulations, and business ethics as its business foundation. GCG implementation serves as a guideline as well as a manifestation of the management 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 enhance the quality of its GCG implementation, in its attempt to contribute to a stronger financing industry in Indonesia. GCG implementation will support compliance with all applicable regulations in general as well as those specific to the financing industry. Additionally, it will support the supervisory task of the regulators and other authorities.

## 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 83** Legal Basis of GCG Implementation

| No. | Legal Basis   | Title  |
|-----|---|--|
| 1   | Laws of the Republic of Indonesia, among others:                        | 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   |
|     |   | 5 Law of the Republic of Indonesia No. 11 Year 2011 on Otoritas Jasa Keuangan (OJK)  |
| 2   | Regulation of the President of the Republic of Indonesia, among others: | Regulation of the President of the Republic of Indonesia No. 9 Year 2009 on Financing Institution  |
| 3   | Government Regulation of the Republic of Indonesia, among others:       | 1 Government Regulation No. 43 Year 2011 on Procedures for Submission and Use of Limited Liability Companies' Names  |
|     |   | 2 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 |
|     |   | 3 Government Regulation No. 3 Year 2018 on Types and Tarrifs on Non-Tax State Revenues Applicable at the Ministry of Finance   |

**TABLE 83 Legal Basis of GCG Implementation**

| No. | Legal Basis  | Title  |
|-----|--|--|
| 4   | Regulations of the Minister of Finance of the Republic of Indonesia, among others: | 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  |
| 5   | OJK Regulations, among others:   | 1 OJK Regulation No. 1/POJK.07/2013 on Consumer Protection of Financial Services Sector  |
|     |  | 2 OJK Regulation No. 2/POJK.04/2013 on Stock Buyback Issued by Issuers or Public Companies in Significantly Fluctuating Market Condition   |
|     |  | 3 OJK Regulation No. 3/POJK.05/2013 on Monthly Report of Non-Bank Financial Services Institution   |
|     |  | 4 OJK Regulation 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 OJK Regulation No. 1/POJK.07/2014 on Alternative Institution for Dispute Settlement in Financial Services Sector   |
|     |  | 6 OJK Regulation No. 3/POJK.02/2014 on Procedures of Implementing Levy by Otoritas Jasa Keuangan   |
|     |  | 7 OJK Regulation No. 4/POJK.04/2014 on Billing Procedures of Administrative Sanctions in the Form of Fines in Financial Services Sector  |
|     |  | 8 OJK Regulation No. 10/POJK.05/2014 on Risk-Level Assessment of Non-Bank Financial Service Institutions   |
|     |  | 9 OJK Regulation No. 11/POJK.05/2014 on Direct Examination on Non-Bank Financial Service Institutions  |
|     |  | 10 OJK Regulation No. 17/SEOJK.03/2014 on Implementation of Integrated Risk Management for Financial Conglomerates   |
|     |  | 11 OJK Regulation No. 28/POJK.05/2014 on Business and Institutional Licensing of Finance Companies   |
|     |  | 12 OJK Regulation No. 30/POJK.05/2014 on Good Corporate Governance for Finance Companies   |
|     |  | 13 OJK Regulation No. 31/POJK.05/2014 on Implementation of Sharia Financing Business   |
|     |  | 14 OJK Regulation No. 32/POJK.04/2014 on Plan and Execution of General Meeting of Shareholders of Public Companies   |
|     |  | 15 OJK Regulation No. 33/POJK.04/2014 on Board of Directors and Board of Commissioners of Issuers or Publicly-listed Companies   |
|     |  | 16 OJK Regulation No. 34/POJK.04/2014 on Nomination and Remuneration Committee of Issuers or Publicly-listed Companies   |

**TABLE 83 Legal Basis of GCG Implementation**

| No. | Legal Basis                        | Title   |
|-----|------------------------------------|---|
| 17  | OJK Regulation No. 35/POJK.04/2014 | on Corporate Secretary of Issuers or Publicly-listed Companies  |
| 18  | OJK Regulation No. 36/POJK.04/2014 | on Continuous Public Offering of Debt Securities and/or Sukuk (Islamic Bonds)   |
| 19  | OJK Regulation No. 38/POJK.04/2014 | on Capital Increase of Public Companies without Granting Pre-emptive Rights   |
| 20  | OJK Regulation No. 1/POJK.05/2015  | on Risk Management Implementation for Non-Bank Financial Service Institutions   |
| 21  | OJK Regulation No. 7/POJK.04/2015  | on Amendment to OJK Regulation No. 4/POJK.04/2014 on Billing Procedures of Administrative Sanctions in the Form of Fines in Financial Services Sector |
| 22  | OJK Regulation No. 8/POJK.04/2015  | on Website of Issuers or Public Companies   |
| 23  | OJK Regulation No. 21/POJK.04/2015 | on Implementation of Governance Guidelines of Public Companies  |
| 24  | OJK Regulation No. 22/POJK.01/2015 | on Criminal Investigations in Financial Services Sector   |
| 25  | OJK Regulation No. 30/POJK.04/2015 | on Realization Report of Proceeds from Public Offerings   |
| 26  | OJK Regulation No. 31/POJK.04/2015 | on Disclosure of Information or Material Facts by Issuers or Publicly-listed Companies  |
| 27  | OJK Regulation No. 32/POJK.04/2015 | on Capital Increase of Public Companies with Granting Pre-emptive Rights  |
| 28  | OJK Regulation No. 33/POJK.04/2015 | on Form and Content of Prospectuses for Capital Increase of Public Companies by Granting Pre-emptive Rights   |
| 29  | OJK Regulation No. 41/POJK.05/2015 | on Procedures of the Establishment of Statutory Manager on Financial Service Institutions   |
| 30  | OJK Regulation No. 55/POJK.04/2015 | on Establishment and Guidelines on Operations of the Audit Committee  |
| 31  | OJK Regulation No. 56/POJK.04/2015 | on Establishment and Guidelines on Drafting of Internal Audit Charter   |
| 32  | OJK Regulation No. 27/POJK.03/2016 | on Fit and Proper Test for the Primary Parties of Financial Services Institution  |
| 33  | OJK Regulation No. 29/POJK.04/2016 | on Annual Report of Issuers or Publicly-listed Companies  |
| 34  | OJK Regulation No. 76/POJK.07/2016 | on Enhancement of Literacy and Financial Inclusion in the Financial Services Sector for Consumers and/or Communities                                  |
| 35  | OJK Regulation No. 77/POJK.01/2016 | on Information Technology-Based Lending and Borrowing Services  |
| 36  | OJK Regulation No. 7/POJK.04/2017  | on Registration Statement Documents in Public Offerings of Equity Securities, Debt Securities or Sukuk  |
| 37  | OJK Regulation No. 8/POJK.04/2017  | on Form and Content of the Prospectus and the Abridged Prospectus in a Public Offering of Equity Securities   |

**TABLE 83 Legal Basis of GCG Implementation**

| No. | Legal Basis                  | Title  |
|-----|------------------------------|--|
|     |                              | 38 OJK Regulation No. 9/POJK.04/2017 on Form and Content of the Prospectus and the Abridged Prospectus in a Public Offering of Debt Securities   |
|     |                              | 39 OJK Regulation 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                                      |
|     |                              | 40 OJK Regulation No. 11/POJK.04/2017 on Ownership Report or Every Amendment in Share Ownership of Public Companies  |
|     |                              | 41 OJK Regulation No. 12/POJK.01/2017 on Implementation of Anti-Money Laundering and Counter-Terrorism Financing Program in Financial Services Sector  |
|     |                              | 42 OJK Regulation No. 13/POJK.03/2017 on Use of Public Accountant and Auditing Firm in Financial Services Activities   |
|     |                              | 43 OJK Regulation No. 18/POJK.03/2017 on Reporting and Requesting of Debtors' Information through Financial Information Service System   |
|     |                              | 44 OJK Regulation No. 30/POJK.04/2017 on Buyback of Shares Issued by Public Companies  |
|     |                              | 45 OJK Regulation No. 51/POJK.04/2017 on Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies  |
|     |                              | 46 OJK Regulation No. 7/POJK.04/2018 on Submission of Reports via the Electronic Reporting System for Issuers or Public Companies  |
|     |                              | 47 OJK Regulation No. 9/POJK.04/2018 on Public Company Takeover  |
|     |                              | 48 OJK Regulation No. 13/POJK.02/2018 on Digital Finance Innovations in the Financial Services Sector  |
|     |                              | 49 OJK Regulation No. 18/POJK.07/2018 on Consumer Complaints Service in the Financial Services Sector  |
|     |                              | 50 OJK Regulation No. 22/POJK.02/2018 on Amendment to OJK Regulation No. 3/POJK.02/2014 on Procedures for Implementing OJK Levy  |
|     |                              | 51 OJK Regulation No. 26/POJK.02/2018 on Second Amendment to OJK Regulation No. 4/POJK.04/2014 on Procedures for Billing of Administrative Penalties in the Form of Fines in the Financial Services Sector |
|     |                              | 52 OJK Regulation No. 34/POJK.03/2018 on Reevaluation of Main Parties of Financial Services Institutions   |
|     |                              | 53 OJK Regulation No. 35/POJK.05/2018 on Execution of Finance Companies' Businesses  |
|     |                              | 54 OJK Regulation No. 36/POJK.04/2018 on Procedures for Audit in the Capital Market Sector   |
| 6   | OJK Circulars, among others: | 1 OJK Circular No. 1/SEOJK.07/2014 on Education Program in order to Improve Financial Literacy towards Consumers and/or Community  |
|     |                              | 2 OJK Circular No. 2/SEOJK.07/2014 on Consumer Complaint Services and Settlement on Financial Service Businesses   |
|     |                              | 3 OJK Circular No. 4/SEOJK.02/2014 on Mechanism of Payment of Levies to Otoritas Jasa Keuangan   |



**TABLE 83** Legal Basis of GCG Implementation

| No. | Legal Basis                       | Title   |
|-----|-----------------------------------|---|
| 4   | OJK Circular No. 6/SEOJK.04/2014  | on Procedures of Electronic Submission of Reports by Issuers or Public Companies  |
| 5   | OJK Circular No. 12/SEOJK.07/2014 | on Information Delivery for Marketing of Products and/or Financial Services   |
| 6   | OJK Circular No. 14/SEOJK.07/2014 | on Confidentiality and Security of Consumer's Private Data and/or Information   |
| 7   | OJK Circular No. 4/SEOJK.05/2015  | on Risk-Level Assessment of Finance Companies   |
| 8   | OJK Circular No. 14/SEOJK.03/2015 | on Implementation of Integrated Risk Management for Financial Conglomerates   |
| 9   | OJK Circular No. 17/SEOJK.05/2015 | on Appointment of Public Accountant, Actuary, and/or Independent Appraiser as the Examiner of Non-Bank Financial Services Institution                     |
| 10  | OJK Circular No. 32/SEOJK.04/2015 | on Governance Guidelines of Public Companies  |
| 11  | OJK Circular No. 1/SEOJK.05/2016  | on Financial Soundness of Finance Companies   |
| 12  | OJK Circular No. 2/SEOJK.05/2016  | on Financial Soundness of Sharia Financing  |
| 13  | OJK Circular No. 3/SEOJK.05/2016  | on Monthly Report of Finance Companies  |
| 14  | OJK Circular No. 4/SEOJK.05/2016  | on Monthly Report of Sharia Finance Companies and Finance Companies' Sharia Business Units  |
| 15  | OJK Circular 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  | OJK Circular No. 15/SEOJK.05/2016 | on Good Corporate Governance Application Report for Finance Companies   |
| 17  | OJK Circular No. 30/SEOJK.04/2016 | on Form and Content of Annual Reports of Issuers or Public Companies  |
| 18  | OJK Circular No. 31/SEOJK.05/2016 | on Fit and Proper Test for the Main Parties of Non-Bank Financial Institutions  |
| 19  | OJK Circular No. 48/SEOJK.05/2016 | on Down Payment/Urbun Amount of Motor Vehicles Financing for Sharia Financing   |
| 20  | OJK Circular No. 6/SEOJK.05/2017  | on Premium-Rate Determination or Contribution in the Businesses of Property Insurance and Motor Vehicles Insurance in 2017                                |
| 21  | OJK Circular No. 30/SEOJK.07/2017 | on Implementation of Activities in order to Increase Financial Literacy in Financial Services Sector  |
| 22  | OJK Circular No. 31/SEOJK.07/2017 | on Implementation of Activities in order to Increase Financial Inclusion in Financial Services Sector   |

**TABLE 83 Legal Basis of GCG Implementation**

| No. | Legal Basis  | Title   |
|-----|--|---|
|     |  | 23 OJK Circular No. 36/SEOJK.03/2017 on Procedures for the Use of Public Accountant Services and Public Accountant Firm in Financial Services Activities  |
|     |  | 24 OJK Circular 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  |
|     |  | 25 OJK Circular 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   |
|     |  | 26 OJK Circular No. 50/SEOJK.03/2017 on Reporting and Requesting of Debtors' Information through Financial Information Service System   |
|     |  | 27 OJK Circular No. 17/SEOJK.07/2018 on Guidelines for Implementing Consumer Complaints Service in the Financial Services Sector  |
| 7   | Regulations of the Capital Market and Financial Institutions Supervisory Agency ("Bapepam-LK"; now OJK) and Bapepam-LK Chairman Decisions, among others: | <p>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</p> <p>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</p> <p>3 Bapepam-LK Regulation No. VIII.G.7, Attachment of Bapepam-LK Chairman Decision Number: KEP-347/BL/2012 dated 25 June 2012 on Presentation and Disclosure of Financial Statements of Issuers or Publicly-listed Companies</p> |
| 8   | Decision Letter of the Board of Directors of PT Bursa Efek Indonesia (Indonesia Stock Exchange), among others:   | Decision Letter of the Board of Directors of PT Bursa Efek Indonesia (Indonesia Stock Exchange) No. Kep-00183/BEI/12-2018 on the Amendment to Regulation No. I-A on Listing of Shares and Equity-Based 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, first published by KNKG in 1999 and has been revised twice since, in 2001 and 2006, as a reference in developing GCG implementation and management;
- 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 84** Main GCG 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 financing 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"> <li>• Preparation and publication of the Integrated Annual Report;</li> <li>• Preparation and explanation the Company's work programs;</li> <li>• Preparation of routine financial statements that include quarterly and annual financial statements;</li> <li>• Publication of information disclosure reports on the Company's business activities; and</li> <li>• Utilization of the Company's website to deliver information to shareholders and other stakeholders.</li> </ul> |
| 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"> <li>• Compliance with the Company's Articles of Association and applicable laws and regulations;</li> <li>• Fulfillment of tax responsibilities in a proper and timely manner;</li> <li>• Execution of CSR activities and programs; and</li> <li>• Execution of information disclosure in accordance with applicable regulations.</li> </ul>   |

**TABLE 84 Main GCG Principles**

| No. | GCG Principle  | Implementation  |
|-----|--|---|
| 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 financing 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"> <li>• Respecting the rights, obligations, duties, authority, and responsibilities of each governance body of the Company's;</li> <li>• Shareholders' and the BOC's non-intervention in the management of the Company;</li> <li>• The BOC, the BOD, and all employees always strive to avoid conflict of interest in making decisions; and</li> <li>• 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.</li> </ul> |
| 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"> <li>• All shareholders have the right to attend GMS and to vote in accordance with the applicable provisions;</li> <li>• BFI Finance reports partner-related information to stakeholders in a fair and transparent manner; and</li> <li>• 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.</li> </ul>   |

## 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.

## 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 of 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

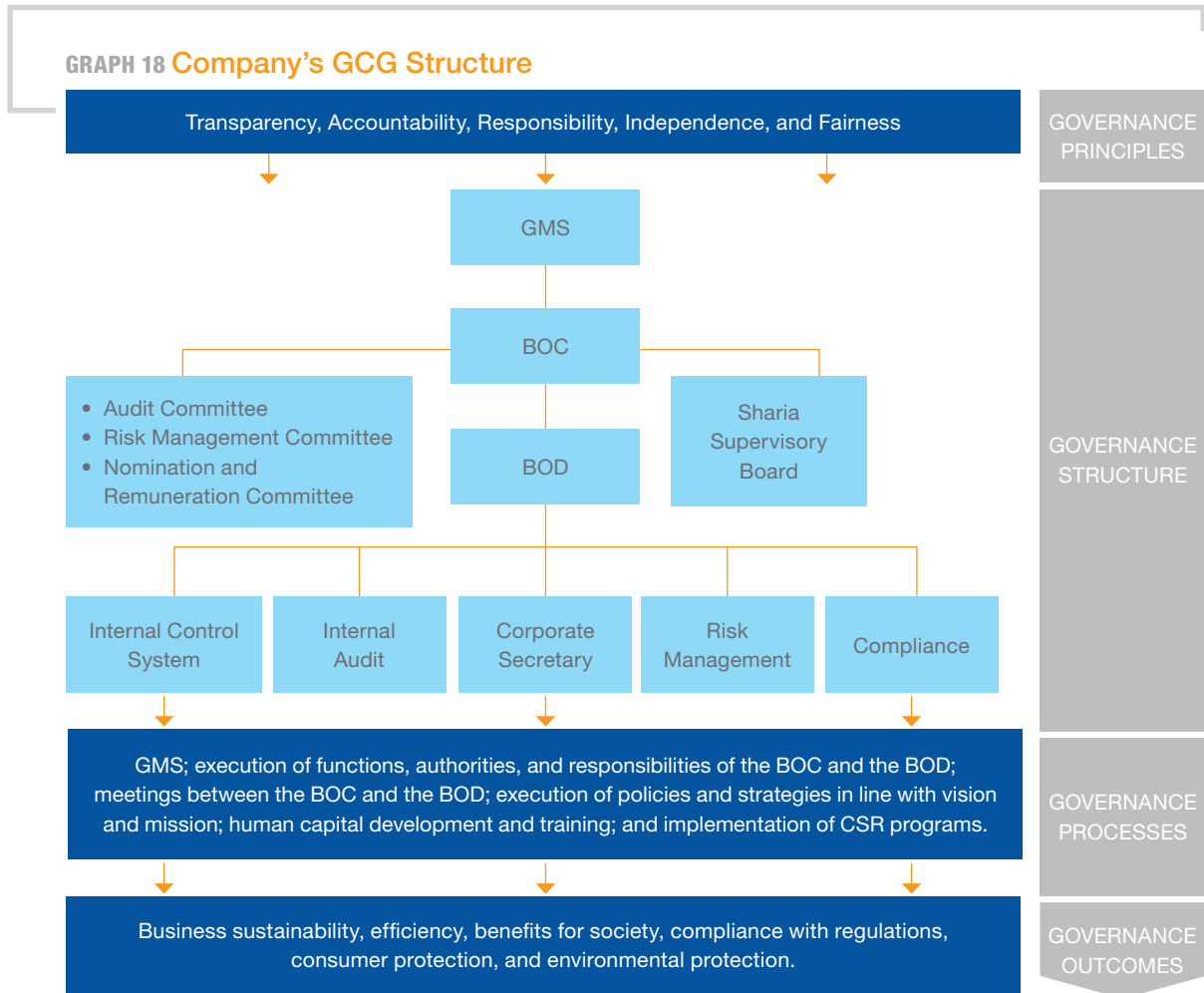
In conducting its supervisory duty, the BOC formed committees in which one or more of its members are members of the BOC. The committees are responsible to the BOC.

### 5. Supporting Bodies for the BOD

In managing the Company, the BOD is assisted by the Corporate Secretary and Internal Audit Department and their respective functional parts.

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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 the checks and balances mechanism takes place 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, management information system, 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.

**TABLE 85 BFI Finance'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"> <li>• Company Core Values (GREAT) as the guidelines on the Company's culture and behavior</li> <li>• Corporate Responsibilities</li> <li>• Business Integrity</li> <li>• Operational Activity Commitment</li> <li>• Company Regulations 2018–2020</li> </ul>   |
| 2   | Procedures to carry out duties and responsibilities of Board of Commissioners and Board of Directors  | Guidelines for Board of Commissioners and Board of Directors (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"> <li>• Audit Committee Charter</li> <li>• Guidelines for Nomination and Remuneration Committee</li> </ul>   |
| 4   | External audit, internal audit, compliance function implementation procedures and policies  | <ul style="list-style-type: none"> <li>• Code of Business Principles</li> <li>• GREAT (Company Core Values), guidelines on behavior and culture, applicable to all employees</li> <li>• Company Regulations 2018–2020</li> <li>• Internal Audit Charter</li> <li>• Various applicable policies, decrees, SOPs, and guidelines in the Company</li> </ul> |
| 5   | Policy of transparency of financial and non-financial conditions  | <ul style="list-style-type: none"> <li>• Quarterly Financial Statements</li> <li>• Mid-year Financial Statements</li> <li>• Annual Financial Statements</li> <li>• Integrated Annual Report (featuring both Annual Report and Sustainability Report)</li> </ul>   |

## GCG ROADMAP

As a public company, BFI Finance complies with OJK's directive on the Indonesian Corporate Governance Roadmap published in 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 2018, the Company’s focus of GCG implementation was on:

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; and
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 2018, BFI Finance conducted 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 86 GCG Implementation Evaluation**

| Aspect   | Positive Factors  | Negative Factors |
|--|---|------------------|
| <b>A Governance Structure</b>  |   |                  |
| 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 support s business and operational activities as well as internal control implementation. | None             |



**TABLE 86 GCG Implementation Evaluation**

| Aspect  | Positive Factors   | Negative Factors |
|---|--|------------------|
| 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 2018–2020, Company Core Values and Employee Behavior Guidelines (GREAT), and Information Technology Procedures and Policies. | None             |
| 4 Information System  | BFI Finance runs a Management Information System (MIS) to support operational and business activities as well as internal control system.  | None             |
| <b>B Governance Process</b>                                 |  |                  |
| 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 Service Level Agreement's 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             |
| <b>C Governance Result</b>                                  |  |                  |
| 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, and Integrated Annual Report (consisting of 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 Non-Performing Financing (NPF) figure that remains well controlled.  | None             |

## 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 87 Implementation of Corporate Governance Guideline Recommendations for Public Companies by BFI Finance**

| Aspect  | Principle | Recommendation  | Statement of Compliance/<br>Explanation | Explanation<br>(For Non-Compliance)  |
|---|-----------|---|---|--|
| <b>Aspect I: Relationship of Public Company with Shareholders in Ensuring Shareholders' Rights</b>              |           |   |   |  |
| <b>Principle 1: Improving the Value of Implementation of GMS</b>  |           |   |   |  |
|   |           | 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 Board of Directors and Board of Commissioners of the public company attend the AGMS and EGMS.   | Not Fulfilled                           | One member of the BOC and one member of the BOD did not attend the GMS on 17 April 2018 for reasons that have been disclosed to and accepted by the GMS. |
|   |           | 3. Summary of GMS minutes of meeting is provided in the public company website for at least one year.   | Compliant                               |  |
| <b>Principle 2: Increasing the Quality of Communications between Public Company and Shareholders/ Investors</b> |           |   |   |  |
|   |           | 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                               |  |

**TABLE 87 Implementation of Corporate Governance Guideline Recommendations for Public Companies by BFI Finance**

| Aspect   | Principle | Recommendation   | Statement of Compliance/ Explanation | Explanation (For Non-Compliance) |
|--|-----------|--|--------------------------------------|----------------------------------|
| <b>Aspect II: Functions and Roles of the BOC</b>   |           |  |                                      |                                  |
| 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 BOC composition takes into consideration its diversity in terms of skills, knowledge, and experience required.          | 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 integrated 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                            |                                  |
| <b>Aspect III: Functions and Roles of the BOD</b>  |           |  |                                      |                                  |
| 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 87 Implementation of Corporate Governance Guideline Recommendations for Public Companies by BFI Finance**

| Aspect   | Principle | Recommendation   | Statement of Compliance/<br>Explanation | Explanation<br>(For Non-<br>Compliance) |
|--|-----------|--|---|---|
| <b>Aspect IV: Stakeholders' Participation</b>                                      |           |  |   |   |
| 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                               |   |
| <b>Aspect V: Information Disclosure</b>  |           |  |   |   |
| 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 integrated 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                               |   |

# 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.

## 2018 GMS IMPLEMENTATION

In 2018, BFI Finance held 1 AGMS and 1 EGMS. The Company's GMS were held in accordance with the prevailing regulations and its Articles of Association.

### Procedures of 2018 GMS Implementation

BFI Finance held the 2018 GMS by adhering to the procedures for GMS implementation stipulated in OJK Regulation No. 32/POJK.04/2014 on the Planning and Implementation of GMS for Public Companies (POJK 32), as follows:

**TABLE 88 2018 AGMS and EGMS Procedures**

| No. | Activity   | Implementation of AGMS & EGMS<br>17 April 2018   | Legal Basis                               |
|-----|--|--|---|
| 1   | Notification of plan and agendas of the GMS to OJK no later than five business days before the GMS announcement, excluding the date of GMS announcement  | BFI Finance's letter No. Corp. SUD/L/II/18-0048 dated 28 February 2018 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"> <li>One Indonesian daily newspaper of national circulation;</li> <li>IDX website; and</li> <li>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</li> </ul> | <ul style="list-style-type: none"> <li>Advertisement Notice for the GMS Plan to the Shareholders on <i>Kontan</i> on 7 March 2018</li> <li>Notice of the GMS Plan on IDX website on 7 March 2018</li> <li>Notice of the GMS Plan on the Company's website in Indonesian and English on 7 March 2018</li> </ul> | Article 10 paragraphs (1) and (4) POJK 32 |
| 3   | Notice to OJK on the Announcement of Notice to Shareholders on newspapers no later than two working days after the announcement of the GMS   | BFI Finance's letter No. Corp/SJN/L/III/18-0068 dated 7 March 2018 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, one 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   | Article 19 paragraph (2) POJK 32          |

TABLE 88 2018 AGMS and EGMS Procedures

| No. | Activity  | Implementation of AGMS & EGMS<br>17 April 2018   | Legal Basis                      |
|-----|---|--|----------------------------------|
| 5   | Notice to Shareholders, at a minimum on: <ul style="list-style-type: none"> <li>One Indonesian daily newspaper of national circulation;</li> <li>IDX website; and</li> <li>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.</li> </ul> | <ul style="list-style-type: none"> <li>Advertisement Notice for the GMS Plan to the Shareholders on <i>Kontan</i> on 23 March 2018</li> <li>Notice of the GMS Plan on IDX website on 23 March 2018</li> <li>Notice of the GMS Plan on the Company's website in Indonesian and English on 23 March 2018</li> </ul>  | Article 13 paragraph (3) POJK 32 |
| 6   | Notice to OJK on the Announcement of GMS Summons to the Shareholders on newspapers no later than two working days after the GMS summons   | BFI Finance's letter No. Corp./ Shg/L/ III/17-0061 dated 23 March 2018, 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 17 April 2018 at The Dharmawangsa Hotel Jakarta, Jl. Brawijaya Raya No. 26, Kebayoran Baru, South Jakarta, 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/18-0108 dated 18 April 2018 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"> <li>One Indonesian daily newspaper of national circulation;</li> <li>IDX website; and</li> <li>The Company's website, in Indonesian and foreign languages, at a minimum in English, at least two days prior to the GMS, excluding the date of announcement and the date of summons</li> </ul> | <ul style="list-style-type: none"> <li>Advertisement Notice for the AGMS Plan to the Shareholders on <i>Kontan</i> on 19 April 2018</li> <li>Notice of the GMS Plan on IDX website on 19 April 2018</li> <li>Notice of the GMS Plan on the Company's website in Indonesian and English on 19 April 2018</li> </ul> | Article 34 paragraph (2) POJK 32 |
| 10  | Notice to OJK on the Summary of the Minutes of Meeting Announcement, no later than two working days after the announcement in the newspapers on the Summary of the Minutes of Meeting   | BFI Finance letter No. Corp/SJN/L/ IV/18-0109 dated 19 April 2018 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 on 19 April 2018   | Article 34 paragraph (7) POJK 32 |

## Description and Resolutions of 2018 GMS

### AGMS AND EGMS ON 17 APRIL 2018

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, the BOD, and the Sharia Supervisory Board of the Company

The AGMS and EGMS were attended by the Company's BOC, BOD, and Sharia Supervisory Board:

Board of Commissioners

- |                           |                          |
|---------------------------|--------------------------|
| 1. Kusmayanto Kadiman     | President Commissioner   |
| 2. Johanes Sutrisno       | Independent Commissioner |
| 3. Alfonso Napitupulu     | Independent Commissioner |
| 4. Emmy Yuhassarie        | Independent Commissioner |
| 5. Sunata Tjiterosampurno | Commissioner             |
| 6. Cornelius Henry Kho    | Commissioner             |

Direksi

- |                         |                      |
|-------------------------|----------------------|
| 1. Francis Lay Sioe Ho  | President Director   |
| 2. Sudjono              | Director             |
| 3. Andrew Adiwijanto    | Director             |
| 4. Sigit Hendra Gunawan | Independent Director |

Dewan Pengawas Syariah

- |                     |          |
|---------------------|----------|
| 1. Asrori S. Karni  | Chairman |
| 2. Helda Rahmi Sina | Member   |

#### II. Quorum of the Attending Shareholders

- AGMS was attended by shareholders and/or their proxies representing 13,245,774,030 shares or 88.52% of the total 14,964,383,620 shares after reduced by the shares held by the Company itself in the amount of 1,002,732,000 shares (Treasury Stock);

- EGMS was attended by shareholders and/or their proxies representing of 13.245.774.030 shares or 88.52% of the total 14,964,383,620 shares after reduced by the shares held by the Company itself in the amount of 1,002,732,000 shares (Treasury Stock);

Each was in accordance with the Company's Register of Shareholders as of 22 March 2018 at 16:00 hours West Indonesia Time.

#### III. Opportunity of Question and Answer

In the AGMS and EGMS, in each agenda, the shareholders who were present had been given opportunities to ask questions and/or opinion regarding the matter that was discussed (except in the fifth agenda of the AGMS, there was no question and answer sessions because it was only report), but there was no one rising questions or opinions.

#### IV. Mechanism of the Resolutions Adoption

The decision in each agenda of AGMS and EGMS was taken by voting except in the fifth agenda of the Annual General Meeting of Shareholders, there was no decision-making that was done because it was only a report.

#### V. Resolutions of the AGMS

##### Resolutions in the First Agenda:

1. To accept and approve the Company's Annual Report for the financial year ended 31 December 2017, including the Financial Statements and the Supervisory Report from the Company's BOC; and
2. To accept and ratify the Company's Financial Statements for the financial year ended 31 December 2017 as audited



by the Public Accountants “Tanubrata Sutanto Fahmi & Rekan” whose Report Number: 160/2.B008/FH.1/12.17 expressed “Unqualified” opinion, thus granting release and discharge (*acquitt et de charge*) to the Company’s BOD and the BOC in relation to their duties of management and supervision conducted during the financial year of 2017, provided that such actions are reflected in the Company’s Financial Statements for the financial year 2017.

Basis for the resolutions reached in the First Agenda:

Votes: Affirmative – 13,245,774,030 (100%); Abstain – 0 (0%); Objection – 0 (0%).

#### Resolutions in the Second Agenda:

1. To distribute as cash dividend of Rp39 of the net profit of the Company. Amount of final cash dividend to be distributed is Rp16 after it is calculated by interim cash dividend of Rp23 per share which had been distributed to the shareholders on 18 December 2017. The final cash dividend will be distributed to shareholders registered in the Register of shareholders of the Company on 27 April 2018 at 16:00 hours West Indonesia Time and will be paid to the shareholders of the Company on 18 May 2018;
2. To set aside the amount of Rp13,574,000,000 as mandatory reserves, pursuant to the Company’s Articles of Association and Law No. 40 Year 2007 on Limited Liability Company;
3. The balance of 2017 net profit will be booked as Retained Earnings to strengthen the Company’s capital; and

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 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, one way or another without any exception.

Basis for the resolutions reached in the Second Agenda:

Votes: Affirmative – 13,231,492,830 (99.892%); Abstain – 0 (0%); Objection – 14,281,200 (0.108%).

#### Resolution in the Third Agenda:

To authorize the Company’s BOC to appoint a Public Accountant registered with the Financial Services Authority to audit the Company’s Financial Statements for the financial year ended 31 December 2018 and to authorize the Company’s BOC to determine the amount of honorarium and other requirements relating to the appointment of the Public Accountant.

Basis for the resolution reached in the Third Agenda:

Votes: Affirmative – 13,181,492,830 (99.515%); Abstain – 14,281,200 (0.108%); Objection – 50,000,000 (0.377%).

#### Resolutions in the Fourth Agenda:

1. To establish the remuneration of the BOC with the total amount of Rp344,100,000 per month after tax for 2018 increase from the previous year and to give *tantiem* for 2017 amounting to Rp2,882,000,000;

2. To delegate the 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 2018; and
3. To approve the provision of power and authority to the BOC Meeting in determining the division of duties and authority to each member of the BOD as well as to determine the remuneration for members of the BOD.

Basis for the resolutions reached in the Fourth Agenda:

Votes: Affirmative – 13,231,492,830 (99.892%);  
Abstain – 0 (0%); Objection – 14,281,200 (0.108%).

#### **Resolutions in the Fifth Agenda:**

The report to the shareholders or or their proxies is as follows: Realization of proceeds use of Public Offering of *Obligasi Berkelanjutan III BFI Finance Indonesia Tahap III Tahun 2017* and *Obligasi Berkelanjutan III BFI Finance Indonesia Tahap IV Tahun 2018* after deducting by issuance costs have been used for working capital in accordance with the plan of fund utilization set out in the Prospectus.

Basis for the resolution reached in the Fifth Agenda:

Because the fifth agenda is only a report, so there was no question and answer sessions or decision-making.

## **VI. Resolutions of the EGMS**

### **Resolutions in the First Agenda:**

1. Approval 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, for the issuance of bonds, banking facilities, securitization or other form of debts needed for the normal course of business activities; and
2. Approval to give power and authority to the Company's BOD to perform the above actions, including the issuance of Bonds, Medium Term Notes (MTN) and other type of borrowings, banking facilities, securitization as well as to earn other form of debts from various funding sources needed for the Company's normal course of business activities, with regard to the terms and provisions of the legislation in force, particularly the Capital Market regulations.

Basis for the resolutions reached in the First Agenda:

Votes: Affirmative – 12,618,740,680 (95.266%);  
Abstain – 0 (0%); Objection – 627,033,350 (4.734%).

With respect to the distribution of cash dividend for the fiscal year of 2017, the distribution schedule of cash dividend for the fiscal year of 2017 is as follows:

## A. Schedule of Cash Dividend Distribution

**TABLE 89** Schedule of Cash Dividend Distribution

| No. | Description   | Date          |
|-----|---|---------------|
| 1.  | GMS Implementation  | 17 April 2018 |
| 2.  | Submission of the Summary of GMS Minutes to OJK and IDX   | 18 April 2018 |
| 3.  | Announcement at IDX, Advertisements of GMS Resolutions, and Schedule of Dividend Distribution on newspapers | 19 April 2018 |
| 4.  | Cum Cash Dividend at the Regular and Negotiation Markets  | 24 April 2018 |
| 5.  | Ex-Cash Dividend at the Regular and Negotiation Markets   | 25 April 2018 |
| 6.  | Cum Cash Dividend at the Cash Market  | 27 April 2018 |
| 7.  | Ex-Cash Dividend at the Cash Market   | 30 April 2018 |
| 8.  | Recording date for Cash Dividend  | 27 April 2018 |
| 9.  | Payment of Cash Dividend  | 18 May 2018   |

## B. Procedures of Cash Dividend Distribution

1. Payment of Cash Dividend will be conducted to the Shareholders whose names are listed on the Register of the Company's Shareholders dated 27 April 2018, 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 have their shares in letters (physical form) and wish to have the Cash Dividend payment transferred to their bank accounts, are able to inform their bank's name and address as well as the Shareholders' own account numbers, with copy of ID with the same address used for the Register of Shareholders and copy of Taxpayers Identity Number by letter with stamp duty of Rp6,000 which must be received on 27 April 2018 at 16:00 hours West Indonesia Time, addressed to the Company's Registrar:
 

PT Sirca Datapro Perdana  
Jalan Johar No. 18, Menteng, Jakarta 10340  
Phone: (62-21) 390 0645, 390 5920.
4. The payable Cash Dividend will be subject to tax in accordance with the Indonesian tax regulations.
5. As for Shareholders of Domestic Corporate Taxpayers in the form of legal entity that have not delivered the Taxpayers Identification Number, they are required to deliver the Taxpayers Identification Number to KSEI or the Registrar on 27 April 2018 at the latest, at 16:00 hours West Indonesia Time. In case of the Taxpayers Identification Number being non-existent, Cash Dividend paid to the Domestic Corporate Taxpayers will be subject to 30% Income Tax.
6. As for foreign Shareholders who are Foreign Taxpayers, the tax deduction shall be adapted to the Tax Regulations in force. Foreign Taxpayers are required to send/submit their original Domicile Certificate as follows:
  - a. Shareholders who still have their shares in letters (physical form) are required to send their original Domicile Certificate to PT Sirca Datapro Perdana;

## GENERAL MEETING OF SHAREHOLDERS

- b. For Shareholders whose shares are registered in the collective custody of KSEI, they are required to send their Domicile Certificate to KSEI through the participant appointed by each Shareholder; and
- c. Original Domicile Certificate must be received by KSEI or the Registrar on 27 April 2018 at the latest, at 16:00 hours West Indonesia Time or in accordance with the provisions set up by KSEI for shares in collective custody. In case of Domicile Certificate is non-existent, Cash Dividend paid to foreign Shareholders will be subject to 20% tax deduction.

### 2018 GMS RESOLUTIONS AND THEIR IMPLEMENTATION

All of the 2018 GMS resolutions, i.e. those of the AGMS and EGMS held on 17 April 2018, were fully implemented in 2018, as stated in Tables 90 and 91 below.

**TABLE 90 Implementation of 17 April 2018 AGMS Resolutions**

| Resolution  | Implemented (Y)<br>Not Implemented (N) | Reason For Not<br>Implementing |
|---|--|--------------------------------|
| To accept and approve the Company's Annual Report for the financial year ended 31 December 2017, 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 2017 as audited by the Public Accountants "Tanubrata Sutanto Fahmi & Rekan" whose Report Number: 160/2.B008/FH.1/12.17 expressed "Unqualified" opinion, thus granting release and discharge (acquit et de charge) to the Company's BOD and the BOC in relation to their duties of management and supervision conducted during the financial year of 2017, provided that such actions are reflected in the Company's Financial Statements for the financial year 2017 | Y                                      | -                              |
| To distribute as cash dividend of Rp39 of the net profit of the Company. Amount of final cash dividend to be distributed is Rp16 after it is calculated by interim cash dividend of Rp23 per share which had been distributed to the shareholders on 18 December 2017. The final cash dividend will be distributed to shareholders registered in the Register of shareholders of the Company on 27 April 2018 at 16:00 p.m. and will be paid to the shareholders of the Company on 18 May 2018  | Y                                      | -                              |
| To set aside the amount of Rp13,574,000,000 as mandatory reserves, pursuant to the Company's Articles of Association and Law No. 40 Year 2007 on Limited Liability Company  | Y                                      | -                              |
| The balance of 2017 net profit will be booked as Retained Earnings to strengthen the Company's capital  | Y                                      | -                              |

**TABLE 90 Implementation of 17 April 2018 AGMS Resolutions**

| Resolution   | Implemented (Y)<br>Not Implemented (N) | Reason For Not<br>Implementing |
|--|--|--------------------------------|
| 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 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, one way or another without any exception               | Y                                      | -                              |
| To authorize the Company's BOC to appoint a Public Accountant registered with the Financial Services Authority to audit the Company's Financial Statements for the financial year ended 31 December 2018 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 remuneration of the BOC with the total amount of Rp344,100,000 per month after tax for 2018 increase from the previous year and to give <i>tantiem</i> for 2017 amounting to Rp2,882,000,000  | Y                                      | -                              |
| To delegate the 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 2018   | Y                                      | -                              |
| To approve the provision of power and authority to the BOC Meeting in determining the division of duties and authority to each member of the BOD as well as to determine the remuneration for members of the BOD   | Y                                      | -                              |
| The report to the shareholders or or their proxies is as follows:<br>Realization of proceeds use of Public Offering of <i>Obligasi Berkelanjutan III BFI Finance Indonesia Tahap III Tahun 2017</i> and <i>Obligasi Berkelanjutan III BFI Finance Indonesia Tahap IV Tahun 2018</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 91 Implementation of 17 April 2018 EGMS Resolutions**

| <b>Resolution</b>   | <b>Implemented (Y)<br/>Not Implemented (N)</b> | <b>Reason For Not<br/>Implementing</b> |
|---|--|--|
| Approval 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, for the issuance of bonds, banking facilities, securitization or other form of debts needed for the 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, Medium Term Notes (MTN) and other type of borrowings, banking facilities, securitization as well as to earn other form of debts from various funding sources needed for the Company's normal course of business activities, with regard to the terms and provisions of the legislation in force, particularly the Capital Market regulations | Y  | -                                      |

#### 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 92, 93, and 94 below.

**TABLE 92 Implementation of 18 April 2017 AGMS Resolutions**

| <b>Resolution</b>  | <b>Implemented (Y)<br/>Not Implemented (N)</b> | <b>Reason For Not<br/>Implementing</b> |
|--|--|--|
| 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 (acquit 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  | -                                      |

**TABLE 92 Implementation of 18 April 2017 AGMS Resolutions**

| Resolution  | Implemented (Y)<br>Not Implemented (N) | Reason For Not<br>Implementing |
|---|--|--------------------------------|
| 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                                      | -                              |

## GENERAL MEETING OF SHAREHOLDERS

**TABLE 92 Implementation of 18 April 2017 AGMS Resolutions**

| Resolution  | Implemented (Y)<br>Not Implemented (N) | Reason For Not<br>Implementing |
|---|--|--------------------------------|
| The report to the shareholders or or their proxies is as follows:<br>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                                      | -                              |

**TABLE 93 Implementation of 18 April 2017 EGMS Resolutions**

| Resolution   | Implemented (Y)<br>Not Implemented (N) | Reason For Not<br>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, Medium Term Notes (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, Medium Term Notes (MTN) and other type of borrowings, banking facilities, securitization, as well as to earn other form of debts from various funding sources needed for the Company's normal course of business activities, with regard to the terms and provisions of the prevailing regulations, particularly the Capital Market regulations | Y                                      | -                              |
| To approve and ratify the resignation of Cornelliuss Henry Kho from his position as Director of the Company effective as of the close of this Meeting  | Y                                      | -                              |



**TABLE 93 Implementation of 18 April 2017 EGMS Resolutions**

| Resolution   | Implemented (Y)<br>Not Implemented (N) | Reason For Not<br>Implementing |
|--|--|--------------------------------|
| 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:  |  |                                |
| <b>BOC</b>   |  |                                |
| President Commissioner   | Kusmayanto Kadiman                     |                                |
| Independent Commissioner   | Johanes Sutrisno                       |                                |
| Independent Commissioner   | Emmy Yuhassarie                        |                                |
| Independent Commissioner   | Alfonso Napitupulu                     | Y                              |
| Commissioner   | Dominic John Picone                    | -                              |
| Commissioner   | Sunata Tjiterosampurno                 |                                |
| Commissioner   | Cornellius Henry Kho                   |                                |
| <b>BOD</b>   |  |                                |
| 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                                      | -                              |

**TABLE 93 Implementation of 18 April 2017 EGMS Resolutions**

| <b>Resolution</b>  | <b>Implemented (Y)<br/>Not Implemented (N)</b> | <b>Reason For Not<br/>Implementing</b> |
|--|--|--|
| 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 (acquit 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  | -                                      |
| 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 94 Implementation of 25 October 2017 EGMS Resolutions**

| Resolution  | Implemented (Y)<br>Not Implemented (N) | Reason For Not<br>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 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 H. Asrori S. Karni, S.Ag., M.H. and Dr. Hj. Helda Rahmi Sina, M.A. 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.<br>Thus, the composition of the Company's BOD, BOC, and Sharia Supervisory Board is as follows:<br><b>BOD</b><br>Francis Lay Sioe Ho                      President Director<br>Sudjono                                      Director<br>Sutadi                                         Director<br>Andrew Adiwijanto                      Director<br>Sigit Hendra Gunawan                  Independent Director<br><b>BOC</b><br>Kusmayanto Kadiman                  President Commissioner<br>Sunata Tjiterosampurno                Commissioner<br>Dominic John Picone                      Commissioner<br>Cornellius Henry Kho                    Commissioner<br>Johanes Sutrisno                         Independent Commissioner<br>Alfonso Napitupulu                      Independent Commissioner<br>Emmy Yuhassarie                         Independent Commissioner<br><b>Sharia Supervisory Board</b><br>Asrori S. Karni                              Chairman<br>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                                      | -                              |

# BOARD OF COMMISSIONERS

## MAIN TASKS

The Board of Commissioners (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 takes 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 amount of 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;
    - 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;
  - 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.
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.

## 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 2018, there were no changes to the number and composition of the BOC of BFI Finance. The composition of the currently presiding BOC is based on the Company's Minutes of EGMS by means of the Deed No.06 dated 25 October 2017 in conjunction with the Deed of Meeting Resolutions Statement No. 19 dated 21 December 2017 prepared before Herna Gunawan, S.H., M.Kn., Notary in Tangerang, accepted and recorded in the database of the Legal Entity Administration System's database of the Ministry of Law and Human Rights of the Republic of Indonesia No. AHU.AH.01.03-0027398 dated 19 January 2018.

The BOC composition since 25 October 2017 is provided in Table 95.

**TABLE 95 BOC Composition**

| No. | Name                   | Position                   | Country of Residence | Date of Appointment                                 | End of Term | Number and Date of the Decree of the Fit and Proper Test                                 |
|-----|------------------------|----------------------------|----------------------|---|-------------|--|
| 1.  | Kusmayanto Kadiman     | President Commissioner     | Indonesia            | Deed of the EGMS Minutes No. 43 dated 25 April 2016 | 2021<br>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<br>GMS | Decision of the Board of Commissioners of OJK 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<br>GMS | Decision of the Board of Commissioners of OJK 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<br>GMS | Decision of Bapepam-LK Chairman Number: KEP-474/BL/2011 dated 11 August 2011             |
| 5.  | Dominic John Picone    | Commissioner               | Singapura            | Deed of the EGMS Minutes No. 44 dated 15 April 2015 | 2020<br>GMS | Decision of the Board of Commissioners of OJK 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<br>GMS | Decision of the Board of Commissioners of OJK 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<br>GMS | Decision of the Board of Commissioners of OJK No. Kep-263/NB.11/2017 dated 24 May 2017   |

Profiles of each member of the BOC are presented in the BOC Profile section in the Company Profile chapter (pages 66-73).

## 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;

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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;
  - 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 96 Diversity of BOC Composition**

| No. | Name                   | Position                 | Competency  |
|-----|------------------------|--------------------------|---|
| 1.  | Kusmayanto Kadiman     | President Commissioner   | Education: Doctor of Philosophy and Bachelor of Engineering Physics<br>Work Experience: President Commissioner, Vice President Commissioner, Commissioner, Director, ITB Rector, Minister of Research and Technology of the Republic of Indonesia<br>Age: 64  |
| 2.  | Johanes Sutrisno       | Independent Commissioner | Education: Master of Business Administration (M.B.A.) and Bachelor of Economics in Management<br>Work Experience: President Commissioner, Vice President Commissioner, Commissioner, Director, Audit Committee, Risk Management Committee<br>Age: 67  |
| 3.  | Alfonso Napitupulu     | Independent Commissioner | Education: Bachelor of Law<br>Work Experience: Lawyer, Legal Consultant, Independent Commissioner, Commissioner, President Director<br>Age: 68  |
| 4.  | Emmy Yuhassarie        | Independent Commissioner | Education: Master of Law and Bachelor of Law<br>Work Experience: Legal Consultant, Lecturer, Commissioner, Independent Commissioner, Risk Management Committee, Audit Committee<br>Age: 68  |
| 5.  | Dominic John Picone    | Commissioner             | Education: Bachelor's Degree in Laws and Bachelor of Commerce (Honours-Finance)<br>Work Experience: various positions in consumer finance, investment banking, investment services, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Commissioner, Managing Director, Head of Financial Services<br>Age: 40 |
| 6.  | Sunata Tjiterosampurno | Commissioner             | Education: Master of Finance and Bachelor of Business Administration<br>Work Experience: Consultant, Director, Managing Director, Commissioner, President Commissioner, Audit Committee, Risk Management Committee, Nomination and Remuneration Committee<br>Age: 46  |
| 7.  | Cornellius Henry Kho   | Commissioner             | Education: Bachelor of Economics in Accounting<br>Work Experience: Auditor, Financial Supervisor, Director, Corporate Secretary<br>Age: 52  |

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## BOC INDEPENDENCE

Members of BFI Finance's BOC have no financial and family relationships to the second degree with fellow BOC members, members of the BOD, and/or controlling shareholders, or relationships with the Company, except Kusmayanto Kadiman (President Commissioner), Dominic John Picone, and Sunata Tjiterosampurno, who have financial relationships with the controlling shareholder. Meanwhile, Cornelius Henry Kho (Commissioner) is not an Independent Commissioner since he has previously served as Director of the Company and therefore does not fulfill one of the requirements as an Independent Commissioner, i.e. not a person who works or has an authority and responsibility to plan, lead, control, or supervise the Company's activities within six months before serving as Commissioner.

TABLE 97 BOC Independence

| Name                   | Financial Relationship with |    |           |    |                          |    | Financial Relationship with |    |           |    |                   |    |
|------------------------|-----------------------------|----|-----------|----|--------------------------|----|-----------------------------|----|-----------|----|-------------------|----|
|                        | Commissioners               |    | Directors |    | Controlling Shareholders |    | Commissioners               |    | Directors |    | Other Shareholder |    |
|                        | Yes                         | No | Yes       | No | Yes                      | No | Yes                         | No | Yes       | No | Yes               | No |
| Kusmayanto Kadiman     | -                           | √  | -         | √  | √                        | -  | -                           | √  | -         | √  | -                 | √  |
| Johanes Sutrisno       | -                           | √  | -         | √  | -                        | √  | -                           | √  | -         | √  | -                 | √  |
| Alfonso Napitupulu     | -                           | √  | -         | √  | -                        | √  | -                           | √  | -         | √  | -                 | √  |
| Emmy Yuhassarie        | -                           | √  | -         | √  | -                        | √  | -                           | √  | -         | √  | -                 | √  |
| Dominic John Picone    | -                           | √  | -         | √  | √                        | -  | -                           | √  | -         | √  | -                 | √  |
| Sunata Tjiterosampurno | -                           | √  | -         | √  | √                        | -  | -                           | √  | -         | √  | -                 | √  |
| Cornelius Henry Kho    | -                           | √  | -         | √  | -                        | √  | -                           | √  | -         | √  | -                 | √  |

TABLE 98 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       | Independent Commissioner | None        | None          |
| Alfonso Napitupulu     | Independent Commissioner | None        | None          |
| Emmy Yuhassarie        | Independent Commissioner | None        | None          |
| Dominic John Picone    | Commissioner             | None        | None          |
| Sunata Tjiterosampurno | Commissioner             | None        | None          |
| Cornelius 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 at 31 December 2018, 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 Johannes 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 99** Concurrent Positions of BOC Members

| Name                      | Position                      | Position Outside the Company   |
|---------------------------|-------------------------------|--|
| Kusmayanto<br>Kadiman     | President<br>Commissioner     | Deputy President Commissioner of PT Adaro Power<br>Commissioner of PT Tamaris Hidro<br>President Commissioner of PT Setiabudi Investment Management<br>Commissioner of PT Profesional Telekomunikasi Indonesia (Protelindo)  |
| Johanes Sutrisno          | Commissioner<br>(Independent) | None   |
| Alfonso Napitupulu        | Commissioner<br>(Independent) | Managing Partner at Alfonso Napitupulu & Partners Law Office<br>President Director of PT Nana Mandiri Dwikarya<br>Independent Commissioner of PT. Asuransi Bringin Sejahtera Artamakmur (BRINS General Insurance)<br>Advisory Board of Indonesian Advocates Association (PERADI) |
| Emmy Yuhassarie           | Commissioner<br>(Independent) | Chairwoman of the Supervisory Board of Indonesia Institute for Corporate Directorship (IICD)   |
| Dominic John Picone       | Commissioner                  | Managing Director and Partner of TPG Capital (S) Pte. Ltd., Singapore  |
| Sunata<br>Tjiterosampurno | Commissioner                  | Managing Director of Northstar Advisors Pte. Ltd.<br>President Commissioner of PT Bukit Makmur Mandiri Utama<br>Commissioner of PT Delta Dunia Makmur Tbk<br>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 two other issuers or other public companies, and BOC members at two 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 four issuers or other public companies. BOC members may serve as a member of at most five 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 presiding up to 31 December 2018 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.

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 meetings are signed by the Chairman of the Meeting and BOC members present at the meeting.

### **BOC–BOD Joint Meetings**

In 2018, the BOC held 22 meetings, consisting of:

1. Eleven BOC Meetings; and
2. Eleven 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 2018 are presented in Table 100. The dates of the BOC–BOD Joint Meetings and the attendance of BOC members at the Joint Meeting in 2018 are presented in Table 102.

## BOARD OF COMMISSIONERS

**TABLE 100 Schedule and Attendance of BOC Meetings**

| Date                                 | Kusmayanto Kadiman | Johanes Sutrisno | Alfonso Napitupulu | Emmy Yuhassarie | Dominic John Picone | Sunata Tjiterosampurno | Cornellius Henry Kho |
|--------------------------------------|--------------------|------------------|--------------------|-----------------|---------------------|------------------------|----------------------|
| 23 January 2018                      | √                  | √                | √                  | √               | √                   | √                      | √                    |
| 19 February 2018                     | √                  | √                | √                  | √               | √                   | √                      | √                    |
| 22 March 2018                        | √                  | √                | √                  | √               | √                   | √                      | √                    |
| 17 April 2018                        | √                  | √                | √                  | √               | √                   | √                      | √                    |
| 22 May 2018                          | √                  | √                | √                  | √               | √                   | √                      | √                    |
| 22 June 2018                         | √                  | √                | √                  | √               | √                   | √                      | √                    |
| 24 July 2018                         | √                  | √                | √                  | √               | √                   | √                      | √                    |
| 21 August 2018                       | √                  | √                | √                  | √               | √                   | √                      | √                    |
| 25 September 2018                    | √                  | √                | √                  | √               | √                   | √                      | √                    |
| 23 October 2018                      | √                  | √                | √                  | √               | √                   | √                      | √                    |
| 21 November 2018                     | √                  | √                | √                  | √               | √                   | √                      | √                    |
| Total Attendance of Each Member      | 11                 | 11               | 11                 | 11              | 11                  | 11                     | 11                   |
| Attendance Percentage of Each Member | 100%               | 100%             | 100%               | 100%            | 100%                | 100%                   | 100%                 |

**TABLE 101 BOC Meeting Agendas**

| Date             | Meeting Agenda   |
|------------------|--|
| 23 January 2018  | Discussion on the performance of BOD and Committees as end of 2017 evaluation, conditions of macroeconomy and multifinance industry in general, other issues   |
| 19 February 2018 | Discussion on monthly performance of BOD and Committees up to 31 January 2018, other issues  |
| 22 March 2018    | Discussion on monthly performance of BOD and Committees up to 28 February 2018, early overview of 2018 GMS agenda and draft of BOC Supervision Report, other issues  |
| 17 April 2018    | Discussion on monthly and Q1 performance of BOD and Committees (up to 31 March 2018), conditions of macroeconomy and multifinance industry in general during Q1/2018, final review and approval of the BOC Supervision Report for 2018 GMS, other issues |
| 22 May 2018      | Discussion on monthly performance of BOD and Committees up to 30 April 2018, legal case coming from a former shareholder, other issues   |
| 27 June 2018     | Discussion on monthly performance of BOD and Committees up to 31 May 2018, progress of legal case coming from a former shareholder, other issues   |

**TABLE 101 BOC Meeting Agendas**

| Date              | Meeting Agenda  |
|-------------------|---|
| 24 July 2018      | Discussion on monthly and Q2 performance of BOD and Committees (up to 30 June 2018), conditions of macroeconomy and multifinance industry in general during Q2/2018, progress of legal case coming from a former shareholder, other issues      |
| 21 August 2018    | Discussion on monthly performance of BOD and Committees up to 31 July 2018, other issues  |
| 25 September 2018 | Discussion on monthly performance of BOD and Committees up to 31 August 2018, progress of legal case coming from a former shareholder, other issues   |
| 23 October 2018   | Discussion on monthly and Q3 performance of BOD and Committees (up to 30 September 2018), conditions of macroeconomy and multifinance industry in general during Q3/2018, progress of legal case coming from a former shareholder, other issues |
| 21 November 2018  | Discussion on monthly performance of BOD and Committees up to 31 October 2018, business projections until end of November and December 2018 as well as 2019, other issues   |

**TABLE 102 Schedule and Attendance of the Boc in BOC–BOD Joint Meetings**

| Date                                 | Kusmayanto Kadiman | Johanes Sutrisno | Alfonso Napitupulu | Emmy Yuhassarie | Dominic John Picone | Sunata Tjiterosampurno | Cornellius Henry Kho |
|--------------------------------------|--------------------|------------------|--------------------|-----------------|---------------------|------------------------|----------------------|
| 23 January 2018                      | √                  | √                | √                  | √               | √                   | √                      | √                    |
| 19 February 2018                     | √                  | √                | √                  | √               | √                   | √                      | √                    |
| 22 March 2018                        | √                  | √                | √                  | √               | √                   | √                      | √                    |
| 17 April 2018                        | √                  | √                | √                  | √               | √                   | √                      | √                    |
| 22 May 2018                          | √                  | √                | √                  | √               | √                   | √                      | √                    |
| 27 June 2018                         | √                  | √                | √                  | √               | √                   | √                      | √                    |
| 24 July 2018                         | √                  | √                | √                  | √               | √                   | √                      | √                    |
| 21 August 2018                       | √                  | √                | √                  | √               | √                   | √                      | √                    |
| 25 September 2018                    | √                  | √                | √                  | √               | √                   | √                      | √                    |
| 23 October 2018                      | √                  | √                | √                  | √               | √                   | √                      | √                    |
| 21 November 2018                     | √                  | √                | √                  | √               | √                   | √                      | √                    |
| Total Attendance of Each Member      | 11                 | 11               | 11                 | 11              | 11                  | 11                     | 11                   |
| Attendance Percentage of Each Member | 100%               | 100%             | 100%               | 100%            | 100%                | 100%                   | 100%                 |

**TABLE 103 BOC–BOD Joint Meeting Agendas**

| <b>Date</b>       | <b>Meeting Agenda</b>   |
|-------------------|---|
| 23 January 2018   | Discussion on the implementation of decisions made in 21 November 2017 meeting, financial and risk management reports as of 31 December 2017, other issues  |
| 19 February 2018  | Discussion on the implementation of decisions made in 23 January 2018 meeting, reports from the Chairwoman of the Audit Committee and the Chairman of the Risk Management Committee, financial and risk management reports as of 31 January 2018, other issues  |
| 22 March 2018     | Discussion on pending matters from the previous meeting on 19 February 2018, financial and risk management performances as of 28 February 2018, early overview on 2018 GMS agenda, other issues   |
| 17 April 2018     | Discussion on pending matters from the previous meeting on 22 March 2018, reports from the Chairwoman of the Audit Committee and the Chairman of Risk Management Committee, financial and risk management reports as of 31 March 2018, final review of 2018 GMS agenda, other issues                                |
| 22 May 2018       | Discussion on pending matters from the previous meeting on 17 April 2018, financial and risk management performances as of 30 April 2018, legal case coming from a former shareholder, other issues   |
| 27 June 2018      | Discussion on pending matters from the previous meeting on 22 May 2018, financial and risk management performances as of 31 May 2018, progress of legal case coming from a former shareholder, other issues   |
| 24 July 2018      | Discussion on pending matters from the previous meeting on 27 June 2018, reports of the Audit Committee and the Risk Management Committee, financial and risk management performances as of 30 June 2018, progress of legal case coming from a former shareholder, other issues                                     |
| 21 August 2018    | Discussion on pending matters from the previous meeting on 24 July 2018, financial and risk management performances as of 31 July 2018, other issues  |
| 25 September 2018 | Discussion on pending matters from the previous meeting on 21 August 2018, financial and risk management performances as of 31 August 2018, progress of legal case coming from a former shareholder, other issues   |
| 23 October 2018   | Discussion on pending matters from the previous meeting on 25 September 2018, reports from the Chairwoman of the Audit Committee and the Chairman of the Risk Management Committee, financial and risk management performances as of Q3/2018, progress of legal case coming from a former shareholder, other issues |
| 21 November 2018  | Discussion on pending matters from the previous meeting on 23 October 2018, financial and risk management performances as of 31 October 2018, business projections until end of November and December 2018, business projection in 2019, other issues   |

### **BOC'S DUTIES EXECUTION**

In 2018, the BOC carried out among others the following activities:

1. Conducted 11 BOC Meetings;
2. Conducted 11 BOC–BOD Joint Meetings;
3. Approved the appointment of the public accounting firm for FY2018;
4. Approved the Company's 2018 operating plan; and
5. Approved the BOD's proposal for the 2018 budget;



In 2018, the BOC made the following recommendations:

1. Proposed nomination of 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 FY2017 earnings;
6. Proposed matters related to the strategic business activities;
7. Proposed the handling of the legal case brought up by a former shareholder; and
8. 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.

**GRAPH 19 Mechanism for the BOC's Remuneration**



## BOARD OF COMMISSIONERS

The Nomination and Remuneration Committee's recommendation is submitted to the BOC and delivered in the GMS. The mechanism for determining the remuneration for the BOC 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 2018 consists of:

- honorarium;
- allowances; and
- performance bonus.

The AGMS on 17 April 2018 determined that the total amount of the remuneration of the BOC was Rp344.1 million per month after tax for FY2018, and determined to give performance bonus for FY2017 amounting to Rp2.88 billion. The total salary and allowances for all BOC members for 2018 thus amounted to Rp15.74 billion.

### **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.

### **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 2018 attended by BOC members is presented in Table 104.

**TABLE 104 Training and Seminars for BOC Competence Enhancement**

| Name                      | Position                    | Date                   | Title/Theme  | Location                 | Organizer        |
|---------------------------|-----------------------------|------------------------|--|--------------------------|------------------|
| Kusmayanto<br>Kadiman     | President<br>Commissioner   |                        |  |                          |                  |
| Johanes<br>Sutrisno       | Independent<br>Commissioner | 7 March<br>2018        | National Seminar "Recognizing<br>Financing Debtors in the<br>Political Year" | Jakarta                  | APPI             |
| Alfonso<br>Napitupulu     |                             |                        |  |                          |                  |
| Emmy<br>Yuhassarie        |                             |                        |  |                          |                  |
| Dominic<br>John Picone    | Commissioner                | 13-15<br>March<br>2018 | TPG ASIA Investors Meeting 2018  | Seoul,<br>South<br>Korea | TPG              |
|                           |                             | 23-24<br>May 2018      | Goldman Sachs TechNet Conference<br>– Asia Pacific 2018                      | Hong<br>Kong             | Goldman<br>Sachs |
| Sunata<br>Tjiterosampurno | Commissioner                | 26 July<br>2018        | National Seminar "Financing Industry<br>in the Capital Market"               | Jakarta                  | APPI             |
| Cornellius<br>Henry Kho   |                             |                        |  |                          |                  |

### 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.

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 Good Corporate Governance chapter (pages 259-278).

# BOARD OF DIRECTORS

## MAIN TASKS

The Board of Directors (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

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- 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.
- d. 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.

In addition to the above, BOD members are also obliged to meet the following requirements:

- a. Have sufficient knowledge and relevant to their positions;
- b. Have an understanding of the laws and regulations concerning finance companies as well as other laws and regulations relating to the finance companies;
- c. Have experience working in finance companies and other fields that are relevant to their positions; and

In 2018, there were no changes to the number and composition of the BOD of BFI Finance. The composition of the currently presiding BOD is based on the Company's Minutes of EGMS by means of the Deed No.06 dated 25 October 2017 in conjunction with the Deed of Meeting Resolutions Statement No. 19 dated 21 December 2017 prepared before Herna Gunawan, S.H., M.Kn., Notary in Tangerang, accepted and recorded in the database of the Legal Entity Administration System's database of the Ministry of Law and Human Rights of the Republic of Indonesia No. AHU.AH.01.03-0027398 dated 19 January 2018.

The BOD composition since 25 October 2017 is provided in Table 105.

**TABLE 105 BOD Composition**

| No. | Name                | Position           | Country of Residence | Date of Appointment                                 | End of Term | Number and Date of the Decree of the Fit and Proper Test                                 |
|-----|---------------------|--------------------|----------------------|---|-------------|--|
| 1   | Francis Lay Sioe Ho | President Director | Indonesia            | Deed of the EGMS Minutes No. 43 dated 25 April 2016 | 2021 GMS    | Decision of the Board of Commissioners of OJK No. KEP-2021/NB.1/2014 dated 4 August 2014 |
| 2   | Sudjono             | Finance Director   | Indonesia            | Deed of the EGMS Minutes No. 18 dated 6 May 2014    | 2019 GMS    | Decision of the Board of Commissioners of OJK No. KEP-1294/NB.1/2014 dated 3 June 2014   |

**TABLE 105 BOD Composition**

| No. | Name                 | Position                               | Country of Residence | Date of Appointment                                 | End of Term | Number and Date of the Decree of the Fit and Proper Test                                  |
|-----|----------------------|--|----------------------|---|-------------|---|
| 3   | Sutadi               | Business Director                      | Indonesia            | Deed of the EGMS Minutes No. 18 dated 6 May 2014    | 2019<br>GMS | Decision of the Board of Commissioners of OJK No. KEP-1292/NB.1/2014 dated 3 June 2014    |
| 4   | Andrew Adiwijanto    | Operations and Human Capital Director  | Indonesia            | Deed of the EGMS Minutes No. 25 dated 18 April 2017 | 2022<br>GMS | Decision of the Board of Commissioners of OJK No. KEP-465/NB.11/2017 dated 14 August 2017 |
| 5   | Sigit Hendra Gunawan | Enterprise Risk Director (Independent) | Indonesia            | Deed of the EGMS Minutes No. 43 dated 25 April 2016 | 2021<br>GMS | Decision of the Board of Commissioners of OJK No. KEP-218/NB.11/2016 dated 29 March 2016  |

Profile of each BOD member is presented in the BOD Profile section in the Company Profile chapter (pages 70-72).

## 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 Board of Commissioners section in the Good Corporate Governance chapter (page 226).

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,

## BOARD OF DIRECTORS

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;
  - 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
- 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.
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. 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 BOD DUTIES AND RESPONSIBILITIES**

The details of duties and responsibilities for each BOD member is presented in Table 106.

**TABLE 106 BOD Duties and Authorities**

| <b>Name and Position</b>                                      | <b>Duties and Authorities</b>   |
|---|---|
| Francis Lay Sioe Ho<br>President<br>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 Information Technology (IT) Head, and Channel Head who handles Digital Business and Direct Marketing segment. He also supervised Compliance function, Internal Audit, CSR and Project Management Office (PMO).  |
| Sudjono<br>Finance<br>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 is also responsible for all funding activities; including fundraising to support the Company's financing activities; maintaining adequate cash position and overall risk management in finance and treasury activities, and acting concurrently as the Corporate Secretary. The units under his supervision consist of Financial Control & Reporting, Treasury & Finance, Budgeting & Performance Monitoring, Corporate Secretariat, Investor Relations, and Corporate Communication.  |
| Sutadi<br>Business<br>Director                                | As a Chief Marketing Officer (CMO), he is responsible for formulating strategy and marketing work plan 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 Division 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-Backed Financing (PBF), Channel Acquisition, Telemarketing and Business Development. |
| Andrew Adiwijanto<br>Operations and Human Capital<br>Director | As a Chief Operating Officer (COO), he is responsible for ensuring the alignment of functions within the organization run properly and complying 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 and Network Development & Management Head.   |

**TABLE 106 BOD Duties and Authorities**

| Name and Position  | Duties and Authorities  |
|--|---|
| Sigit Hendra<br>Enterprise<br>Risk Director<br>(Independent) | As a Chief Risk Officer (CRO), he is responsible for supervising the risk management in the Company that 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. |

### BOD AUTHORITY AND RIGHTS

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.

## BOARD OF DIRECTORS

### 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 107 Diversity of BOD Composition**

| No. | Name                 | Position                               | Competency  |
|-----|----------------------|--|---|
| 1.  | Francis Lay Sioe Ho  | President Director                     | <p>Education: Master of Business Management (M.B.M.), Bachelor of Business Administration (B.B.A.)</p> <p>Work Experience: President Director, Director and Founder, Credit Manager, Treasury Officer, Executive Officer at the Ministry of Finance of Singapore</p> <p>Age: 70</p>   |
| 2.  | Sudjono              | Finance Director                       | <p>Education: Enterprise Risk Manager (ERM™), Master of Business Administration (M.B.A.), Bachelor of Economics in Accounting</p> <p>Work Experience: Director, Corporate Secretary, Finance and Information Technology Division Head, Risk Management Committee, Senior Auditor</p> <p>Age: 48</p>   |
| 3.  | Sutadi               | Business Director                      | <p>Education: Bachelor of Industrial Engineering</p> <p>Work Experience: Division Head, Regional Manager, Branch Manager, Sales Executive, Collection &amp; Credit Analyst Officer</p> <p>Age: 44</p>   |
| 4.  | Andrew Adiwijanto    | Operations and Human Capital Director  | <p>Education: Master of Business Administration (M.B.A.), Bachelor of Electrical Engineering</p> <p>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</p> <p>Age: 50</p>                                   |
| 5.  | Sigit Hendra Gunawan | Enterprise Risk Director (Independent) | <p>Education: Certified Business Management, Certified Business Management-Operation, Bachelor of Industrial Engineering</p> <p>Work Experience: Director, Head of Enterprise Risk, Head of Credit Division, Deputy Director - Head of Credit &amp; Collection, Account Management Department Head, Credit Analyst &amp; Risk Department Head (Fleet Division)</p> <p>Age: 50</p> |

## 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 108 BOD Independence**

| Name                 | Financial Relationship with |    |           |    |                          |    | Family Relationship with |    |           |    |                   |    |
|----------------------|-----------------------------|----|-----------|----|--------------------------|----|--------------------------|----|-----------|----|-------------------|----|
|                      | Commissioners               |    | Directors |    | Controlling Shareholders |    | Commissioners            |    | Directors |    | Other Shareholder |    |
|                      | Yes                         | No | Yes       | No | Yes                      | No | Yes                      | No | Yes       | No | Yes               | No |
| Francis Lay Sioe Ho  | -                           | √  | -         | √  | -                        | √  | -                        | √  | -         | √  | -                 | √  |
| Sudjono              | -                           | √  | -         | √  | -                        | √  | -                        | √  | -         | √  | -                 | √  |
| Sutadi               | -                           | √  | -         | √  | -                        | √  | -                        | √  | -         | √  | -                 | √  |
| Andrew Adiwijanto    | -                           | √  | -         | √  | -                        | √  | -                        | √  | -         | √  | -                 | √  |
| Sigit Hendra Gunawan | -                           | √  | -         | √  | -                        | √  | -                        | √  | -         | √  | -                 | √  |

**TABLE 109 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 Director  | None        | None          |
| Sigit Hendra Gunawan | Enterprise Risk Director (Independent) | None        | None          |

## 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.

## BOARD OF DIRECTORS

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 financing 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 presiding up to 31 December 2018 have complied with the provisions of POJK 30 and POJK 33.

**TABLE 110 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 2018, the BOD conducted 23 meetings, comprising:

1. Twelve BOD Meetings; and
2. Eleven BOC–BOD Joint Meetings.

Dates of the BOD meetings and attendance of BOD members in the 2018 BOD Meetings are presented in Table 111.

**TABLE 111 Schedule and Attendance of BOD Meeting**

| Date                                 | Francis Lay<br>Sioe Ho | Sudjono | Sutadi | Andrew<br>Adiwijanto | Sigit Hendra<br>Gunawan |
|--------------------------------------|------------------------|---------|--------|----------------------|-------------------------|
| 23 January 2018                      | √                      | √       | √      | √                    | √                       |
| 19 February 2018                     | √                      | √       | √      | √                    | √                       |
| 22 March 2018                        | √                      | √       | √      | √                    | √                       |
| 17 April 2018                        | √                      | √       | √      | √                    | √                       |
| 22 May 2018                          | √                      | √       | √      | √                    | √                       |
| 27 June 2018                         | √                      | √       | √      | √                    | √                       |
| 24 July 2018                         | √                      | √       | √      | √                    | √                       |
| 21 August 2018                       | √                      | √       | √      | √                    | √                       |
| 25 September 2018                    | √                      | √       | √      | √                    | √                       |
| 23 October 2018                      | √                      | √       | √      | √                    | √                       |
| 21 November 2018                     | √                      | √       | √      | √                    | √                       |
| 12 December 2018                     | √                      | √       | √      | √                    | √                       |
| Total Attendance of Each Member      | 12                     | 12      | 12     | 12                   | 12                      |
| Attendance Percentage of Each Member | 100%                   | 100%    | 100%   | 100%                 | 100%                    |

**TABLE 112 BOD Meeting Agenda**

| Date              | Meeting Agenda  |
|-------------------|---|
| 23 January 2018   | Discussion and evaluation on financial and business performances in 2017, financial and risk management reports as of 31 December 2017, predictions on macroeconomy and multifinance industry in 2019 in general, other issues  |
| 19 February 2018  | Discussion on financial and risk management performances as of 31 January 2017, other issues  |
| 22 March 2018     | Discussion on pending matters from the previous meeting on 19 February 2018, financial and risk management performances as of 28 February 2018, early overview on 2018 GMS agenda and draft of the BOD Report, other issues   |
| 17 April 2018     | Discussion on pending matters from the previous meeting on 22 March 2018, financial and risk management reports for Q1/2018, final review and approval for the agenda and BOD report for 2018 GMS, other issues   |
| 22 May 2018       | Discussion on performances of new branches opened in 2017, performance of retail business and retail products analysis, development of property financing (PBF), financial and risk management reports as of 30 April 2018, legal case coming from a former shareholder, other issues |
| 27 June 2018      | Discussion on financial and risk management performances as of 31 May 2018, progress of legal case coming from a former shareholder, other issues   |
| 24 July 2018      | Discussion on financial and business performances in Q2/2018, financial and risk management reports as of 30 June 2018, progress of legal case coming from a former shareholder, other issues   |
| 21 August 2018    | Discussion on financial and risk management performances as of 31 July 2018, progress of legal case coming from a former shareholder, other issues  |
| 25 September 2018 | Discussion on pending matters from the previous meeting on 21 August 2018, financial and risk management performances as of 31 August 2018, progress of legal case coming from a former shareholder, other issues   |



**TABLE 112 BOD Meeting Agenda**

| Date             | Meeting Agenda  |
|------------------|---|
| 23 October 2018  | Discussion on financial and business performances in Q3/2018, financial and risk management reports as of 30 September 2018, progress of legal case coming from a former shareholder, other issues                      |
| 21 November 2018 | Discussion on financial and business performances, financial and risk management reports as of 31 October 2018, business projections until end of November and December 2018, business projection in 2019, other issues |
| 12 December 2018 | Discussion on financial and risk management performances as of 30 November 2018, other issues   |

As presented in Table 111, the BOD has complied with POJK 30 Article 16 paragraph (2) on the Good Corporate Governance 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 Meetings

The BOD on a regular basis conducts joint meetings with the BOC. In 2018, 11 BOC–BOD Joint Meetings were held.

The dates and attendance of the BOC–BOD Joint Meetings in 2018 are presented in Table 113.

The agendas for the BOC–BOD Joint Meetings are detailed in the Board of Commissioners section (page 236-237).

**TABLE 113 Schedule and Attendance of BOD in BOC-BOD Joint Meeting**

| Date                                 | Francis Lay Sioe Ho | Sudjono | Sutadi | Andrew Adiwijanto | Sigit Hendra Gunawan |
|--------------------------------------|---------------------|---------|--------|-------------------|----------------------|
| 23 January 2018                      | √                   | √       | √      | √                 | √                    |
| 19 February 2018                     | √                   | √       | √      | √                 | √                    |
| 22 March 2018                        | √                   | √       | √      | √                 | √                    |
| 17 April 2018                        | √                   | √       | √      | √                 | √                    |
| 22 May 2018                          | √                   | √       | √      | √                 | √                    |
| 27 June 2018                         | √                   | √       | √      | √                 | √                    |
| 24 July 2018                         | √                   | √       | √      | √                 | √                    |
| 21 August 2018                       | √                   | √       | √      | √                 | √                    |
| 25 September 2018                    | √                   | √       | √      | √                 | √                    |
| 23 October 2018                      | √                   | √       | √      | √                 | √                    |
| 21 November 2018                     | √                   | √       | √      | √                 | √                    |
| Total Attendance of Each Member      | 11                  | 11      | 11     | 11                | 11                   |
| Attendance Percentage of Each Member | 100%                | 100%    | 100%   | 100%              | 100%                 |



## 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 evaluations 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:

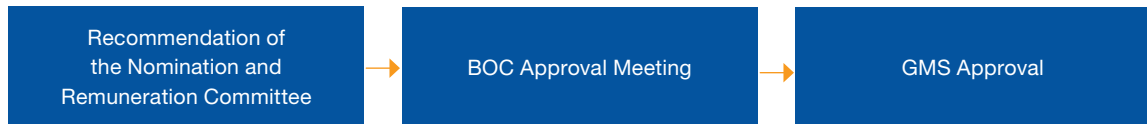
1. Contribution to the Company's business activities;
2. Involvement in specific assignments;
3. Commitment to advancing the interests of the Company;
4. Compliance with the prevailing regulations, and Company policies;
5. Achievement of targets set out in the Company's Annual Work Plan; and
6. Achievement 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 17 April 2018 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.

**GRAPH 20 Mechanism for the BOD Remuneration**

The mechanism for determining the remuneration for BOD 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.

Total remuneration for the BOD in 2018 amounted to Rp44.33 billion.

### **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. The orientation of new BOD members is held in the first BOD meeting attended by the new members.

### **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 2018 attended by BOD members is presented in Table 114.

**TABLE 114 Training and Seminar for BOD Competence Enhancement**

| Name                       | Position                                     | Date             | Title/Theme   | Location | Organizer |
|----------------------------|--|------------------|---|----------|-----------|
| Francis Lay<br>Sioe Ho     | President Director                           | 8 May 2018       | National Seminar “Finance Companies in Banking Point of View” | Jakarta  | APPI      |
|                            |  | 15 November 2018 | National Seminar “Opportunities & Challenges in 2019”         | Jakarta  | APPI      |
| Sudjono                    | Finance Director                             | 8 May 2018       | National Seminar “Finance Companies in Banking Point of View” | Jakarta  | APPI      |
|                            |  | 15 November 2018 | National Seminar “Opportunities & Challenges in 2019”         | Jakarta  | APPI      |
| Sutadi                     | Business Director                            | 26 July 2018     | National Seminar “Financing Industry in the Capital Market”   | Jakarta  | APPI      |
|                            |  | 15 November 2018 | National Seminar “Opportunities & Challenges in 2019”         | Jakarta  | APPI      |
| Andrew<br>Adiwijanto       | Operations and<br>Human Capital<br>Director  | 26 July 2018     | National Seminar “Financing Industry in the Capital Market”   | Jakarta  | APPI      |
|                            |  | 15 November 2018 | National Seminar “Opportunities & Challenges in 2019”         | Jakarta  | APPI      |
| Sigit<br>Hendra<br>Gunawan | Enterprise<br>Risk Director<br>(Independent) | 26 July 2018     | National Seminar “Financing Industry in the Capital Market”   | Jakarta  | APPI      |
|                            |  | 15 November 2018 | National Seminar “Opportunities & Challenges in 2019”         | Jakarta  | APPI      |

## COMMITTEES UNDER THE BOD

Up to end of 2018, 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

BFI Finance conducts Sharia financing business activities through the establishment of the Sharia Business Unit (SBU), which has been stipulated in its Articles of Association. 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). As a form of compliance with relevant regulations related to the SBU's business, in 2017 the Company established the Sharia Supervisory Board.

The establishment of the Sharia Supervisory Board in BFI Finance was in accordance with the Resolution of the EGMS on 25 October 2017. The composition of the Sharia Supervisory Board up to 31 December 2017 was as follows:

1. Asrori S. Karni (Chairman)
2. Helda Rahmi Sina (Member)

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 page 73.

Both members of the Sharia Supervisory Board of BFI Finance have passed OJK's fit and proper test. The decree from the Members of the Board of Commissioners of OJK on the fulfillment of said fit and proper test was delivered to the Company in January 2018.

**TABLE 115 Sharia Supervisory Board Composition**

| No. | Name             | Position                             | Country of Residence | Date of Appointment                                  | End of Term | Number and Date of the Decree of the Fit and Proper Test                                    |
|-----|------------------|--------------------------------------|----------------------|--|-------------|---|
| 1.  | Asrori S. Karni  | Chairman of Sharia Supervisory Board | Indonesia            | Deed of the EGMS Minutes No. 6 dated 25 October 2017 | 2022 GMS    | Decision of the Board of Commissioners of OJK No. KEP-104/NB.22/2017 dated 27 December 2018 |
| 2.  | Helda Rahmi Sina | Member                               | Indonesia            | Deed of the EGMS Minutes No. 6 dated 25 October 2017 | 2022 GMS    | Decision of the Board of Commissioners of OJK No. KEP-105/NB.22/2017 dated 27 December 2018 |

## DUTIES AND RESPONSIBILITIES

The duties and main functions of the Sharia Supervisory Board are as follows:

1. Represent the National Sharia Board assigned to the Company;
2. Supervise business activities of the Company's Sharia Representative Branch Offices, to ensure compliance with Sharia Principles;
3. Advise and facilitate the Board of Directors, SBU Head, and Sharia Representative 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.

## SHARIA SUPERVISORY BOARD 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 116 Sharia Supervisory Board Independence**

| Description      | Financial Relationship with |    |           |    |                          |    | Family Relationship with |    |           |    |                    |    |
|------------------|-----------------------------|----|-----------|----|--------------------------|----|--------------------------|----|-----------|----|--------------------|----|
|                  | Commissioners               |    | Directors |    | Controlling Shareholders |    | Commissioners            |    | Directors |    | Other Shareholders |    |
|                  | Yes                         | No | Yes       | No | Yes                      | No | Yes                      | No | Yes       | No | Yes                | No |
| Asrori S. Karni  | -                           | √  | -         | √  | -                        | √  | -                        | √  | -         | √  | -                  | √  |
| Helda Rahmi Sina | -                           | √  | -         | √  | -                        | √  | -                        | √  | -         | √  | -                  | √  |

## CONCURRENT POSITIONS OF SHARIA SUPERVISORY BOARD MEMBERS

Based on Article 35 POJK 30, members of the Sharia Supervisory Board are prohibited from having concurrent positions as members of the BOD or BOC of the same multifinance company, however they are allowed to have concurrent positions as members of the BOD, BOC, or Sharia Supervisory Board of more than four other sharia financial institutions.

All Sharia Supervisory Board members of the Company presiding up to 31 December 2018 have complied with the provisions of POJK 30.

**TABLE 117 Concurrent Positions of Sharia Supervisory Board Members**

| Name             | Position                             | Position Outside the Company   |
|------------------|--------------------------------------|--|
| Asrori S. Karni  | Chairman of Sharia Supervisory Board | Lecturer at the Faculty of Sharia and Law of UIN Syarif Hidayatullah Jakarta                                 |
|                  |                                      | Lecturer in the Sharia Banking Study Program of Universitas Nahdlatul Ulama Indonesia (UNUSIA) Jakarta       |
|                  |                                      | Vice Chairman of Legal Section (Qanuniah) at Lembaga Bahtsul Masail of Pengurus Besar Nahdlatul Ulama (PBNU) |
| Helda Rahmi Sina | Member                               | Sharia Finances Training and Consultation Division Head at Lembaga Pengembangan Perbankan Indonesia (LPPI)   |

## SHARIA SUPERVISORY BOARD MEETINGS

Pursuant to Article 40 of OJK Regulation No. 30/POJK.05/2014 on Good Corporate Governance for Finance Companies (POJK 30), the Sharia Supervisory Board is required to conduct a meeting on a regular basis, at least six times within the period of one year.

In 2018, the Company's Sharia Supervisory Board conducted six meetings. The dates of the Sharia Supervisory Board meetings and the attendance of each member of the Sharia Supervisory Board in these meetings in 2018 are presented in Table 118, whereas the meetings' agendas are presented in Table 119.

**TABLE 118 Schedule and Attendance of the Sharia Supervisory Board Meeting**

| Date of Meeting                      | Asrori S. Karni | Helda Rahmi Sina |
|--------------------------------------|-----------------|------------------|
| 6 March 2018                         | √               | √                |
| 16 May 2018                          | √               | √                |
| 17 July 2018                         | √               | √                |
| 18 October 2018                      | √               | √                |
| 21 November 2018                     | √               | √                |
| 27 December 2018                     | √               | √                |
| Total Attendance of Each Member      | 6               | 6                |
| Attendance Percentage of Each Member | 100%            | 100%             |

**TABLE 119 Sharia Supervisory Board Meeting Agenda**

| Date             | Meeting Agenda  |
|------------------|---|
| 6 March 2018     | Mechanism of Ijarah Muntahiya Bittamlik (IMBT) Agreement on Sharia Refinancing products                 |
|                  | Re-presentation plan of IMBT Agreement to OJK   |
|                  | Update on the progress of BFI Finance's Sharia Business Unit activities                                 |
|                  | Documents approval (Agreement, Structure, Guidelines, and Association of Moot Court Activitists (IPPS)) |
| 16 May 2018      | Update on the progress of BFI Finance's Sharia Business Unit activities                                 |
|                  | Goods handover process scheme in Murabahah Agreements   |
|                  | IPPS of new products (financing of education, health, wedding)  |
| 17 July 2018     | Approval request for IPPS My Hajat  |
|                  | Approval request for IPPS My Ta'lim   |
|                  | Signing of the approved document  |
|                  | Other matters that require opinion from Sharia Supervisory Board  |
| 18 October 2018  | Update on the progress of BFI Finance's Sharia Business Unit activities                                 |
|                  | Document review of Murabahah Agreement  |
|                  | Other matters that require opinion from Sharia Supervisory Board  |
| 21 November 2018 | Document review of Murabahah Agreement  |
|                  | Other matters that require opinion from Sharia Supervisory Board  |
|                  | Submission of the 2018 Annual Meeting's Workshop Certificate  |
| 27 December 2018 | Approval signing for documents of Murabahah and Ijarah Multijasa Agreements                             |

## SHARIA SUPERVISORY BOARD TRAINING PROGRAMS AND SEMINARS

In order to enhance the competence of each member of the Sharia Supervisory Board, the Company maintains a policy to encourage the participation of the Sharia Supervisory Board members in various training programs and seminars on a regular basis.

The training programs and seminars attended by the Sharia Supervisory Board members in 2018 are listed in Table 120.

**TABLE 120 Training and Seminar for the Sharia Supervisory Board's Competence Enhancement**

| Name             | Position                             | Date             | Title/Theme  | Location | Organiser                     |
|------------------|--------------------------------------|------------------|--|----------|-------------------------------|
| Asrori S. Karni  | Chairman of Sharia Supervisory Board | 26 July 2018     | National Seminar "Financing Industry in the Capital Market"  | Jakarta  | APPI                          |
|                  |                                      | 3 October 2018   | The 2018 Pra-Ijtima' Sanawi (Annual Meeting) of Sharia Supervisory Board in Multifinance, Venture Capital, and Sharia Pawnshop | Jakarta  | National Sharia Council - MUI |
|                  |                                      | 8 November 2018  | The 2018 Ijtima' Sanawi (Annual Meeting) of Sharia Supervisory Board of Sharia Financial Institutions in Indonesia             |          |                               |
| Helda Rahmi Sina | Member                               | 26 July 2018     | National Seminar "Financing Industry in the Capital Market"  | Jakarta  | APPI                          |
|                  |                                      | 3 October 2018   | The 2018 Pra-Ijtima' Sanawi (Annual Meeting) of Sharia Supervisory Board in Multifinance, Venture Capital, and Sharia Pawnshop | Jakarta  | National Sharia Council - MUI |
|                  |                                      | 8 November 2018  | The 2018 Ijtima' Sanawi (Annual Meeting) of Sharia Supervisory Board of Sharia Financial Institutions in Indonesia             |          |                               |
|                  |                                      | 11 December 2018 | Workshop on "Sustainable Finance"  | Jakarta  | LPPI                          |
|                  |                                      | 13 December 2018 | The 4 <sup>th</sup> International Islamic Monetary Economics and Finance Conference (IIMEFC)                                   | Surabaya | Bank Indonesia                |



# AUDIT COMMITTEE

## LEGAL BASIS AND MAIN TASKS

The Audit Committee was established in the Company 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 duties of the Audit Committee are to assist the BOC in carrying out management oversight functions in accordance with the Company's Articles of Association and GCG principles, provide advice and assistance to the BOC in identifying matters that require the latter's attention, and execute 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, allowing for 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 BOC Decree No. BOC/I/2016-01 dated 26 January 2016, pursuant to the requirements of POJK 55.

The Audit Committee Charter is published on the Company's website. The Charter 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 at the end of 2018, the Audit Committee consisted of 3 members, i.e. 1 Independent Commissioner as Chair 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 possess an accounting and/or financial expertise and educational background

The BOD or the Chair 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.

**GRAPH 21 Audit Committee Member Selection and Appointment**



## AUDIT COMMITTEE COMPOSITION

The composition of the Audit Committee as at 31 December 2018 was as follows:

- **Chair:** Emmy Yuhassarie (Independent Commissioner)
- **Members:**
  - Friso Palilingan
  - Edy Sugito

The current Audit Committee composition was ratified by the BOC Decree No. BOC/SK/VI/2016-05 dated 21 June 2016, effective 22 June 2016.

## AUDIT COMMITTEE MEMBERS' PROFILES

Profiles of the Audit Committee members are presented in the Company Profile chapter (page 74).

The educational backgrounds and expertise of the Audit Committee members are presented in Table 121.

## AUDIT COMMITTEE MEMBERS' TERM OF OFFICE

Audit Committee members' term of office shall not exceed the BOC's term of office, pursuant to the Articles of Association, and a member may only be re-elected for one subsequent term. The term of office of the Audit Committee members presiding up to 31 December 2018 is presented in Table 121.

**TABLE 121 Profile and Term of Office of the Audit Committee**

| Name             | Position  | Educational Background and Expertise | Date and Basis of Appointment   | Term of Office |
|------------------|---|--------------------------------------|---|----------------|
| Emmy Yuhassarie  | Independent Commissioner concurrent the Chairwoman of the Audit Committee | Law, Legal Consultant                | Board of Commissioners' Decision Letter No. BOC/SK/VI/2016-05 dated 21 June 2016  | 2016-2021      |
| Friso Palilingan | Member  | Audit, Management, Accounting        | Board of Commissioners' Decision Letter No. BOC/SK/IV/2015-0081 dated 13 April 2015 and was reconfirmed by Board of Commissioners' Decision Letter No. BOC/SK/VI/2016-05 dated 21 June 2016 | 2016-2021      |
| Edy Sugito       | Member  | Audit, Accounting, Capital Market    | Board of Commissioners' Decision Letter No. BOC/SK/VI/2016-05 dated 21 June 2016  | 2016-2021      |

## AUDIT COMMITTEE INDEPENDENCE

Members of the Audit Committee are professional individuals with no business relations to the Company, whether directly or indirectly, in order to maintain their independence in the execution of their duties and responsibilities. Therefore, all members of the Audit Committee have met the required independence, skill, experience, and integrity criteria, pursuant to the applicable laws and regulations. The independence of each Audit Committee member is stated in Table 122.

**TABLE 122 Audit 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 |
| Emmy Yuhassarie  | -                           | √  | -         | √  | -                        | √  | -                        | √  | -         | √  | -                        | √  |
| Friso Palilingan | -                           | √  | -         | √  | -                        | √  | -                        | √  | -         | √  | -                        | √  |
| Edy Sugito       | -                           | √  | -         | √  | -                        | √  | -                        | √  | -         | √  | -                        | √  |

## 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 Company's internal control system, 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 the Company has performed.
3. The Audit Committee submits an annual accountability report on its performance to the BOC prior to the submission of the BOC Report 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 2018, the Audit Committee held four meetings. The meetings' results were reported to the BOC in the meetings with the BOC. The meeting schedule and members' attendance are presented in Table 123, whereas the Audit Committee meeting agendas in 2018 are presented in Table 124.

**TABLE 123** Schedule and Attendance of the Audit Committee Meeting

| Date of Meeting                      | Emmy Yuhassarie | Friso Palilingan | Edy Sugito |
|--------------------------------------|-----------------|------------------|------------|
| 19 February 2018                     | √               | √                | √          |
| 17 April 2018                        | √               | √                | √          |
| 24 July 2018                         | √               | √                | √          |
| 23 October 2018                      | √               | √                | √          |
| Total Attendance of Each Member      | 4               | 4                | 4          |
| Attendance Percentage of Each Member | 100%            | 100%             | 100%       |

**TABLE 124 Audit Committee Meeting Agenda**

| <b>Date</b>      | <b>Meeting Agenda</b>  |
|------------------|--|
| 19 February 2018 | Discussion on the presentation from KAP Tanubrata Sutanto Fahmi Bambang & Partners concerning the draft of Audit Report as of 31 December 2017 and implementation report on Audit Internal activities    |
| 17 April 2018    | Discussion on the review of the draft of Financial Statements as of 31 March 2018, implementation report on Audit Internal activities, and other issues  |
| 24 July 2018     | Discussion on the review of the draft of Financial Statements as of 30 June 2018, implementation report on Audit Internal activities, and presentation of the annual audit plan in 2018 by BDO Tanubrata |
| 23 October 2018  | Discussion on the review of the draft of Financial Statements as of 30 September 2018, implementation report on Audit Internal activities, and other issues  |

### **ACTIVITY 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's 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 2018 WORK PROGRAMS REPORT**

The Audit Committee's work programs in 2018 encompassed the following:

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 the latter's 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.

The Risk Management Committee was established pursuant to the BOC Decree No. Com/JS/SK/III/2003 dated 18 March 2003. The duties and responsibilities, procedure of supervision, and reporting of the Risk Management Committee have been adjusted to OJK Regulation No. 10/POJK.05/2014 on Risk-Level Assessment of Non-Bank Financial Service Institutions (POJK 10) and OJK Circular No. 14/SEOJK.03/2015 on Implementation of Integrated Risk Management for Financial Conglomerates (SEOJK 14).

## 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 risk limits;
3. Ensure that the business activities are within the acceptable risk parameters; and

4. Review the 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 Chair 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 Chair of the Risk Management Committee shall be an independent member of the BOC.

The BOD or the Chair 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

## RISK MANAGEMENT COMMITTEE

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.

### GRAPH 22 Risk Management Committee Member Selection and Appointment



### RISK MANAGEMENT COMMITTEE COMPOSITION

The composition of the Risk Management Committee as at 31 December 2018 was as follows:

- **Chair:** Johannes Sutrisno (Independent Commissioner)
- **Member:** Jono Effendy

### RISK MANAGEMENT COMMITTEE MEMBERS' PROFILES

Profiles of all Risk Management Committee members are presented in the Company Profile chapter (page 75).

The educational backgrounds and expertise of the Risk Management Committee members are presented in Table 125.

### RISK MANAGEMENT COMMITTEE MEMBERS' TERM OF OFFICE

The Risk Management Committee members' term of office shall not exceed the BOC's term of office, and a member may only be re-elected for one subsequent term. The term of office of the Risk Management Committee presiding up to 31 December 2018 is presented in Table 125.

TABLE 125 Profile and Term of Office of the Risk Management Committee

| Name             | Position  | Educational Background and Expertise      | Date and Basis of Appointment   | Term of Office |
|------------------|---|---|---|----------------|
| Johanes Sutrisno | Independent Commissioner concurrent the Chairman of the Risk Management Committee | Finance, Accounting, Audit Committee, GCG | Board of Commissioners' Decision Letter No. BOC/SK/VI/2016-05 dated 21 June 2016  | 2016-2021      |
| Jono Effendy     | Member  | Audit, Risk 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      |



## RISK MANAGEMENT COMMITTEE INDEPENDENCE

Members of the Risk Management Committee are professional individuals with no business relations to the Company, whether directly or indirectly, in order to maintain their independence in the execution of their duties and responsibilities. Therefore, all members of the Committee have met the required independence, skill, experience, and integrity criteria pursuant to the applicable laws and regulations. The independence of each Risk Management Committee member is stated in Table 126.

**TABLE 126 Risk Management 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 |
| Johanes Sutrisno | -                           | √  | -         | √  | -                        | √  | -                        | √  | -         | √  | -                        | √  |
| Jono Effendy     | -                           | √  | -         | √  | -                        | √  | -                        | √  | -         | √  | -                        | √  |

## 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 four times every year and reports the results to the BOC.

Throughout 2018, the Risk Management Committee held four meetings. The meetings' results were reported to the BOC in the meetings with the BOC. The meeting schedule and members' attendance are presented in Table 127, whereas the Risk Management Committee meeting agendas in 2018 are presented in Table 128.

**TABLE 127 Schedule and Attendance of the Risk Management Committee Meeting**

| Date of Meeting                      | Johanes Sutrisno | Jono Effendy |
|--------------------------------------|------------------|--------------|
| 19 February 2018                     | √                | √            |
| 17 April 2018                        | √                | √            |
| 24 July 2018                         | √                | √            |
| 23 October 2018                      | √                | √            |
| Total Attendance of Each Member      | 4                | 4            |
| Attendance Percentage of Each Member | 100%             | 100%         |

**TABLE 128 Risk Management Committee Meeting Agenda**

| Date             | Meeting Agenda   |
|------------------|--|
| 19 February 2018 | Discussion on Executive Summary - Risk Dashboard, updates on financial and operational risks   |
| 17 April 2018    | Discussion on Executive Summary - Risk Dashboard, updates on financial and operational risks   |
| 24 July 2018     | Discussion on Executive Summary - Risk Dashboard, portfolio quality update, proposal for the amendment, procedures and provisions of risk management implementation, and adjustment to the level of risk reporting system based on POJK No. 10/POJK.05/2014 and SEOJK No. 14/SEOJK.03/2015 |
| 23 October 2018  | Discussion on Executive Summary - Risk Dashboard, updates on financial and operational risks   |

### **RISK MANAGEMENT COMMITTEE'S 2018 WORK PROGRAMS REPORT**

The Risk Management Committee's 2018 work programs were aimed at ensuring that the management had an early warning system on the likelihood of risks that may affect the running of the Company, thus preventing the possibility of future surprises. The programs 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, i.e. strategic risk, operational risk, assets and liabilities risk, managerial risk, governance risk, funding risk, and financing risk, pursuant to POJK 10 and SEOJK 14.

# NOMINATION AND REMUNERATION COMMITTEE

## LEGAL BASIS AND MAIN TASKS

The Nomination and Remuneration Committee was established in the Company pursuant to the BOC Decree No. Com/JS/SK/XII/2005-007 dated 29 December 2005. The currently presiding members of the Nomination and Remuneration Committee were appointed pursuant to the BOC Decree No. BOC/VI/2017-0103 dated 2 June 2017.

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 performed by adhering to POJK No. 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Public Companies (POJK 34).

## 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 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;
  - 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.

## NOMINATION AND REMUNERATION COMMITTEE

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.

### 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 Chair-cum-member, who is an Independent Commissioner; and
2. Other members being any of the following:
  - 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 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 2018, the composition of the Nomination and Remuneration Committee was as follows:

- **Chair:** Alfonso Napitupulu (Independent Commissioner)
- **Members:**
  - Sunata Tjiterosampurno (Commissioner)
  - Priyambodo

## NOMINATION AND REMUNERATION COMMITTEE MEMBERS' PROFILES

Profiles of all Nomination and Remuneration Committee members are presented in the Company Profile chapter (page 76).

The educational backgrounds and expertise of the Nomination and Remuneration Committee members are presented in Table 129.

## NOMINATION AND REMUNERATION COMMITTEE MEMBERS' TERM OF OFFICE

The Nomination and Remuneration Committee members' term of office shall not exceed the BOC's term of office, 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 presiding up to 31 December 2018 is presented in Table 129.

**TABLE 129** 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      |
| 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      |

## 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 130.

## NOMINATION AND REMUNERATION COMMITTEE

**TABLE 130 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      | -                           | √  | -         | √  | -                        | √  | -                        | √  | -         | √  | -                        | √  |
| Sunata Tjiterosampurno* | -                           | √  | -         | √  | √                        | -  | -                        | √  | -         | √  | -                        | √  |
| Priyambodo              | -                           | √  | -         | √  | -                        | √  | -                        | √  | -         | √  | -                        | √  |

### 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 Chair 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:
- The applicable remuneration in the industry;
  - 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;
  - Performance targets or performance of each member of the BOD and/or the BOC; and
  - 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 Chair.

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 2018, the Nomination and Remuneration Committee held three meetings. The meetings' results were reported to the BOC in the meetings with the BOC. The meeting schedule and members' attendance are presented in Table 131, whereas the Nomination and Remuneration Committee meeting agendas in 2018 are presented in Table 132.

**TABLE 131 Schedule and Attendance of the Nomination and Remuneration Committee Meeting**

| Date of Meeting                      | Alfonso Napitupulu | Sunata Tjiterosampurno | Priyambodo |
|--------------------------------------|--------------------|------------------------|------------|
| 19 February 2018                     | √                  | √                      | √          |
| 24 July 2018                         | √                  | √                      | √          |
| 23 October 2018                      | √                  | √                      | √          |
| Total Attendance of Each Member      | 3                  | 3                      | 3          |
| Attendance Percentage of Each Member | 100%               | 100%                   | 100%       |

## NOMINATION AND REMUNERATION COMMITTEE

**TABLE 132** Nomination and Remuneration Committee Meeting Agenda

| Date             | Meeting Agenda   |
|------------------|--|
| 19 February 2018 | Discussion on salaries, benefits and/or tantieme for the Board of Commissioners and the Board of Directors |
| 24 July 2018     | Review on the remuneration policy that applies to the Company employees                                    |
| 23 October 2018  | Discussion on budget for the increase of employees' salaries and benefits                                  |

### ACTIVITY 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 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 2018 WORK PROGRAMS REPORT

In 2018, the Nomination and Remuneration Committee performed its duties and responsibilities, which include evaluating the recommendations of the BOD regarding the remuneration of members of the BOD, the BOC, and other committees, to be subsequently 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 Secretary 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 BOD 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 Head of Corporate Secretariat;
- Investor Relations Department, led by the Head of Investor Relations;
- Corporate Communication Department, led by the Head of Corporate Communication & CSR.

## CORPORATE SECRETARY POSITION

The Corporate Secretary is appointed and dismissed by the BOD decree. The position of Corporate Secretary may be held concurrently by a BOD member. The Corporate Secretary shall not hold any other concurrent 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 60 days after the vacancy occurs. During the period of vacancy, the Corporate Secretary position shall be held concurrently by a BOD member or another individual appointed as interim Corporate Secretary, regardless of the provisions on Corporate Secretary stipulated in POJK 35.

Throughout 2018, 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:
  - 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 up to 31 December 2018 was held by Sudjono, an Indonesian citizen born in 1970 (48 years old), appointed pursuant to the BOD Decree No. BOD-BOC/VI/2014-0011 dated 24 June 2014. He is also a BOD member, serving as the Finance Director. His profile is presented in the Board of Directors' Profiles section in the Company Profile chapter (page 71).

## **COMPETENCE ENHANCEMENT AND TRAINING PROGRAMS**

Throughout 2018, Sudjono, who concurrently holds the position of Corporate Secretary and Finance Director, participated in various seminars and training programs, as described in Table 114.

## **CORPORATE SECRETARY'S 2018 ACTIVITY REPORT**

Throughout 2018, 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 in a publication titled the Integrated Annual Report;
7. Implemented various CSR programs and activities, externally or internally, through the CSR Unit in coordination with the Corporate Communication & CSR Department;
8. Maintained rapport with the media and other information channels;
9. Coordinated the Company's meetings, such as the GMS, BOC meetings, BOD meetings, BOC–BOD joint meetings, meetings of the Committees under the BOC, and public exposes;
10. Prepared minutes of meetings, such as the GMS, BOC meetings, BOD meetings, BOC–BOD joint meetings, meetings of the Committees under the BOC, and public exposes;
11. Coordinated corporate action:
  - Bonds issuance.
12. Corresponded with OJK (40 times) and with IDX (50 times).

# INTERNAL AUDIT

## LEGAL BASIS AND 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.

## INTERNAL AUDIT CHARTER

The Internal Audit Department of the Company enacted its Internal Audit Charter on 1 March 2009, 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 addresses 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 audit process plan.

In the governance structure of BFI Finance, the Internal Audit Department acts 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 of whom are 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 approval from the BOC. The Internal Auditors of the Company are directly responsible to the Internal Audit Head.

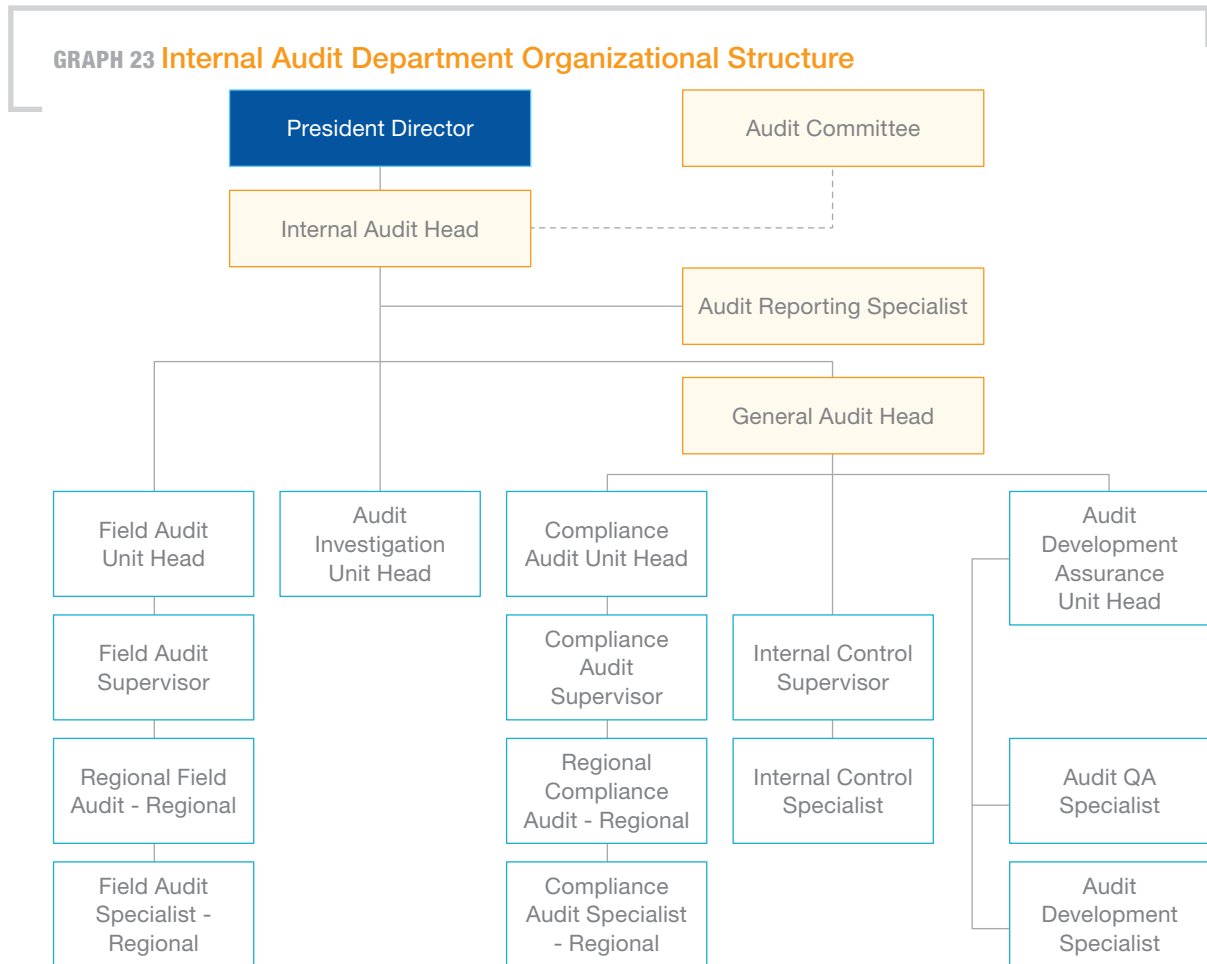
As of 31 December 2018, there were 184 employees (internal auditors) in the Internal Audit Department, composed of:

- 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 2018, the Company carried out various competency improvement trainings, including advanced trainings for auditors, Management Trainee Program (MTP), Leadership Development Program (LDP), and auditor assessments. By the end of 2018, there were no internal auditors with certification or professional qualification in the internal audit field.

In 2018, the organizational structure of the Internal Audit Department was refined, with the addition of three new work functions, as follows:

- Internal Control Unit
- Audit Investigation Unit
- Audit Assurance & Development Unit



## **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 its level of compliance 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 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 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 the abilities to:

- Plan, schedule, and conduct annual audits of performance and data of the systems and operations at the head office and branch offices;
- Develop work systems, procedures, and service standards of each unit in the Internal Audit Department;
- Analyze internal control work processes at the head office and branch offices;
- Conduct information research on the Company's latest provisions and regulations related to the audit scope and implementation;
- Coordinate with other departments and working units in the Company to obtain solutions, explanations, and input regarding any matters or findings;
- Prepare audit result reports, analyze findings, and provide recommendations for improvements, as well as impose sanctions when necessary; and
- 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 apply analysis in conducting evaluation and ensure the availability of high quality audit reports to be submitted 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.

## HEAD OF INTERNAL AUDIT PROFILE

Fledy 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 is an active trainer in the Company's various training programs since 2009. He has completed various training and development programs, among others:

- Basic Principles of Internal Audit by BFI Finance (internal)
- Interview Technique 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 Prasetya 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

### Fledy Rizmara

Citizenship: Indonesian

Age: 38

Domicile: Jakarta, DKI Jakarta



## INTERNAL AUDIT ACTIVITIES IN 2018 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.



## EXTERNAL AUDIT

In 2018, the Company's internal audit process was enriched by inputs from the Risk Management Department, creating a more preventive, instead of corrective, internal audit of commonly encountered cases. The risk management scoring results of branch offices were included in the inputs received. The valuable inputs enabled risk mitigation and handling of problems incurred due to risks faced by the Company to be carried out more effectively.

The activities of Internal Audit in 2018 include:

- Drafting the annual audit work programs for 2018 and evaluating the implementation of 2017 audit work programs;
- Conducting audit of work units at the head office and branch offices;
- Monitoring the implementation of agreed audit recommendations; 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 2018, the Internal Audit Department conducted 183 audits in 228 branch offices and 6 audits in the head office. Throughout 2018, the internal audit processes were carried out effectively. The management has consistently responded to internal audit findings, and in the event of fraud, the Company has enforced penalties applied incrementally, from reimbursement of losses to termination of employment. In 2018, the Company's total financial loss was below 1% of its revenue.

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 Annual GMS on 17 April 2018, 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 2018 and authorized the BOC of the Company to determine the honorarium and other requirements for the Public Accounting Firm.

The Public Accounting Firm's appointment 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.

## EXTERNAL AUDIT

### AUDIT FEE

The professional audit fee for auditing the Company's Annual Financial Statements for the financial year of 2018 amounted to Rp374 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. In 2018, two meetings were held between the Audit Committee and the External Auditor. 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.

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 2018; 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 2018 will be delivered by BOC to the GMS, to be held in 2019.

## PUBLIC ACCOUNTING FIRM APPOINTMENT HISTORY

Public accountant firms appointed as External Auditors for the Company in the past five years (2014-2018) are as follows:

**TABLE 133** Chronology of Public Accounting Firm Appointments

| Period | Public Accountant Firm                     | Accountant Name   | Opinion        |
|--------|--|-------------------|----------------|
| 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 | Fahmi             | Unqualified    |
| 2018   | Tanubrata Sutanto Fahmi Bambang & Partners | Susanto Bong      | Present Fairly |

## RISK MANAGEMENT

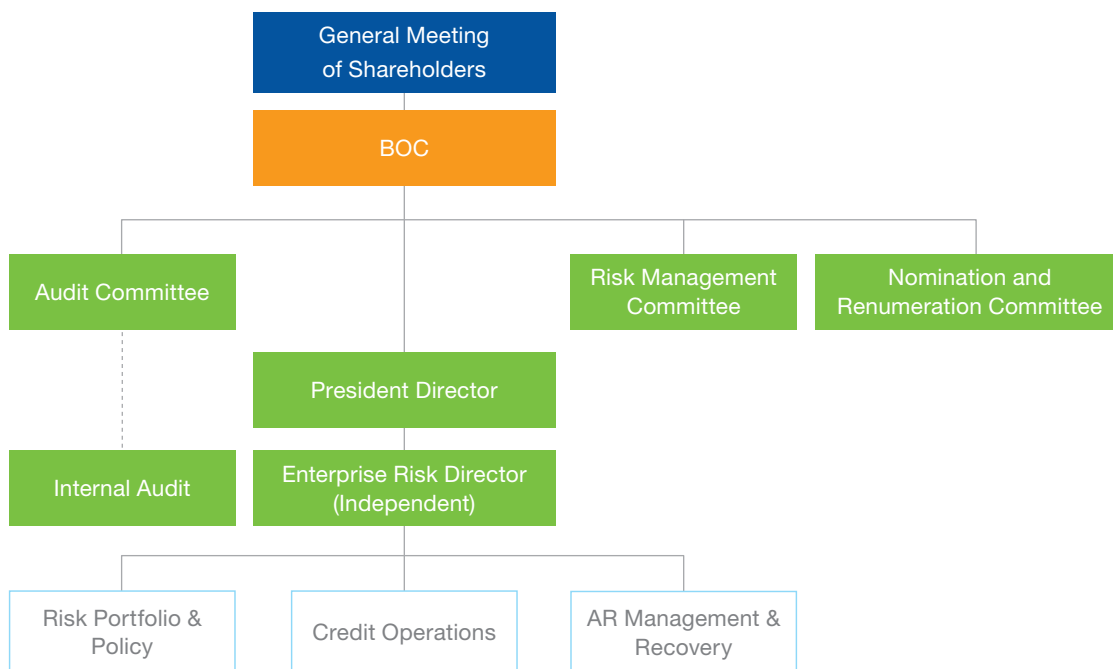
BFI Finance implements a comprehensive management system with utmost discipline to ensure the optimal continuity of its business processes, through the management of each risk factor encountered in its operational activities at all times. BFI Finance also evaluates its risk management system's efficacy, and continues to improve this system with the latest features and standards for better risk management.

The implementation of risk management in the Company refers to OJK Regulation (POJK) 1/2015, OJK Circular (SEOJK) 1/2016, and SEOJK 15/2016, which covers the following matters:

### 1. Active Supervision of the BOD and BOC

The BOD and BOC play an active role in risk management activities in accordance with their respective roles and responsibilities. The BOC is supported by the Risk Management Committee who is responsible for approving the framework and risk management policies of the Company. The BOC gives authority to the BOD to carry out business activities in accordance with the Company's risk profile and risk appetite.

**GRAPH 24 Risk Management Structure**



2. Adequacy of Policies, Procedures, and Risk Limit Setting

The Company has formulated policies, procedures, and limits related to risk management that are carried out and assessed regularly to ensure its compliance with the Company’s business activities and strategies as well as the latest regulations. These policies include authorization for credit transactions and reserve for loss of accounts receivable.

3. Adequacy of Identification, Assessment, Monitoring, and Risk Control Processes

The Company has adequate mechanisms and structures to conduct all processes related to risks, from risk identification to risk mitigation. The risk management mechanism is carried out comprehensively, starting from the determination of customers’ profile to the settlement of customers’ obligation.

4. Risk Management Information System (MIS)

The Company owns an integrated risk management system with a robust database and an adequate internal procedure to support the risk management process and to improve the quality of portfolio performance reporting. This system also allows early detection of various risks and helps in the formulation of risk-management-based KPI.

## 5. Comprehensive Internal Control System

The Company implements an internal control system which is based on the Three Lines of Defense approach: supervisory, control, and management functions, as follows:

### 1. First Line of Defense

Business and operational units serve as the first line of defense, and are responsible for identifying, assessing, overseeing, and mitigating risks. Their main responsibility is to manage risk exposure daily in accordance with established market targets, policies, and procedures.

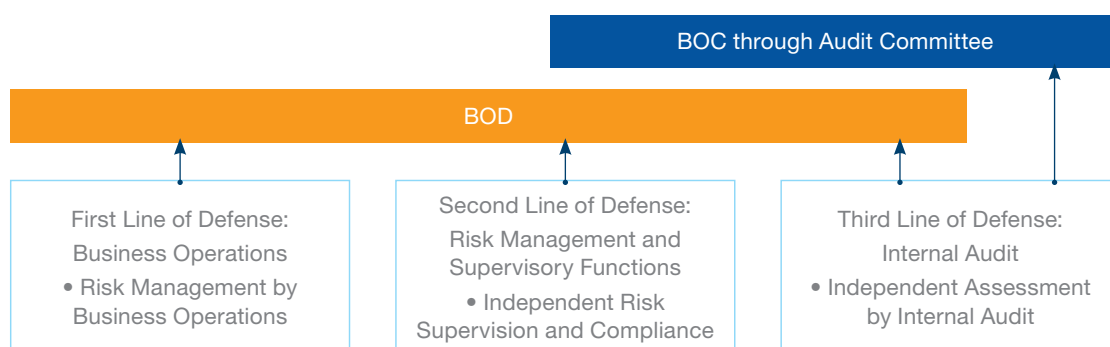
### 2. Second Line of Defense

The Risk Management Directorate, Financial Control Department, as well as the Legal and Litigation Department are the main units in the second line of defense through their independent supervisory functions. The Risk Management Directorate is responsible for carrying out studies and approving the acceptable risk levels and strategies, as well as cooperating with business and operational units in ensuring risk is managed according to established limits. The Legal and Litigation Department manages compliance risks related to legal matters and is responsible in ensuring the dissemination and adherence of applicable regulations by all related units.

### 3. Third Line of Defense

To ensure that all business and operational units carry out their roles and responsibilities in accordance with established policies and procedures, the Internal Audit Department performs independent audit and assessment on each process undertaken by each unit.

**GRAPH 25 The Three Lines of Defense in Risk Management**



## RISK MANAGEMENT PERFORMANCE IN 2018

Throughout 2018, the function of the risk management was increased through the following initiatives:

- Development of billing infrastructure related to centralized account handling based on region, tele-collection development, and mobile collection implementation in order to increase the efficiency and effectiveness of its performance;
- Collaboration with credit bureaus; and
- Development of credit feasibility assessment by implementing a credit scoring system.

The excellent risk management processes that took place in 2018 had kept the NPF ratio under the target limits, and also below the industry average, while the growth of BFI Finance's new business (booking) increased far above the industry average.

As of the end of 2018, BFI Finance had a rating of 'AA-' from Fitch Ratings, an independent credit rating agency. This reflected the external level of trust in BFI Finance's solid position as one of the largest independent multifinance companies in Indonesia.

## 2018 RISK MATRIX

BFI Finance has classified various risks it encountered based on POJK 1/2015, and has developed a risk matrix describing the potential impacts and mitigation of each risk factor, as can be seen on page 292. The Company's risk profile in 2018 did not undergo fundamental changes from the previous years, as the business nature of the Company did not change throughout the period.

**TABLE 134 Risk Matrix 2018**

| Risk Type      | Source   | Potential Impact                     | Mitigation   | Risk Rating |
|----------------|--|--------------------------------------|--|-------------|
| Strategic Risk | Failure to set appropriate strategy to achieve main objectives | All business and operational aspects | 1. Active supervision of BOC and BOD<br>2. Periodic evaluation and adjustment of strategic plans | Mid - Low   |

TABLE 134 Risk Matrix 2018

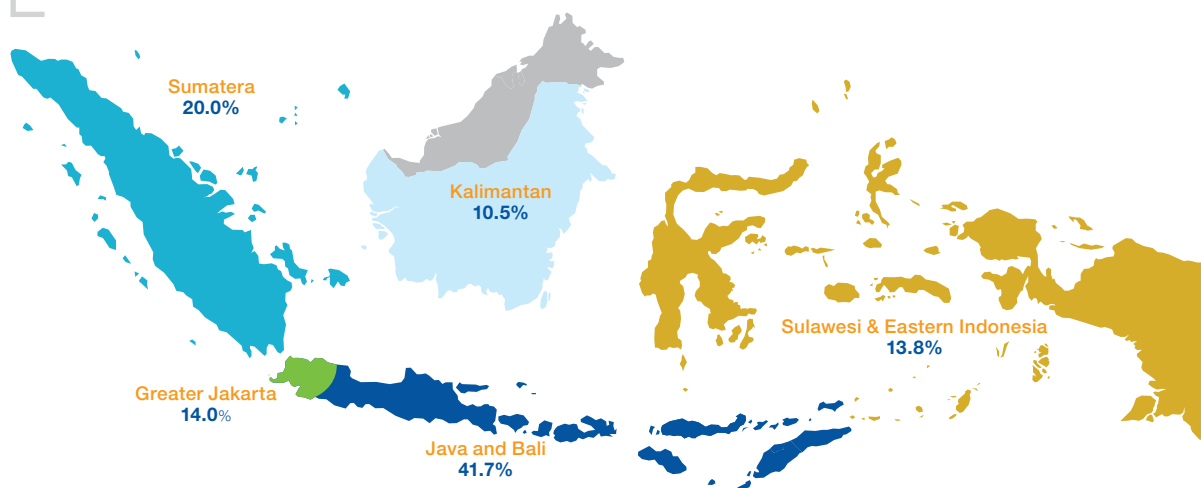
| Risk Type                   | Source  | Potential Impact  | Mitigation  | Risk Rating |
|-----------------------------|---|---|---|-------------|
| Operational Risk            | Failure of internal and external processes; disruption to operational and financial processes; regulation issues; internal or external frauds | Products and services; business processes; operational activities; systems and infrastructure; reputation | <ol style="list-style-type: none"> <li>1. SOP preparation and implementation for each work process to prevent violation</li> <li>2. Establishment of Operational Risk Management (ORM), Risk Quality Management, and Operational Risk Monitoring units</li> <li>3. Establishment of Disaster Recovery Plan and Disaster Recovery Center</li> <li>4. Internal Audit monitoring</li> <li>5. Comprehensive awareness and fraud prevention programs</li> <li>6. Early warning indicators</li> </ol> | Low         |
| Assets and Liabilities Risk | Failure in managing assets and liabilities  | Financial conditions; reputation  | <ol style="list-style-type: none"> <li>1. Implementation of policies and strategies related to assets and liabilities by the Finance and Treasury Department</li> <li>2. Data collection and analysis of key indicators</li> <li>3. Management of liquidity, gap, and pricing</li> </ol>  | Low – Mid   |
| Management Risk             | Failure to maintain the best composition, competency, and integrity of the management board   | All business and operational aspects  | Establishment of management structure consisting of professionals from relevant fields in financing industry  | Low         |
| Governance Risk             | Failure in implementation of governance principles; improper management style; fraud and disrespectful behavior                               | All business and operational aspects  | <ol style="list-style-type: none"> <li>1. Information transparency</li> <li>2. Accountability of the performance of each relevant party</li> <li>3. Responsibility of each employee in accordance with their functions and positions</li> <li>4. Independence between employees</li> <li>5. Equality and fairness in upholding the interest of shareholders and all stakeholders</li> </ol>   | Low         |
| Funding Risk                | Insufficient funds or capital; lack of access to additional funds or capital; limitation of funding sources                                   | Operational activity of new funding distribution  | <ol style="list-style-type: none"> <li>1. Management by Risk Management Committee, BOD, and Finance and Treasury Department</li> <li>2. Liquidity gap analysis</li> <li>3. Funding source diversification</li> <li>4. Wise management of internal cash flow</li> <li>5. Management of foreign currency exposure</li> <li>6. Management of interest rate exposure through proper funding proportion</li> </ol>   | Low         |

## RISK MANAGEMENT

**TABLE 134 Risk Matrix 2018**

| Risk Type                    | Source  | Potential Impact                 | Mitigation  | Risk Rating |
|------------------------------|---|----------------------------------|---|-------------|
| Financing Risk (Credit Risk) | Failure of debtors to fulfill their obligations to the Company; changes in external factors | Financial conditions; reputation | <ol style="list-style-type: none"> <li>1. Establishment of policies and procedures for the determination of target markets, credit approvals, interest rate, rate limits, and exposures</li> <li>2. Billing management</li> <li>3. Implementation of MIS to measure portfolio performance</li> <li>4. Quick and accurate problem detection and problem solving</li> <li>5. Stress test and early detection system</li> <li>6. Portfolio diversification policies and customer base</li> <li>7. Loan loss provisions in accordance with SFAS 55</li> </ol> | Low         |

**GRAPH 26 Map of Financing Diversification based on Managed Receivables**





## EVALUATION ON THE EFFECTIVENESS OF RISK MANAGEMENT SYSTEM 2018

Overall, the risk profile of the Company in 2018 was categorized as Low Risk, based on the self-assessment conducted in accordance with POJK 10/2016.

The Company has established an adequate risk management structure, which is reflected by the existence of the Risk Management Directorate, who is responsible for the analysis of risk portfolios, maintain asset quality up to recovery; the existence of independent Internal Audit function, who supervises and evaluates the operational processes of the Company; and the existence of the Risk Management Committee and Audit Committee, who independently carry out periodical and sustainable supervision of the Company. Therefore, it can be concluded that the risk management system of BFI Finance was conducted effectively in 2018.

## 2019 RISK MANAGEMENT FOCUS & DEVELOPMENT PLAN

For 2019, BFI Finance will strengthen the performance of its risk management system by implementing the following plans:

- Continuously evaluating the performance appraisal system and improve billing quality by developing more effective and efficient infrastructure and strategies;
- Continuously improving the scoring model to estimate funding risk level by utilizing the Company's internal and external data;
- In accordance with OJK directives, participating in the implementation of Financial Information Service System (SLIK); and
- Implementing loss provision in accordance with SFAS 71, and continuously monitor capital adequacy of the Company.

# INTERNAL CONTROL SYSTEM

The Internal Control System at BFI Finance is a 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 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 activities.

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 that the Company uses 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 environment which generally 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 of authorities, 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 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 organizational 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 precautionary principles;
- BOD: implements policies and work procedures pursuant to prevailing regulations, among others, with 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
- 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 2018. The Internal Audit Department used the evaluation criteria set by the Audit Committee.

The evaluation on the internal control system included internal and external audit recommendations, which will be used as input for management in taking measures to improve or refine 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 2018, the Company's internal control system for financial reporting has been performed effectively.

## 2018 LEGAL CASES

Throughout 2018, the Company faced or was involved in the following litigations:

| No. | Case No.   | Legal Subject   | Status   |
|-----|--|---|--|
| 1   | Case No. 415/Pdt/2012/PT.Sby at the High Court of Surabaya,<br>• 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.   |
| 2   | Case No. 304/Pdt.G/2012/PN.Jkt.Pst at the District Court of Central Jakarta.   | PT BFI Finance Indonesia Tbk as Plaintiff, against:<br>• Fransiskus Borgias as Defendant I,<br>• Novy Sumadi as Defendant II. | Fransiskus Borgias and Novy Sumadi filed an Appeal to the High Court of DKI Jakarta via the District Court of Central Jakarta.   |
| 3   | Case No. 509/Pdt.G/2009/PN.Jkt.Pst at the District Court of Central Jakarta.   | PT BFI Finance Indonesia Tbk as Plaintiff, against:<br>• Ahesa Panji Buana as Defendant,<br>• Lalu Eka as Co-Defendant.       | Lalu Eka filed an Appeal to the High Court of DKI Jakarta via the District Court of Central Jakarta.   |
| 4   | Case No. 205/Pdt.G/2012/PN.Jkt.Pst at the District Court of Central Jakarta.   | PT BFI Finance Indonesia Tbk as Plaintiff against:<br>• Hermanto as Defendant I,<br>• 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. |
| 5   | 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.   |
| 6   | 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.   |

| No. | Case No.   | Legal Subject  | Status  |
|-----|--|--|---|
| 7   | 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. |
| 8   | 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.    |
| 9   | 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.    |
| 10  | 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.    |
| 11  | 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 Complainee.              | Currently being investigated by the Consumer Dispute Resolution Board of the District Government of Batu Bara.    |
| 12  | 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.    |
| 13  | 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.    |

## 2018 LEGAL CASES

| No. | Case No.   | Legal Subject  | Status   |
|-----|--|--|--|
| 14  | 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. |
| 15  | 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. |
| 16  | 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. |
| 17  | 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. |
| 18  | 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. |
| 19  | 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.  | Currently the Curator is administering the assets related to the bankruptcy.                                   |
| 20  | 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. |
| 21  | 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.                                   |
| 22  | <ul style="list-style-type: none"> <li>Case No. 25/PDT/2018/PT.PBR at the High Court of Pekanbaru,</li> <li>Case No. 18/PDT.G/2017/PN.PBR at the District Court of Pekanbaru.</li> </ul> | Ivan Dhori Suranta Meliala as Plaintiff/Petitioner against PT BFI Finance Indonesia Tbk as Defendant/Petitionee. | Ivan Dhori Suranta Meliala filed an Appeal to the High Court of Pekanbaru via the District Court of Pekanbaru. |

| No. | Case No.  | Legal Subject  | Status   |
|-----|---|--|--|
| 23  | <ul style="list-style-type: none"> <li>Case No. 2786 K/PDT/2018 in the Cassation stage at the Indonesian Supreme Court,</li> <li>Case No. 26/PDT.G/2018/PT.BDG at the High Court of Bandung,</li> <li>Case No. 101/PDT.G/2017/PN.BDG at the District Court of Bandung.</li> </ul> | Iwan Suhendar as Plaintiff/Petitioner/Cassation Appellant against PT BFI Finance Indonesia Tbk as Defendant/Petitionee/Cassation Appellee.   | According to the Secretary of the Indonesian Supreme Court's website, application for Review filed by Iwan Suhendar was rejected by the Indonesian Supreme Court.  |
| 24  | <ul style="list-style-type: none"> <li>Case No. 14/PDT/2017/PT.GTO at the High Court of Gorontalo,</li> <li>Case No. 8/PDT.G/2017/PN.GTO at the District Court of Gorontalo.</li> </ul>   | Abdul Manan Yusuf as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant.  | The High Court of Gorontalo rejected the Appeal of Abdul Manan Yusuf. The case is currently in the process of announcing the content of the Verdict by the District Court of Gorontalo.  |
| 25  | 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.  |
| 26  | 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.   |
| 27  | 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.   |
| 28  | Case No. 336/PDT.G/2017/PN.MDI at the District Court of Manado.   | Novie Alexander Tumbol as Plaintiff against: <ul style="list-style-type: none"> <li>PT BFI Finance Indonesia Tbk as Defendant I,</li> <li>Indonesian Police Force cq Local Police Force of Gorontalo.</li> </ul> | The District Court of Manado accepted the response submitted by PT BFI Finance Indonesia Tbk. Currently Novie Alexander Tumbol is filing an Appeal to the High Court of Manado.  |
| 29  | <ul style="list-style-type: none"> <li>Case No. 223/PDT/2018/PT.SMG at the High Court of Semarang,</li> <li>Case No. 416/PDT.G/2017/PN.SMR at the District Court of Semarang.</li> </ul>  | Sya'roni as Cassation Appellee/Petitioner/Plaintiff against PT BFI Finance Indonesia Tbk as Cassation Appellant/Petitionee/Defendant.  | The High Court of Semarang annulled the verdict of the District Court of Semarang that had granted the response pertinent to the relative competence of PT BFI Finance Indonesia Tbk. Currently PT BFI Finance Indonesia Tbk is filing a Cassation appeal to the Indonesian Supreme Court. |

**2018  
LEGAL CASES**

| No. | Case No.  | Legal Subject  | Status  |
|-----|---|--|---|
| 30  | Case No. 76/PDT.G/2017/<br>PN.Sgn at the District Court of<br>Sragen.   | Isman as Petitioner/Plaintiff against<br>PT BFI Finance Indonesia Tbk as<br>Petitionee/Defendant.  | The District Court of Sragen<br>accepted the response pertinent to<br>the relative competence of PT BFI<br>Finance Indonesia Tbk. Currently<br>Isman is filing an Appeal to the High<br>Court of Semarang.  |
| 31  | Case No. 216/PDT.G/2017/<br>PN.Sda at the District Court of<br>Sidoarjo.  | Hudan Mustaqin as Petitioner/<br>Plaintiff against PT BFI Finance<br>Indonesia Tbk as Petitionee/<br>Defendant.  | The District Court of Sidoarjo<br>ruled that the Case filed by Hudan<br>Mustaqin was unacceptable.<br>Currently Hudan Mustaqin is filing<br>an Appeal to the High Court of<br>Surabaya.   |
| 32  | Case No. 186/PDT.G/2018/<br>PN.YKK at the High Court of<br>Yogyakarta.  | Aris Nugroho as Plaintiff against:<br><ul style="list-style-type: none"> <li>• PT BFI Finance Indonesia Tbk as<br/>Defendant.</li> <li>• PT Bintang Cakra Kencana at<br/>Co-Defendant.</li> </ul>  | Currently under investigation by the<br>High Court of Yogyakarta.   |
| 33  | <ul style="list-style-type: none"> <li>• Case No. 226/PDT/2018/<br/>PT.SMG at the High Court of<br/>Semarang,</li> <li>• Case No. 27/PDT.G/2017/<br/>PN.Rbg at the District Court<br/>of Rembang.</li> </ul>  | Kusnadi bin Sukandar (deceased)<br>as Cassation Appellant I/Petitioner<br>I/Plaintiff I and Siti Muntafi'ah binti<br>Sumardi as Cassation Appellant II/<br>Petitioner II/Defendant II against<br>PT BFI Finance Indonesia Tbk as<br>Cassation Appellee/Petitionee/<br>Defendant. | The High Court of Semarang<br>confirmed the verdict of the District<br>Court of Rembang that in essence<br>rejected the Case filed by Kusnadi<br>bin Sukandar (deceased) and Siti<br>Muntafi'ah binti Sumardi. Currently<br>Kusnadi bin Sukandar (deceased)<br>and Siti Muntafi'ah binti Sumardi<br>are filing a Cassation appeal to the<br>Indonesian Supreme Court. |
| 34  | Case No. 217/PDT.G/2018/<br>PN.PLG at the District Court of<br>Palembang.   | S. Marlina as Plaintiff against:<br><ul style="list-style-type: none"> <li>• AIA Financial as Defendant I,</li> <li>• PT BFI Finance Indonesia Tbk as<br/>Co-Defendant I,</li> <li>• RSUP DR Mohamad Hoesin<br/>Palembang as Co-Defendant II.</li> </ul>                         | Currently under investigation by the<br>District Court of Palembang.  |
| 35  | <ul style="list-style-type: none"> <li>• Case No. 371/PDT/2018/<br/>PT.MKS at the High Court of<br/>Makassar,</li> <li>• Case No. 1/PDT.G/2018/<br/>PN.Mks at the District Court<br/>of Makassar.</li> </ul>  | Ir. Leonard Tjioemena as<br>Petitioner/Plaintiff against<br>PT BFI Finance Indonesia Tbk as<br>Petitionee/Defendant.   | The District Court of Makassar<br>rejected the Case filed by Ir. Leonard<br>Tjioemena. Currently Ir. Leonard<br>Tjioemena is filing an Appeal to the<br>High Court of Makassar.   |
| 36  | <ul style="list-style-type: none"> <li>• Case No. 126/PDT/2018/<br/>PT BTN at the High Court of<br/>Banten,</li> <li>• Case No. 66/PDT.G/2017/<br/>PN. Tng at the District Court<br/>of Tangerang.</li> </ul> | Mamun as Petitioner/Plaintiff<br>against PT BFI Finance Indonesia<br>Tbk as Petitionee/Defendant.  | The High Court of Banten confirmed<br>the verdict of the District Court<br>of Tangerang which in essence<br>rejected the Case filed by Mamun.<br>The case is currently in the process<br>of announcing the content of the<br>Verdict by the District Court of<br>Tangerang to Mamun.  |



| No. | Case No.   | Legal Subject   | Status   |
|-----|--|---|--|
| 37  | <ul style="list-style-type: none"> <li>Case No. 14/PDT/2018/PT.GTO at the High Court of Gorontalo,</li> <li>Case No. 22/PDT.G/2018/PN.Gto at the District Court of Gorontalo.</li> </ul> | Amin Ibrahim as Petitioner/Plaintiff against PT BFI Finance Indonesia Tbk as Petitionee/Defendant.  | The High Court of Gorontalo confirmed the verdict of the District Court of Gorontalo which in essence Amin Ibrahim the Case filed by Mamun. The case is currently in the process of announcing the content of the Verdict by the District Court of Gorontalo to Amin Ibrahim.  |
| 38  | <ul style="list-style-type: none"> <li>Case No. 115/PDT/2018/PTSBR at the High Court of Samarinda,</li> <li>Case No. 08/PDT.G/2018/PN.Bon at the District Court of Bontang.</li> </ul>   | Abdul Rahman as Cassation Appellant/Petitioner/Plaintiff against: <ul style="list-style-type: none"> <li>Kadapi Saputra as Cassation Appellee I/Petitionee I/Defendant I.</li> <li>PT BFI Finance Indonesia Tbk as Cassation Appellee II/Petitionee II/Defendant II.</li> <li>Notary Silvia Eny Kristian, SH as Cassation Appellee III/Petitionee III/Defendant III.</li> </ul> | Based on the information on the District Court of Bontang's SIPP, Abdul Rahman filed for Cassation appeal to the Indonesian Supreme Court regarding the verdict of the High Court of Samarinda that confirmed the verdict of the District Court of Bontang that rejected the Case filed by Abdul Rahman in its entirety. |
| 39  | Case No. 18/PDT.G/2018/PN.GTO at the District Court of Gorontalo.  | Yosep Mokolengsang as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant.  | The District Court of Gorontalo rejected the Case filed by Yosep Mokolengsang. The case is currently in the process of announcing the content of the Verdict by the District Court of Gorontalo to Yosep Mokolengsang.   |
| 40  | Case No. 61/PDT.SUS-PKPU/2016/PN.Niaga.JKT. PST at the Commercial Court of the District Court of Central Jakarta.  | PT Gatramas Internusa as Appellee for Bankruptcy.   | Currently the Curator is administering the assets related to the bankruptcy.   |
| 41  | Complaint filed to the Consumer Dispute Resolution Board of the District Government of Banyuwangi.   | Sumiyati as Complainant against PT BFI Finance Indonesia Tbk as Complainee.   | Currently being investigated by the Consumer Dispute Resolution Board of the District Government of Banyuwangi.  |
| 42  | Case No. 28/PDT.G/2018/PN.Jpa at the District Court of Jepara.   | Ninda Rosyada as Plaintiff I and Siti Rohmah as Plaintiff II against: <ul style="list-style-type: none"> <li>Detty Afriyanti as Defendant I,</li> <li>PT BFI Finance Indonesia Tbk as Defendant II.</li> </ul>  | The District Court of Jepara accepted the response of PT BFI Finance Indonesia Tbk by ruling that the Case filed by Ninda Rosyada and Siti Rohmah was vague. Currently Ninda Rosyada and Siti Rohmah are filing an Appeal to the High Court of Semarang.   |
| 43  | Case No. 174/PDT.G/2018/PN.BDG at the District Court of Bandung.   | Rangga Gumilar as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant.  | The District Court of Bandung rejected the Case filed by Rangga Gumilar in its entirety and granted the Case for Reconviction filed by PT BFI Finance Indonesia Tbk. Currently the verdict is not considered final as there is still time for Rangga Gumilar to file an Appeal.  |

**2018  
LEGAL CASES**

| No. | Case No.   | Legal Subject   | Status  |
|-----|--|---|---|
| 44  | Case No. 87/PDT.G/2018/PN.Plg at the District Court of Palembang.                                      | Emmy Natalia as Petitioner/Plaintiff against PT BFI Finance Indonesia Tbk as Petitionee/Defendant.  | The District Court of Palembang accepted the response pertinent to relative competence filed by PT BFI Finance Indonesia Tbk. Currently Emmy Natalia is filing an Appeal to the High Court of Palembang.                                  |
| 45  | Case No. 6/PDT.SUS-Pailit/2018/PN.Niaga.Sby at the Commercial Court of the District Court of Surabaya. | Jusak Wangsadjaja as Appellee for Bankruptcy.   | Currently the Curator is administering the assets related to the bankruptcy.  |
| 46  | Case No. 35/PDT.G/2018/PN.Jmb at the District Court of Jambi.  | Wiwud Gunarso as Petitioner/Plaintiff against PT BFI Finance Indonesia Tbk as Petitionee/Defendant.   | The District Court of Jambi rejected the Case filed by Wiwud Gunarso in its entirety and granted the Case for Reconvension filed by PT BFI Finance Indonesia Tbk. Currently Wiwud Gunarso is filing an Appeal to the High Court of Jambi. |
| 47  | Case No. 52/PDT.G/2018/PN.Pso at the District Court of Poso.   | Charles Lamboutoh as Petitioner I/Plaintiff I and Pulmin Galaento as Petitioner II/Plaintiff II against PT BFI Finance Indonesia Tbk as Petitionee/Defendant.   | The District Court of Poso rejected the Case filed by Charles Lamboutoh and Pulmin Galaento in its entirety. Currently Charles Lamboutoh and Pulmin Galaento are filing an Appeal to the High Court of Palu.                              |
| 48  | Case No. 131/PDT.G/2018/PN.MKS at the District Court of Makassar.                                      | Herlinda Mahmuyddin as Plaintiff against: <ul style="list-style-type: none"> <li>• Nur Darmiati as Defendant I,</li> <li>• PT BFI Finance Indonesia Tbk as Defendant II,</li> <li>• Anggrainy as Defendant III,</li> <li>• H Mubarak Pataba as Defendant IV.</li> </ul> | Currently under investigation by the District Court of Makassar.  |
| 49  | Case No. 158/PDT.G/2018/PN.Sda at the District Court of Sidoarjo.                                      | Nirma Ayu Purnatama as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant and OJK as Co-Defendant.   | Currently under investigation by the District Court of Sidoarjo.  |
| 50  | Case No. 577/PDT.PLW/2018/PN.TNG at the District Court of Tangerang.                                   | Anton Sujono as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant.  | Currently under investigation by the District Court of Tangerang.   |
| 51  | Case No. 172/PDT.G/2018/PN.PBR at the District Court of Pekanbaru.                                     | Wato Yuwono Ramli Matali as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant.  | The District Court of Pekanbaru accepted the Case filed by Wato Yuwono Ramli Matali partially. Currently PT BFI Finance Indonesia Tbk is filing an Appeal to the High Court of Pekanbaru.   |

| No. | Case No.  | Legal Subject  | Status  |
|-----|---|--|---|
| 52  | Case No. 168/PDT.G/2018/PN.PLB at the District Court of Palembang.                                    | Eli Darniawati as Plaintiff against Indramaya as Defendant and PT BFI Finance Indonesia Tbk as Co-Defendant.   | Currently under investigation by the District Court of Palembang.   |
| 53  | Case No. 35/PDT.G/2018/PN.LMG at the District Court of Lamongan.                                      | Sudarto as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant I and Iman Junaidi as Defendant II.   | Currently under investigation by the District Court of Lamongan.  |
| 54  | Case No. 691/PDT.G/2018/PN.TGR at the District Court of Tangerang.                                    | Tien Krisen as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant I and PT Smart Multi Finance as Defendant II.   | Currently under investigation by the District Court of Tangerang.   |
| 55  | Case No. 799/PDT.G/2018/PN.TGR at the District Court of Tangerang.                                    | Salehuddin Ahmad as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant.   | Currently under investigation by the District Court of Tangerang.   |
| 56  | Case No. 890/PDT.G/PN.SBY at the District Court of Surabaya.  | Nur Rachaman as Plaintiff against Ade Abrianto as Defendant I, PT BFI Finance Indonesia Tbk as Defendant II, Giarta Sudira as Co-Defendant I and Martio as Co-Defendant II.            | Currently under investigation by the District Court of Surabaya.  |
| 57  | Case No. 111/PDT.G/PN.BGR at the District Court of Bogor.   | Auda Thariq as Plaintiff I and Muhammad Heikal as Plaintiff II against Hendra Winata as Defendant I, Josse Saputra as Defendant II, and PT BFI Finance Indonesia Tbk as Defendant III. | Currently under investigation by the District Court of Bogor.   |
| 58  | Case No. 68/PDT.G/2018/PN.GTO at the District Court of Gorontalo.                                     | Julian as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant.   | Currently under investigation by the District Court of Gorontalo.   |
| 59  | Case No. 234/PDT.G/2018/PN.PLB at the District Court of Palembang.                                    | Wendy Romansyah as Plaintiff against PT BFI Finance Indonesia Tbk as Defendant.  | Currently under investigation by the District Court of Palembang.   |
| 60  | Complaint filed to the Consumer Dispute Resolution Board of the District Government of Lubuk Linggau. | Gema Fernando as Complainant against PT BFI Finance Indonesia Tbk as Complainee.   | Currently being investigated by the Consumer Dispute Resolution Board of the Government of Lubuk Linggau. |
| 61  | Complaint filed to the Consumer Dispute Resolution Board of the District Government of Sarolangun.    | Sayuti as Complainant against PT BFI Finance Indonesia Tbk as Complainee.  | Currently being investigated by the Consumer Dispute Resolution Board of the Government of Sarolangun.    |
| 62  | Complaint filed to the Consumer Dispute Resolution Board of the District Government of Cirebon.       | Eny Mutia as Complainant against PT BFI Finance Indonesia Tbk as Complainee.   | Currently being investigated by the Consumer Dispute Resolution Board of the Government of Cirebon.       |

**2018  
LEGAL CASES**

| No. | Case No.   | Legal Subject   | Status   |
|-----|--|---|--|
| 63  | Complaint filed to the Consumer Dispute Resolution Board of the District Government of Kuningan. | Yadi as Complainant against PT BFI Finance Indonesia Tbk as Complainee.   | Currently being investigated by the Consumer Dispute Resolution Board of the Government of Kuningan.   |
| 64  | Case No. 27/PDT.G/2018/PN.Bkt at the District Court of Bukittinggi.                              | Ardinal as Complainant against PT BFI Finance Indonesia Tbk as Complainee.  | Currently under investigation by the District Court of Bukittinggi.  |
| 65  | Case No.120/G/2018/PTUN-JKT at the Jakarta State Administrative Court (PTUN Jakarta).            | PT Aryaputra Teguharta (APT) as Plaintiff against: <ul style="list-style-type: none"> <li>Minister of Law and Human Rights of the Republic of Indonesia (Kemenkumham RI) as Defendant;</li> <li>PT BFI Finance Indonesia Tbk (BFI Finance) of which submitted itself as Defendant II Intervention.</li> </ul> | <ol style="list-style-type: none"> <li>PTUN Jakarta granted BFI Finance's request as Defendant II Intervention through the Interlocutory Decision on 28 June 2018;</li> <li>PTUN Jakarta granted the Application for Delay of Implementation (<i>Schorsing</i>) that APT has applied for on the State Administrative Dispute Object through Stipulation No. 120/G/2018/PTUN-JKT on 19 July 2018;</li> <li>PTUN Jakarta also granted the APT Lawsuit against Kemenkumham RI through the Decision No. 120/G/2018/PTUN-JKT on 12 November 2018 (the PTUN Jakarta Decision);</li> <li>BFI Finance filed an Appeal on the <i>Schorsing</i> Stipulation from PTUN Jakarta to the Jakarta State Administrative High Court (PTTUN Jakarta) on 20 July 2018;</li> <li>BFI Finance filed an Appeal on the PTUN Jakarta Decision to PTTUN Jakarta on 12 November 2018, and Kemenkumham RI filed an Appeal on the same decision to PTTUN Jakarta on 21 November 2018.</li> </ol> |

| No. | Case No.   | Legal Subject  | Status  |
|-----|--|--|---|
| 66  | Case No. 521/Pdt.G/2018/PN.Jkt.Pst at the District Court of Central Jakarta. | APT as Plaintiff against BFI Finance and the BOD of BFI Finance who served at the time (Francis Lay Sioe Ho, Yan Peter Wangkar, and Cornelius Henry Kho) as the Defendants, with demands including payment of money forced ( <i>dwangsom</i> ) due to the unreturned or handed over APT shares calculated up to the date of the Lawsuit on 19 September 2018 in the amount of Rp80,360,000,000.  | Currently under investigation by the District Court of Central Jakarta. |
| 67  | Case No. 527/Pdt.G/2018/PN.Jkt.Pst at the District Court of Central Jakarta. | <p>APT as Plaintiff against:</p> <ul style="list-style-type: none"> <li>• BFI Finance and the BOD of BFI Finance who currently serves (Francis Lay Sioe Ho, Sudjono, Sutadi, Sigit Hendra Gunawan, and Andrew Adiwijanto), the BOD of BFI Finance who served at the time (Cornelius Henry Kho and Yan Peter Wangkar), Harry Jesus Rodriguez Palmer (former Commissioner of BFI Finance), the Notaries of BFI Finance (Aulia Taufani, S.H., Fathiah Helmi, S.H., and Herna Gunawan, S.H.), all as the Defendants;</li> <li>• Otoritas Jasa Keuangan (OJK), PT Bursa Efek Indonesia (IDX), PT Sirca Datapro Perdana, all three as the Co-Defendants;</li> </ul> <p>with demands including payment of dividends for the financial years of 2002-2017 of Rp644,814,929,646, interest of Rp133,930,161,542, immaterial compensation for not paying dividends of Rp500,000,000,000, and interest payments of 6% per annum from the moment the Decision is legally enforceable until the payment is made.</p> | Currently under investigation by the District Court of Central Jakarta. |

| No. | Case No.   | Legal Subject   | Status  |
|-----|--|---|---|
| 68  | Case No. 545/Pdt.G/2018/PN.Jkt.Pst at the District Court of Central Jakarta. | <p>APT as Plaintiff against:</p> <ul style="list-style-type: none"> <li>BFI Finance, Garibaldi Thohir (Boy Thohir), Trinugraha Capital &amp; Co SCA, TPG Capital, Northstar Group Pte. Ltd., Compass Banca SPA, Mediobanca SPA, OJK, BEI (all as the Defendants);</li> <li>PT Kliring Penjaminan Efek Indonesia, PT KSEI, PT Sirca Datapro Perdana (all three as the Co-Defendants);</li> </ul> <p>with demands including the return and delivery of 32.32% of BFI Finance's shares to APT, and the cancellation of shares trading transactions made by Trinugraha Capital &amp; Co SCA with Compass Banca SPA and other third parties.</p> | Currently under investigation by the District Court of Central Jakarta. |

The abovementioned cases and claims currently faced by the Company and presiding members of the BOC and BOD, given the substance of their claims, do not have any negative effects that are significant or material to the business continuity of the Company.

### ADMINISTRATIVE SANCTIONS

Throughout 2018, the Company received first warning letters regarding the Company's delayed submission in reporting to OJK as well as OJK audit result. All of the first warning letters issued have been followed up and resolved accordingly. The details are as follows:

1. First written warning related to Multifinance Companies' obligation to submit Monthly Reports.
2. First warning related to the Report of the Result of Final Direct Audit of POJK No. 12/POJK.01/2017 on Implementation of Anti-Money Laundering and Counter-Terrorism Financing Program in Financial Services Sector article 9 letter b, article 13 paragraph (4), article 18 paragraph (2), article 31 paragraph (2), article 41 paragraph (4) letter d, and article 66.
3. First warning related to the Report of the Result of Final Direct Audit of POJK No. 29/POJK.05/2014 article 22.

There are no outstanding issues that need to be followed up further.

## ACCESS TO INFORMATION AND COMMUNICATION

### ACCESS TO COMPANY INFORMATION AND DATA

It is in the interest of the Company to ensure the presence of a clear and effective mechanism for the dissemination of information to all stakeholders, as part of the transparency or information disclosure principle's 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.

The Company disseminates information to various stakeholders with the following objectives: to spread knowledge and understanding, as well as to create and foster the stakeholders' positive perception of the Company's policies and activities.

Access to Company's information and data is available to all stakeholders and investors through [www.bfi.co.id](http://www.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 (one-stop solution)
2. Customer Care Email: [customercare@bfi.co.id](mailto:customercare@bfi.co.id)
3. Customer Care SMS: 08158 767 234
4. Social media, i.e. Facebook, Twitter, Instagram, YouTube, and LinkedIn:
  - Facebook: BFI Finance
  - Twitter: @BFIFinance
  - Instagram: bfinance
  - LinkedIn: PT BFI Finance Indonesia Tbk
  - YouTube: BFI Finance Official

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. Unit Corporate Communication (CorComm)

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

Phone: (62-21) 2965 0300, 2965 0500  
Fax: (62-21) 2966 0757, 2966 0758  
Email: [corporate.communication@bfi.co.id](mailto:corporate.communication@bfi.co.id)  
Website: [www.bfi.co.id](http://www.bfi.co.id)

## **CORPORATE COMMUNICATION**

The function to 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, is shouldered by the Corporate Communication.

Corporate Communication is under the Corporate Communication & Corporate Social Responsibility (CorComm & CSR) Department, and its duties include to manage all communication activities and all internal and external communications of the Company, maintain stakeholders satisfaction, including that of the shareholders and the Government, through the provision of information and data related to the Company. The Company's communication with all stakeholders is performed along three means, namely:

- External Communication (Public);
- Internal Communication; and
- Corporate Branding.

### **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;
7. To support all activities or events, both internally and externally;
8. To cooperate with communities or community development organizations to conduct economic activities that are aligned with the Company's vision and mission; and
9. To cooperate comprehensively with the regulators, to foster a mutually-beneficial work relationship that serve the interests of both sides.



In its daily activities, the Company harnesses the following external communication channels:

- Communication through the Company's Website



The Company website, [www.bfi.co.id](http://www.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.

## ACCESS TO INFORMATION AND COMMUNICATION

- 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; and
3. Customer Care Email: [customer care@bfi.co.id](mailto:customer care@bfi.co.id).

## 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.

The Company employs a one-stop communication system for its internal and external communications alike. All general information of the Company is managed by the CorComm 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, which is a specialized electronic information center for employees. SIC contains the latest information regarding business activities, fellow employees' activities, and serves as a venue for sharing information among employees, accessing general information and healthy lifestyle 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.

## Corporate Branding

Corporate branding works by coordinating 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 2018 include:

- Monitoring the standards of various attributes related to the corporate identity;
- Disseminating the Company's tagline #SelaluAdaJalan to promote the Company's vision and mission as a multifinance company that is prepared to assist community's needs and support their self-reliance programs through micro, small, medium and even large scale enterprises;

## ACCESS TO INFORMATION AND COMMUNICATION

- 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;
- 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;
- Organizing community empowerment activities, such as digital business training via social media involving 150 micro, small, and medium businesses in Malang, East Java;



- Conducting BFI RUN 2018, an annual agenda as the culmination of the Company's anniversary celebration; and



- Preparing print products as the Company's souvenir (gift) as a means to raise public awareness of the Company's existence.

## Corporate Gimmick



The Company disseminates corporate branding through promotional materials such as souvenirs and other printed products.

While for the 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 are managed by Marketing Communication Unit (MarComm), which includes strategic communication and event activation functions, and Digital Marketing Unit. 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 152).

## CORRESPONDENCE WITH OJK AND IDX

Throughout 2018, the Company made 40 correspondences with OJK and 50 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 Unit 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 Integrated Annual Report;
- To manage the reports' publication process online, on the Company's website, [www.bfi.co.id](http://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.

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.

## **Koon Pek, Ng**

**Citizenship: Malaysian**

**Age: 41**

**Domicile: Jakarta, DKI Jakarta**



### **INVESTOR RELATIONS ACTIVITIES IN 2018**

The Investor Relations work programs in 2018 are as follows:

**TABLE 135 Investor Relations Activities In 2018**

| <b>Activity</b> | <b>Total Activities</b> |
|-----------------|-------------------------|
| Analyst Meeting | 2 times                 |
| Conference      | 3 times                 |
| Investor Visit  | 68 times                |

## COMPLIANCE

The compliance function in the Company aims to monitor policies, regulations, systems, procedures, and activities of the Company, as well as to ensure compliance with applicable regulations. Through planned and integrated programs, the Company is committed to fostering 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 at the BOD meetings the compliance of every head of the Company's divisions, departments, and units with the prevailing regulations is monitored regularly. The Compliance Unit is under the direct supervision of the President Director and the Corporate Secretary.

As part of the management of compliance risk, in 2018 the Company participated in compliance training programs held by external institutions, in relation to the dissemination of new regulations and updates on existing regulations, and also assessed and disseminated new rules and regulations within the Company's internal environment.

## CODE OF CONDUCT AND CORPORATE CULTURE

### CODE OF CONDUCT

BFI Finance has established and is implementing a Code of Conduct, i.e. a set of policies related to business ethics and ethical conduct for its employees that govern all business activities, to ensure their alignment 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;
- Responsibility, 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.

## **Code of Conduct Contents**

The Company's Code of Conduct consists of business ethics and ethical conduct.

The business ethics part 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 consistent growth, 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 continuously developing them. BFI Finance shall recruit, employ, train, and promote employees based on their qualifications and capabilities. 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 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:

1. 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;
2. The Company's Code of Conduct shall be disseminated to and understood by all employees; and
3. The management shall set an example to their subordinates on the implementation of the Company's Code of Conduct

Code of Conduct dissemination measures in 2018 were 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 the Code of Conduct through e-mail blast and updated the Company Policy in 2018.

BFI Finance's management maintains an Integrity Pact containing the Company's commitment to implementing GCG principles. The BOC, BOD, and all employees are committed to continuously applying 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

## ANTI-CORRUPTION POLICY

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 Company's sustainable growth.

### 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 related violations. 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:

- Grow and Improve Continuously
- Respect and Care
- Excellent Service
- Absolute Integrity
- Trust 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 50).

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 on the Amendment to Law No.31/1999 on Corruption Eradication.

BFI Finance submits reports on non-performing financing customers to the Indonesian Financial Transaction Reports and Analysis Center (PPATK) on a regular basis.

The Company's anti-corruption policy also deals with the requirement of transparency in the goods and services procurement system, and in the giving and accepting of gifts involving the Company.

## 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; and
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 also employs other methods, such as auction, direct appointment, and direct purchase.

The above policy and system help to 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

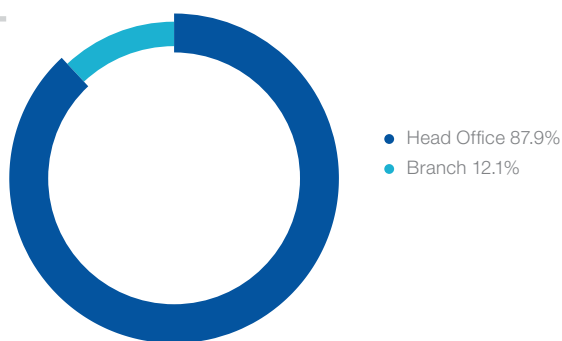
To reduce the risk of damage or loss of fixed assets, the Company has its fixed assets insured by an insurance company. The Company has insured its fixed assets, both movable and immovable assets, with the following coverage:

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 136 Total Expenditure for Assets Purchases in 2018 based on Purchasing Location**

| Location      | Procurement Value (Rp) | Percentage | Number of Contracts | Percentage |
|---------------|------------------------|------------|---------------------|------------|
| Head Office   | 157,912,943,804        | 87.9%      | 3,099               | 55.0%      |
| Branch Office | 21,835,964,079         | 12.1%      | 2,531               | 45.0%      |

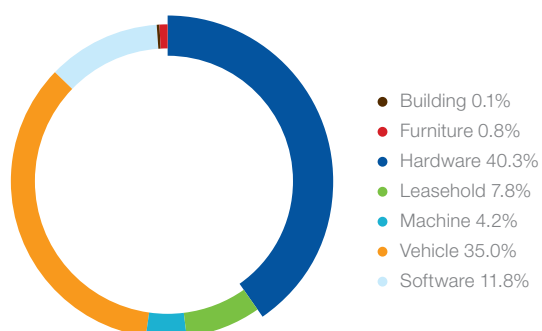
**GRAPH 27 Purchases of Assets in 2018 based on Purchase Location**



**TABLE 137 Purchases based on Type of Asset in 2018**

| Asset Type | Procurement Value (Rp) | Percentage | Number of Contracts | Percentage |
|------------|------------------------|------------|---------------------|------------|
| Building   | 115,563,500.00         | 0.1%       | 8                   | 0.1%       |
| Furniture  | 1,370,033,027.30       | 0.8%       | 528                 | 9.4%       |
| Hardware   | 72,433,408,593.21      | 40.3%      | 2,261               | 40.2%      |
| Leasehold  | 14,087,713,302.57      | 7.8%       | 643                 | 11.4%      |
| Machines   | 7,494,237,974.50       | 4.2%       | 1,570               | 27.9%      |
| Vehicles   | 63,052,504,375.56      | 35.0%      | 509                 | 9.0%       |
| Software   | 21,195,447,109.81      | 11.8%      | 111                 | 2.0%       |

GRAPH 28 Purchases based on Type of Asset in 2018



### 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, and souvenirs 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 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 from 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 on 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 (email) to  
fraud\_investigator@bfi.co.id;
2. Short Message Service (SMS) to 082258888911;
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 and Victim 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 have their confidentiality and security guaranteed by the Company. In addition, the whistleblower's right to obtain information on the follow-up of their report is also guaranteed.

In 2018, the Company received 39 complaints and violation reports, the details of which can be seen in Table 138 and their follow-up processes explained in Graph 29.

## WHISTLEBLOWING SYSTEM

**TABLE 138** Number of Reports in 2018 and the Handling Thereof

| Type of Report/Complaint | In Progress | Solved    | Total     |
|--------------------------|-------------|-----------|-----------|
| Alleged fraud            | 0           | 13        | 13        |
| Others                   | 0           | 26        | 26        |
| <b>Total</b>             | <b>0</b>    | <b>39</b> | <b>39</b> |

**GRAPH 29** 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 2018 have been resolved, and proper sanctions have been imposed on the perpetrators.

## CORPORATE ACTION

The Company carried out corporate actions in 2018, i.e. the Public Offering or Issuance of *Obligasi Berkelanjutan III Tahap IV* amounting to Rp2,165,000,000,000 in March 2018, and the Public Offering or Issuance of *Obligasi Berkelanjutan IV Tahap I* amounting to Rp740,000,000,000 in June 2018.

In addition, the Company distributed cash dividends amounting to Rp39 per share, or equivalent to Rp583,611,000,000. A total of Rp344,181,000,000 was distributed on 18 December 2017, and the remainder, amounting to Rp239,430,000,000 was distributed on 18 May 2018.



## STOCK OPTION

In 2018, the Company did not implement any Management and Employee Stock Option Program. Such program was last implemented in 2012 and ended in 2016.

## 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 presented clearly and transparently in several reports, including:

1. Integrated 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 Integrated 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  
BFI Finance has discussed the information on CSR activities in the Sustainability Report, which is an inseparable part of the Integrated Annual Report; and
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 has been made available to customers, in the form of, among others, leaflets, brochures or other written forms at the BFI Finance's branch offices, in locations that are easily accessible by customers; and/or through electronic forms, such as through 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 the product.



Sustainable development to improve the society's living standards has inspired us in all our initiatives. BFI Finance innovates and builds strategic collaborations with various prominent companies to provide ease in obtaining financing.



# Corporate Social Responsibility

**330** The Existence of Corporate Social Responsibility Programs

**333** CSR Program Implementation

**338** Contribution to Development



# EXISTENCE OF CORPORATE SOCIAL RESPONSIBILITY PROGRAMS

The Company's interaction with local communities in its operational areas comprises provision of financing services, customer service, and local economic development. The quality of each activity determines the Company's success in creating beneficial value for all its shareholders. Therefore, the Company does its utmost to accomplish a comprehensive, sustainable, and growth-oriented CSR.

In addition to improving the local society's welfare, the main goals of BFI Finance's CSR programs are to improve employee welfare, maintain work safety and health, and preserve the environment, in order to support the national economic progress and improve life quality in its operational areas.

BFI Finance focuses its CSR programs on the following sectors: Education, Environment and Infrastructure, Health, Religious Affairs, and General Donation.

## CSR STRATEGIC POLICY

BFI Finance implements its CSR strategic policies through formulation of strategy, budgeting, and CSR activities' execution in every operational area. The policies are summed up in the Company's CSR Vision and Missions, as follows:

### CSR Vision

To become a partner in considerably improving the quality of life and social welfare by maintaining 3P (Profit, People, Planet) balance and establishing a harmonious relationship between the Government, the Company, and the Society.

### CSR Mission

- To eradicate socio-economical underdevelopment in accordance with the Company's capacity and expertise
- To participate in improving the quality of primary and higher educations
- To empower underprivileged families through micro-financing
- To provide distribution channels for small businesses
- To implement energy conservation initiatives in daily business activities

## 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 manifestation of a personal 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 real actions. This is the manifestation of concrete personal actions, the result of self-reflection and active participation in the surrounding community.

## Preserve

All layers of the Company continuously and sustainably maintain the results of implementation and concrete actions, producing positive outcomes.

Based on the “Think, Act, Preserve” policy, CSR activities serve as a supporting pillar for BFI Finance’s business to maintain its business sustainability, implement good corporate

governance, and promote the Company’s respectable public image. Therefore, the Company can establish harmonious and mutually beneficial relationships with its internal and external environments. In addition, BFI Finance has the ‘CSR Program Planning, Monitoring, and Evaluation Policy’ to regulate the aspects of budget planning and formulating, social mapping, control, evaluation, and monitoring of the Company’s CSR programs.

## CSR PROGRAM BUDGETING

The responsibility to implement CSR programs 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 conformity with the Company’s vision and missions, the Company’s annual business plans and projections, and the evaluation results of the previous year’s activities.

The following is the budget allocation for all BFI Finance’s CSR activities in the areas of environment, labor and occupational health and safety, social and community development, and responsibility towards the customers in 2018:

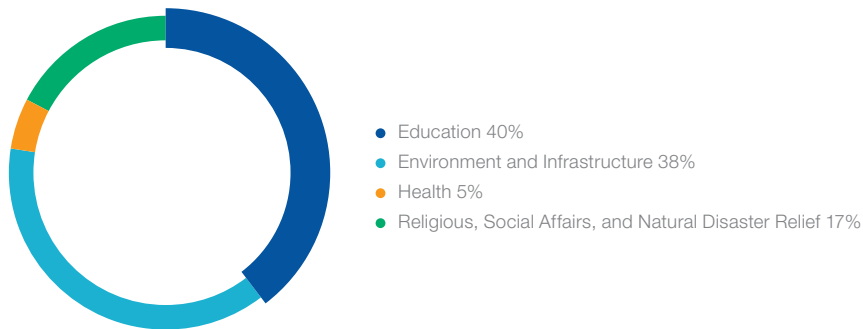
**TABLE 139 CSR Programs’ Budget Utilization**

| Description                              | Amount (Rp million) |
|--|---------------------|
| Environment (including Infrastructure)   | 660                 |
| Labor and Occupational Health and Safety | 66,545              |
| Social and Community Development         | 1,107               |
| Consumer Responsibility                  | 2,066               |
| <b>Total</b>                             | <b>70,378</b>       |

## EXISTENCE OF CORPORATE SOCIAL RESPONSIBILITY PROGRAMS

The budget allocated to BFI Finance's CSR activities in 2018 for Environment and Social & Community Development was Rp1.77 billion, increasing by 20% from Rp1.48 billion in 2017. BFI Finance's CSR budget was mostly allocated to Education, which accounted for 39% of the total budget.

**GRAPH 30 CSR Budget**



## CSR PROGRAM IMPLEMENTATION

### ENVIRONMENTAL CONSERVATION

As a financial services company, BFI Finance's operational activities—which use electricity intensively and other resources, such as water, paper, and fossil fuel, to a lesser degree—result in certain environmental impacts, albeit relatively smaller compared to other lines of businesses.

Realizing its impacts on the environment, BFI Finance is committed to running its business in an environmentally responsible manner through various energy conservation efforts in its operational activities, among others by:

1. Using eco-friendly office equipment;
2. Switching off lights during breaks;
3. Smart air-conditioning management; and
4. Reducing usage of single-use items, such as tissue papers, styrofoam, and bottled water.

Implementation of CSR programs in 2018 in the area of environment (including infrastructure) included:

1. Environmental education on organic and non-organic garbage through a talk show with the Environment Agency and Waste Bank;
2. Procurement and construction of clean water facilities and toilets/bathrooms in various areas in Indonesia;
3. Renovation of Waste Bank in Yogyakarta;
4. Introduction of planting (hydroponics) to primary school students in Serpong;
5. Construction of educational facilities and infrastructures, such as classrooms, libraries, and other infrastructure; and
6. Construction of *Sekolah Indonesia Cepat Tanggap* in Lombok, in collaboration with the Alumni Association of the Engineering Faculty of University of Indonesia (ILUNI FT UI).

### SOCIAL AND COMMUNITY DEVELOPMENT

The Company's CSR programs in the area of social and community development consist of four main activities:

- Education: long-term focus in developing the quality of primary, middle and higher educations, scholarship program for undergraduate students, and skill development for community empowerment.
- Health: routine blood drive activities, free medical check-up and surgeries for underprivileged citizens.
- Religious Affairs: community awareness program to commemorate religious festivities (Ramadan, Eid al-Adha, Christmas).
- General social and donation program: providing assistance for those affected by natural disasters (internally and externally).

#### Education

- Scholarship for Undergraduate Students (S1)

Recipients of BFI Finance's S1 scholarships receive a complete package: full tuition fees, pocket money, and other benefits, as well as employment guarantee in BFI Finance upon the completion of their study. The scholarships have been awarded to outstanding undergraduate students throughout Indonesia who submitted their application online via [www.bfi.co.id](http://www.bfi.co.id).

- Appreciation for Employees' Children with Outstanding Performance

BFI Finance provides scholarships for employees' children with outstanding performance from primary to senior high-school across Indonesia.

## CSR PROGRAM IMPLEMENTATION



Yessi Setiawan Santoso,  
BFI Finance Scholarship Beneficiary, 2010

BFI Finance has been actively providing educational assistance in the form of scholarships for years. I received the scholarship in 2010 and I have been working at BFI Finance since 2013. The Company always gives a learning space for all its employees to grow and innovate. Therefore, the knowledge acquired from employee competence improvement activities can be applied in our daily tasks. I am extremely satisfied with the strong spirit of professionalism at the Company's work environment, especially the support of our leaders in the decision-making process as well as in their directives and appreciation. This makes me feel optimistic for the career development potentials of every employee.



- 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, to equip children and youths with skills education. Rumah Jahit BFI is one of the manifestations of Rumah Belajar. In 2018, the Company provided the seed capital for the development of this program, expanded the curriculum, and established partnership with Kostoom, a business partner of BFI Finance.

- Gerakan 1000 untuk Anak Bangsa

In 2018, BFI Finance provided character development programs for thousands of vocational high-school students in Makassar, South Sulawesi, and Sukabumi, West Java.

- Provision of School Supplies and Equipment

The provision of school supplies and equipment, such as stationery, uniforms, and teaching supplies, were also carried out in several areas in Indonesia through BFI Finance's branch offices.



## Health

To improve the health condition of the communities, BFI Finance organizes various medical service programs. The health programs conducted in 2018 were as follows:

- Indonesian Red Cross Blood Drive and Free Medical Check-Up  
Blood drive is conducted annually, in collaboration with the Indonesian Red Cross. In 2018, BFI Finance organized three blood drive events, in commemoration of BFI Finance's anniversary, Indonesian Independence Day, and year-end blood drive in mid-December 2018. BFI Finance also organized various blood drive events in other parts of Indonesia
- Free Cleft Lip and Cleft Palate Surgeries  
Since 2012, BFI Finance has collaborated with Yayasan Citra Baru (YCB) to organize Free Cleft Lip and Cleft Palate Surgeries. By the end of 2018, BFI Finance had funded the surgery of 34 underprivileged patients.
- Mass Circumcision and Free Medical Check-Up  
BFI Finance organized various medical check-up programs in areas where its branch offices operate. These programs, comprising mass circumcision, aerobics, and free medical check-up, were directed to the general public.

## Religious Affairs

To reinforce the spirit of religious tolerance, BFI Finance organizes various activities as follows:

- Social Service during Ramadan and Other Religious Festivities  
BFI Finance organized Ramadan Social Service 1439 H by distributed iftar meals to underprivileged residences in various branches

locations, particularly for those categorized as underprivileged widows and families based on population data of the local government, as well as garbage collectors and street sweepers.

- BFI Berkurban  
The Company celebrated Eid al-Adha 1439 H by organizing 'BFI Berkurban'. In this event, the Company distributed sacrificial meats to several orphanages in South Tangerang.

## Social Sector and General Donation

Charitable donations were conducted selectively based on humanity consideration. Donations were mainly given as disaster relief efforts, by providing staple goods for those affected by natural disaster (such as flood, landslide, volcanic eruption, and others) in Indonesia. BFI Finance also distributed staple goods to orphanages and other parties deemed in need, as well as built facilities and infrastructures in places of worships and foundations in and around the Company's operational areas.

## HUMAN CAPITAL DEVELOPMENT

BFI Finance is committed to continuously building the capacity and quality of its employees in order for them to be able to conduct processes more effectively and efficiently, resulting in the best performance for the benefit of all stakeholders of the Company.

In order to ensure the welfare of its employees, BFI Finance implemented various human capital development programs, which include:

- Salary structure and performance bonuses in accordance with the achievement and contribution of the employee and the minimum wage requirement;

## CSR PROGRAM IMPLEMENTATION

- Various benefits and facilities, such as, health allowance, transportation allowance, housing allowance, vehicle ownership program, protection in the form of Personal Accident Insurance and Life Insurance, as well as Work Accident Insurance, Retirement Insurance, and Death Insurance from BPJS Ketenagakerjaan;
- Rigorous implementation of Occupational Health and Safety (OHS) provisions, which are included in the Collective Bargaining Agreement signed by the employee and the Company. In addition, BFI Finance promotes healthy and balanced lifestyle to its employees by providing sports facilities, periodic medical check-ups, and dissemination on healthy lifestyle; and
- BFI 4 U program, a strategic and social work capacity development program lasting for three months. The participants were five employee groups from the Head Office, consisting of 9-10 employees with the same mission and vision but different concepts in achieving them. The program involved social program strategy formulation, design for the execution of social program, program enhancement, and team collaboration improvement, which will be implemented in accordance with the Company's CSR vision and mission in all areas.

### FOCUS ON CUSTOMER SERVICE

To ensure customers' satisfaction in making use of their financial products, and to maintain their loyalty to the Company, BFI Finance implemented several programs to improve its service quality and to set a high standard of service for all employees. BFI Finance consistently refines its customer service aspects: system, procedure, network reliability, and complaint handling. In servicing its customers,

BFI Finance applies the Service Insight service standard, which is explained more thoroughly in the Network Development & Operations section in the Business Support Units chapter on page 126.

As part of its responsibility towards its customers, BFI Finance conducted the following customer service programs in 2018:

1. Employee training on customer service;
2. Collaboration with number of favorite merchants in all operational areas to provide special discounted prices for BFI Finance customers;
3. Special Treatment for certain Excellent customers; and
4. "BM Goes to Front Office" event to celebrate the National Customer Day.

BFI Finance provides adequate communication facilities for its customers to obtain information on financing products and to submit complaints regarding the Company's products and services.

Detailed information on BFI Finance financing products can be obtained on the Company's website.

BFI Finance records all feedbacks from its customers and general public submitted through various channels. In 2018, the Company received 12,663 feedbacks in the form of complaints and suggestions, 60% of which were questions related to BFI Finance's products. In 2018, there were no complaints from the customers related to violation of customer privacy rights and customer data.

In accordance with the Company's SLA, each complaint submitted in 2018 has been resolved completely within 20 days. This achievement is expected to improve customer satisfaction with BFI Finance's products and services.



## CSR PROGRAM IMPLEMENTATION



Herdiana Sheilla Jessica Sinurat, BFI Finance Scholarship Beneficiary, 2017, University of Sumatera Utara, Accounting Major

I got the Scholarship in 2017 because I was interested in the program and facilities offered. I believe that the Company pays special attention to the improvement of the quality of its workforce, especially in their education through the scholarship program. I am satisfied with this scholarship facility, which consists of tuition fee until the ninth semester, undergraduate thesis allowance, graduation allowance, stipend, internship at BFI Finance, and also the work opportunity offered through the Management Trainee program.



## CONTRIBUTION TO DEVELOPMENT

One of BFI Finance's contributions to its stakeholders is to provide financing products and services to all customers, business partners, and local communities. However, beyond that, the Company also contributes to boost the sustainable development of Indonesian society through the distribution of the economic value it generated among various external parties.

As regards economy, BFI Finance contributes to its stakeholders through tax payments to the State, dividend payments to the shareholders, and salary payments to its employees, which indirectly bolster the national economy.

**TABLE 140 Economic Value Distribution**

| Economic Performance (Rp Million)  | 2016      | 2017      | 2018      |
|--|-----------|-----------|-----------|
| Economic Value Generated   |           |           |           |
| • Revenue  | 3,227,107 | 4,042,317 | 5,018,243 |
| Economic Value Distributed   |           |           |           |
| • Operational Expenses   | 1,485,261 | 1,684,050 | 2,126,612 |
| • Employee Expenses  | 715,765   | 868,834   | 1,050,204 |
| • Dividends  | 389,074   | 583,611   | *         |
| • Payments to the Government (Tax, Retribution, etc.)                              | 233,505   | 322,026   | 392,889   |
| • Social Investment (CSR Expenditures)   | 1,468     | 1,484     | 1,767     |
| Retained Economic Value<br>(Economic Value Generated – Economic Value Distributed) | 402,034   | 582,312   | 1,446,772 |

\*No interim cash dividend for 2018.

Throughout its operations, BFI Finance has never extended any financial support or other forms of support to any political party or political candidate, nor has it received any form of financial assistance from the government.

## BENEFITS FOR THE SOCIETY

Aside from the financial benefits from the economic value distributed to various external and internal parties, BFI Finance also contributes to national development through the financing it provides to the community and businesses in Indonesia, such as:

- Heavy equipment financing to further the proliferation of commodity and construction sectors in Indonesia, as well as motor vehicle financing to improve the mobility of the people, supporting their productive activities;
- SME financing is one of the Company's target markets for its financing products. The existence of SMEs in the community plays an important role in empowering the economy. Their economic activities support the attainment of higher social welfare levels in Indonesia; and
- Educational financing products, by collaborating with various universities to distribute this financing product. Through this program, BFI Finance makes the provision of high-quality education more accessible to Indonesians.

# Corporate Supporting Data

342 Addresses of Outlets





BFI Finance is always ready to deal with changes taking place in every line of business, and address the challenges of the time. This has been proven with a bold step to eschew the conventional means that are no longer relevant with the times, as it moves dynamically without losing its identity as a company with extraordinary values and work ethics.

# ADDRESSES OF OUTLETS

## HEAD OFFICE

### BFI Tower

Sunburst CBD Lot 1.2  
 Jl. Kapt. Soebijanto Djojohadikusumo  
 BSD City  
 Tangerang Selatan 15322  
 Phone: (62-21) 2965 0300, 2965 0500  
 Fax: (62-21) 2966 0757, 2966 0758  
 Website: [www.bfi.co.id](http://www.bfi.co.id)

## Branch

| JAVA, BALI & NUSA TENGGARA    |  |                 |
|-------------------------------|--|-----------------|
| Branch                        | Address  | City/Regency    |
| <b>Jakarta Capital Region</b> |  |                 |
| Jakarta-Sunter                | Rukan Puri Mutiara Blok A No. 80 Jl. Utama Griya, Sunter   | Jakarta Utara   |
| Jakarta Utara                 | Rukan Grand Orchard Square Blok C/20 Jl. Terusan Kelapa Hybrida Sukapura   | Jakarta Utara   |
| Jakarta Utara 2               | Rukan Bandengan Indah Blok B-3 Jl. Bandengan Utara No. 80 Kel. Penjaringan, Kec. Penjaringan                                     | Jakarta Utara   |
| Jakarta-Meruya                | Jl. Lapangan Bola No. 1-1A Meruya, Kebon Jeruk   | Jakarta Barat   |
| Jakarta-Cengkareng            | Sedayu Square Blok C-02 Jl. Outer Ring Road Cengkareng Barat   | Jakarta Barat   |
| Jakarta Timur                 | Ruko Radin Inten Center No. 8D Jl. Radin Inten, Duren Sawit  | Jakarta Timur   |
| Jakarta-Cawang                | Jl. Dewi Sartika No. 292F RT 004/RW 005 Kel. Cawang, Kec. Kramat Jati  | Jakarta Timur   |
| Jakarta Selatan               | Jl. Ciputat Raya No. 1C RT 003/RW 010 Kel. Kebayoran Lama Selatan Kec. Kebayoran Lama  | Jakarta Selatan |
| Jakarta Selatan 2             | Jl. Raya Rawa Bambu No. 18 RT 13/RW 5 Kel. Pasar Minggu, Kec. Pasar Minggu   | Jakarta Selatan |
| Jakarta-Corporate Leasing     | Rukan Graha Cempaka Mas Blok A No. 31 Jl. Let. Jend. Suprpto Kel. Sumur Batu, Kec. Kemayoran                                     | Jakarta Pusat   |
| <b>Banten</b>                 |  |                 |
| Tangerang                     | Jl. Imam Bonjol No. 279-281 RT 01/RW 04 Kel. Bojong Jaya, Kel. Karawaci  | 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. Periuk                                 | Tangerang       |
| Tangerang 5                   | Ruko Spark Blok C No. 12 Jl. Boulevard Gading Serpong Kel. Kelapa Dua, Kec. Kelapa Dua   | Tangerang       |
| Bintaro                       | Ruko Kebayoran Arcade 2 Blok B1 No. 09 Bintaro Jaya Sektor 7 Kel. Pondok Jaya, Kec. Pondok Aren                                  | Tangerang       |



## JAVA, BALI & NUSA TENGGARA

| Branch                    | Address   | City/Regency      |
|---------------------------|---|-------------------|
| 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                                      | Tangerang Selatan |
| <b>West Java</b>          |   |                   |
| 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           |
| Bandung 6                 | Istana Sudirman Square No. 12 RT 01/RW 05 Kel. Cibuntu, Kec. Bandung Kulon  | 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 RT 001/RW 006 Kel. Pakuan, Kec. Bogor Selatan   | 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             |
| Depok 2                   | Ruko Galeria Sawangan Blok A No. 10 Jl. Raya Sawangan, RT 03/RW 05 Kel. Rangkapan Jasa, Kec. Pancoran Mas         | 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 Singadilaga Ruko No. 5-6, Kel. Nagrikaler   | Purwakarta        |

## CORPORATE SUPPORTING DATA

### JAVA, BALI & NUSA TENGGARA

| Branch                             | Address   | City/Regency |
|------------------------------------|---|--------------|
| Subang                             | Jl. Kapten Hanafiah Blok B No. 4 RT 98/RW 97 Kel. Karanganyar, Kec. Subang  | Subang       |
| Sukabumi                           | Jl. Brawijaya No. 4 RT 02/RW 12 Kel. Sriwidari, Kec. Gunung Puyuh   | Sukabumi     |
| Tasikmalaya                        | Kompleks Pertokoan Plaza Asia Blok B No. 12A Jl. H.Z. Mustofa   | Tasikmalaya  |
| <b>Central Java</b>                |   |              |
| 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. Pedurungan Kidul, Kec. Pedurungan                                  | Semarang     |
| Banjarnegara                       | Jl. S. Parman No. 28 RT 01/RW 04 Kel. Parakancanggih, 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                             | Ruko Harlin Sragen Blok B-1 Jl. Sukowati Kel. Sine, Kec. Sragen   | Sragen       |
| Tegal                              | Ruko Nirmala Estate No. 3-4 Jl. Yos Sudarso No. 20 Kel. Mintaragen, Kec. Tegal Timur                              | Tegal        |
| <b>Yogyakarta Special District</b> |   |              |
| 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   |
| <b>East Java</b>                   |   |              |
| Surabaya                           | Jl. Ngagel Jaya 39  | Surabaya     |
| Surabaya 2                         | Komp. Ruko Sentra Darmo Villa Blok A No. 6 Jl. Raya Darmo Permai Selatan Kel. Prada Kali Kendal, Kec. Dukuh Pakis | 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 RT 003 RW 003 Kel. Plaosan Kec. Babat  | Lamongan     |
| 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       |
| Gresik 2                           | Komplek Ruko Gading Mutiara Blok AA No. 7 Jl. Raya Kepatihan Kel. Kepatihan, Kec. Menganti                        | Gresik       |
| Jember                             | Jl. Diponegoro No. 32 Ruko 32B Kel. Jember Kidul, Kec. Kaliwates  | Jember       |
| Jombang                            | Kompleks Ruko Simpang 3 Blok C1 Jl. Merdeka Desa Mojongapit Kec. Jombang  | Jombang      |
| Kediri                             | Kompleks Pertokoan Hayam Wuruk Trade Center Blok C No. 7-8 Jl. Hayam Wuruk  | Kediri       |

## JAVA, BALI & NUSA TENGGARA

| Branch                    | Address   | City/Regency |
|---------------------------|---|--------------|
| 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       |
| Malang 3                  | Jl. Panglima Sudirman No. 148 Kav. E-E1 RT 003/RW 007 Kel. Pagentan, Kec. Singosari                                   | 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. C1 -C2 Jl. Raya Waru (Aloha) Des. Sawotratap, Kec. Gedangan                                 | 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  |
| <b>Bali</b>               |   |              |
| Denpasar                  | Jl. Gatot Subroto No. 463 Desa Padangsabian Kaja Kec. Denpasar Barat  | Denpasar     |
| Denpasar-Sudirman         | Kompleks Sudirman Agung Blok C No.8 Jl. PB. Sudirman  | Denpasar     |
| Denpasar 3                | Kompleks Imam Bonjol Square 555B Blok A 8-9 Jl. Imam Bonjol 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      |
| <b>West Nusa Tenggara</b> |   |              |
| 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      |
| Manggarai                 | Jl. Wae Ces RT 004/RW 02 Kel. Mbaumuku, Kec. Langke Rembong   | Manggarai    |
| Sumbawa                   | Jl. Diponegoro No.63 RT 002/RW 010 Kel. Bugis, Kec. Sumbawa   | Sumbawa      |
| <b>East Nusa Tenggara</b> |   |              |
| Kupang                    | Jl. Frans Seda RT 042/RW 013 Kel. Fatululi, Kec. Oebobo   | Kupang       |

## SUMATERA

| Branch                | Address   | City/Regency |
|-----------------------|---|--------------|
| <b>North Sumatera</b> |   |              |
| 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       |

## CORPORATE SUPPORTING DATA

| SUMATERA                 |   |                 |
|--------------------------|---|-----------------|
| Branch                   | Address   | City/Regency    |
| Deli Serdang             | Jl. K.H.Ahmad Dahlan No. 79 Kel. Lubuk Pakam, Kec. Lubuk Pakam  | Deli Serdang    |
| Karo                     | Jl. Veteran No. 57A Kel. Kampung Dalam, Kec. Kabanjahe  | Karo            |
| Rantauprapat             | Jl. Ahmad Yani No. 104 A-B Labuhan Batu   | Rantauprapat    |
| Padangsidempuan          | Jl. Sudirman No. 8F Kel. Losung Batu, Kec. Padangsidempuan Utara  | Padangsidempuan |
| Pematangsiantar          | Jl. Kartini No. 48E Kel. Timbang Galung, Kec. Siantar Barat   | Pematangsiantar |
| <b>Riau</b>              |   |                 |
| Pekanbaru                | Jl. Soekarno Hatta No. 88 Kel. Delima, Kec. Tampan  | Pekanbaru       |
| Pekanbaru 3              | Jl. Setiabudi No. 89-89A  | Pekanbaru       |
| Pekanbaru 5              | Jl. H. Imam Munandar No. 341 RT 04/RW 13 Kel. Tangkerang Utara, Kec. Bukit Raya   | 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. Sultan Hasanuddin RT 14/RW 00 Kel. Rimba Sekampung, Kec. Dumai Kota   | 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      |
| <b>Riau Islands</b>      |   |                 |
| Tanjung Pinang           | Jl. D.I. Panjaitan Km. 08 Kec. Tanjung Pinang Timur, Kel. Air Raja  | Tanjung Pinang  |
| Batam                    | Komplek King Business Center Blok B2 No. 9 &10 Jl. Raja Isa Batam Center Kel. Belian, Kec. Batam  | Batam           |
| Batam 2                  | Komplek Mahkota Raya Blok B No. 11 Kel. Teluk Tereng, Kec. Batam Kota   | Batam           |
| Karimun                  | Jl Ahmad Yani, RT 005/RW 001 Kel. Sungai Lakam, Kec. Karimun  | Karimun         |
| <b>West Sumatera</b>     |   |                 |
| Padang                   | Jl. Khatib Sulaiman No. 63 D-E  | Padang          |
| 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 | Pasaman Barat   |
| <b>Jambi</b>             |   |                 |
| 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      |
| <b>Bengkulu</b>          |   |                 |
| Bengkulu                 | Jl. Danau No. 08 Kel. Dusun Besar, Kec. Singaran Pati   | Bengkulu        |
| <b>South Sumatera</b>    |   |                 |
| 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        |
| 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    |
| Pangkalan Balai          | Jl. Merdeka No. 2E RT 11/RW 04 Kel. Pangkalan Balai, Kec. Banyuasin III   | Banyuasin       |

**SUMATERA**

| Branch                         | Address  | City/Regency   |
|--------------------------------|--|----------------|
| Prabumulih                     | Jl. Jend. Sudirman No. 10 Kel. Muara Dua, Kec. Prabumulih Timur                  | Prabumulih     |
| <b>Bangka Belitung Islands</b> |  |                |
| 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       |
| <b>Lampung</b>                 |  |                |
| 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/Regency        |
|---------------------------|---|---------------------|
| <b>West Kalimantan</b>    |   |                     |
| 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             |
| <b>Central Kalimantan</b> |   |                     |
| 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              |
| <b>South Kalimantan</b>   |   |                     |
| 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          |
| Barito Kuala              | Jl. Trans Kalimantan No. 70 RT 022/RW 002 Kel. Berangas Timur, Kec. Alalak  | Barito Kuala        |
| 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             |
| <b>East Kalimantan</b>    |   |                     |
| 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   | Kutai Timur         |
| Tarakan                   | Jl. Gajah Mada No. 75 Kel. Karang Anyar Pantai  | Tarakan             |

## CORPORATE SUPPORTING DATA

### KALIMANTAN

| Branch                  | Address  | City/Regency      |
|-------------------------|--|-------------------|
| Tenggarong              | Jl. Patin No. 99B Tenggarong   | Kutai Kartanegara |
| <b>North Kalimantan</b> |  |                   |
| Bulungan                | Jl. Durian No. 87, RT 41/RW 05 Kel. Tanjung Selor Ilir, Kec. Tanjung Selor | Bulungan          |

### SULAWESI

| Branch                   | Address   | City/Regency            |
|--------------------------|---|-------------------------|
| <b>North Sulawesi</b>    |   |                         |
| Manado                   | Jl. Bethesda No. 18 Kel. Ranotana, Kec. Sario   | Manado                  |
| Bitung                   | Jl. Wolter Monginsidi No. 45 Kel. Girian Bawah, Kec. Girian   | Bitung                  |
| Bolaang Mongondow Utara  | Jl. Trans Sulawesi Desa Bolang Itang Induk No. 26 Kec. Bolang Itang Barat                           | Bolaang Mongondow Utara |
| Kotamobagu               | Jl. Brigjen Katamso, Kel. Kotobangun  | Kotamobagu              |
| Minahasa Selatan         | Lingkungan IV Kel. Uwuran I, Kec. Amurang   | Minahasa Selatan        |
| Tahuna-Kepulauan Sangihe | Jl. Raramenusa Kel. Sawang Bendar, Lingkungan III   | Tahuna                  |
| Tomohon                  | Jl. Samratulangi Lingkungan VI Kel. Manata 3, Kec. Tomohon Tengah                                   | Tomohon                 |
| <b>Gorontalo</b>         |   |                         |
| Gorontalo                | Jl. Agus Salim No. 290 Kel. Wumialo, Kec. Kota Tengah   | Gorontalo               |
| Marisa                   | Graha Arwana, Jl. Trans Sulawesi Kel. Buntulia Selatan, Kec. Duhiada                                | Pohuwato                |
| <b>West Sulawesi</b>     |   |                         |
| 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         |
| <b>Central Sulawesi</b>  |   |                         |
| 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                |
| <b>South Sulawesi</b>    |   |                         |
| Makassar                 | Jl. Hertasning Baru (Aeropala) No. 98 Kel. Karunrung, Kec. Rappocini                                | Makassar                |
| Makassar 2               | Jl. Kima Raya 2 No. A20 Kel. Daya, Kec. Biringkanaya  | Makassar                |
| Makassar 3               | Jl. Cendrawasih No. 69C RT 02/RW 03 Kel. Mario, Kec. Mariso   | 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 No. 76, 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             |

**SULAWESI**

| Branch                    | Address  | City/Regency |
|---------------------------|--|--------------|
| <b>Southeast Sulawesi</b> |  |              |
| 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       |

**MALUKU & PAPUA**

| Branch              | Address  | City/Regency    |
|---------------------|--|-----------------|
| <b>Maluku</b>       |  |                 |
| Ambon               | Perumahan Citraland The Arkade Blok 06-07 Jl. Wolter Monginsidi Kel. Lateri, Kec. Bagualan | Ambon           |
| Maluku Tengah       | Jl. Abdullah Souliisa No. 20 RT 02/RW 03 Kel. Namaelo, Kec. Kota Masohi                    | Maluku Tengah   |
| <b>North Maluku</b> |  |                 |
| Ternate             | Jl. Stadion No. 36, RT 01/RW 01 Kel. Kampung Pisang, Kec. Kota Ternate Tengah              | Ternate         |
| Tobelo              | Jl. Kemakmuran Desa Rawajaya, Kec. Tobelo  | Halmahera Utara |
| <b>West Papua</b>   |  |                 |
| 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          |
| <b>Papua</b>        |  |                 |
| Jayapura            | Komplek Ruko No. 11 & 12 Jl. Amphibi Hamadi Kel. Argapura, 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/Regency    |
|-------------------------------|---|-----------------|
| <b>Jakarta Special Region</b> |   |                 |
| Cakung                        | Jl. Raya Penggilingan RT 03/RW 07 Kel. Penggilingan, Kec. Cakung                                | Jakarta Timur   |
| Cijantung                     | Jl. Gongseng No. 28 Kel. Cijantung, Kec. Pasar Rebo   | Jakarta Timur   |
| Ciracas                       | Kompleks PERUMNAS Jl. Kelapa Dua Wetan Blok B No. 12 RT 04/RW 05 Kel. Kelapa Dua Wetan, Ciracas | Jakarta Timur   |
| Matraman                      | Galur Sari Raya No.26A Blok R RT 02 RW 01 Kel. Utan Kayu Selatan, Kec. Matraman                 | Jakarta Timur   |
| Johar Baru                    | Jl. Pangkalan Asem Raya No. 45 Kel. Galur, Kec. Johar Baru                                      | Jakarta Pusat   |
| Kalideres                     | Jl. Warung Pojok Kampung Asem No. 114 RT 005/RW 005 Kel. Semanan, Kec. Kalideres                | Jakarta Barat   |
| Pademangan                    | Jl. Pademangan III Gg. 18 No. 249B RT 07/RW 07 Kel. Pademangan Timur, Kec. Pademangan           | Jakarta Utara   |
| Pesanggrahan                  | Jl. Ciledug Raya No. 6 RT 10/RW 04 Kel. Ulujami, Kec. Pesanggrahan                              | Jakarta Selatan |
| Tebet                         | Gedung Regatama Blok A No. 106 Jl. Pariaman Kel. Manggarai, Kec. Tebet                          | Jakarta Selatan |
| <b>Banten</b>                 |   |                 |
| Babakan                       | Jl. Kisamaun No. 218 RT 04/RW 01 Kel. Babakan, Kec. Tangerang                                   | Tangerang       |

## CORPORATE SUPPORTING DATA

### JAVA, BALI & NUSA TENGGARA

| Kiosk            | Address   | City/Regency      |
|------------------|---|-------------------|
| Batuceper        | Jl. Raya Poris Indah RT 02/RW 03 Kel. Poris Indah, Kec. Batuceper                               | Tangerang         |
| Curug            | Jl. Raya Curug RT 02/RW 07 Kel. Curug Wetan, Kec. Curug   | 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 6 Kel. Larangan Utara, Kec. Larangan                              | Tangerang         |
| Sepatan          | Jl. Raya Sepatan Km.9 No. 71 RT 001/RW 004 Kel. Sepatan, Kec. Sepatan                           | Tangerang         |
| Tigaraksa        | Jl. Raya Syeh Mubarak RT 01 RW 04 Kel. Matagara, Kec. Tigaraksa                                 | Tangerang         |
| Ciputat          | Jl. Raya Jombang No. 49 RT 002/RW 011 Kel. Jombang, Kec. Ciputat                                | Tangerang Selatan |
| Ciputat Timur    | Jl. W.R. Supratman No. 3 RT 01/RW 08 Kel. Cempaka Putih, Kec. Ciputat Timur                     | Tangerang Selatan |
| Ciputat Timur 2  | Jl. Purnawarman No. 01 RT 05/RW 05 Kel. Pisangan, Kec. Ciputat Timur                            | Tangerang Selatan |
| Pondok Aren      | Kebon Manggis RT 03/RW 04 Kel. Pondok Kacang Timur, Kec. Pondok Aren                            | Tangerang Selatan |
| Serpong 2        | Jl. Raya Ciater RT 002/RW 009 Kel. Rawa Mekar Jaya, Kec. Serpong                                | Tangerang Selatan |
| Serpong Utara    | Jl. SKKI RT 08/RW 02 Kel. Pondok Jagung, Kec. Serpong Utara                                     | Tangerang Selatan |
| Setu 2           | Jl. Lingkar Selatan RT 01/RW 03 Kel. Muncul, Kec. Setu  | Tangerang Selatan |
| <b>West Java</b> |   |                   |
| Cibeunying Kidul | Jl. Padasuka No. 31 RT 02/RW 10 Kel. Pasirlayung, Kec. Cibeunying                               | Bandung           |
| Cicendo          | Jl. Sukaraja II No. 190 RT 01/RW 06 Kel. Sukaraja, Kec. Cicendo                                 | Bandung           |
| 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           |
| Kiaracondong     | Jl. Babakan Sari I No 147 RT 10/RW 11 Kel. Babakan Sari, Kec. Kiaracondong                      | 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                                  | Bandung Barat     |
| Bantar Gebang    | Jl. Pasar Lama No. 40, RT 03/RW 09 Bantar Gebang  | Bekasi            |
| Bekasi Barat     | Jl. Panjang RT 04/ RW 06B Kel. Jakasampurna, Kec. Bekasi Barat                                  | 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            |
| Karang Bahagia   | KP. Sukamantri RT 06/RW 01 Desa Sukaraya, Kec. Karang Bahagia                                   | Bekasi            |
| Pondok Gede      | Jl. Cempaka 2 No. 19 RT 06/RW 01 Kel. Jatibening, Kec. Pondok Gede                              | 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 Kreteg Pagelaran Kp. Sukajaya, RT 001/RW 001 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             |
| Parung           | Jl. Raya Parung No. 667 Kel. Parung, Kec. Parung  | Bogor             |
| Bojongsari       | Jl. Raya Parung-Ciputat RT 002/RW 004 Kel. Bojongsari Lama, Kec. Bojongsari                     | Depok             |
| Cimanggis        | Jl. Pekapuran, RT 01/RW 05 Kel. Curug, Kec. Cimanggis   | Depok             |
| Pancoran Mas     | Jl. Pitara Raya No. 7 RT 04/RW 15 Kel. Pancoran Mas   | Depok             |
| Karangmalang     | Jl. Pasar Baru Blok G No.18 Jangkar Mas Residence RT 17/RW 02 Kel. Karangmalang, Kec. Indramayu | Indramayu         |
| Rengasdengklok   | Jl. Proklamasi RT 02/RW 06 Kel. Amansari, Kec. Rengasdengklok                                   | Karawang          |



| JAVA, BALI & NUSA TENGGARA         |  |              |
|------------------------------------|--|--------------|
| Kiosk                              | Address  | City/Regency |
| Telagasari                         | Jl. Syeh Quro Dusun Krajan I, RT 03/RW 01 Kec. Telagasari                        | Karawang     |
| Talaga                             | Jl. Banjar Layungan RT 08/RW 02 Kel. Talaga Wetan, Kec. Talaga                   | Majalengka   |
| <b>Central Java</b>                |  |              |
| 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     |
| Blora                              | Jl. Pemuda No. 71 RT 002/RW 001 Kel. Kedung Jenar, Kec. Blora                    | Blora        |
| Boyolali                           | Jl. Pandanaran No. 127 Kp. Koplak, RT 03/RW 06 Kel. Siswodipuran, Kec. Boyolali  | Boyolali     |
| Wirosari                           | Jl. Kusuma Bangsa RT 005/RW 005 Kel. Kunden, Kec. Wirosari                       | Grobogan     |
| 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. Dukutalit RT 06/RW 02 Kel. Dukutalit, Kec. Juwana                            | Pati         |
| Buaran                             | Jl. Raya Kertijayan No. 216 RT 09/RW 03 Kel. Kertijayan, Kec. Buaran             | Pekalongan   |
| Bayan                              | Jl. Gajah Mada RT 04/RW 03 Kel. Bayan, Kec. Bayan                                | Purworejo    |
| Gemolong                           | Jl. Lojirejo RT 01 RW 03 Kel. Gemolong, Kec. Gemolong                            | Sragen       |
| Kartasura                          | Jl. Adi Sumarmo No. 73 RT 01/RW 03 Ngabeyan, Kartasura                           | Sukoharjo    |
| Sukoharjo                          | Jl. Slamet Riyadi No. 22 RT 22 Gayam   | Sukoharjo    |
| Adiwerna                           | Jl. Raya Tegal Slawi RT 17/RW 04 Kel. Tembok Luwung, Kec. Adiwerna               | Tegal        |
| <b>Yogyakarta Special District</b> |  |              |
| Sedayu                             | Jl. Wates Km. 10 No.09, RT 01 Kel. Pedes Argomulyo, Kec. Sedayu                  | Bantul       |
| Triharjo                           | Jl. Dr. Rajimin Kel. Sucen, Kec. Triharjo  | Sleman       |
| Kalasan                            | Jl. Keniten, RT 05 RW 02 Kel. Taman Martani, Kec. Kalasan                        | Sleman       |
| <b>East Java</b>                   |  |              |
| 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. Kutisari Selatan No. 110 RT 04/RW 03 Kel. Kutisari, Kec. Tenggiling Mejoyo   | Surabaya     |
| Wiyung                             | Jl. Menganti Wiyung 121 RT 01/RW 04 Kel. Wiyung, Kec. Wiyung                     | Surabaya     |
| Wonokromo                          | Jl. Indragiri No. 4E RT 03/RW 08 Kel. Darmo, Kec. Wonokromo                      | Surabaya     |
| Tandes                             | Jl. Manukan Dalam I Blok 17D – 1 Kel. Manukan, Kec. Tandes                       | Surabaya     |
| 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       |
| Cerme                              | Jl. Raya Cerme Kidul No. 104 RT 001/RW 006 Desa Cerme Kidul, Kec. Cerme          | Gresik       |
| Driyorejo                          | Jl. Raya Driyorejo No. 127 Kel. Driyorejo  | Gresik       |
| Kedamean                           | Jl. Raya Kedamean Dusun Watupasang, RT 12/RW 05 Desa Kedamean, Kec. Kedamean     | Gresik       |
| Menganti                           | Jl. Raya Bringkang, RT 003/RW 002 Kec. Menganti                                  | Gresik       |
| Sidayu                             | Jl. Pemuda No. 78, Sidayu  | Gresik       |
| Mojoagung                          | Jl. Raya Yos Sudarso No. 161 RT 001/RW 002 Kel. Janti, Kec. Mojoagung            | Jombang      |
| Kandangan                          | Jl. Kandangan – Jombang RT 001/RW 021 Ds. Kandangan, Kec. Kandangan              | Kediri       |
| Wates                              | Jl. Raya Tawang, RT 19/RW 08 Kel. Desa Tawang, Kec. Wates                        | Kediri       |
| Mejayan                            | Jl. Ahmad Yani No. 04 RT 02/RW 01 Kel. Bangunsari, Kec. Mejayan                  | Madiun       |

## CORPORATE SUPPORTING DATA

### JAVA, BALI & NUSA TENGGARA

| Kiosk                     | Address  | City/Regency |
|---------------------------|--|--------------|
| Batu                      | Jl. Agus Salim No. 60 RT 01/RW 01 Kel. Sisi, Kec. Batu                           | Batu         |
| Lawang                    | Ruko Dr. Wahidin No. 2 Jl. Dr Wahidin 19, RT 04/RW 01 Desa Kalirejo, Kec. Lawang | Malang       |
| Pakis                     | Jl. Bunut Wetan, RT 8/RW 6 Kel. Bunut Wetan, Kec. Pakis                          | Malang       |
| Gondang                   | Desa Pohjejer RT 001/RW 001 Kec. Gondang   | Mojokerto    |
| 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     |
| Porong                    | Jl. Bhayangkari RT 12/RW 04 Kel. Juwetkenongo, Kec. Porong                       | Sidoarjo     |
| Sukodono                  | Jl. Raya Dungus, RT 16/RW 04 Kel. Sukodono, Kec. Sukodono                        | Sidoarjo     |
| Taman                     | Jl. Raya Kletek No. 115A RT 012/RW 006 Desa Kletek, 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     |
| <b>Bali</b>               |  |              |
| Denpasar Timur            | Jl. Padma, Br. Kelod Kangin Desa Penatih, Kec. Denpasar Timur                    | Denpasar     |
| Kuta                      | Jl. Uluwatu Kelan, Lingkungan Kelan Desa Kel. Tuban, Kec. Kuta                   | Badung       |
| Kuta Utara                | Jl. Raya Anyar No. 7 Lingkungan Anyar Kaja Kerobokan Kec. Kuta Utara             | Badung       |
| Ubud                      | Jl. Raya Andong No. 26 Desa Peliatan, Kec. Ubud                                  | Gianyar      |
| <b>West Nusa Tenggara</b> |  |              |
| Narmada                   | Jl. Raya Ahmad Yani No. 68, RT 002 Desa Narmada, Kec. Narmada                    | Lombok Barat |

### SUMATERA

| Kiosk                 | Address  | City/Regency                  |
|-----------------------|--|-------------------------------|
| <b>North Sumatera</b> |  |                               |
| Medan Marelان         | Jl. Marelان Raya No. 149 Link 12 Kel. Rengas Pulau, Kec. Medan Marelان               | Medan                         |
| Medan Helvetia        | Jl. Gaperta Ujung No.7 Kel.Tanjung Gusta, Kec. Medan Helvetia                        | 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                       |
| Pematang Bandar       | Jl. Sangnawaluh Kel. Kerasaan I, Kec. Pematang Bandar                                | Simalungun                    |
| <b>West Sumatera</b>  |  |                               |
| Lubuk Kilangan        | Jl. Bandar Buat No.10 Kel. Bandar Buat, Kec. Lubuk Kilangan                          | Padang                        |
| <b>Riau</b>           |  |                               |
| 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                     |
| Tampar                | Jl. Garuda Sakti Km. 15 Kel. Simpang Baru, Kec. Tampar                               | Pekanbaru                     |
| Tenayan Raya          | Jl. Lintas Timur Km. 12 RT 003/RW 001 Kel. Kulim, Kec. Tenayan Raya                  | Pekanbaru                     |
| <b>Riau Islands</b>   |  |                               |
| 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)           |

**SUMATERA**

| Kiosk                  | Address  | City/Regency    |
|------------------------|--|-----------------|
| <b>Jambi</b>           |  |                 |
| 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           |
| <b>South Sumatera</b>  |  |                 |
| Sako                   | Jl. Siaran Sako No. 15 RT 018/RW 07 Kel. Sako, Kec. Sako                   | Palembang       |
| Betung                 | Jl Raya Palembang Betung RT 006/RW 002 Kel. Betung, Kec. Betung            | Banyuasin       |
| <b>Bangka Belitung</b> |  |                 |
| Taman Sari             | Jl. Ahmad Yani Dalam No. 43 RT 03/RW 03 Kel. Kacang Pedang, Kec.Taman Sari | Pangkal Pinang  |
| <b>Lampung</b>         |  |                 |
| Jati Agung             | Jl. Raya Karang Anyar, RT 02/RW 01 Desa Karang Anyar, Kec. Jati Agung      | Lampung Selatan |
| Tanjung Bintang        | Jl. Raya Serdang, RT 24/RW 4B Kel. Serdang, Kec. Tanjung                   | Lampung Selatan |
| Kalirejo               | Jl. Jend. Sudirman Dusun 02, RT 02/RW 07 Kp. Kalirejo, Kec. Kalirejo       | Lampung Tengah  |

**KALIMANTAN**

| Kiosk                   | Address   | City/Regency      |
|-------------------------|---|-------------------|
| <b>East Kalimantan</b>  |   |                   |
| Loa Janan               | Jl. Cipto Mangunkusumo RT 09/RW 00 Kel. Simpang Tiga, Kec. Loa Janan Ilir         | Samarinda         |
| Palaran                 | Jl. Ampera, RT 13 Kel. Rawa Makmur, Kec. Palaran                                  | Samarinda         |
| Samarinda Ulu           | Jl. Suryanata No.61, RT 030 Kel. Air Putih, Kec. Samarinda Ulu                    | Samarinda         |
| Sambutan                | Jl. Sultan Sulaiman RT 09/RW 01 Kel. Sambutan, Kec. Sambutan                      | 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 |
| <b>West Kalimantan</b>  |   |                   |
| Pontianak Timur         | Jl. Tanjung Raya 2 No. 99 RT 004/RW 002 Kel. Saigon, Kec. Pontianak Timur         | Pontianak         |
| Pontianak Utara         | Jl. Gusti Situt Mahmud RT 03/RW 37 Kel. Siantan Hulu, Kec. Pontianak Utara        | Pontianak         |
| Sungai Raya             | Jl. KH Abdurrahman Wahid No.26 RT 03/RW 01 Kel. Kuala Dua, Kec. Sungai Raya       | Kubu Raya         |
| <b>South Kalimantan</b> |   |                   |
| Banjarmasin Barat       | Jl. Belitung Laut No. 2 RT 03/RW 01 Kel. Belitung Selatan, Kec. Banjarmasin Barat | Banjarmasin       |
| Sungai Tabuk            | Jl. Martapura Lama Km. 6,2, RT 4, Kel. Sungai Luhut, 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/Regency         |
|-----------------------|---|----------------------|
| <b>North Sulawesi</b> |   |                      |
| Tikala                | Jl. RE Martadinata Kel. Paal Dua, Kec. Tikala                     | Manado               |
| Tuminting             | Jl. Pogidon Raya No.103 Kel. Tumumpa Satu Lingk I, Kec. Tuminting | Manado               |
| Mapanget              | Jl. A.A Maramis Kel. Paniki Bawah Ling. III, Kec. Mapanget        | Manado               |
| Bolaang/Inobonto      | Jl. AKD Trans Sulawesi Kel. Inobonto, Kec. Bolaang                | Bolaang<br>Mongondow |

## CORPORATE SUPPORTING DATA

| SULAWESI                  |  |                |
|---------------------------|--|----------------|
| Kiosk                     | Address  | City/Regency   |
| Airmadidi                 | Komplek Terminal Tumatenden Airmadidi Jl. Arnold Mononutu Kec. Airmadidi, Kab. Minahasa Utara    | Minahasa Utara |
| Kawangkoan                | Kompleks Tugu Kacang Jl. Raya Kawangkoan Kel. Talikuran Barat Lingkungan I Kec. Kawangkoan Utara | Tomohon        |
| Aertembaga                | Jl. Daan Mogot No. 2 RT 001/RW 001 Kel. Winenet Satu, Kec. Aertembaga                            | Bitung         |
| Kotamobagu Selatan        | Jl. Labot Dugian Kel. Kopandakan I, Kec. Kotamobagu Selatan                                      | Kotamobagu     |
| <b>Gorontalo</b>          |  |                |
| Kabila                    | Jl. Prof. DR. BJ Habibie No.03 RT 01/ RW 02 Kel. Tumbihe, Kec. Kabila                            | Gorontalo      |
| Limboto                   | Jl. KH.Wahid Hasyim, RT 008/RW 03 Desa Kayubulan, Kec. Limboto                                   | Gorontalo      |
| Tibawa                    | Jl. Trans Sulawesi Desa Isimu, Kec. Tibawa   | Gorontalo      |
| <b>Central Sulawesi</b>   |  |                |
| 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           |
| <b>South Sulawesi</b>     |  |                |
| 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. Pettuadae, Kec. Turikale                                | Maros          |
| Walenrang Utara           | Dusun Bolong No. 1 Km. 27 Kec. Walenrang Utara   | Luwu           |
| <b>Southeast Sulawesi</b> |  |                |
| Abeli                     | Jl. Setiabudi Kel. Lapulu, Kec. Abeli  | Kendari        |
| MALUKU & PAPUA            |  |                |
| Kiosk                     | Address  | City/Regency   |
| <b>Maluku</b>             |  |                |
| Nusaniwe                  | Jl. NN Saar Sopacua No. 63 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          |
| Salahutu                  | Dusun Mamokeng No. 43 RT 02/RW 00 Kel. Tulehu, Kec. Salahutu                                     | Maluku Tengah  |
| <b>North Maluku</b>       |  |                |
| Ternate Selatan           | Jl. Flamboyan, RT 005/RW 002 Kel. Kayu Merah, Kec. Ternate Selatan                               | Ternate        |
| <b>West Papua</b>         |  |                |
| Aimas                     | Jl. Buncis, RT 005/RW 010 Malaweke, Aimas  | Sorong         |
| Mariat                    | Jl. Nusa Indah No. 253 RT 003/RW 003 Kel. Mariyai, Kec. Mariat                                   | Sorong         |
| Sorong Barat              | Jl. Yos Sudarso, RT 002/RW 002 Kel. Kampung Baru, Kec. Sorong Barat                              | Sorong         |
| <b>Papua</b>              |  |                |
| Tanah Miring              | Jl. Teuku Umar No. 171 RT 008/RW 02 Kel. Yasa Mulya, Kec. Tanah Miring                           | Merauke        |

## Sharia Representative Branch

| BRANCH                 | ADDRESS   | CITY/<br>REGENCY |
|------------------------|---|------------------|
| Jakarta Meruya Syariah | Jl. Lapangan Bola No. 1-1A Kel. Kebon Jeruk, Kec. Kebon Jeruk                                 | Jakarta Barat    |
| Jakarta Sunter Syariah | Rukan Puri Mutiara Blok A No. 80 Jl. Utama Griya, Sunter                                      | Jakarta Utara    |
| Tangerang Syariah      | Jl. Imam Bonjol No. 279-281 RT 01/RW 04 Kel. Bojong Jaya, Kec. Karawaci                       | Tangerang        |
| Bekasi Syariah         | Kompleks Ruko Suncity Square Blok A No. 46-47 Jl Mayor Hasibuan, Margajaya                    | Bekasi           |
| Depok Syariah          | Ruko Margonda Residen No. 12A-14 Jl. Margonda Raya Kav. 461                                   | Depok            |
| Bandung Syariah        | Jl. Soekarno Hatta No. 472 Kel. Batu Nunggal, Kec. Bandung Kidul                              | Bandung          |
| Karawang Syariah       | Jl. Jendral Ahmad Yani-Bypass Karawang RT 05/RW 12 Kel. Karangpawitan, Kec. Karawang Barat    | Karawang         |
| Semarang Syariah       | Ruko Mataram Plaza Blok D No 03 Jl. MT Haryono Kel. Jagalan, Kec. Semarang Tengah             | Semarang         |
| Solo Syariah           | Jl. RM Said No. 160 C RT.002/RW.003 Kel. Punggawan, Kec. Banjarsari                           | Surakarta        |
| Yogyakarta Syariah     | Ruko Monjali Permai Kav.2 Jl. Monjali RT.011 RW.034 Desa Sinduadi, Kec. Mlati                 | Yogyakarta       |
| Surabaya Syariah       | Jl. Ngagel Jaya No.39 Kel. Pucang Sewu, Kec. Gubeng   | Surabaya         |
| Kediri Syariah         | Kompleks Pertokoan Hayam Wuruk Trade Center Blok C No. 7-8 Jl. Hayam Wuruk                    | Kediri           |
| Sidoarjo Syariah       | Kompleks Ruko Gateway Blok B No.2 Desa Sawotratap, Kec. Gedangan                              | Sidoarjo         |
| Mataram Syariah        | Jl. Brawijaya No.22-24 RT 02 Lingk. Karang Kelebut Kel. Cakranegara Selatan, Kec. Cakranegara | Mataram          |
| Medan Syariah          | Jl. Ir. H Djuanda No.26 Lingkungan IV Kel. Sukadamai, Kec. Medan Polonia                      | Medan            |
| Padang Syariah         | Jl. Khatib Sulaiman No. 63 D-E Kel. Belanti Timur, Kec. Padang Utara                          | Padang           |
| Pekanbaru Syariah      | Jl. Soekarno Hatta No. 88 Kel. Delima, Kec. Tampan  | Pekanbaru        |
| Jambi Syariah          | Jl. Prof. M Yamin SH No. 65-66 Rt. 29, Kel. Lebak Bandung, Kec. Jelutung                      | Jambi            |
| Palembang Syariah      | Kompleks Ruko Rajawali No. B3-B4 RT 016/RW 05 Kel. 9 Ilir, Kec. Ilir Timur II                 | Palembang        |
| Lampung Syariah        | Jl. Gajah Mada No. 55 Kel. Kota Baru, Kec. Tanjung Karang Timur                               | Bandar Lampung   |
| Banjarmasin Syariah    | Jl. A. Yani Km. 8.1 No. 01 Kel. Kertak Hanyar, Kec. Banjar                                    | Banjarmasin      |
| Makassar Syariah       | Jl. Hertasning Baru (Aeropala) Kel. Karunrung, Kec. Rappocini                                 | Makassar         |



BFI Finance has been serving the Indonesian society for more than 30 years, by being present beyond merely being a financial solutions partner. Through BFI Education, BFI Finance encourages everyone to pursue their aspirations and broaden their knowledge and skills to secure a prosperous future.



# Annual Financial Statements

**358** Consolidated Financial Statements for the Year Ended 31 December 2017 and Independent Auditors' Report



**PT BFI FINANCE INDONESIA Tbk**

DAN ENTITAS ANAKNYA/  
AND ITS SUBSIDIARY

LAPORAN KEUANGAN KONSOLIDASIAN/  
CONSOLIDATED FINANCIAL STATEMENTS

UNTUK TAHUN-TAHUN YANG BERAKHIR 31 DESEMBER 2018 DAN 2017/  
FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017

DAN/AND

LAPORAN AUDITOR INDEPENDEN/  
INDEPENDENT AUDITORS' REPORT



**PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA  
LAPORAN KEUANGAN KONSOLIDASIAN  
UNTUK TAHUN-TAHUN YANG BERAKHIR  
31 DESEMBER 2018 DAN 2017**

**PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
31 DECEMBER 2018 AND 2017**

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**SURAT PERNYATAAN DIREKSI  
TENTANG TANGGUNG JAWAB ATAS  
LAPORAN KEUANGAN KONSOLIDASIAN  
PADA TANGGAL DAN UNTUK TAHUN YANG BERAKHIR  
31 DESEMBER 2018 DAN 2017  
PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA**

Kami yang bertanda tangan di bawah ini:

1. Nama : Francis Lay Sioe Ho  
Alamat Kantor : BFI Tower - Sunburst CBD Lot 1.2  
Jl. Kapt. Soebijanto Djojohadikusumo  
BSD City, Tangerang Selatan, 15322  
Alamat Rumah : Jl. Duta Indah II No 6, RT 001  
RW 014 Pondok Pinang Kebayoran  
Lama, Jakarta Selatan  
Nomor Telepon : 021 - 2965 0300, 2965 0500  
Jabatan : Presiden Direktur
2. Nama : Sudjono  
Alamat Kantor : BFI Tower - Sunburst CBD Lot 1.2  
Jl. Kapt. Soebijanto Djojohadikusumo  
BSD City, Tangerang Selatan, 15322  
Alamat Rumah : Taman Provence, Blok 3 A9 No. 36  
RT 002 RW 025, Kelurahan Lengkong  
Wetan, Kecamatan Serpong  
Tangerang Selatan  
Nomor Telepon : 021 - 2965 0300, 2965 0500  
Jabatan : Direktur


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 dimuat 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.

Demikian pernyataan ini dibuat dengan sebenarnya.

Atas nama dan mewakili Direksi / For and on behalf of the Board of Directors

Tangerang Selatan, 19 Februari 2019 / South Tangerang, 19 February 2019

  
**Francis Lay Sioe Ho**  
Presiden Direktur/President Director

  
**Sudjono**  
Direktur/Director



PT BFI FINANCE INDONESIA Tbk

BFI Tower

Sunburst CBD Lot 1.2

Jl. Kapt. Soebijanto Djojohadikusumo BSD City - Tangerang Selatan 15322

Phone (021) 2965 0300, 2965 0500 Fax (021) 2966 0757, 2966 0758

**DIRECTORS' STATEMENT REGARDING  
THE RESPONSIBILITY FOR  
THE CONSOLIDATED FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED  
31 DECEMBER 2018 AND 2017  
PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY**

We, the undersigned :

1. Name : Francis Lay Sioe Ho  
Office Address : BFI Tower - Sunburst CBD Lot 1.2  
Jl. Kapt. Soebijanto Djojohadikusumo,  
BSD City, Tangerang Selatan, 15322  
Residential Address : Jl. Duta Indah II No 6, RT 001  
RW 014, Pondok Pinang Kebayoran  
Lama, Jakarta Selatan  
Telephone : 021 - 2965 0300, 2965 0500  
Title : President Director
2. Name : Sudjono  
Office Address : BFI Tower - Sunburst CBD Lot 1.2  
Jl. Kapt. Soebijanto Djojohadikusumo,  
BSD City, Tangerang Selatan, 15322  
Residential Address : Taman Provence, Blok 3 A9 No. 36 RT  
002 RW 025, Kelurahan Lengkong  
Wetan, Kecamatan Serpong,  
Tangerang Selatan  
Telephone : 021 - 2965 0300, 2965 0500  
Title : Director

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.

These Consolidated Financial Statements are Originally Issued  
in Indonesian Language

Ekshibit A

Exhibit A

PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA  
LAPORAN POSISI KEUANGAN KONSOLIDASIAN  
PER 31 DESEMBER 2018 DAN 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 2018 AND 2017  
(Expressed in millions of Rupiah, unless otherwise stated)

|   | Catatan/<br>Notes | 2018       | 2017*)     |   |
|---|-------------------|------------|------------|---|
| ASET  |                   |            |            | ASSETS  |
| KAS DAN SETARA KAS  | 2d,e,4            | 755.247    | 225.203    | CASH AND CASH EQUIVALENTS   |
| PIUTANG SEWA PEMBIAYAAN<br>- setelah dikurangi cadangan<br>kerugian penurunan nilai sebesar<br>Rp 157.419 dan Rp 85.492<br>pada tahun 2018 dan 2017           | 2d,f,5            | 11.357.670 | 9.435.315  | FINANCE LEASES RECEIVABLES<br>- net of allowance<br>for impairment losses of<br>Rp 157,419 and Rp 85,492<br>in 2018 and 2017      |
| PIUTANG PEMBIAYAAN KONSUMEN<br>- setelah dikurangi cadangan<br>kerugian penurunan nilai sebesar<br>Rp 220.443 dan Rp 151.990 pada<br>pada tahun 2018 dan 2017 | 2d,g,6,39         | 5.922.788  | 5.739.410  | CONSUMER FINANCING RECEIVABLES<br>- net of allowance<br>for impairment losses of<br>Rp 220,443 and Rp 151,990<br>in 2018 and 2017 |
| PIUTANG IJARAH  | 2d,h              | 105        | -          | IJARAH RECEIVABLES  |
| PIUTANG LAIN-LAIN - bersih  | 2d,i,7,39         | 198.271    | 414.127    | OTHER RECEIVABLES - net   |
| ASET DERIVATIF  | 2d,j,t,8          | 110.170    | -          | DERIVATIVE ASSETS   |
| BEBAN DIBAYAR DIMUKA DAN UANG MUKA  | 2k,9              | 53.430     | 43.071     | PREPAID EXPENSES AND ADVANCES   |
| ASET IJARAH<br>- setelah dikurangi akumulasi penyusutan<br>sebesar Rp 504 pada tanggal<br>31 Desember 2018  | 2l,10             | 2.332      | -          | IJARAH ASSETS<br>- net of accumulated depreciation of<br>Rp 504 as of 31 December 2018  |
| ASET TETAP<br>- setelah dikurangi akumulasi penyusutan<br>sebesar Rp 349.566 dan Rp 298.954<br>pada tahun 2018 dan 2017                                       | 2m,11             | 530.145    | 457.376    | FIXED ASSETS<br>- net of accumulated depreciation of<br>Rp 349,566 and Rp 298,954<br>in 2018 and 2017                             |
| ASET TAK BERWUJUD<br>- setelah dikurangi akumulasi amortisasi<br>sebesar Rp 63.772 dan Rp 54.400<br>pada tahun 2018 dan 2017                                  | 2n,12             | 32.374     | 20.552     | INTANGIBLE ASSETS<br>- net of accumulated amortization of<br>Rp 63,772 and Rp 54,400<br>in 2018 and 2017                          |
| ASET PAJAK TANGGUHAN  | 2o,15c            | 68.382     | 65.588     | DEFERRED TAX ASSETS   |
| ASET LAIN-LAIN  | 2d,13,39          | 86.391     | 82.631     | OTHER ASSETS  |
| JUMLAH ASET   |                   | 19.117.305 | 16.483.273 | TOTAL ASSETS  |

\*) direklasifikasi (Catatan 39)

\*) as reclassified (Note 39)

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

Ekshibit A/2

Exhibit A/2

PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA  
LAPORAN POSISI KEUANGAN KONSOLIDASIAN  
PER 31 DESEMBER 2018 DAN 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 2018 AND 2017  
(Expressed in millions of Rupiah, unless otherwise stated)

|   | Catatan/<br>Notes | 2018              | 2017*)            |  |
|---|-------------------|-------------------|-------------------|--|
| <b>LIABILITAS DAN EKUITAS</b>   |                   |                   |                   | <b>LIABILITIES AND EQUITY</b>  |
| <b>LIABILITAS</b>   |                   |                   |                   | <b>LIABILITIES</b>   |
| Pinjaman yang diterima  | 2d,p,u,14         | 6.899.860         | 6.819.052         | Fund borrowings  |
| Utang pajak   | 2o,15a            | 67.063            | 140.151           | Taxes payable  |
| Surat berharga yang diterbitkan<br>- setelah dikurangi biaya<br>emisi surat berharga yang belum<br>diamortisasi sebesar Rp 9.780 dan<br>Rp 8.589 pada tahun 2018 dan 2017 | 2d,q,16a<br>16b   | 5.196.220         | 3.909.411         | Securities issued<br>- net of unamortized securities<br>issuance cost of Rp 9,780 and<br>Rp 8,589 in 2018 and 2017 |
| Beban yang masih harus dibayar  | 2d,u,17           | 287.878           | 293.527           | Accrued expenses   |
| Liabilitas imbalan pasca-kerja  | 2r,18             | 202.498           | 199.716           | Post-employment benefits liabilities   |
| Liabilitas derivatif  | 2d,j,u,8          | -                 | 817               | Derivative liabilities   |
| Utang dividen   | 2z,19             | 1.758             | 1.612             | Dividend payables  |
| Utang lain-lain   | 2d,20             | 258.232           | 214.721           | Other payables   |
| <b>JUMLAH LIABILITAS</b>  |                   | <b>12.913.509</b> | <b>11.579.007</b> | <b>TOTAL LIABILITIES</b>   |
| <b>EKUITAS</b>  |                   |                   |                   | <b>EQUITY</b>  |
| <b>Ekuitas yang dapat diatribusikan kepada<br/>pemilik entitas induk</b>  |                   |                   |                   | <b>Equity attributable to owners<br/>of the parent</b>   |
| Modal saham - nilai nominal<br>Rp 25 (nilai penuh) per saham  |                   |                   |                   | Share capital - par value of<br>Rp 25 (full amount) per share  |
| Modal dasar -<br>20.000.000.000 saham   |                   |                   |                   | Authorized capital -<br>20,000,000,000 shares  |
| Modal ditempatkan dan disetor<br>penuh - 15.967.115.620 saham   | 21                | 399.178           | 399.178           | Issued and fully paid capital -<br>15,967,115,620 shares   |
| Tambahan modal disetor - bersih   | 22                | 553.286           | 553.286           | Additional paid-in capital - net   |
| Saham treasuri  | 2w,21             | (252.160)         | (252.160)         | Treasury stock   |
| Penghasilan komprehensif lain   |                   |                   |                   | Other comprehensive income   |
| Keuntungan (kerugian) kumulatif atas<br>instrumen derivatif untuk<br>lindung nilai arus kas - bersih  | 2j,8,34           | 1.684             | (35.477)          | Cumulative gain (loss) on<br>derivative instrument for<br>cash flows hedges - net                                  |
| Kerugian aktuarial program<br>manfaat pasti   | 2r,18,34          | (41.926)          | (75.928)          | Loss on defined benefit actuarial<br>program   |
| Saldo laba  |                   |                   |                   | Retained earnings  |
| Telah ditentukan penggunaannya  |                   | 86.307            | 72.733            | Appropriated   |
| Belum ditentukan penggunaannya  |                   | 5.457.423         | 4.242.633         | Unappropriated   |
|   |                   | 6.203.792         | 4.904.265         |  |
| Kepentingan non-pengendali  |                   | 4                 | 1                 | Non-controlling interests  |
| <b>JUMLAH EKUITAS</b>   |                   | <b>6.203.796</b>  | <b>4.904.266</b>  | <b>TOTAL EQUITY</b>  |
| <b>JUMLAH LIABILITAS DAN EKUITAS</b>  |                   | <b>19.117.305</b> | <b>16.483.273</b> | <b>TOTAL LIABILITIES AND EQUITY</b>  |

\*) direklasifikasi (Catatan 39)

\*) as reclassified (Note 39)

Tangerang Selatan, 19 Februari 2019/ 19 February 2019

  
Sudjono  
Direktur/ Director

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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the Consolidated Financial Statements taken as a whole

Ekshibit B

Exhibit B

| PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA<br>LAPORAN LABA RUGI DAN PENGHASILAN<br>KOMPREHENSIF LAIN KONSOLIDASIAN<br>UNTUK TAHUN-TAHUN YANG BERAKHIR<br>31 DESEMBER 2018 DAN 2017<br>(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain) | Catatan/<br>Notes | 2018             | 2017*)           | PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY<br>CONSOLIDATED STATEMENT OF PROFIT OR LOSS<br>AND OTHER COMPREHENSIVE INCOME<br>FOR THE YEARS ENDED<br>31 DECEMBER 2018 AND 2017<br>(Expressed in millions of Rupiah, unless otherwise stated) |
|---|-------------------|------------------|------------------|---|
| <b>PENDAPATAN</b>   |                   |                  |                  | <b>INCOME</b>   |
| Sewa pembiayaan   | 2d,f,s,23         | 2.871.964        | 2.281.670        | Finance lease   |
| Pembiayaan konsumen   | 2d,g,s,24         | 2.021.182        | 1.654.331        | Consumer financing  |
| Syariah   | 2d,h,s            | 529              | -                | Sharia  |
| Keuangan  | 2d,s              | 20.217           | 7.166            | Finance   |
| Lain-lain   | 2d,m,s,25         | 104.351          | 99.150           | Others  |
| <b>Jumlah Pendapatan</b>  |                   | <b>5.018.243</b> | <b>4.042.317</b> | <b>Total Income</b>   |
| <b>BEBAN</b>  |                   |                  |                  | <b>EXPENSES</b>   |
| Gaji dan tunjangan  | 2r,s,26,30        | 1.050.204        | 868.834          | Salaries and benefits   |
| Bunga dan keuangan  | 2d,p,q,s,27,39    | 1.035.650        | 895.645          | Interest and financing charges  |
| Umum dan administrasi   | 2k,m,n,s,28,39    | 566.925          | 482.075          | General and administrative  |
| Penyisihan kerugian penurunan nilai   |                   |                  |                  | Provision for impairment losses   |
| Piutang sewa pembiayaan   | 2d,s,5            | 215.537          | 125.700          | Finance lease receivables   |
| Piutang pembiayaan konsumen   | 2d,s,6            | 293.645          | 177.056          | Consumer financing receivables  |
| Piutang syariah   |                   | 1                | -                | Sharia receivables  |
| Lain-lain   | 2d,s,29,39        | 16.182           | 5.221            | Others  |
| <b>Jumlah Beban</b>   |                   | <b>3.178.144</b> | <b>2.554.531</b> | <b>Total Expenses</b>   |
| <b>LABA SEBELUM PAJAK</b>   |                   | <b>1.840.099</b> | <b>1.487.786</b> | <b>PROFIT BEFORE TAX</b>  |
| Beban Pajak Penghasilan   | 2o,15b            | 372.305          | 300.276          | Income Tax Expenses   |
| <b>LABA TAHUN BERJALAN</b>  |                   | <b>1.467.794</b> | <b>1.187.510</b> | <b>PROFIT FOR THE YEAR</b>  |
| <b>PENGHASILAN KOMPREHENSIF LAIN</b>  |                   |                  |                  | <b>OTHER COMPREHENSIVE INCOME</b>   |
| Pos-pos yang akan direklasifikasi ke laba rugi  |                   |                  |                  | <b>Items that will be reclassified to profit or loss</b>  |
| Bagian efektif atas perubahan nilai wajar instrumen derivatif - lindung nilai arus kas  | 2j,8,34           | 46.452           | (3.252)          | 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            | (9.291)          | 650              | Income tax relating to item that will be reclassified to profit or loss   |
|   |                   | 37.161           | (2.602)          |   |
| Pos-pos yang tidak akan direklasifikasi ke laba rugi  |                   |                  |                  | <b>Items that will not be reclassified to profit or loss</b>  |
| Keuntungan (kerugian) aktuarial program manfaat pasti   | 2r,18,34          | 42.502           | (33.173)         | Gain (loss) on defined benefit actuarial program  |
| Pajak penghasilan terkait pos yang tidak akan direklasifikasi ke laba rugi  | 15c,34            | (8.500)          | 6.635            | Income tax relating to item that will not be reclassified to profit or loss   |
|   |                   | 34.002           | (26.538)         |   |
| <b>PENGHASILAN KOMPREHENSIF LAIN TAHUN BERJALAN - SETELAH PAJAK</b>   |                   | <b>71.163</b>    | <b>(29.140)</b>  | <b>OTHER COMPREHENSIVE INCOME FOR THE THE YEAR - NET OF TAX</b>   |
| <b>JUMLAH PENGHASILAN KOMPREHENSIF TAHUN BERJALAN</b>   |                   | <b>1.538.957</b> | <b>1.158.370</b> | <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>  |

\*) direklasifikasi (Catatan 39)

\*) as reclassified (Note 39)

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 B/2

Exhibit B/2

PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA  
LAPORAN LABA RUGI DAN PENGHASILAN  
KOMPREHENSIF LAIN KONSOLIDASIAN  
UNTUK TAHUN-TAHUN YANG BERAKHIR  
31 DESEMBER 2018 DAN 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 YEARS ENDED  
31 DECEMBER 2018 AND 2017  
(Expressed in millions of Rupiah, unless otherwise stated)

|  | Catatan/<br>Notes | 2018             | 2017             |  |
|--|-------------------|------------------|------------------|--|
| <b>LABA TAHUN BERJALAN YANG DAPAT<br/>DIATRIBUSIKAN KEPADA:</b>                                |                   |                  |                  | <b>PROFIT FOR THE YEAR<br/>ATTRIBUTTABLE TO:</b>                         |
| Pemilik entitas induk  |                   | 1.467.794        | 1.187.510        | Owners of the parent   |
| Kepentingan non-pengendali   |                   | -                | -                | Non-controlling interests  |
|  |                   | <u>1.467.794</u> | <u>1.187.510</u> |  |
| <b>JUMLAH PENGHASILAN KOMPREHENSIF<br/>TAHUN BERJALAN YANG DAPAT<br/>DIATRIBUSIKAN KEPADA:</b> |                   |                  |                  | <b>TOTAL COMPREHENSIVE INCOME FOR<br/>THE THE YEAR ATTRIBUTTABLE TO:</b> |
| Pemilik entitas induk  |                   | 1.538.957        | 1.158.370        | Owners of the parent   |
| Kepentingan non-pengendali   |                   | -                | -                | Non-controlling interests  |
|  |                   | <u>1.538.957</u> | <u>1.158.370</u> |  |
| <b>LABA PER SAHAM DASAR (nilai penuh)</b>  | <b>2y,33</b>      | <u><b>98</b></u> | <u><b>79</b></u> | <b>BASIC EARNINGS PER SHARE (full amount)</b>                            |

Tangerang Selatan, 19 Februari 2019 / 19 February 2019

  
**Sudjono**  
Direktur / Director

Lihat Catatan atas Laporan Keuangan Konsolidasian pada Ekshibit E  
terlampir yang merupakan bagian yang tidak terpisahkan  
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PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA  
LAPORAN PERUBAHAN EKUITAS KONSOLIDASIAN  
UNTUK TAHUN-TAHUN YANG BERAKHIR 31 DESEMBER 2018 DAN 2017  
(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BFI FINANCE INDONESIA TBK AND ITS SUBSIDIARY  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017  
(Expressed in millions of Rupiah, unless otherwise stated)

|   |        | Ekuitas yang dapat diatribusikan kepada pemilik entitas induk/ Equity attributable to owners of the parent   |         |   |       |                                |        |  |           |  |   |   |           |   |           |                              |           |
|---|--------|--|---------|---|-------|--------------------------------|--------|--|-----------|--|---|---|-----------|---|-----------|------------------------------|-----------|
|   |        | Keuntungan/ (kerugian) kumulatif atas instrumen derivatif untuk lindung nilai arus kas bersih/ Cumulative gains/ (losses) on derivative instrument for cash flows hedges - net |         | Tambahan modal disetor - bersih/ Additional paid-in capital - net |       | Saham treasury/ Treasury stock |        | Keuntungan/ (kerugian) aktuarial program manfaat pasti/ Gain (loss) on defined benefit actuarial program |           | Saldo laba/Retained earnings Telah ditentukan penggunaannya/ Appropriated Unappropriated |   | Jumlah sebelum kepentingan non-pengendali/ Total before non-controlling interests |           | Kepentingan non-pengendali/ Non-controlling interests |           | Jumlah ekuitas/ Total equity |           |
|   |        | (35.477)   |         | 553.286   |       | (252.160)                      |        | (75.928)   |           | 72.733   |   | 4.242.633   |           | 4.904.266   |           | 4.904.266                    |           |
| Saldo per 31 Desember 2017                                      |        | 399.178  |         | 553.286   |       | (252.160)                      |        | (75.928)   |           | 72.733   |   | 4.242.633   |           | 4.904.266   |           | 4.904.266                    |           |
| Jumlah penghasilan komprehensif tahun berjalan                  |        | -  | -       | -   | -     | -                              | -      | -  | -         | -  | - | 1.467.794   | 1.467.794 | -   | -         | -                            | 1.467.794 |
| Laba tahun berjalan   |        | -  | -       | -   | -     | -                              | -      | -  | -         | -  | - | 1.467.794   | 1.467.794 | -   | -         | -                            | 1.467.794 |
| Penghasilan komprehensif lain setelah pajak:                    |        | -  | -       | -   | -     | -                              | -      | -  | -         | -  | - | -   | -         | -   | -         | -                            | -         |
| Bagian yang efektif dan lindung nilai arus kas                  | 2j, 8  | -  | -       | -   | -     | -                              | -      | -  | -         | -  | - | -   | -         | -   | -         | -                            | 37.161    |
| Keuntungan aktuarial program pensiun                            | 2r, 18 | -  | -       | -   | -     | -                              | -      | 34.002   | -         | -  | - | -   | -         | -   | -         | -                            | 34.002    |
|   |        | -  | -       | -   | -     | -                              | -      | 34.002   | -         | -  | - | 1.467.794   | 1.538.957 | -   | -         | -                            | 1.538.957 |
| Penerbitan saham entitas anak kepada kepentingan non-pengendali | 1c     | -  | -       | -   | -     | -                              | -      | -  | -         | -  | - | -   | -         | -   | -         | 3                            | -         |
| Penyisihan saldo laba untuk cadangan umum                       | 19     | -  | -       | -   | -     | -                              | -      | -  | -         | 13.574   | - | (13.574)  | -         | -   | -         | -                            | -         |
| Dividen tunai tahun 2017  | 2z, 19 | -  | -       | -   | -     | -                              | -      | -  | -         | -  | - | (239.430)   | (239.430) | -   | -         | -                            | (239.430) |
| Saldo per 31 Desember 2018                                      |        | 399.178  | 553.286 | (252.160)   | 1.684 | (41.926)                       | 86.307 | 5.457.423  | 6.203.796 | 6.203.796  | 4 | 6.203.796   | 6.203.796 | 4   | 6.203.796 | 6.203.796                    |           |

Total comprehensive income for the year Profit for the year  
Other comprehensive income net of tax:  
Effective portion of cash flows hedges  
Actuarial gain from pension plan

Issuance of subsidiary's shares to non-controlling interests  
Appropriation for general reserve  
Cash dividends of 2017  
Balance as of 31 December 2018

Lihat Catatan atas Laporan Keuangan Konsolidasian pada Ekshibit E terlampir yang merupakan bagian yang tidak terpisahkan dari dari Laporan Keuangan Konsolidasian secara keseluruhan

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## Ekshibit C/2

## Exhibit C/2

**PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA**  
**LAPORAN PERUBAHAN EKUITAS KONSOLIDASIAN**  
**UNTUK TAHUN-TAHUN YANG BERAKHIR 31 DESEMBER 2018 DAN 2017**  
**(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BFI FINANCE INDONESIA TBK AND ITS SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017**  
**(Expressed in millions of Rupiah, unless otherwise stated)**

| Catatan/<br>Notes   | Ekuitas yang dapat diatribusikan kepada pemilik entitas induk/ Equity attributable to owners of the parent |   |   |  |   |   |   |  |  |                                       | Jumlah sebelum<br>kepentingan<br>non-pengendali/<br>Total before<br>non-controlling<br>interests | Kepentingan<br>non-pengendali/<br>Non-controlling<br>interests | Jumlah<br>ekuitas/<br>Total<br>equity |
|---|--|---|---|--|---|---|---|--|--|---------------------------------------|--|--|---------------------------------------|
|   | Modal<br>saham/<br>Share<br>capital  | Tambahan<br>modal<br>disetor<br>- bersih/<br>Additional<br>paid-in<br>capital - net | Saham<br>treasury/<br>Treasury<br>stock | Kerugian<br>kumulatif atas<br>instrumen<br>derivatif untuk<br>lindung nilai<br>arus kas bersih/<br>Cumulative<br>losses on<br>derivative<br>instrument<br>for cash flows<br>hedges - net | Kerugian<br>aktuarial<br>program<br>manfaat pasti/<br>Loss<br>on defined<br>benefit<br>actuarial<br>program | Saldo laba/Retained earnings<br>Telah<br>dipergunakan/ Unappropriated | Belum<br>ditentukan<br>penggunaannya/<br>Unappropriated | Jumlah<br>kepentingan<br>non-pengendali/<br>Total before<br>non-controlling<br>interests | Kepentingan<br>non-pengendali/<br>Non-controlling<br>interests | Jumlah<br>ekuitas/<br>Total<br>equity |  |  |                                       |
| 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                             | Balance as of 31 December 2016   |  |                                       |
| Jumlah penghasilan<br>komprehensif tahun<br>berjalan                  | -  | -   | -                                       | -  | -   | -   | 1.187.510   | 1.187.510  | -  | 1.187.510                             | Total comprehensive<br>income for the year   | 1.187.510  |                                       |
| Laba tahun berjalan   | -  | -   | -                                       | -  | -   | -   | -   | -  | -  | -                                     | Profit for the year  | -  |                                       |
| Penghasilan<br>komprehensif lain                                      | -  | -   | -                                       | 2.602)   | -   | -   | -   | -  | -  | -                                     | Other comprehensive<br>income net of tax:  | -  |                                       |
| setelah pajak:  | -  | -   | -                                       | -  | -   | -   | -   | -  | -  | -                                     | Effective portion<br>of cash flows<br>hedges   | 2.602)   |                                       |
| Bagian yang<br>efektif dari<br>lindung nilai                          | -  | -   | -                                       | -  | -   | -   | -   | -  | -  | -                                     | Actuarial loss from<br>pension plan  | ( 26.538)  |                                       |
| arus kas  | -  | -   | -                                       | -  | -   | -   | -   | -  | -  | -                                     | Issuance of subsidiary's<br>shares to non-<br>controlling interests                              | 1  |                                       |
| Kerugian aktuarial<br>program pensiun                                 | -  | -   | -                                       | 2.602)   | ( 26.538)   | -   | 1.187.510   | 1.158.370  | -  | 1.158.370                             | Appropriation for<br>general reserve   | -  |                                       |
| Penerimaan saham entitas<br>anak kepada kepentingan<br>non-pengendali | -  | -   | -                                       | -  | -   | -   | -   | -  | -  | -                                     | Cash dividends of 2016   | 164.608)   |                                       |
| Penyisihan saldo laba<br>untuk cadangan umum                          | -  | -   | -                                       | -  | -   | 41.037 (  | 41.037 (  | -  | -  | -                                     | Interim cash dividends   | ( 344.181)   |                                       |
| Dividen tunai tahun 2016  | -  | -   | -                                       | -  | -   | -   | -   | -  | -  | -                                     | Balance as of 31 December 2017   | 4.904.266  |                                       |
| Dividen tunai interim   | -  | -   | -                                       | -  | -   | -   | -   | -  | -  | -                                     |  | 1  |                                       |
| Saldo per 31 Desember 2017  | 399.178  | 553.286 (   | 252.160) (                              | 35.477) (  | 75.928)   | 72.733  | 4.242.633   | 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  
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



Ekshibit D

Exhibit D

PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA  
LAPORAN ARUS KAS KONSOLIDASIAN  
UNTUK TAHUN-TAHUN YANG BERAKHIR  
31 DESEMBER 2018 DAN 2017  
(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED  
31 DECEMBER 2018 AND 2017  
(Expressed in millions of Rupiah, unless otherwise stated)

|  | Catatan/<br>Notes | 2018             | 2017               |  |
|--|-------------------|------------------|--------------------|--|
| <b>ARUS KAS DARI AKTIVITAS OPERASI</b>                         |                   |                  |                    | <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                |
| Penerimaan kas dari:   |                   |                  |                    | Cash received from:  |
| Transaksi pembiayaan   |                   | 18.663.015       | 15.051.927         | Financing transactions                                     |
| Pembiayaan bersama   | 32a               | 540.443          | 279.062            | Joint financing  |
| Bunga bank dan deposito berjangka                              |                   | 19.639           | 7.107              | Interest from banks and time deposits                      |
| Lain-lain  |                   | 120.925          | 136.917            | Others   |
| Pengeluaran kas untuk:   |                   |                  |                    | Cash disbursement for:                                     |
| Transaksi pembiayaan baru                                      |                   | (16.372.413)     | (14.340.836)       | New financing transactions                                 |
| Beban umum dan administrasi                                    |                   | (1.456.141)      | (1.208.183)        | General and administrative expenses                        |
| Pembiayaan bersama   | 32a               | (380.657)        | (991.151)          | Joint financing  |
| Beban bunga dan keuangan                                       |                   | (1.077.455)      | (980.143)          | Interest and financing charges                             |
| Pajak penghasilan  |                   | (423.896)        | (289.763)          | Income taxes   |
| <b>Arus kas bersih digunakan untuk aktivitas operasi</b>       |                   | <b>(366.540)</b> | <b>(2.335.063)</b> | <b>Net cash flows used in operating activities</b>         |
| <b>ARUS KAS DARI AKTIVITAS INVESTASI</b>                       |                   |                  |                    | <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                |
| Hasil penjualan aset tetap                                     | 11                | 20.465           | 28.431             | Proceeds from sale of fixed assets                         |
| Perolehan aset tetap   | 11                | (158.519)        | (123.332)          | Acquisition of fixed assets                                |
| Perolehan aset tak berwujud                                    | 12                | (20.296)         | (7.425)            | Acquisition of intangible assets                           |
| Uang muka pembelian aset tetap                                 | 13                | -                | (81.055)           | Advance purchase for fixed assets                          |
| <b>Arus kas bersih digunakan untuk aktivitas investasi</b>     |                   | <b>(158.350)</b> | <b>(183.381)</b>   | <b>Net cash flows used in investing activities</b>         |
| <b>ARUS KAS DARI AKTIVITAS PENDANAAN</b>                       |                   |                  |                    | <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                |
| Penerimaan kas dari:   |                   |                  |                    | Cash received from:  |
| Pinjaman yang diterima   | 14,35             | 5.938.380        | 8.036.520          | Fund borrowings  |
| Surat berharga yang diterbitkan                                | 16a,b,35          | 2.905.000        | 1.835.000          | Securities issued  |
| Penerimaan setoran modal dari kepengingan non-pengendali       |                   | 3                | 1                  | Receipts of paid-in capital from non-controlling interests |
| Pengeluaran kas untuk:   |                   |                  |                    | Cash disbursement for:                                     |
| Pinjaman yang diterima   | 14,35             | (5.931.898)      | (5.866.460)        | Fund borrowings  |
| Penerusan pinjaman ( <i>channeling</i> ) dan jual beli piutang | 32a               | (121)            | (26.013)           | Channeling and receivables sales and purchase              |
| Pelunasan pokok surat berharga yang diterbitkan                | 16a,b,35          | (1.617.000)      | (892.000)          | Repayment of securities issued principal                   |
| Dividen tunai  | 19                | (239.430)        | (508.789)          | Cash dividends   |
| <b>Arus kas bersih diperoleh dari aktivitas pendanaan</b>      |                   | <b>1.054.934</b> | <b>2.578.259</b>   | <b>Net cash flows provided by financing activities</b>     |

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 Financial Statements are Originally Issued  
in Indonesian Language

Ekshibit D/2

Exhibit D/2

PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA  
LAPORAN ARUS KAS KONSOLIDASIAN  
UNTUK TAHUN-TAHUN YANG BERAKHIR  
31 DESEMBER 2018 DAN 2017  
(Dinyatakan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED  
31 DECEMBER 2018 AND 2017  
(Expressed in millions of Rupiah, unless otherwise stated)

|                                     | <i>Catatan/<br/>Notes</i> | <u>2018</u>    | <u>2017</u>    |   |
|-------------------------------------|---------------------------|----------------|----------------|---|
| KENAIKAN BERSIH KAS DAN SETARA KAS  |                           | 530.044        | 59.815         | NET INCREASE IN CASH<br>AND CASH EQUIVALENTS          |
| KAS DAN SETARA KAS PADA AWAL TAHUN  |                           | 225.203        | 165.388        | CASH AND CASH EQUIVALENTS AT<br>BEGINNING OF THE YEAR |
| KAS DAN SETARA KAS PADA AKHIR TAHUN |                           | 755.247        | 225.203        | CASH AND CASH EQUIVALENTS AT<br>END OF THE YEAR       |
| KAS DAN SETARA KAS TERDIRI DARI:    |                           |                |                | CASH AND CASH EQUIVALENTS CONSIST OF:                 |
| Kas dan bank                        | 4                         | 452.095        | 200.084        | Cash on hand and in banks                             |
| Deposito berjangka                  | 4                         | 303.152        | 25.119         | Time deposits   |
|                                     |                           | <u>755.247</u> | <u>225.203</u> |   |

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

**PT BFI FINANCE INDONESIA Tbk DAN ENTITAS ANAKNYA  
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**PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
31 DECEMBER 2018 AND 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 Hendarmin, 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 Hendarmin, 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.

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**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 22, 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 keuangan konsolidasian ini diselesaikan, 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 Number AHU-0024031.AH.01.02 Year 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 consolidated financial statements were completed, 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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1. **UMUM (Lanjutan)**

a. **Pendirian dan Informasi Umum Perusahaan (Lanjutan)**

Perubahan anggaran dasar terkait maksud dan tujuan serta kegiatan usaha Perseroan sesuai POJK 29 tersebut 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 No. S-4171/NB.111/2015 tanggal 5 Agustus 2015.

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.

Untuk menjalankan usaha pembiayaan syariah, Perseroan 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.

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 (secara bersama-sama selanjutnya disebut sebagai grup) mempunyai masing-masing 228 kantor cabang, 173 gerai dan 22 kantor cabang syariah pada tanggal 31 Desember 2018, dan 218 kantor cabang dan 124 gerai pada tanggal 31 Desember 2017 yang tersebar di seluruh wilayah Indonesia.

1. **GENERAL (Continued)**

a. **Establishment and General Information of the Company (Continued)**

The amendment of the articles of association related to the intent and purpose as well as the business activities of the Company in accordance with the POJK 29 has been approved by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-0934483.AH.01.02 Year 2015 dated 30 April 2015 and has been recorded in the administration of the Directorate of Institutional and Industrial Products of Non-Bank Finance in accordance with a letter from the Director of Institutional Product of Industrial Products of Non-Bank Financial Service Authority No. S-4171/NB.111/2015 dated 5 August 2015.

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 No. 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. **Sharia Financing:**
  - a. Financing sale and purchase
  - b. Investment financing
  - c. Financing services.

To undertake a sharia financing business, the Company has received a copy of the Decree of the Board of Commissioners of the Financial Service Authority Number Kep-27/NB.223/2018 concerning the License to Open Sharia Business Unit to the Company and the Decree effective on 8 February 2018.

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 (hereinafter collectively referred to as the group) have 228 branches, 173 kiosks and 22 sharia branch as of 31 December 2018, and 218 branches and 124 kiosks as of 31 December 2017, representative office and kiosks throughout Indonesia.

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1. **UMUM (Lanjutan)**

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.

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.

1. **GENERAL (Continued)**

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.*

*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.*

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1. UMUM (Lanjutan)

b. Penawaran Umum Saham Perusahaan (Lanjutan)

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.

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.

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.

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. 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.

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.

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.

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1. **UMUM (Lanjutan)**

b. **Penawaran Umum Saham Perusahaan (Lanjutan)**

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, sejak 31 Desember 2017 jumlah saham ditempatkan dan disetor penuh menjadi 15.967.115.620 saham.

c. **Entitas Anak**

Perusahaan mendirikan entitas anak dengan nama PT 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. Melalui Surat No.S-588/NB.213/2018 tertanggal 31 Juli 2018, permohonan FIT atas platform <http://www.pinjammodal.id> sebagai penyelenggara Layanan Pinjam Meminjam Uang Berbasis Teknologi Informasi disetujui untuk terdaftar dan diawasi oleh OJK. Selanjutnya, FIT wajib mengajukan permohonan izin usaha sebagai penyelenggara Layanan Pinjam Meminjam Uang Berbasis Teknologi Informasi dalam jangka waktu paling lama satu tahun sejak terdaftar di OJK.

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.

Pada tanggal 31 Desember 2018, jumlah saham yang telah dibeli kembali oleh Perusahaan adalah sebanyak 1.002.732.000 saham (setelah pemecahan 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*).

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. 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.S-02820/BEI.PP1/05-2017 dated 23 May 2017. Therefore, since 31 December 2017 total issued and fully paid capital was 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. Based on Decision Letter No.S-588/NB.213/2018 dated 31 July 2018, the application for FIT on the platform <http://www.pinjammodal.id> as the organizer of Information Technology-Based Lending and Borrowing Services is approved to be registered and supervised by the OJK. Furthermore, FIT is required to apply for a business license as an Information Technology-Based Money-Borrowing Service provider within a maximum period of one year after being registered with the OJK.

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.

As of 31 December 2018, total shares bought back by the Company was totaling 1,002,732,000 shares (after stock split) 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).



Ekshibit E/7

Exhibit E/7

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1. UMUM (Lanjutan)

1. GENERAL (Continued)

e. Surat Berharga yang Diterbitkan

e. Securities Issued

Surat berharga yang diterbitkan selama 5 (lima) tahun terakhir adalah sebagai berikut:

Securities issued for the last 5 (five) years are as follows:

| Surat berharga/<br>Securities   | Tanggal<br>pencatatan di<br>Bursa Efek<br>Indonesia/<br>Listing date | Tanggal<br>efektif/<br>Effective<br>date               | Total<br>emisi/<br>Amount<br>issued | Jumlah<br>per seri<br>Obligasi/<br>Amount per<br>Series | Tanggal<br>jatuh tempo/<br>Due date | Status<br>pembayaran/<br>Payment<br>status |
|---|--|--|-------------------------------------|---|-------------------------------------|--|
| Obligasi Berkelanjutan II<br>BFI Finance Indonesia<br>Total limit :<br>(Rp 2.500.000)     |  | 28 Februari/<br>February 2014<br>(No. S-121/D.04/2014) |                                     |   |                                     |  |
| Tahap I Tahun 2014<br>Seri/Series A:  | 10 Maret/<br>March 2014  |  | 500.000                             | 225.000   | 17 Maret/<br>March 2015             | Lunas/Paid                                 |
| Seri/Series B:  |  |  |                                     | 55.000  | 7 Maret/<br>March 2016              | Lunas/Paid                                 |
| Seri/Series C:  |  |  |                                     | 220.000   | 7 Maret/<br>March 2017              | Lunas/Paid                                 |
| Tahap II Tahun 2015   | 20 Maret/<br>March 2015  |  | 1.000.000                           |   |                                     |  |
| Seri/Series A:  |  |  |                                     | 345.000   | 29 Maret/<br>March 2016             | Lunas/Paid                                 |
| Seri/Series B:  |  |  |                                     | 105.000   | 19 Maret/<br>March 2017             | Lunas/Paid                                 |
| Seri/Series C:  |  |  |                                     | 550.000   | 19 Maret/<br>March 2018             | Lunas/Paid                                 |
| Tahap III Tahun 2016  | 26 Februari/<br>February 2016  |  | 1.000.000                           |   |                                     |  |
| Seri/Series A:  |  |  |                                     | 200.000   | 5 Maret/<br>March 2017              | Lunas/Paid                                 |
| Seri/Series B:  |  |  |                                     | 142.000   | 25 Februari/<br>February 2018       | Lunas/Paid                                 |
| Seri/Series C:  |  |  |                                     | 658.000   | 25 Februari/<br>February 2019       | Belum jatuh<br>tempo/<br>Not yet due       |
| Obligasi Berkelanjutan<br>III BFI Finance<br>Indonesia<br>Total limit :<br>(Rp 5.000.000) |  | 17 Oktober/<br>October 2016<br>(No.S588/D.04/2016)     | 1.000.000                           |   |                                     |  |
| Tahap I Tahun 2016<br>Seri/Series A:  | 26 Oktober/<br>October 2016  |  |                                     | 317.000   | 5 November<br>2017                  | Lunas/Paid                                 |
| Seri/Series B:  |  |  |                                     | 550.000   | 25 Oktober/<br>October 2019         | Belum jatuh<br>tempo/<br>Not yet due       |
| Seri/Series C:  |  |  |                                     | 133.000   | 25 Oktober/<br>October 2021         | Belum jatuh<br>tempo/<br>Not yet due       |
| Tahap II Tahun 2017<br>Seri/Series A:   | 3 Maret/<br>March 2017   |  | 1.000.000                           | 540.000   | 12 Maret/<br>March 2018             | Lunas/Paid                                 |
| Seri/Series B:  |  |  |                                     | 460.000   | 2 Maret/<br>March 2020              | Belum jatuh<br>tempo/<br>Not yet due       |

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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)

1. GENERAL (Continued)

e. Securities Issued (Continued)

Securities issued for the last 5 (five) years are as follows: (Continued)

| Surat berharga/<br>Securities  | Tanggal<br>pencatatan di<br>Bursa Efek<br>Indonesia/<br>Listing date         | Tanggal<br>efektif/<br>Effective<br>date    | Total<br>emisi/<br>Amount<br>issued | Jumlah<br>per seri<br>Obligasi/<br>Amount per<br>Series | Tanggal<br>jatuh tempo/<br>Due date | Status<br>pembayaran/<br>Payment<br>status |
|--|--|---|-------------------------------------|---|-------------------------------------|--|
| Tahap III Tahun 2017<br>Seri/Series A:   | 10 November<br>2017  |   | 835.000                             | 335.000   | 19 November<br>2018                 | Lunas/Paid                                 |
| Seri/Series B:   |  |   |                                     | 100.000   | 9 November<br>2019                  | Belum jatuh tempo/<br>Not yet due          |
| Seri/Series C:   |  |   |                                     | 400.000   | 9 November<br>2020                  | Belum jatuh tempo/<br>Not yet due          |
| Tahap IV Tahun 2018<br>Seri/Series A:  | 7 Maret /<br>March 2018  |   | 2.165.000                           | 946.000   | 16 Maret /<br>March 2019            | Belum jatuh tempo/<br>Not yet due          |
| Seri/Series B:   |  |   |                                     | 253.000   | 6 Maret /<br>March 2020             | Belum jatuh tempo/<br>Not yet due          |
| Seri/Series B:   |  |   |                                     | 966.000   | 6 Maret /<br>March 2021             | Belum jatuh tempo/<br>Not yet due          |
| Obligasi Berkelanjutan<br>IV BFI Finance<br>Indonesia<br>Total limit :<br>(Rp 8.000.000) |  | 7 Juni/<br>June 2018<br>(No.S-67/D.04/2018) | 740.000                             |   |                                     |  |
| Tahap I Tahun 2018<br>Seri/Series A:   | 27 Juni /<br>June 2018   |   |                                     | 188.000   | 6 Juli/<br>July 2019                | Belum jatuh tempo/<br>Not yet due          |
| Seri/Series B:   |  |   |                                     | 552.000   | 26 Juni/<br>June 2021               | Belum jatuh tempo/<br>Not yet due          |
| Medium Term Notes<br>BFI Finance Indonesia<br>II Tahun 2014                              | Tidak<br>dicatangkan di<br>Bursa Efek/<br>Not listed on<br>Stock<br>Exchange | 4 Juni/<br>June 2014                        | 130.000                             | 130.000   | 14 Juni/<br>June 2015               | Lunas/Paid                                 |
| Medium Term Notes<br>BFI Finance Indonesia<br>III Tahun 2015                             | Tidak<br>dicatangkan di<br>Bursa Efek/<br>Not listed on<br>Stock<br>Exchange |   | 100.000                             |   |                                     |  |
| Seri/Series A:   |  | 13 April 2015                               |                                     | 50.000  | 13 April 2017                       | Lunas/Paid                                 |
| Seri/Series B:   |  | 13 Mei/<br>May 2015                         |                                     | 50.000  | 13 Mei/<br>May 2018                 | Lunas/Paid                                 |
| Medium Term Notes<br>BFI Finance Indonesia<br>IV Tahun 2015                              | Tidak<br>dicatangkan di<br>Bursa Efek/<br>Not listed on<br>Stock<br>Exchange | 5 Agustus/<br>August 2015                   | 155.000                             | 155.000   | 15 Agustus/<br>August 2016          | Lunas/Paid                                 |

Ekshibit E/9

Exhibit E/9

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1. UMUM (Lanjutan)

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, yang 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, susunan Dewan Komisaris, Direksi dan Dewan Pengawas Syariah Perusahaan pada tanggal 31 Desember 2018 dan 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  | : |
| Anggota | : | Helda Rahmi Sina | : |

\*) Berlaku efektif terhitung sejak tanggal kelulusan Penilaian Kemampuan dan Kepatutan dari Otoritas Jasa Keuangan (OJK) yaitu tanggal 27 Desember 2017.

1. GENERAL (Continued)

f. Boards of Commissioners, Directors, Sharia Supervisory Board, Audit Committee, Internal Audit, Corporate Secretary and Employees

Based on Deed of Minutes of Meeting of the Extraordinary General Meeting of Shareholders (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, 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.01.03-0027398 dated 19 January 2018, the composition of the Company's Board of Commissioners, Directors and Sharia Supervisory Board of as of 31 December 2018 and 2017 are as follows:

**Board of Commissioners**

|                            |   |
|----------------------------|---|
| President Commissioner     | : |
| Commissioner (Independent) | : |
| Commissioner (Independent) | : |
| Commissioner (Independent) | : |
| Commissioner               | : |
| Commissioner               | : |
| Commissioner               | : |

**Directors**

|                    |   |
|--------------------|---|
| President Director | : |
| Finance Director   | : |
| Business Director  | : |

**Sharia Supervisory Board\*)**

|          |   |
|----------|---|
| Chairman | : |
| Member   | : |

\*) Effective as of the date of passing the Fit and Proper Test of the Financial Service Authority (OJK) on 27 December 2017.

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1. **UMUM** (Lanjutan)

- f. Dewan Komisaris, Direksi, Dewan Pengawas Syariah, Komite Audit, Internal Audit, Sekretaris Perusahaan dan Karyawan (Lanjutan)

Susunan Komite Audit Perusahaan dan entitas anaknya pada tanggal 31 Desember 2018 dan 2017 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 2018 dan 2017 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 2018 dan 2017 adalah Sudjono.

**Karyawan**

Jumlah karyawan Perusahaan dan entitas anaknya pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

|                      | <u>2018</u>   |
|----------------------|---------------|
| Karyawan tetap       | 6.646         |
| Karyawan tidak tetap | 4.525         |
| Jumlah               | <u>11.171</u> |

Personil manajemen kunci Perusahaan mencakup anggota Dewan Komisaris dan Direksi.

1. **GENERAL** (Continued)

- f. *Boards of Commissioners, Directors, Sharia Supervisory Board, Audit Committee, Internal Audit, Corporate Secretary and Employees (Continued)*

*The composition of the Audit Committee of the Company and its subsidiary as of 31 December 2018 and 2017, 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 2018 and 2017 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 2018 and 2017 is Sudjono.*

**Employees**

*The total number of the Company and its subsidiary's employees as of 31 December 2018 and 2017 was as follows:*

|                      | <u>2018</u>   | <u>2017</u>  |                         |
|----------------------|---------------|--------------|-------------------------|
| Karyawan tetap       | 6.646         | 5.982        | Permanent employees     |
| Karyawan tidak tetap | 4.525         | 3.902        | Non-permanent employees |
| Jumlah               | <u>11.171</u> | <u>9.884</u> | Total                   |

*Key management personnel of the Company consist of members of Boards of Commissioners and Directors.*

Ekshibit E/11

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING**

Kebijakan-kebijakan akuntansi di bawah ini telah diterapkan secara konsisten pada seluruh periode yang disajikan dalam laporan keuangan ini.

Laporan Keuangan konsolidasian Perusahaan dan entitas anaknya disetujui untuk diterbitkan oleh Direksi pada tanggal 19 Februari 2019.

**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.

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.

Exhibit E/11

**PT BFI FINANCE INDONESIA Tbk AND ITS SUBSIDIARY  
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**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.*

*The consolidated financial statements of the Company and its subsidiary were authorized for issuance by Directors on 19 February 2019.*

**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.*

*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.*

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

c. Perubahan Kebijakan Akuntansi

c. Change in Accounting Policies

Perubahan atas Pernyataan Standar Akuntansi Keuangan ("PSAK") dan Interpretasi Standar Akuntansi Keuangan ("ISAK")

Changes to Statement of Financial Accounting Standards ("SFAS") and Interpretations of Financial Accounting Standards ("IFAS")

Amandemen standar dan interpretasi berikut efektif untuk periode yang dimulai pada atau setelah 1 Januari 2018 yang relevan bagi Perusahaan dan entitas anaknya namun tidak menyebabkan perubahan signifikan atas kebijakan akuntansi Perusahaan dan entitas anaknya, yaitu Amandemen PSAK 2 "Laporan Arus Kas - Prakarsa Pengungkapan", Amandemen PSAK 13 "Properti Investasi - Pengalihan Properti Investasi", PSAK 15 (Penyesuaian) "Investasi pada Entitas Asosiasi dan Ventura Bersama", Amandemen PSAK 16 "Aset Tetap - Agrikultur: Tanaman Produktif", Amandemen PSAK 46 "Pajak Penghasilan - Pengakuan Aset Pajak Tanggahan untuk Rugi yang Belum Direalisasi", Amandemen PSAK 53 "Pembayaran Berbasis Saham - Klasifikasi dan Pengukuran Transaksi Pembayaran Berbasis Saham", PSAK 67 (Penyesuaian), "Pengungkapan Kepentingan dalam Entitas Lain", PSAK 69 "Agrikultur" dan PSAK 111 "Akuntansi Wa'd"

Amendments of the following standards and interpretations which effective for periods beginning on or after 1 January 2018 and relevant for Company and its subsidiary but did not result in substantial changes to the Company's accounting policies, namely amendment of SFAS 2 "Statements of Cash Flows - Disclosure Initiative", Amendments to SFAS 13 "Investment Property - Transfer to Investment Property", SFAS 15 (Improvements) "Investments in Associates and Joint Ventures", Amendments to SFAS 16 "Property, Plant and Equipment - Agriculture: Bearer Plants", Amendments to SFAS 46 "Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses", Amendments to SFAS 53 "Share-based Payment - Classification and Measurement of Share-based Payment Transactions", SFAS 67 (Improvements), "Disclosures of Interest in Other Entities", SFAS 69 "Agriculture" and SFAS 111 "Wa'd Accounting".

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 ISAK 33 "Transaksi Valuta Asing dan Imbalan Dimuka", Amandemen PSAK 15 "Investasi pada Entitas dan Ventura Bersama: Kepentingan Jangka Panjang dan Entitas Asosiasi dan Ventura Bersama", Amandemen PSAK 62 "Kontrak Asuransi", PSAK 71 "Instrumen Keuangan tentang Fitur Percepatan Pelunasan dengan Kompensasi Negatif", PSAK 72 "Pendapatan dari Kontrak dengan Pelanggan", dan PSAK 73 "Sewa".

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 ISAK 33 "Foreign Currency Transactions and Advance Consideration", Amendment to SFAS 15 "Investments in Associate and Joint Venture: Long-term Interest in Associate and Joint Ventures", Amendment to SFAS 62 "Insurance Contract", SFAS 71, Financial Instruments", Amendment to SFAS 71 "Financial Instrument: Prepayment Features with Negative Compensation", SFAS 72 "Revenue from Contracts with Customers", and SFAS 73 "Leases".

Sampai dengan tanggal laporan auditor independen, manajemen Perusahaan dan entitas anak sedang mengevaluasi dampak dari standar dan interpretasi tersebut terhadap laporan keuangan Perusahaan.

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. Aset dan Liabilitas Keuangan

d. Financial Assets and Liabilities

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").

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").

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.

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.

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").

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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 (Lanjutan)

d.1. Classification (Continued)

Pinjaman yang diberikan dan piutang adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan dan tidak mempunyai kuota 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.

Setelah pengakuan awal, pinjaman yang diberikan dan piutang dicatat pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method.

Setelah pengakuan awal, Perusahaan mengukur seluruh liabilitas keuangan dicatat pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

Subsequent to initial recognition, the Company measures all financial liabilities at amortized cost using the effective interest method.

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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

d.3. Derecognition

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.

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.

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.

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.

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.

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.

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.

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.

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.



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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.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 obyektif 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.

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.

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d. Aset dan Liabilitas Keuangan (Lanjutan)

d.6. Identifikasi dan pengukuran penurunan nilai aset keuangan (Lanjutan)

Penilaian secara individual dilakukan atas aset keuangan yang signifikan yang memiliki bukti objektif 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 actual untuk memastikan estimasi tersebut masih tepat.

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.

d.7. Pengukuran nilai wajar

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.

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.

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*).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Financial Assets and Liabilities (Continued)

d.6. Identification and measurement of impairment for financial assets (Continued)

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.

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. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at 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.

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.

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.

Ekshibit E/17

Exhibit E/17

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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)

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.

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.

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.

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.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

**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.

**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. 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 diklarifikasikan sebagai sewa operasi jika sewa tidak mengalihkan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset.

**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.

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.

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.

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.

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.

**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.

**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.

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 pendapatan selama jangka waktu kontrak dengan menggunakan metode suku bunga efektif dari piutang pembiayaan konsumen.

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

g. Pembiayaan Konsumen (Lanjutan)

g. Consumer Financing (Continued)

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.

Unamortized 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.

Penyelesaian kontrak sebelum masa pembiayaan konsumen berakhir dipertakutkan sebagai pembatalan kontrak pembiayaan konsumen dan pendapatan yang timbul terkait penyelesaian kontrak ini diakui dalam laba rugi tahun berjalan.

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.

Piutang pembiayaan konsumen akan dihapusbukkan setelah menunggak lebih dari 270 hari (untuk properti) dan lebih dari 210 hari (untuk produk mobil dan motor). Penerimaan dari piutang yang telah dihapusbukkan diakui sebagai pendapatan lain-lain pada saat diterima.

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.

**Pembiayaan Bersama**

**Joint Financing**

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.

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.

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".

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".

h. Piutang Ijarah

h. Ijarah Receivables

Piutang ijarah (porsi pokok sewa) merupakan akrual piutang sewa atas porsi pokok yang belum direalisasikan oleh nasabah dan piutang pendapatan ijarah merupakan akrual piutang sewa atas bagian keuntungan (ujroh) transaksi ijarah muntahiyah bittamlik dari angsuran nasabah pada bulan berikutnya yang diakui secara proporsional.

Ijarah receivables are based on unrealized accrual rent income from principal portion and ijarah receivable represents portion of accrual rent income from the following month's installment of ijarah muntahiyah bittamlik which is recognized proportionally.

Akad ijarah adalah akad penyediaan dana dalam rangka memindahkan hak guna atau manfaat dari suatu barang atau jasa berdasarkan transaksi sewa, tanpa diikuti dengan pemindahan kepemilikan barang tersebut kepada penyewa.

Akad ijarah is a contract for the provision of funds in the context of transferring the use rights or benefits of a good or service based on a lease transaction, without being followed by the transfer of ownership of such goods to the lessee.

Piutang pendapatan ijarah diakui pada saat jatuh tempo sebesar sewa porsi ujroh dan piutang ijarah sebesar sewa porsi pokok yang belum diterima dan disajikan sebesar nilai bersih yang dapat direalisasikan, yaitu sebesar saldo piutang.

Ijarah revenue receivables are recognized at maturity amounting to the rent of ujroh and ijarah receivables amounting to the portion of the principal outstanding which has not been received and presented at net realizable value, which is the outstanding amount of the receivables.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)**

**i. 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.

**j. 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

**i. 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.

**j. 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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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

j. 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 aset atau liabilitas yang telah diakui atau terhadap unsur yang dilindungi nilainya dalam penghasilan komprehensif lainnya tahun berjalan atau disajikan dalam ekuitas, tergantung pada jenis transaksi dan efektivitas 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 dilindungi 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 dilindungi nilai diakui dalam laporan laba rugi.

Ketika suatu prakiraan transaksi akan dilindungi nilai tidak lagi diharapkan akan terjadi, jumlah yang ditangguhkan dalam ekuitas diakui segera dalam laporan laba rugi.

k. Beban Dibayar di Muka

Beban dibayar di muka diamortisasi dan dibebankan selama masa manfaat masing-masing beban dengan menggunakan metode garis lurus.

l. Aset Ijarah

Aset yang diperoleh untuk ijarah merupakan aset yang menjadi objek transaksi sewa (ijarah) dan dicatat di laporan posisi keuangan sebesar harga perolehan dikurangi akumulasi penyusutan. Aset dalam transaksi ijarah disusutkan sesuai dengan jangka waktu sewa.

Pendapatan ijarah diakui selama masa akad menggunakan metode flat (proporsional).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. 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.

k. Prepaid Expenses

Prepaid expenses are amortized and charged as an expense over the periods of benefit using the straight-line method.

l. Ijarah Asset

Assets acquired for ijarah represent object of leased assets and are recorded in the statements of financial positions at the acquisition cost, net of accumulated depreciation. Assets in ijarah transaction are depreciated over the lease period.

Income from ijarah is recognised over the period of the contract with flat (proportional) method.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

m. Aset Tetap

m. Fixed Assets

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.

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.

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.

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.

Tanah dinyatakan sebesar harga perolehan dan tidak disusutkan.

Land is stated at cost and not depreciated.

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:

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:

|                                 | Masa manfaat/<br>Useful lives<br>(Tahun/ Year) | Tarif/<br>Rates |                           |
|---------------------------------|--|-----------------|---------------------------|
| Bangunan dan prasarana          | 20   | 5 %             | Building and improvements |
| Peralatan kantor                | 5  | 20 %            | Office equipment          |
| Kendaraan                       | 5  | 20 %            | Vehicles                  |
| Perabot dan perlengkapan kantor | 5  | 20 %            | Furniture and fixtures    |

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.

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.

Jumlah tercatat aset tetap dihentikan pengakuannya pada saat pelepasan atau ketika tidak terdapat lagi manfaat ekonomi masa depan yang diekspektasikan dari penggunaan atau pelepasannya.

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.

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.

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.

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.

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.

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.

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.

Pada setiap akhir tahun, nilai residu, umur dan metode penyusutan dikaji ulang dan disesuaikan secara prospektif jika diperlukan.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

**n. Aset Tak Berwujud**

**n. Intangible Assets**

Perangkat lunak

Software

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.

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.

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.

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.

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.

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.

Metode amortisasi, estimasi masa manfaat dan nilai residual ditelaah pada setiap akhir tahun pelaporan dan disesuaikan jika dianggap tepat.

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Keuntungan atau kerugian pelepasan aset tak berwujud ditentukan dengan membandingkan penerimaan dengan nilai tercatat dan diakui di dalam laporan laba rugi.

Gains or losses on disposal of intangible assets are determined by comparing proceeds with the carrying amount and are recognized in profit or loss.

**o. Pajak Penghasilan**

**o. Income Tax**

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.

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.

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.

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.

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.

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.

Metode ini juga mengharuskan pengakuan manfaat pajak di masa depan, seperti kompensasi rugi fiskal, apabila besar kemungkinan manfaat pajak tersebut dapat direalisasi.

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.

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**o. Pajak Penghasilan (Lanjutan)**

Aset dan liabilitas pajak tangguhan diakui untuk perbedaan temporer antara basis komersial dan basis fiskal atas aset dan liabilitas pada setiap tanggal pelaporan.

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 operasi periode berjalan, kecuali jika diajukan upaya penyelesaian selanjutnya. Jumlah tambahan pokok dan denda pajak yang ditetapkan dengan SKP ditangguhkan pembebanannya sepanjang memenuhi kriteria pengakuan aset.

**p. 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)**

**o. Income Tax (Continued)**

*Deferred tax assets and liabilities are recognized for temporary differences between the financial and the tax bases of assets and liabilities at each reporting date.*

*Deferred tax assets 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.*

**p. 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)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

q. 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.

r. 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.

q. *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.*

r. *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)**

**r. 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 terutang.

**s. 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.

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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

**r. 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.

**s. 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.

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.

Ekshibit E/27

Exhibit E/27

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)

s. Pengakuan Pendapatan dan Beban (Lanjutan)

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.

t. Penurunan Nilai Aset Non-Keuangan

Pengujian penurunan nilai suatu aset non-keuangan menggunakan masa manfaat ekonomi tidak terbatas dilakukan setiap tahun pada akhir periode pelaporan keuangan. Aset non-keuangan lain duji penurunan nilai ketika telah terjadi atau ada perubahan dalam keadaan yang mengindikasikan bahwa nilai tercatat tidak terpulihkan. Apabila nilai tercatat aset melebihi jumlah terpulihkan (yaitu mana yang lebih tinggi antara nilai pakai dan nilai wajar dikurangi untuk menjual), maka aset tersebut diturunkan nilainya.

u. 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 2018 dan 2017, berdasarkan kurs tengah yang diterbitkan Bank Indonesia, yaitu sebagai berikut:

|                                | 2018<br>(nilai penuh)/<br>(full amount) |
|--------------------------------|---|
| 1 Dollar Amerika Serikat (USD) | 14.481                                  |

Penjabaran mata uang asing dicatat sesuai dengan PSAK 10 (revisi 2010) - Pengaruh Perubahan Nilai Tukar Valuta Asing.

v. Segmen Operasi

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

s. Revenue and Expenses Recognition (Continued)

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.

t. Impairment of non-financial assets

Impairment test on non-financial assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment test whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

u. 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 2018 and 2017 are based of the mid rates published by Bank Indonesia, are as follows:

|  | 2017<br>(nilai penuh)/<br>(full amount) |                               |
|--|---|-------------------------------|
|  | 13.548                                  | 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.

v. Operating Segment

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);

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v. Segmen Operasi (Lanjutan)

Segmen operasi adalah suatu komponen dari entitas:  
(Lanjutan)

- (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.

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).

w. 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.

x. 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*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

v. Operating Segment (Continued)

An operating segment is a component of entity which:  
(Continued)

- (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.

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).

w. 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.

x. 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)

y. 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.

Laba per saham dilusian dihitung dengan cara membagi laba bersih yang tersedia bagi pemegang saham dengan jumlah rata-rata tertimbang saham biasa yang telah disesuaikan dengan dampak dari semua efek berpotensi saham biasa yang dilutif.

Jika jumlah saham yang beredar meningkat akibat dari pemisahan saham (*stock split*), maka perhitungan laba per saham dasar untuk seluruh periode penyajian harus disesuaikan secara retrospektif.

Perusahaan dan entitas anaknya tidak mempunyai efek berpotensi saham biasa yang bersifat dilutif pada tanggal 31 Desember 2018 dan 2017, oleh karena itu laba per saham dilusian tidak dihitung dan disajikan pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian.

z. Dividen

Pembagian dividen kepada para pemegang saham Perusahaan diakui sebagai sebuah liabilitas dalam laporan keuangan pada periode ketika dividen tersebut disetujui oleh para pemegang saham Perusahaan. Pembagian dividen interim diakui sebagai liabilitas ketika dividen disetujui berdasarkan keputusan rapat Direksi sesuai dengan Anggaran Dasar Perseroan.

aa. Provisi

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.

Provisi ditelaah pada akhir tiap periode pelaporan dan disesuaikan untuk mencerminkan estimasi terbaik. Apabila tidak ada lagi kemungkinan arus keluar sumber daya ekonomi diperlukan untuk menyelesaikan kewajiban, maka provisi tersebut dipulihkan.

Apabila dampak nilai waktu uang adalah material, maka provisi didiskontokan dengan menggunakan tarif sebelum pajak, jika lebih tepat, untuk mencerminkan risiko spesifik liabilitas. Ketika pendiskontoan digunakan, kenaikan provisi terkait dengan berlalunya waktu diakui sebagai beban keuangan.

bb. Kontinjensi

Liabilitas kontinjen tidak diakui di dalam laporan keuangan. Liabilitas kontinjensi diungkapkan di dalam catatan atas laporan keuangan kecuali kemungkinan arus keluar sumber daya ekonomi adalah kecil.

Aset kontinjen tidak diakui di dalam laporan keuangan, namun diungkapkan di dalam catatan atas laporan keuangan jika terdapat kemungkinan suatu arus masuk manfaat ekonomis.

y. 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.

Diluted earning per share is calculated by dividing net profit available to shareholders by the weighted average number of shares outstanding as adjusted for the effect of all dilutive potential ordinary shares.

If the outstanding number of shares increase as result of stock split, the computation of basic earnings per share for all presentation periods is adjusted retrospectively.

The Company and its subsidiary has no outstanding dilutive potential dilutive ordinary shares as of 31 December 2018 and 2017, accordingly no diluted earnings per share is calculated and presented in the consolidated statements of profit or loss other comprehensive income.

z. Dividends

Dividend distributions to the Company's shareholders is recognised as a liability in the financial statement in the period which the dividends are approved by the Company's shareholders. Interim dividend distributions are recognised as a liability when the dividends are approved based on a Board of Directors resolution in accordance with the Company's Articles of Association.

aa. Provisions

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.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

If the effect of the time value of money is material, provisions are discounted using a current pre - tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

bb. Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING (Lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

**cc. Peristiwa Setelah Periode Pelaporan**

**cc. 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.

**3. PENGGUNAAN ESTIMASI DAN PERTIMBANGAN**

**3. USE OF ESTIMATES AND JUDGEMENTS**

**Pertimbangan Akuntansi yang Penting, Estimasi dan Asumsi**

**Significant Accounting Judgements, Estimates and Assumptions**

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 diestimasi.

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.

**I. Penggunaan Pertimbangan**

**I. Use of Judgements**

Pertimbangan berikut ini dibuat oleh manajemen dalam rangka penerapan kebijakan akuntansi Perusahaan yang memiliki pengaruh paling signifikan atas jumlah yang diakui dalam laporan keuangan:

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) Klasifikasi aset dan liabilitas keuangan**

**(i) Classification of financial assets and financial liabilities**

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.

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) Cadangan atas kerugian penurunan nilai aset keuangan**

**(ii) Allowance for impairment of financial assets**

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.

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.



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3. **PENGUNAAN ESTIMASI DAN PERTIMBANGAN (Lanjutan)**

**Pertimbangan Akuntansi yang Penting, Estimasi dan Asumsi (Lanjutan)**

I. **Penggunaan Pertimbangan (Lanjutan)**

(ii) **Cadangan atas kerugian penurunan nilai aset keuangan (Lanjutan)**

Cadangan spesifik ini dievaluasi kembali dan disesuaikan jika tambahan informasi yang diterima mempengaruhi jumlah cadangan kerugian penurunan nilai investasi pembiayaan dan cadangan piutang pembiayaan konsumen. Nilai tercatat dari piutang sewa pembiayaan sebelum cadangan kerugian penurunan nilai pada tanggal 31 Desember 2018 dan 2017 masing-masing sebesar Rp 11.515.089 dan Rp 9.520.807. Penjelasan lebih rinci diungkapkan dalam Catatan 5. Nilai tercatat dari piutang pembiayaan konsumen Perusahaan sebelum cadangan kerugian penurunan nilai pada tanggal 31 Desember 2018 dan 2017 masing-masing sebesar Rp 6.143.231 dan Rp 5.891.400. Penjelasan lebih rinci diungkapkan dalam Catatan 6.

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 substansial sama, analisis arus kas yang didiskonto, atau model penilaian lainnya. Penjelasan lebih rinci diungkapkan dalam Catatan 37.

3. **USE OF ESTIMATES AND JUDGEMENTS (Continued)**

**Significant Accounting Judgements, Estimates and Assumptions (Continued)**

I. **Use of Judgements (Continued)**

(ii) **Allowance for impairment of financial assets (Continued)**

These specific allowances are re-evaluated and adjusted as additional information received affects the amounts of allowance for impairment of 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 Desember 2018 and 2017 were amounted to Rp 11,515,089 and Rp 9,520,807, 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 2018 and 2017 were amounting to Rp 6,143,231 and Rp 5,891,400, respectively. Further details are shown in Note 6.

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 37.

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3. **PENGUNAAN ESTIMASI DAN PERTIMBANGAN (Lanjutan)**

**Pertimbangan Akuntansi yang Penting, Estimasi dan Asumsi (Lanjutan)**

**II. Estimasi dan Asumsi (Lanjutan)**

(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.

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 11 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.

3. **USE OF ESTIMATES AND JUDGEMENTS (Continued)**

**Significant Accounting Judgements, Estimates and Assumptions (Continued)**

**II. Estimates and Assumptions (Continued)**

(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.

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 11 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.

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3. **PENGUNAAN ESTIMASI DAN PERTIMBANGAN (Lanjutan)**

Pertimbangan Akuntansi yang Penting, Estimasi dan Asumsi (Lanjutan)

II. **Estimasi dan Asumsi (Lanjutan)**

(iv) **Imbalan pasca-kerja (Lanjutan)**

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.

Asumsi kunci liabilitas imbalan pasca-kerja lainnya sebagian ditentukan berdasarkan kondisi pasar saat ini. Penjelasan lebih rinci diungkapkan dalam Catatan 18.

(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.

(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)**

*Significant Accounting Judgements, Estimates and Assumptions (Continued)*

II. **Estimates and Assumptions (Continued)**

(iv) **Post-employment benefits (Continued)**

*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.*

*Other key assumptions for post-employment benefit obligations are based in part on current market conditions. Further details are shown in Note 18.*

(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.*

(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  | 2018          | 2017          |   |
|--|---------------|---------------|---|
| Kas dan setara kas terdiri dari:   |               |               |   |
| <b>Kas</b>   | 26.778        | 36.337        | <b>Cash on hand</b>                         |
| <b>Bank</b>  |               |               | <b>Cash in banks</b>                        |
| <b>Pihak ketiga</b>  |               |               | <b>Third parties</b>                        |
| <b>Rupiah</b>  |               |               | <b>Rupiah</b>                               |
| PT Bank Pembangunan Daerah Banten Tbk  | 201.080       | -             | PT Bank Pembangunan Daerah Banten Tbk       |
| PT Bank Mandiri (Persero) Tbk  | 160.579       | 67.810        | PT Bank Mandiri (Persero) Tbk               |
| PT Bank Central Asia Tbk   | 30.935        | 46.696        | PT Bank Central Asia Tbk                    |
| PT Bank Victoria International Tbk   | 20.267        | -             | PT Bank Victoria International Tbk          |
| Standard Chartered Bank, Jakarta Branch  | 6.199         | 16.188        | Standard Chartered Bank, Jakarta Branch     |
| PT Bank Rakyat Indonesia (Persero) Tbk   | 1.965         | 13.447        | PT Bank Rakyat Indonesia (Persero) Tbk      |
| PT Bank Negara Indonesia (Persero) Tbk   | 1.343         | 3.875         | PT Bank Negara Indonesia (Persero) Tbk      |
| PT Bank CIMB Niaga Tbk   | 1.165         | 802           | PT Bank CIMB Niaga Tbk                      |
| Lain-lain (Saldo di bawah Rp 1.000)  | 1.784         | 14.929        | Others (Balances below Rp 1,000)            |
| <b>Jumlah bank</b>   | 425.317       | 163.747       | <b>Total cash in banks</b>                  |
| <b>Jumlah kas dan bank</b>   | 452.095       | 200.084       | <b>Total cash on hand and in banks</b>      |
| <b>Setara kas</b>  |               |               | <b>Cash equivalents</b>                     |
| <b>Deposito berjangka</b>  |               |               | <b>Time deposits</b>                        |
| <b>Pihak ketiga</b>  |               |               | <b>Third parties</b>                        |
| <b>Rupiah</b>  |               |               | <b>Rupiah</b>                               |
| PT Bank Pembangunan Daerah Banten Tbk  | 150.000       | -             | PT Bank Pembangunan Daerah Banten Tbk       |
| PT Bank JTrust Indonesia Tbk   | 100.000       | -             | PT Bank JTrust Indonesia Tbk                |
| PT Bank Rakyat Indonesia (Persero) Tbk   | 45.000        | -             | PT Bank Rakyat Indonesia (Persero) Tbk      |
| PT Bank Syariah Bukopin  | 8.000         | 25.119        | PT Bank Syariah Bukopin                     |
| PT Bank Pan Indonesia Tbk  | 152           | -             | PT Bank Pan Indonesia Tbk                   |
| <b>Jumlah setara kas</b>   | 303.152       | 25.119        | <b>Total cash equivalents</b>               |
| <b>Jumlah kas dan setara kas</b>   | 755.247       | 225.203       | <b>Total cash and cash equivalents</b>      |
| Kisaran suku bunga kontraktual dari deposito berjangka diatas adalah sebagai berikut:                  |               |               |   |
|  | 2018          | 2017          |   |
| Tingkat bunga deposito berjangka per tahun Rupiah  | 6,00% - 9,75% | 7,00% - 9,50% | Time deposit interest rate per annum Rupiah |
| Tidak ada saldo kas dan setara kas yang dibatasi penggunaannya pada tanggal 31 Desember 2018 dan 2017. |               |               |   |
| There is no restricted cash and cash equivalents as of 31 December 2018 and 2017.                      |               |               |   |

| 5. PIUTANG SEWA PEMBIAYAAN  | 2018        | 2017        |   |
|---|-------------|-------------|---|
| Rincian piutang sewa pembiayaan kepada pihak ketiga adalah sebagai berikut: |             |             |   |
| <b>Piutang sewa pembiayaan - bruto</b>                                      | 14.159.288  | 11.724.499  | <b>Finance leases receivables - gross</b> |
| Nilai sisa yang terjamin  | 8.419.608   | 6.943.980   | Guaranteed residual value                 |
| Pendapatan sewa pembiayaan yang belum diakui                                | (2.516.944) | (2.101.622) | Unearned finance lease income             |
| Biaya transaksi yang belum diamortisasi                                     | (127.255)   | (102.070)   | Unamortized transaction costs             |
| Simpanan jaminan  | (8.419.608) | (6.943.980) | Security deposits                         |
| <b>Jumlah</b>   | 11.515.089  | 9.520.807   | <b>Total</b>                              |
| Dikurangi cadangan kerugian penurunan nilai                                 | (157.419)   | (85.492)    | Less allowance for impairment losses      |
| <b>Bersih</b>   | 11.357.670  | 9.435.315   | <b>Net</b>                                |

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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:

|               | 2018              | 2017              |
|---------------|-------------------|-------------------|
| <= 1 tahun    | 7.976.514         | 6.699.641         |
| 1 - 2 tahun   | 4.441.905         | 3.690.044         |
| > 2 tahun     | 1.740.869         | 1.334.814         |
| <b>Jumlah</b> | <b>14.159.288</b> | <b>11.724.499</b> |

Pengelompokan piutang sewa pembiayaan - bruto menurut jumlah hari tunggakan adalah sebagai berikut:

|                    | 2018              | 2017              | 2018<br>%     | 2017<br>%     |
|--------------------|-------------------|-------------------|---------------|---------------|
| Belum jatuh tempo  | 12.030.305        | 10.084.710        | 84,96         | 86,02         |
| Lewat jatuh tempo: |                   |                   |               |               |
| 1-30 hari          | 1.777.399         | 1.412.841         | 12,55         | 12,05         |
| 31-90 hari         | 241.570           | 159.489           | 1,71          | 1,36          |
| 91-120 hari        | 43.665            | 20.329            | 0,31          | 0,17          |
| 121-180 hari       | 44.872            | 30.852            | 0,32          | 0,26          |
| > 180 hari         | 21.477            | 16.278            | 0,15          | 0,14          |
| <b>Jumlah</b>      | <b>14.159.288</b> | <b>11.724.499</b> | <b>100,00</b> | <b>100,00</b> |

Mutasi cadangan kerugian penurunan nilai piutang sewa pembiayaan berdasarkan penilaian secara individual dan kolektif adalah sebagai berikut:

|  | 2018                      |                         |                  |  |
|--|---------------------------|-------------------------|------------------|--|
|  | Individual/<br>Individual | Kolektif/<br>Collective | Jumlah/<br>Total |  |
| Saldo awal   | 12.472                    | 73.020                  | 85.492           | Beginning balance                            |
| Penambahan cadangan selama tahun berjalan - bersih | 62.202                    | 153.335                 | 215.537          | Additions to allowance during the year - net |
| Penghapusan  | (16.546)                  | (127.064)               | (143.610)        | Written-off                                  |
| <b>Saldo akhir</b>                                 | <b>58.128</b>             | <b>99.291</b>           | <b>157.419</b>   | <b>Ending balance</b>                        |
|  | 2017                      |                         |                  |  |
|  | Individual/<br>Individual | Kolektif/<br>Collective | Jumlah/<br>Total |  |
| Saldo awal   | -                         | 60.306                  | 60.306           | Beginning balance                            |
| Penambahan cadangan selama tahun berjalan - bersih | 33.042                    | 92.658                  | 125.700          | Additions to allowance during the year - net |
| Penghapusan  | (20.570)                  | (79.944)                | (100.514)        | Written-off                                  |
| <b>Saldo akhir</b>                                 | <b>12.472</b>             | <b>73.020</b>           | <b>85.492</b>    | <b>Ending balance</b>                        |

Persentase cadangan kerugian penurunan nilai terhadap jumlah piutang sewa pembiayaan sebesar 1,37% dan 0,90% masing-masing pada tanggal 31 Desember 2018 dan 2017.

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:

|              | 2018              | 2017              |
|--------------|-------------------|-------------------|
| <= 1 year    | 7.976.514         | 6.699.641         |
| 1 - 2 years  | 4.441.905         | 3.690.044         |
| > 2 years    | 1.740.869         | 1.334.814         |
| <b>Total</b> | <b>14.159.288</b> | <b>11.724.499</b> |

The classification of finance leases receivables - gross based on days overdue are as follows:

|                    | 2018              | 2017              | 2018<br>%     | 2017<br>%     |
|--------------------|-------------------|-------------------|---------------|---------------|
| Belum jatuh tempo  | 12.030.305        | 10.084.710        | 84,96         | 86,02         |
| Lewat jatuh tempo: |                   |                   |               |               |
| 1-30 days          | 1.777.399         | 1.412.841         | 12,55         | 12,05         |
| 31-90 days         | 241.570           | 159.489           | 1,71          | 1,36          |
| 91-120 days        | 43.665            | 20.329            | 0,31          | 0,17          |
| 121-180 days       | 44.872            | 30.852            | 0,32          | 0,26          |
| > 180 days         | 21.477            | 16.278            | 0,15          | 0,14          |
| <b>Total</b>       | <b>14.159.288</b> | <b>11.724.499</b> | <b>100,00</b> | <b>100,00</b> |

The movements in the allowance for impairment losses of finance leases receivables based on individual and collective assessments are as follows:

|  | 2018                      |                         |                  |  |
|--|---------------------------|-------------------------|------------------|--|
|  | Individual/<br>Individual | Kolektif/<br>Collective | Jumlah/<br>Total |  |
| Saldo awal   | 12.472                    | 73.020                  | 85.492           | Beginning balance                            |
| Penambahan cadangan selama tahun berjalan - bersih | 62.202                    | 153.335                 | 215.537          | Additions to allowance during the year - net |
| Penghapusan  | (16.546)                  | (127.064)               | (143.610)        | Written-off                                  |
| <b>Saldo akhir</b>                                 | <b>58.128</b>             | <b>99.291</b>           | <b>157.419</b>   | <b>Ending balance</b>                        |
|  | 2017                      |                         |                  |  |
|  | Individual/<br>Individual | Kolektif/<br>Collective | Jumlah/<br>Total |  |
| Saldo awal   | -                         | 60.306                  | 60.306           | Beginning balance                            |
| Penambahan cadangan selama tahun berjalan - bersih | 33.042                    | 92.658                  | 125.700          | Additions to allowance during the year - net |
| Penghapusan  | (20.570)                  | (79.944)                | (100.514)        | Written-off                                  |
| <b>Saldo akhir</b>                                 | <b>12.472</b>             | <b>73.020</b>           | <b>85.492</b>    | <b>Ending balance</b>                        |

Percentage of the allowance for impairment losses to finance leases receivables was 1.37% and 0.90% as of 31 December 2018 and 2017, 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 - 60 bulan.

Rincian bunga kontraktual per tahun untuk piutang sewa pembiayaan adalah sebagai berikut:

|                      | 2018<br>% |
|----------------------|-----------|
| Alat berat dan mesin | 14 - 17   |
| Kendaraan bermotor   | 18 - 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/alat berat/obyek jaminan 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 2018 dan 2017 masing-masing sebesar Rp 4.526.819 dan Rp 4.243.795 digunakan sebagai jaminan atas pinjaman yang diterima (Catatan 14) dan sebesar Rp 1.708.455 dan Rp 1.619.833 digunakan sebagai jaminan surat berharga yang diterbitkan (Catatan 16).

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 are entered into with third parties.

The period of finance leases for vehicle and heavy equipment contract ranged from 6 - 60 months.

The detail of contractual interest rates per annum on finance lease receivables are as follows:

|                      | 2017<br>% |                               |
|----------------------|-----------|-------------------------------|
| Alat berat dan mesin | 15 - 18   | Heavy equipment and machinery |
| Kendaraan bermotor   | 17 - 22   | Vehicles                      |

As the collateral to the finance lease receivables, the Company receives the Book of Vehicle Ownership (BPKB) and purchase invoices of the motor vehicles/heavy equipment/collateral asset 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 2018 and 2017 amounting to Rp 4,526,819 and Rp 4,243,795 were used as collateral to borrowings (Note 14) and amounting to Rp 1,708,455 dan Rp 1,619,833 were used as collateral to securities issued, respectively (Note 16).

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.

|  | 2018        |
|--|-------------|
| Piutang pembiayaan konsumen - bruto                | 8.528.184   |
| Pihak ketiga                                       | 8.528.184   |
| Pendapatan pembiayaan konsumen yang belum diakui   | (1.750.279) |
| Pihak ketiga                                       | (1.750.279) |
| Biaya transaksi yang belum diamortisasi            | 47.307      |
|  | 6.825.212   |
| Pembiayaan bersama dan penerusan pinjaman - bersih | (681.981)   |
|  | 6.143.231   |
| Cadangan kerugian penurunan nilai                  | (220.443)   |
| Jumlah piutang pembiayaan konsumen-bersih          | 5.922.788   |

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.

|  | 2017        |  |
|--|-------------|--|
| Piutang pembiayaan konsumen - bruto                | 8.041.032   | Consumer financing receivables - gross     |
| Pihak ketiga                                       | 8.041.032   | Third parties                              |
| Pendapatan pembiayaan konsumen yang belum diakui   | (1.688.886) | Unearned consumer financing income         |
| Pihak ketiga                                       | (1.688.886) | Third parties                              |
| Biaya transaksi yang belum diamortisasi            | 63.161      | Unamortized transaction costs              |
|  | 6.415.307   |  |
| Pembiayaan bersama dan penerusan pinjaman - bersih | (523.907)   | Joint financing and channeling - net       |
|  | 5.891.400   |  |
| Cadangan kerugian penurunan nilai                  | (151.990)   | Allowance for impairment losses            |
| Jumlah piutang pembiayaan konsumen-bersih          | 5.739.410   | Total consumer financing receivables - net |

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6. PIUTANG PEMBIAYAAN KONSUMEN (Lanjutan)

6. CONSUMER FINANCING RECEIVABLES (Continued)

Angsuran piutang pembiayaan konsumen - bruto yang akan diterima dari konsumen sesuai dengan tanggal jatuh temponya adalah sebagai berikut:

The installments of consumer financing receivables - gross, which will be collected from customer in accordance with the due dates are as follows:

|               | 2018             | 2017             |              |
|---------------|------------------|------------------|--------------|
| <= 1 tahun    | 4.703.837        | 4.311.690        | <= 1 year    |
| 1 - 2 tahun   | 2.209.319        | 2.149.321        | 1 - 2 years  |
| > 2 tahun     | 1.615.028        | 1.580.021        | > 2 years    |
| <b>Jumlah</b> | <b>8.528.184</b> | <b>8.041.032</b> | <b>Total</b> |

Pengelompokan piutang pembiayaan konsumen-bruto menurut jumlah hari tunggakan adalah sebagai berikut:

The classification of consumer financing receivables-gross based on days overdue are as follows:

|                    | 2018             | 2017             | 2018<br>%     | 2017<br>%     |              |
|--------------------|------------------|------------------|---------------|---------------|--------------|
| Belum jatuh tempo  | 7.066.332        | 6.817.115        | 82,86         | 84,78         | Current      |
| Lewat jatuh tempo: |                  |                  |               |               | Past due:    |
| 1-30 hari          | 1.164.074        | 981.866          | 13,65         | 12,21         | 1-30 days    |
| 31-90 hari         | 185.728          | 158.176          | 2,18          | 1,97          | 31-90 days   |
| 91-120 hari        | 37.925           | 24.626           | 0,44          | 0,30          | 91-120 days  |
| 121-180 hari       | 50.398           | 41.613           | 0,59          | 0,52          | 121-180 days |
| > 180 hari         | 23.727           | 17.636           | 0,28          | 0,22          | > 180 days   |
| <b>Jumlah</b>      | <b>8.528.184</b> | <b>8.041.032</b> | <b>100,00</b> | <b>100,00</b> | <b>Total</b> |

Jangka waktu kontrak pembiayaan konsumen yang disalurkan oleh Perusahaan atas kendaraan bermotor berkisar antara 6 - 60 bulan dan perumahan (KPR) berkisar 12 - 180 bulan.

The term of consumer financing contracts financed by the Company on vehicles range between 6 - 60 months and housing ranges between 12 - 180 months.

Mutasi cadangan kerugian penurunan nilai piutang pembiayaan konsumen berdasarkan penilaian secara kolektif adalah sebagai berikut:

The movements in the allowance for impairment losses of consumer financing receivables based on collective assessments are as follows:

|  | 2018                      |                         |                  |  |
|--|---------------------------|-------------------------|------------------|--|
|  | Individual/<br>Individual | Kolektif/<br>Collective | Jumlah/<br>Total |  |
| Saldo awal   | 2.521                     | 149.469                 | 151.990          | Beginning balance                              |
| Penambahan cadangan selama periode berjalan - bersih | 44.740                    | 248.905                 | 293.645          | Additions to allowance during the period - net |
| Penghapusan  | (15.388)                  | (209.804)               | (225.192)        | Written-off                                    |
| <b>Saldo akhir</b>                                   | <b>31.873</b>             | <b>188.570</b>          | <b>220.443</b>   | <b>Ending balance</b>                          |
|  | 2017                      |                         |                  |  |
|  | Individual/<br>Individual | Kolektif/<br>Collective | Jumlah/<br>Total |  |
| Saldo awal   | -                         | 122.695                 | 122.695          | Beginning balance                              |
| Penambahan cadangan selama tahun berjalan - bersih   | 10.163                    | 166.893                 | 177.056          | Additions to allowance during the year - net   |
| Penghapusan  | (7.642)                   | (140.119)               | (147.761)        | Written-off                                    |
| <b>Saldo akhir</b>                                   | <b>2.521</b>              | <b>149.469</b>          | <b>151.990</b>   | <b>Ending balance</b>                          |

Persentase cadangan kerugian penurunan nilai terhadap jumlah piutang pembiayaan konsumen masing-masing sebesar 3,59% dan 2,58% pada tanggal 31 Desember 2018 dan 2017.

Percentage of the allowance for impairment losses to consumer financing receivables was 3.59% and 2.58% as of 31 December 2018 and 2017, 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:

|              | 2018    | 2017    |
|--------------|---------|---------|
|              | %       | %       |
| Mobil        | 15 - 19 | 16 - 20 |
| Sepeda motor | 37 - 40 | 38 - 41 |
| Properti     | 17 - 20 | 17 - 21 |

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 2018 dan 2017 masing-masing sebesar Rp 1.912.016 dan Rp 2.267.700 digunakan sebagai jaminan atas pinjaman yang diterima (Catatan 14) dan sebesar Rp 1.546.965 dan Rp 662.055 digunakan sebagai jaminan surat berharga yang diterbitkan (Catatan 16).

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, PT Asuransi Purna Artanugraha (ASPAN), dan PT MAPFRE ABDA Assistance. Seluruh perusahaan asuransi yang bekerja sama dengan Perusahaan tersebut adalah pihak ketiga.

7. PIUTANG LAIN-LAIN

|  | 2018           | 2017           |
|--|----------------|----------------|
| Piutang dalam proses penyelesaian - bersih                         | 93.307         | 67.099         |
| Piutang penerimaan angsuran konsumen                               | 61.491         | 44.418         |
| Piutang karyawan   | 21.713         | 24.606         |
| Piutang opsi saham karyawan (MESOP)                                | 7.618          | 22.177         |
| Premi asuransi   | 2.422          | 4.945          |
| Piutang kerjasama pembiayaan digital                               | -              | 179.657        |
| Piutang Kustodian Sentral Efek Indonesia (KSEI) atas pajak dividen | -              | 57.944         |
| Lain-lain  | 11.720         | 13.281         |
| <b>Jumlah</b>  | <b>198.271</b> | <b>414.127</b> |

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:

|              | 2018    | 2017    |
|--------------|---------|---------|
|              | %       | %       |
| Mobil        | 15 - 19 | 16 - 20 |
| Sepeda motor | 37 - 40 | 38 - 41 |
| Properti     | 17 - 20 | 17 - 21 |

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 2018 and 2017 amounting to Rp 1,912,016 and Rp 2,267,700 were used as collateral to borrowings (Note 14) and amounting to Rp 1,546,965 dan Rp 662,055 were used as collateral to bonds payable, respectively (Note 16).

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, PT Asuransi Purna Artanugraha (ASPAN) and PT MAPFRE ABDA Assistance. All insurance companies that the engaged by the Company are third parties.

7. OTHER RECEIVABLES

|  | 2018           | 2017           |
|--|----------------|----------------|
| Piutang dalam proses penyelesaian - bersih                         | 93.307         | 67.099         |
| Piutang penerimaan angsuran konsumen                               | 61.491         | 44.418         |
| Piutang karyawan   | 21.713         | 24.606         |
| Piutang opsi saham karyawan (MESOP)                                | 7.618          | 22.177         |
| Premi asuransi   | 2.422          | 4.945          |
| Piutang kerjasama pembiayaan digital                               | -              | 179.657        |
| Piutang Kustodian Sentral Efek Indonesia (KSEI) atas pajak dividen | -              | 57.944         |
| Lain-lain  | 11.720         | 13.281         |
| <b>Jumlah</b>  | <b>198.271</b> | <b>414.127</b> |



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7. PIUTANG LAIN-LAIN (Lanjutan)

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 177.275 untuk pembiayaan kepada *end user*.

Per tanggal 31 Desember 2018, perjanjian kerjasama Perusahaan dengan Finacel telah berakhir.

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 2018 dan 2017 masing-masing sebesar Rp 37.581 dan Rp 35.077 cukup untuk menutupi kerugian yang mungkin timbul akibat tidak tertagihnya piutang dalam proses penyelesaian - pihak ketiga.

8. ASET (LIABILITAS) DERIVATIF

Perusahaan memiliki beberapa kontrak *cross currency* dan *interest rate swap* dengan beberapa bank. Perincian dari kontrak-kontrak tersebut adalah sebagai berikut:

| 2018   |   |            |   |                                     |  |
|--|---|------------|---|-------------------------------------|--|
| Pihak lawan/<br>Counterparty                 | Jumlah nosional<br>(nilai penuh)/<br>Notional amount<br>(full amount) |            | Tanggal<br>perjanjian/<br>Agreement<br>date | Tanggal<br>jatuh tempo/<br>Due date | Nilai wajar/Fair value<br>Aset (liabilitas) derivatif/<br>Derivative assets<br>(liabilities) |
| <i>Cross Currency and Interest Rate Swap</i> |   |            |   |                                     |  |
| PT Bank CIMB Niaga Tbk                       | USD   | 4.166.667  | 8-Dec-2016                                  | 10-Jan-2020                         | 3.879  |
| Standard Chartered Bank,<br>Jakarta Branch   | USD   | 42.000.000 | 13-Jun-2017                                 | 24-Aug-2020                         | 48.499   |
| MUFG Bank, Ltd., Jakarta Branch              | USD   | 46.500.000 | 13-Jun-2017                                 | 11-Dec-2020                         | 58.749   |
| PT Bank CIMB Niaga Tbk                       | USD   | 10.666.667 | 21-Nov-2017                                 | 14-Dec-2020                         | 10.742   |
| MUFG Bank, Ltd., Jakarta Branch              | USD   | 10.000.000 | 9-Oct-2018                                  | 11-Apr-2019                         | (11.699)   |
|  |   |            |   |                                     | <u>110.170</u>   |

7. OTHER RECEIVABLES (Continued)

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 provides guarantee over the loan payment from customer through a buy back mechanism for past due accounts of over 60 days.

On 31 December 2017, total outstanding loans which represents channeling loans by the Company through Kredivo application was amounting to Rp 177,275 for receivables due from end user.

As of 31 December 2018, the cooperation agreement with Finacel has ended.

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). These 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 2018 and 2017 amounting to Rp 37,581 and Rp 35,077, respectively, are adequate to cover possible losses from uncollectible receivables from receivables in the settlement process - third parties.

8. 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:

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Exhibit E/40

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8. ASET (LIABILITAS) DERIVATIF (Lanjutan)

Perusahaan memiliki beberapa kontrak *cross currency* dan *interest rate swap* dengan beberapa bank. Perincian dari kontrak-kontrak tersebut adalah sebagai berikut: (Lanjutan)

8. DERIVATIVE ASSETS (LIABILITIES) (Continued)

The Company has several *cross currency* and *interest rate swap* contracts with several bank. The details of these contracts are as follows: (Continued)

| 2017   |   |   |                                     |  |  |
|--|---|---|-------------------------------------|--|--|
| Pihak lawan/<br>Counterparty                 | Jumlah nosional<br>(nilai penuh)/<br>Notional amount<br>(full amount) | Tanggal<br>perjanjian/<br>Agreement<br>date | Tanggal<br>jatuh tempo/<br>Due date | Nilai wajar/Fair value   |  |
|  |   |   |                                     | Aset (liabilitas) derivatif/<br>Derivative assets<br>(liabilities) |  |
| <i>Cross Currency and Interest Rate Swap</i> |   |   |                                     |  |  |
| Standard Chartered Bank,<br>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                         | 3.096  |  |
| Standard Chartered Bank,<br>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   | 8-Dec-2016                                  | 10-Jan-2020                         | (1.130)  |  |
| Standard Chartered Bank,<br>Jakarta Branch   | USD 20.000.000  | 4-Apr-2017                                  | 4-Apr-2018                          | (343)  |  |
| Standard Chartered Bank,<br>Jakarta Branch   | USD 60.000.000  | 13-Jun-2017                                 | 24-Aug-2020                         | (3.421)  |  |
| MUFG Bank, 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)  |  |

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.

Keuntungan (kerugian) kumulatif yang timbul dari perubahan nilai wajar instrumen derivatif pada tanggal 31 Desember 2018 dan 2017 sebesar Rp 1.684 dan (Rp 35.477) disajikan sebagai "Keuntungan (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.

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 gain (losses) arising from the changes in fair values of the derivative instruments as of 31 December 2018 and 2017 amounting to Rp 1,684 and (Rp 35,477) were presented as "Cumulative gain (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.

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|                                       | 2018          |  | 2017          |  |                 |
|---------------------------------------|---------------|--|---------------|--|-----------------|
|                                       |               |  |               |  |                 |
| 9. BEBAN DIBAYAR DIMUKA DAN UANG MUKA |               |  |               |  |                 |
| Sewa                                  | 50.555        |  | 39.891        |  | Rent            |
| Asuransi                              | 299           |  | 251           |  | Insurance       |
| Uang muka                             | 1.042         |  | 677           |  | Advance payment |
| Lain-lain                             | 1.534         |  | 2.252         |  | Others          |
| <b>Jumlah</b>                         | <b>53.430</b> |  | <b>43.071</b> |  | <b>Total</b>    |

|   | 2018  |  | 2017 |  |                                  |
|---|-------|--|------|--|----------------------------------|
|   |       |  |      |  |                                  |
| 10. ASET IJARAH   |       |  |      |  |                                  |
| Akun ini merupakan obyek sewa dari transaksi <i>ijarah</i> dengan opsi perpindahan hak milik obyek sewa dan <i>ijarah</i> multijasa dengan perincian sebagai berikut: |       |  |      |  |                                  |
| Multijasa   | 2.907 |  | -    |  | Multi service                    |
| Jumlah  | 2.907 |  | -    |  | Total                            |
| Akumulasi penyusutan  | (504) |  | -    |  | Accumulated depreciation         |
| Marjin pembiayaan syariah yang belum diakui   | (71)  |  | -    |  | Unearned sharia financing margin |
| Nilai bersih  | 2.332 |  | -    |  | Net                              |

Penyusutan dibebankan pada laporan laba rugi dan penghasilan komprehensif lain.

Depreciation was charged to the statements of profit or loss and other comprehensive income.

|                                    | 2018                                |                          |                            |                                     |                                   |                                       |
|------------------------------------|-------------------------------------|--------------------------|----------------------------|-------------------------------------|-----------------------------------|---------------------------------------|
|                                    | Saldo awal/<br>Beginning<br>balance | Penambahan/<br>Additions | Pengurangan/<br>Deductions | Reklasifikasi/<br>Reclassifications | Saldo akhir/<br>Ending<br>balance |                                       |
| 11. ASET TETAP                     |                                     |                          |                            |                                     |                                   |                                       |
| Harga perolehan                    |                                     |                          |                            |                                     |                                   | Acquisition cost                      |
| Pemilikan langsung                 |                                     |                          |                            |                                     |                                   | Direct ownership                      |
| Tanah                              | 109.542                             | (255)                    | (1.088)                    | 14.525                              | 122.724                           | Land                                  |
| Bangunan dan prasarana             | 293.599                             | 4.425                    | (1.502)                    | 13.215                              | 309.737                           | Building and improvements             |
| Peralatan kantor                   | 136.000                             | 20.548                   | (5.230)                    | 379                                 | 151.697                           | Office equipment                      |
| Kendaraan                          | 176.237                             | 61.756                   | (25.438)                   | 1.585                               | 214.140                           | Vehicles                              |
| Perabot dan perlengkapan kantor    | 15.451                              | 7.861                    | (1.914)                    | 82                                  | 21.480                            | Furniture and fixtures                |
|                                    | 730.829                             | 94.335                   | (35.172)                   | 29.786                              | 819.778                           |                                       |
| Aset dalam penyelesaian            | 25.501                              | 64.218                   | -                          | (29.786)                            | 59.933                            | Asset in progress                     |
| <b>Jumlah Harga Perolehan</b>      | <b>756.330</b>                      | <b>158.553</b>           | <b>(35.172)</b>            | <b>-</b>                            | <b>879.711</b>                    | <b>Total Cost</b>                     |
| Akumulasi penyusutan               |                                     |                          |                            |                                     |                                   | Accumulated depreciation              |
| Bangunan dan prasarana             | 113.900                             | 21.771                   | (532)                      | -                                   | 135.139                           | Building and improvements             |
| Peralatan kantor                   | 99.703                              | 16.166                   | (11.495)                   | -                                   | 104.374                           | Office equipment                      |
| Kendaraan                          | 72.572                              | 35.281                   | (16.443)                   | -                                   | 91.410                            | Vehicles                              |
| Perabot dan perlengkapan kantor    | 12.779                              | 1.389                    | 4.475                      | -                                   | 18.643                            | Furniture and fixtures                |
| <b>Jumlah Akumulasi Penyusutan</b> | <b>298.954</b>                      | <b>74.607</b>            | <b>(23.995)</b>            | <b>-</b>                            | <b>349.566</b>                    | <b>Total Accumulated Depreciation</b> |
| <b>Jumlah Tercatat</b>             | <b>457.376</b>                      |                          |                            |                                     | <b>530.145</b>                    | <b>Carrying Amount</b>                |

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11. ASET TETAP (Lanjutan)

11. FIXED ASSETS (Continued)

|                                    | 2017                                |                          |                            |                                     |                                   |                                       |
|------------------------------------|-------------------------------------|--------------------------|----------------------------|-------------------------------------|-----------------------------------|---------------------------------------|
|                                    | Saldo awal/<br>Beginning<br>balance | Penambahan/<br>Additions | Pengurangan/<br>Deductions | Reklasifikasi/<br>Reclassifications | Saldo akhir/<br>Ending<br>balance |                                       |
| <b>Harga perolehan</b>             |                                     |                          |                            |                                     |                                   | <b>Acquisition cost</b>               |
| <b>Pemilikan langsung</b>          |                                     |                          |                            |                                     |                                   | <b>Direct ownership</b>               |
| 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                     |
| <b>Jumlah Harga Perolehan</b>      | <b>667.998</b>                      | <b>123.332</b>           | <b>(35.000)</b>            | <b>-</b>                            | <b>756.330</b>                    | <b>Total Cost</b>                     |
| <b>Akumulasi penyusutan</b>        |                                     |                          |                            |                                     |                                   | <b>Accumulated depreciation</b>       |
| 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                |
| <b>Jumlah Akumulasi Penyusutan</b> | <b>253.855</b>                      | <b>67.724</b>            | <b>(22.625)</b>            | <b>-</b>                            | <b>298.954</b>                    | <b>Total Accumulated Depreciation</b> |
| <b>Jumlah Tercatat</b>             | <b>414.143</b>                      |                          |                            |                                     | <b>457.376</b>                    | <b>Carrying Amount</b>                |

Pada tanggal 31 Desember 2018 dan 2017, persentase penyelesaian atas bangunan dan prasarana dalam penyelesaian masing-masing adalah sebesar 83% dan 85%. Bangunan dan prasarana dalam penyelesaian diestimasi akan selesai pada akhir tahun 2019.

As of 31 December 2018 and 2017, the percentage of completion of building and improvements in progress is 83% and 85%, respectively. This building and improvements in progress is estimated will be completed by the end of 2019.

Jumlah penyusutan yang dibebankan pada operasi adalah sejumlah Rp 74.607 dan Rp 67.724 masing-masing untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2018 dan 2017 (Catatan 28).

Depreciation charged to operations was amounted to Rp 74,607 and Rp 67,724 for the years ended 31 December 2018 and 2017, respectively (Note 28).

Perusahaan memiliki beberapa bidang tanah dengan status Hak Guna Bangunan ("HGB") yang memiliki masa manfaat yang akan berakhir antara tahun 2019 sampai tahun 2047. 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 2047. 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 2018 dan 2017 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 2018 and 2017 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:

|   | 2018         | 2017          |                                     |
|---|--------------|---------------|-------------------------------------|
| Hasil penjualan                             | 20.465       | 28.431        | Proceeds                            |
| Jumlah tercatat                             | (11.177)     | (12.375)      | Carrying amount                     |
| <b>Keuntungan atas penjualan aset tetap</b> | <b>9.288</b> | <b>16.056</b> | <b>Gain on sale of fixed assets</b> |

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.

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11. ASET TETAP (Lanjutan)

Pada tanggal 31 Desember 2018, aset tetap berupa tanah dan bangunan sebesar Rp 303.052 dijadikan jaminan atas fasilitas pinjaman yang diperoleh Perusahaan (Catatan 14).

Seluruh aset tetap, kecuali tanah, telah diasuransikan terhadap risiko kerugian kebakaran, banjir dan risiko kerugian lainnya (*all risks*) dengan jumlah nilai pertanggungan masing-masing sebesar Rp 388.841 dan Rp 396.889 pada tanggal 31 Desember 2018 dan 2017. Manajemen berkeyakinan bahwa nilai pertanggungan tersebut telah memadai untuk menutup kemungkinan kerugian atas aset tetap terhadap risiko-risiko yang dipertanggungkan.

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.

Seluruh aset tetap yang ada pada tanggal pelaporan digunakan untuk menunjang aktivitas operasi Perusahaan.

11. FIXED ASSETS (Continued)

As of 31 December 2018, fixed assets in the form of land and building amounting to Rp 303,052 were pledged as collateral for the Company's loan facilities (Note 14).

All fixed assets, except for land, are covered against losses from fire, flood and other risks (*all risks*) with a total sum insured amounting to Rp 388,841 and Rp 396,889 as of 31 December 2018 and 2017, respectively. The management believes that the sum insured is sufficient to cover the possible losses that may arise from the said insured risks.

The management of the Company 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.

All of fixed assets as at the reporting date are fully used to support the Company's operation activities.

12. ASET TIDAK BERWUJUD

12. INTANGIBLE ASSETS

|                                       | 2018                                |                          |                            |                                     |                                   |                                      |
|---------------------------------------|-------------------------------------|--------------------------|----------------------------|-------------------------------------|-----------------------------------|--------------------------------------|
|                                       | Saldo awal/<br>Beginning<br>balance | Penambahan/<br>Additions | Pengurangan/<br>Deductions | Reklasifikasi/<br>Reclassifications | Saldo akhir/<br>Ending<br>balance |                                      |
| Harga perolehan<br>Piranti lunak      | 73.260                              | 8.414                    | (2)                        | 12.862                              | 94.534                            | Acquisition cost<br>Software         |
| Piranti lunak dalam<br>penyelesaian   | 1.692                               | 12.782                   | -                          | (12.862)                            | 1.612                             | Software in progress                 |
| Jumlah Harga Perolehan                | 74.952                              | 21.196                   | (2)                        | -                                   | 96.146                            | Total Cost                           |
| Akumulasi amortisasi<br>Piranti lunak | 54.400                              | 9.374                    | (2)                        | -                                   | 63.772                            | Accumulated amortization<br>Software |
| Jumlah Tercatat                       | 20.552                              |                          |                            |                                     | 32.374                            | Carrying Amount                      |
|                                       | 2017                                |                          |                            |                                     |                                   |                                      |
|                                       | Saldo awal/<br>Beginning<br>balance | Penambahan/<br>Additions | Pengurangan/<br>Deductions | Reklasifikasi/<br>Reclassifications | Saldo akhir/<br>Ending<br>balance |                                      |
| Harga perolehan<br>Piranti lunak      | 63.399                              | 4.497                    | -                          | 5.364                               | 73.260                            | Acquisition cost<br>Software         |
| Piranti lunak dalam<br>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<br>Piranti lunak | 47.816                              | 6.584                    | -                          | -                                   | 54.400                            | Accumulated amortization<br>Software |
| Jumlah Tercatat                       | 19.712                              |                          |                            |                                     | 20.552                            | Carrying Amount                      |

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12. ASET TIDAK BERWUJUD (Lanjutan)

Jumlah amortisasi yang dibebankan pada operasi adalah sejumlah Rp 9.374 dan Rp 6.584 masing-masing untuk tahun yang berakhir yang berakhir pada tanggal 31 Desember 2018 dan 2017 (Catatan 28).

12. INTANGIBLE ASSETS (Continued)

Amortization charged to operations was amounted to Rp 9,374 and Rp 6,584 for the years ended 31 December 2018 and 2017, respectively (Note 28).

13. ASET LAIN-LAIN

Akun ini terdiri dari:

|                           | 2018          | 2017          |                              |
|---------------------------|---------------|---------------|------------------------------|
| Uang muka pembelian tanah | 81.055        | 81.055        | Advance for land acquisition |
| Lainnya                   | 5.336         | 1.576         | Others                       |
| <b>Jumlah</b>             | <b>86.391</b> | <b>82.631</b> | <b>Total</b>                 |

13. OTHER ASSETS

This account consist of:

14. PINJAMAN YANG DITERIMA - PIHAK KETIGA

Pinjaman yang diterima terdiri dari

|   | 2018             | 2017             |   |
|---|------------------|------------------|---|
| <b>Pinjaman (Dolar AS)</b>                            |                  |                  | <b>Borrowings (US Dollar)</b>                         |
| Standard Chartered Bank (Facility Agent)              | 1.281.568        | 2.201.550        | Standard Chartered Bank (Facility Agent)              |
| PT Bank CTBC Indonesia                                | 154.464          | 216.768          | PT Bank CTBC Indonesia                                |
| MUFG Bank, Ltd., Jakarta Branch                       | 144.810          | -                | MUFG Bank, Ltd., Jakarta Branch                       |
| JA Mitsui Leasing Singapore Pte. Ltd.                 | 60.338           | 101.610          | JA Mitsui Leasing Singapore Pte. Ltd.                 |
| PT Bank ANZ Indonesia                                 | -                | 270.960          | PT Bank ANZ Indonesia                                 |
| Standard Chartered Bank,<br>Jakarta Branch            | -                | 270.960          | Standard Chartered Bank,<br>Jakarta Branch            |
| Qatar National Bank SAQ, Singapore Branch             | -                | 135.480          | Qatar National Bank SAQ, Singapore Branch             |
| Standard Chartered Bank,<br>Singapore Branch          | -                | 29.031           | Standard Chartered Bank,<br>Singapore Branch          |
| Emirates NBD Bank PJSC (Facility Agent)               | -                | 26.222           | Emirates NBD Bank PJSC (Facility Agent)               |
| <b>Sub-jumlah pinjaman (Dolar AS)</b>                 | <b>1.641.180</b> | <b>3.252.581</b> | <b>Sub-total borrowings (US Dollar)</b>               |
| <b>Pinjaman (Rupiah)</b>                              |                  |                  | <b>Borrowings (Rupiah)</b>                            |
| PT Bank Mandiri (Persero) Tbk                         | 1.790.624        | 1.360.141        | PT Bank Mandiri (Persero) Tbk                         |
| PT United Tractors Tbk                                | 1.032.020        | 536.167          | PT United Tractors Tbk                                |
| PT Bank Central Asia Tbk                              | 624.722          | 344.167          | PT Bank Central Asia Tbk                              |
| PT Bank Permata Tbk                                   | 447.294          | 72.833           | PT Bank Permata Tbk                                   |
| Standard Chartered Bank,<br>Jakarta Branch            | 340.000          | -                | Standard Chartered Bank,<br>Jakarta Branch            |
| PT Bank KEB Hana Indonesia                            | 253.704          | 286.069          | PT Bank KEB Hana Indonesia                            |
| PT Bank Pan Indonesia Tbk                             | 225.000          | 208.333          | PT Bank Pan Indonesia Tbk                             |
| PT Bank ANZ Indonesia                                 | 217.500          | -                | PT Bank ANZ Indonesia                                 |
| PT Bank Nusantara Parahyangan Tbk                     | 121.447          | 95.080           | PT Bank Nusantara Parahyangan Tbk                     |
| PT Bank Pembangunan Daerah Jawa Barat &<br>Banten Tbk | 108.472          | 245.000          | PT Bank Pembangunan Daerah Jawa Barat &<br>Banten Tbk |
| PT Bank CIMB Niaga Tbk                                | 66.667           | 174.167          | PT Bank CIMB Niaga Tbk                                |
| Bank of China (Hongkong) Limited,<br>Jakarta Branch   | 37.500           | 87.500           | Bank of China (Hongkong) Limited,<br>Jakarta Branch   |
| PT Bank Danamon Indonesia Tbk                         | 15.278           | 48.611           | PT Bank Danamon Indonesia Tbk                         |
| PT Bank Negara Indonesia (Persero) Tbk                | 2.029            | 47.094           | PT Bank Negara Indonesia (Persero) Tbk                |
| PT Bank Tabungan Pensiunan Nasional Tbk               | -                | 95.000           | PT Bank Tabungan Pensiunan Nasional Tbk               |
| <b>Sub-jumlah pinjaman (Rupiah)</b>                   | <b>5.282.257</b> | <b>3.600.162</b> | <b>Sub-total borrowings (Rupiah)</b>                  |
| <b>Jumlah pinjaman</b>                                | <b>6.923.437</b> | <b>6.852.743</b> | <b>Total borrowings</b>                               |
| <b>Dikurangi:</b>                                     |                  |                  | <b>Less:</b>  |
| Biaya transaksi yang belum diamortisasi               | (23.577)         | (33.691)         | Unamortized transaction costs                         |
| <b>Pinjaman - bersih</b>                              | <b>6.899.860</b> | <b>6.819.052</b> | <b>Borrowings - net</b>                               |

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14. PINJAMAN YANG DITERIMA - PIHAK KETIGA (Lanjutan)

14. FUND BORROWINGS - THIRD PARTIES (Continued)

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:

|          | 2018         | 2017         |                     |
|----------|--------------|--------------|---------------------|
| Rupiah   | 5,00 - 12,00 | 5,50 - 12,00 |                     |
| Dolar AS | 3,81 - 4,18  | 2,24 - 3,97  | Rupiah<br>US Dollar |

Rincian dari pinjaman yang diterima adalah sebagai berikut:

The detail of borrowings are as follows:

| Nama Bank/<br>Bank's Name                    | Perjanjian terakhir/<br>Latest agreement   | Jatuh tempo<br>fasilitas/<br>Facility<br>due date                                      | Batas fasilitas/<br>Facility limit                               | Saldo pinjaman/<br>Outstanding loan                            |  |
|--|--|--|--|--|--|
|  |  |  |  | 31 Desember/<br>2018   | December<br>2017                             |
| <b>Dolar AS/US Dollar</b>                    |  |  |  |  |  |
| Standard Chartered Bank<br>(Facility Agent)  | 29-Jul-2015<br>6-Oct-2017  | 13-Nov-2018<br>11-Dec-2020   | USD 105.000.000<br>USD 125.000.000                               | -  | 508.050<br>1.693.500                         |
| PT Bank CTBC Indonesia                       | 14-Nov-2017  | 14-Dec-2020  | USD 16.000.000   | 154.464  | 216.768                                      |
| MUFG Bank, Ltd., Jakarta Branch              | 30-Jun-2018  | 31-Dec-2019  | USD 10.000.000   | 144.810  | -  |
| JA Mitsui Leasing<br>Singapore Pte.Ltd.      | 11-Oct-2016  | 30-Jun-2019  | USD 10.000.000   | 60.338   | 101.610                                      |
| PT Bank ANZ Indonesia                        | 18-Aug-2017  | 10-Oct-2018  | USD 20.000.000   | -  | 270.960                                      |
| Standard Chartered Bank,<br>Jakarta Branch   | 4-Apr-2017   | 4-Apr-2018   | USD 20.000.000   | -  | 270.960                                      |
| Qatar National Bank SAQ,<br>Singapore Branch | 19-Mar-2015  | 27-Jun-2018  | USD 50.000.000   | -  | 135.480                                      |
| Standard Chartered Bank,<br>Singapore Branch | 27-Jan-2015  | 12-Feb-2018  | USD 30.000.000   | -  | 29.031                                       |
| Emirates NBD Bank PJSC                       | 8-Jun-2015   | 25-Jun-2018  | USD 50.000.000   | -  | 26.222                                       |
| <b>Jumlah Dolar AS/Total US Dollar</b>       |  |  | <b>USD 436.000.000</b>   | <b>1.641.180</b>   | <b>3.252.581</b>                             |
| <b>Rupiah</b>                                |  |  |  |  |  |
| PT Bank Mandiri (Persero) Tbk                | 15-Aug-2016<br>26-Oct-2016<br>30-Mar-2017<br>23-Mar-2018<br>28-Jun-2018<br>13-Sep-2018 | 27-Sep-2019<br>20-Feb-2020<br>23-Feb-2021<br>29-Mar-2021<br>19-Dec-2021<br>23-Jul-2021 | 500.000<br>500.000<br>1.000.000<br>500.000<br>300.000<br>200.000 | 130.446<br>194.363<br>689.617<br>301.325<br>291.540<br>183.333 | 302.837<br>364.964<br>692.340<br>-<br>-<br>- |
| PT United Tractors Tbk                       | 21-Nov-2018  | 2-Nov-2021   | 1.250.000  | 1.032.020  | 536.167                                      |
| PT Bank Central Asia Tbk                     | 10-Mar-2017<br>16-Jul-2018   | 12-May-2020<br>26-Jul-2021   | 450.000<br>500.000   | 194.167<br>430.555   | 344.167<br>-                                 |
| PT Bank Permata Tbk                          | 18-Dec-2017  | 24-May-2021  | 650.000  | 447.294  | 72.833                                       |
| Standard Chartered Bank,<br>Jakarta Branch   | 10-Apr-2018  | 17-Apr-2019  | 340.000  | 340.000  | -  |
| PT Bank KEB Hana Indonesia                   | 30-Aug-2018  | 16-May-2020  | 500.000  | 253.704  | 286.069                                      |
| PT Bank Pan Indonesia Tbk                    | 31-Aug-2017  | 19-Jun-2020  | 350.000  | 225.000  | 208.333                                      |
| PT Bank ANZ Indonesia                        | 12-Sep-2018  | 12-Sep-2019  | 217.500  | 217.500  | -  |

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14. PINJAMAN YANG DITERIMA (Lanjutan)

Rincian dari pinjaman yang diterima adalah sebagai berikut:  
(Lanjutan)

14. FUND BORROWINGS (Continued)

The detail of borrowings are as follows: (Continued)

| Nama Bank/<br>Bank's Name                               | Perjanjian terakhir/<br>Latest agreement | Jatuh tempo<br>fasilitas/<br>Facility<br>due date | Batas fasilitas/<br>Facility limit | Saldo pinjaman/<br>Outstanding loan |                  |
|---|--|---|------------------------------------|-------------------------------------|------------------|
|   |  |   |                                    | 31 Desember/<br>December<br>2018    | December<br>2017 |
| <b>Rupiah</b>   |  |   |                                    |                                     |                  |
| PT Bank Nusantara<br>Parahyangan Tbk                    | 6-Jun-2018                               | 21-Jun-2021                                       | 167.500                            | 121.447                             | 95.080           |
| PT Bank Pembangunan Daerah<br>Jawa Barat dan Banten Tbk | 19-Jan-2015                              | 28-Apr-2018                                       | 150.000                            | -                                   | 9.861            |
|   | 22-Apr-2016                              | 16-May-2019                                       | 120.000                            | 16.667                              | 56.667           |
|   | 28-Sep-2016                              | 30-Mar-2020                                       | 250.000                            | 85.139                              | 168.472          |
|   | 22-Aug-2017                              | 28-Dec-2020                                       | 250.000                            | 6.666                               | 10.000           |
| PT Bank CIMB Niaga Tbk                                  | 4-Apr-2018                               | 17-Dec-2019                                       | 300.000                            | 66.667                              | 174.167          |
| Bank of China (Hongkong) Limited,<br>Jakarta Branch     | 20-Jun-2016                              | 21-Jul-2019                                       | 150.000                            | 37.500                              | 87.500           |
| PT Bank Danamon Indonesia Tbk                           | 19-Nov-2017                              | 20-Jun-2019                                       | 200.000                            | 15.278                              | 48.611           |
| PT Bank Negara Indonesia (Persero) Tbk                  | 8-Jun-2017                               | 10-Jun-2019                                       | 400.000                            | 2.029                               | 47.094           |
| PT Bank Tabungan Pensiunan<br>Nasional Tbk              | 20-Nov-2017                              | 7-Sep-2019  | 500.000                            | -                                   | 95.000           |
| <b>Jumlah Rupiah/Total Rupiah</b>                       |  |   | <b>9.745.000</b>                   | <b>5.282.257</b>                    | <b>3.600.162</b> |
| <b>Jumlah pinjaman/Total borrowings</b>                 |  |   |                                    | <b>6.923.437</b>                    | <b>6.852.743</b> |

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").

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.

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 MUFG Bank, 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").

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 MUFG Bank, 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.

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).

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).



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14. PINJAMAN YANG DITERIMA (Lanjutan)

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 2018 dan 2017, seluruh fasilitas pinjaman, dijamin dengan piutang sewa pembiayaan dan piutang pembiayaan konsumen (Catatan 5 dan 6).

Pada tanggal 31 Desember 2018, terdapat aset tetap yang dijaminan sehubungan dengan fasilitas pinjaman yang diperoleh Perusahaan (Catatan 11).

Pembayaran bunga dan pokok pinjaman telah dibayarkan oleh Perusahaan sesuai dengan jadwal.

Pada tanggal 31 Desember 2018 dan 2017, Perusahaan telah memenuhi seluruh persyaratan yang disebutkan dalam perjanjian fasilitas-fasilitas pinjaman ini.

14. FUND BORROWINGS (Continued)

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 2018 and 2017, all of the loan facilities, are secured by finance lease receivables and consumer financing receivables (Notes 5 and 6).

As of 31 December 2018, there were fixed assets pledged as collateral for the Company's loan facilities (Note 11).

Interest and principal loan payments have been paid by the Company on schedule.

As of 31 December 2018 dan 2017, the Company has complied with all the requirements mentioned in the loan facility agreements.

15. PERPAJAKAN

a. Utang pajak

|  | 2018          | 2017           |
|--|---------------|----------------|
| Pajak Penghasilan:                                   |               |                |
| Pasal 21   | 19.929        | 24.652         |
| Pasal 23   | 653           | 601            |
| Pasal 25   | -             | 25.978         |
| Pasal 26   | 690           | 34.200         |
| Pasal 4 (2) - Final                                  | 193           | 4.419          |
| Pajak Pertambahan Nilai (PPN)                        | 1.524         | 1.119          |
| Taksiran Pajak Penghasilan Badan (Pasal 29) terutang | 44.074        | 49.182         |
| <b>Jumlah</b>  | <b>67.063</b> | <b>140.151</b> |

15. TAXATION

a. Taxes payable

|   | 2018          | 2017           |
|---|---------------|----------------|
| Income Taxes:                               |               |                |
| Article 21                                  | 19.929        | 24.652         |
| Article 23                                  | 653           | 601            |
| Article 25                                  | -             | 25.978         |
| Article 26                                  | 690           | 34.200         |
| Article 4(2) - Final                        | 193           | 4.419          |
| Value Added Tax (VAT)                       | 1.524         | 1.119          |
| Estimated Corporate Income Tax (Article 29) | 44.074        | 49.182         |
| <b>Total</b>                                | <b>67.063</b> | <b>140.151</b> |

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15. PERPAJAKAN (Lanjutan)

15. TAXATION (Continued)

b. Beban pajak penghasilan

b. Income tax expense

|                        | 2018           | 2017           |                                 |
|------------------------|----------------|----------------|---------------------------------|
| Kini                   | 392.810        | 321.973        | Current                         |
| Tangguhan              | (20.584)       | (21.750)       | Deferred                        |
| Penyesuaian tahun lalu | 79             | 53             | Adjustment on prior fiscal year |
| <b>Jumlah</b>          | <b>372.305</b> | <b>300.276</b> | <b>Total</b>                    |

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 2018 dan 2017 adalah sebagai berikut:

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 2018 and 2017 are as follows:

|  | 2018           | 2017           |  |
|--|----------------|----------------|--|
| Laba sebelum pajak menurut laporan laba rugi dan penghasilan komprehensif lain konsolidasian - | 1.840.099      | 1.487.786      | Profit before tax per consolidated statements of profit or loss and other comprehensive income |
| Rugi entitas anak sebelum pajak penghasilan  | 650            | -              | Loss before tax of subsidiary  |
| Laba sebelum pajak Perusahaan  | 1.840.749      | 1.487.786      | Profit before tax of the Company   |
| Beban pajak dengan tarif pajak tunggal yang berlaku  | 368.150        | 297.557        | Tax expense at the applicable single tax rate  |
| Pengaruh pajak penghasilan atas:<br>Beda tetap pada tarif pajak tunggal yang berlaku           | 4.076          | 2.666          | Tax effects on:<br>Permanent differences at the applicable single tax rate                     |
| Penyesuaian tahun lalu   | 79             | 53             | Adjustment on prior fiscal year  |
| <b>Jumlah</b>  | <b>372.305</b> | <b>300.276</b> | <b>Total</b>   |

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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 2018 dan 2017 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 2018 and 2017 are as follows:

|  | 2018      | 2017      |   |
|--|-----------|-----------|---|
| Laba sebelum pajak menurut laporan laba rugi dan penghasilan komprehensif lain konsolidasian -               | 1.840.099 | 1.487.786 | <i>Profit before tax per consolidated statements of profit or loss and other comprehensive income</i>                     |
| Rugi entitas anak sebelum pajak penghasilan  | 650       | -         | <i>Loss before tax of subsidiary</i>  |
| Laba sebelum pajak Perusahaan  | 1.840.749 | 1.487.786 | <i>Profit before tax of the Company</i>   |
| <b>Beda tetap:</b>   |           |           | <b>Permanent differences:</b>   |
| Beban sewa   | 1.906     | 1.990     | <i>Rent expenses</i>  |
| Pendapatan keuangan yang pajaknya bersifat final   | (24.252)  | (8.859)   | <i>Finance income subjected to final tax</i>  |
| Beban asuransi   | 11.704    | 8.121     | <i>Insurance expenses</i>   |
| Beban depresiasi   | 3.041     | 5.853     | <i>Depreciation expenses</i>  |
| Beban lain-lain  | 27.982    | 6.224     | <i>Other expenses</i>   |
| Jumlah beda tetap  | 20.381    | 13.329    | <i>Total permanent differences</i>  |
| <b>Beda temporer:</b>  |           |           | <b>Temporary differences:</b>   |
| Gaji dan imbalan pasca-kerja   | 36.888    | 85.687    | <i>Salaries and post-employment benefits</i>  |
| Cadangan kerugian penurunan nilai piutang sewa pembiayaan, piutang pembiayaan konsumen dan piutang lain-lain | 384.983   | 224.391   | <i>Allowance for impairment losses of finance lease receivables, consumer financing receivables and other receivables</i> |
| Penghapusan piutang  | (368.801) | (247.356) | <i>Receivables written-off</i>  |
| Penyusutan aset tetap  | 807       | 6.766     | <i>Depreciation of fixed assets</i>   |
| Keuntungan bersih atas penjualan aset tetap  | (1.634)   | (1.270)   | <i>Net gain on sale of fixed assets</i>   |
| Amortisasi biaya emisi surat berharga yang diterbitkan   | (1.191)   | 1.116     | <i>Amortization of securities issuance cost</i>   |
| Biaya transaksi yang belum diamortisasi atas pinjaman yang diterima  | 10.114    | (2.932)   | <i>Unamortized transaction cost on fund borrowings</i>  |
| Biaya transaksi yang belum diamortisasi atas piutang pembiayaan konsumen                                     | 41.754    | 42.348    | <i>Unamortized transaction cost on consumer financing receivables</i>   |
| Jumlah beda temporer   | 102.920   | 108.750   | <i>Total temporary differences</i>  |
| Taksiran laba kena pajak   | 1.964.050 | 1.609.865 | <i>Estimated taxable profit</i>   |
| Tarif pajak  | 20%       | 20%       | <i>Tax rate</i>   |
| Taksiran beban pajak penghasilan - kini  | 392.810   | 321.973   | <i>Estimated income tax expense - current</i>   |
| Dikurangi : pajak dibayar dimuka   | (348.736) | (272.791) | <i>Less : prepaid taxes</i>   |
| Taksiran utang pajak penghasilan   | 44.074    | 49.182    | <i>Estimated income tax payable</i>   |

Perhitungan pajak penghasilan badan untuk tahun 2018 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 2018 was a preliminary estimate made for accounting purposes and is subject to revision when the Company filed its Annual Corporate Income Tax Return.

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15. PERPAJAKAN (Lanjutan)

15. TAXATION (Continued)

c. Pajak tangguhan

c. Deferred tax

Pengaruh pajak tangguhan atas beda temporer yang signifikan antara laporan komersial dan laporan fiskal terdiri dari:

The deferred tax effects of the significant temporary differences between commercial and fiscal reporting are as follows:

|  | 31 Desember/<br>December<br>2017 | Dikreditkan<br>(dibebankan)<br>ke laporan<br>laba rugi /<br>Credited<br>(charged) to<br>statement of<br>profit or loss | Dikreditkan ke<br>ekuitas dari<br>pendapatan<br>komprehensif<br>lain/<br>Credited to<br>equity from<br>other<br>comprehensive<br>income | 31 Desember/<br>December<br>2018 |  |
|--|----------------------------------|--|---|----------------------------------|--|
| <b>Aset (liabilitas) pajak tangguhan</b>   |                                  |  |   |                                  | <b>Deferred tax assets (liabilities)</b>   |
| Cadangan kerugian penurunan nilai  | 7.016                            | 3.236  | -   | 10.252                           | Allowance for impairment losses  |
| Imbalan pasca-kerja  | 39.943                           | 532  | -   | 40.475                           | Post-employment benefits   |
| Beban yang masih harus dibayar   | 10.877                           | 6.846  | -   | 17.723                           | Accrued expenses   |
| Penyusutan aset tetap  | (6.395)                          | (165)  | -   | (6.560)                          | Depreciation of fixed assets   |
| Biaya transaksi yang belum diamortisasi atas piutang sewa pembiayaan dan pembiayaan konsumen | 7.113                            | 8.351  | -   | 15.464                           | Unamortized transaction cost on finance lease and consumer financing receivables |
| Biaya emisi surat berharga yang diterbitkan belum diamortisasi                               | (1.718)                          | (238)  | -   | (1.956)                          | Unamortized securities issued cost   |
| Biaya transaksi yang belum diamortisasi atas pinjaman yang diterima                          | (6.738)                          | 2.023  | -   | (4.715)                          | Unamortized transaction cost on fund borrowings                                  |
| Penghasilan komprehensif lain  | 15.490                           | -  | (17.791)  | (2.301)                          | Other comprehensive income   |
| <b>Aset pajak tangguhan - Bersih</b>   | <b>65.588</b>                    | <b>20.585</b>  | <b>(17.791)</b>   | <b>68.382</b>                    | <b>Deferred tax assets - Net</b>   |

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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/<br>December<br>2016 | Dikreditkan<br>(dibebankan)<br>ke laporan<br>laba rugi /<br>Credited<br>(charged) to<br>statement of<br>profit or loss | Dikreditkan ke<br>ekuitas dari<br>pendapatan<br>komprehensif<br>lain/<br>Credited to<br>equity from<br>other<br>comprehensive<br>income | 31 Desember/<br>December<br>2017 |  |
|--|----------------------------------|--|---|----------------------------------|--|
| <b>Aset (liabilitas) pajak tangguhan</b>   |                                  |  |   |                                  | <b>Deferred tax assets (liabilities)</b>   |
| 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   |
| <b>Aset pajak tangguhan - Bersih</b>   | <b>36.554</b>                    | <b>21.749</b>  | <b>7.285</b>  | <b>65.588</b>                    | <b>Deferred tax assets - Net</b>   |

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.

Pada tanggal 28 Desember 2007, Presiden Republik Indonesia menetapkan Peraturan Pemerintah No. 81 Tahun 2007 ("PP No. 81/2007") tentang "Penurunan Tarif Pajak Penghasilan Bagi Wajib Pajak Badan Dalam Negeri yang Berbentuk Perseroan Terbuka".

On 28 December 2007, the President of the Republic 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".

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15. PERPAJAKAN (Lanjutan)

d. Administrasi (Lanjutan)

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 2018 dan 2017, Perusahaan telah memenuhi persyaratan di atas untuk mendapatkan penurunan tarif sebesar 5%, sehingga menggunakan tarif 20% untuk perhitungan PPh Badan.

Sesuai dengan peraturan perpajakan di Indonesia, Perusahaan melaporkan/menyetorkan pajak berdasarkan sistem *self-assessment*. Fiskus dapat menetapkan atau mengubah pajak-pajak tersebut dalam jangka waktu tertentu sesuai dengan peraturan yang berlaku.

15. TAXATION (Continued)

d. Administration (Continued)

On 21 November 2013, the President of the Republic of Indonesia issued Government Regulation No. 77 Year 2013 ("Regulation No. 77/2013") on "Income Tax Rate Reduction Corporate Taxpayers in the Form of Publicly-listed Companies" which was later amended back through Government Regulation No. 56 of 2015 ("PP No. 56/2015 ") on the Amendment of Government Regulation No. 77 Year 2013.

PP No. 56/2015 regulates publicly-listed companies in Indonesia can obtain the reduced income tax rate of 5% lower than the income tax rate corporate taxpayer in the country, provided they meet the prescribed criteria, ie at least 40% of the total paid-up shares recorded to be traded on the stock exchanges in Indonesia; the shares must be held by at least 300 Parties; each Party may only have a share of less than 5% of the total shares issued and fully paid; and must be met in a short time at least 183 calendar days within a tax year.

As of 31 December 2018 and 2017, the Company has met requirements to obtain the reduced income tax rate of 5%, so that the rate using of 20% for corporate income tax calculation.

Under the taxation laws of Indonesia, the Company submits tax returns on the basis of *self-assessment*. The tax authorities may assess or amend taxes within the statute of limitations, under prevailing regulations.

16. SURAT BERHARGA YANG DITERBITKAN

Surat berharga yang diterbitkan terdiri dari:

|                             | 2018             | 2017             |
|-----------------------------|------------------|------------------|
| Obligasi (a)                | 5.196.220        | 3.859.411        |
| Medium Term Notes (MTN) (b) | -                | 50.000           |
| <b>Jumlah</b>               | <b>5.196.220</b> | <b>3.909.411</b> |

16. SECURITIES ISSUED

Securities issued consisting of:

|                             |                  |
|-----------------------------|------------------|
| Bonds (a)                   | 3.859.411        |
| Medium Term Notes (MTN) (b) | 50.000           |
| <b>Total</b>                | <b>3.909.411</b> |

Ekshibit E/53

Exhibit E/53

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16. SURAT BERHARGA YANG DITERBITKAN (Lanjutan)

16. SECURITIES ISSUED (Continued)

a. Obligasi

a. Bonds

|   | 2018        | 2017        |   |
|---|-------------|-------------|---|
| Nilai nominal:  |             |             | <i>Nominal value:</i>   |
| Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015   | -           | 550.000     | <i>Obligasi Berkelanjutan II BFI Finance Indonesia Tahap II Tahun 2015</i>  |
| Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016  | 658.000     | 800.000     | <i>Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016</i>   |
| Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016   | 683.000     | 683.000     | <i>Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016</i>  |
| Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017  | 460.000     | 1.000.000   | <i>Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017</i>   |
| Obligasi Berkelanjutan III BFI Finance Indonesia Tahap III Tahun 2017   | 500.000     | 835.000     | <i>Obligasi Berkelanjutan III BFI Finance Indonesia Tahap III Tahun 2017</i>  |
| Obligasi Berkelanjutan III BFI Finance Indonesia Tahap IV Tahun 2018  | 2.165.000   | -           | <i>Obligasi Berkelanjutan III BFI Finance Indonesia Tahap IV Tahun 2018</i>   |
| Obligasi Berkelanjutan IV BFI Finance Indonesia Tahap I Tahun 2018  | 740.000     | -           | <i>Obligasi Berkelanjutan IV BFI Finance Indonesia Tahap I Tahun 2018</i>   |
| Jumlah nilai nominal  | 5.206.000   | 3.868.000   | <i>Total nominal value</i>  |
| Dikurangi:  |             |             | <i>Less:</i>  |
| Biaya emisi Obligasi yang belum diamortisasi  | (9.780)     | (8.589)     | <i>Unamortized Bonds issuance cost</i>  |
| Jumlah - bersih   | 5.196.220   | 3.859.411   | <i>Total - net</i>  |
|   | <b>2018</b> | <b>2017</b> |   |
| Utang Obligasi sesuai jatuh temponya:   |             |             | <i>Bonds payable by maturity profile:</i>   |
| • < 1 tahun   | 2.442.000   | 1.567.000   | <i>&lt; 1 year •</i>  |
| • 1-2 tahun   | 1.113.000   | 1.308.000   | <i>1-2 years •</i>  |
| • 2-3 tahun   | 1.651.000   | 860.000     | <i>2-3 years •</i>  |
| • 3-5 tahun   | -           | 133.000     | <i>3-5 years •</i>  |
|   | 5.206.000   | 3.868.000   |   |
| Amortisasi biaya emisi Obligasi yang dibebankan ke laporan laba rugi dan penghasilan komprehensif lain (Catatan 27) | 8.392       | 7.044       | <i>Amortization of Bonds issuance costs charged to the statement of profit or loss and other comprehensive income (Note 27)</i> |

Ekshibit E/54

Exhibit E/54

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16. SURAT BERHARGA YANG DITERBITKAN (Lanjutan)

16. 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/<br>Bonds | Nilai nominal/<br>Nominal value | Tingkat bunga tetap/<br>Fixed interest rate | Jatuh tempo/<br>Due date | Status pembayaran/<br>Payment status | Peringkat/<br>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      | Lunas/Paid                           | AA-(idn)             |

Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016

Obligasi Berkelanjutan II BFI Finance Indonesia Tahap III Tahun 2016

| Obligasi/<br>Bonds | Nilai nominal/<br>Nominal value | Tingkat bunga tetap/<br>Fixed interest rate | Jatuh tempo/<br>Due date      | Status pembayaran/<br>Payment status | Peringkat/<br>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/<br>February 2018 | Lunas/Paid                           | AA-(idn)             |
| Seri/Series C      | Rp 658.000                      | 10,75%                                      | 25 Februari/<br>February 2019 | Belum jatuh tempo/Not yet due        | AA-(idn)             |

Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016

Obligasi Berkelanjutan III BFI Finance Indonesia Tahap I Tahun 2016

| Obligasi/<br>Bonds | Nilai nominal/<br>Nominal value | Tingkat bunga tetap/<br>Fixed interest rate | Jatuh tempo/<br>Due date    | Status pembayaran/<br>Payment status | Peringkat/<br>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/<br>October 2019 | Belum jatuh tempo/Not yet due        | AA-(idn)             |
| Seri/Series C      | Rp 133.000                      | 9,10%                                       | 25 Oktober/<br>October 2021 | Belum jatuh tempo/Not yet due        | AA-(idn)             |

Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017

Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017

| Obligasi/<br>Bonds | Nilai nominal/<br>Nominal value | Tingkat bunga tetap/<br>Fixed interest rate | Jatuh tempo/<br>Due date | Status pembayaran/<br>Payment status | Peringkat/<br>Rating |
|--------------------|---------------------------------|---|--------------------------|--------------------------------------|----------------------|
| Seri/Series A      | Rp 540.000                      | 8,00%                                       | 12 Maret/March 2018      | Lunas/Paid                           | AA-(idn)             |
| Seri/Series B      | Rp 460.000                      | 9,15%                                       | 2 Maret/March 2020       | Belum jatuh tempo/Not yet due        | AA-(idn)             |

Obligasi Berkelanjutan III BFI Finance Indonesia Tahap III Tahun 2017

Obligasi Berkelanjutan III BFI Finance Indonesia Tahap III Tahun 2017

| Obligasi/<br>Bonds | Nilai nominal/<br>Nominal value | Tingkat bunga tetap/<br>Fixed interest rate | Jatuh tempo/<br>Due date | Status pembayaran/<br>Payment status | Peringkat/<br>Rating |
|--------------------|---------------------------------|---|--------------------------|--------------------------------------|----------------------|
| Seri/Series A      | Rp 335.000                      | 6,75%                                       | 19 November 2018         | Lunas/Paid                           | AA-(idn)             |
| Seri/Series B      | Rp 100.000                      | 7,25%                                       | 9 November 2019          | Belum jatuh tempo/Not yet due        | AA-(idn)             |
| Seri/Series C      | Rp 400.000                      | 7,75%                                       | 9 November 2020          | Belum jatuh tempo/Not yet due        | AA-(idn)             |



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16. SURAT BERTAHAP YANG DITERBITKAN (Lanjutan)

16. SECURITIES ISSUED (Continued)

a. Obligasi (Lanjutan)

a. Bonds (Continued)

Obligasi Berkelanjutan III BFI Finance Indonesia Tahap  
IV Tahun 2018

Obligasi Berkelanjutan III BFI Finance Indonesia  
Tahap IV Tahun 2018

| Obligasi/<br>Bonds | Nilai nominal/<br>Nominal value | Tingkat bunga tetap/<br>Fixed interest rate | Jatuh tempo/<br>Due date | Status pembayaran/<br>Payment status | Peringkat/<br>Rating |
|--------------------|---------------------------------|---|--------------------------|--------------------------------------|----------------------|
| Seri/Series A      | Rp 946.000                      | 6,40%                                       | 16 Maret/ March 2019     | Belum jatuh tempo/Not yet due        | AA-(idn)             |
| Seri/Series B      | Rp 253.000                      | 7,25%                                       | 6 Maret/ March 2020      | Belum jatuh tempo/Not yet due        | AA-(idn)             |
| Seri/Series C      | Rp 966.000                      | 7,60%                                       | 6 Maret/ March 2021      | Belum jatuh tempo/Not yet due        | AA-(idn)             |

Obligasi Berkelanjutan IV BFI Finance Indonesia Tahap  
I Tahun 2018

Obligasi Berkelanjutan IV BFI Finance Indonesia  
Tahap I Tahun 2018

| Obligasi/<br>Bonds | Nilai nominal/<br>Nominal value | Tingkat bunga tetap/<br>Fixed interest rate | Jatuh tempo/<br>Due date | Status pembayaran/<br>Payment status | Peringkat/<br>Rating |
|--------------------|---------------------------------|---|--------------------------|--------------------------------------|----------------------|
| Seri/Series A      | Rp 188.000                      | 6,75%                                       | 6 Juli/ July 2019        | Belum jatuh tempo/Not yet due        | AA-(idn)             |
| Seri/Series B      | Rp 552.000                      | 7,75%                                       | 26 Juni/ June 2021       | Belum jatuh tempo/Not yet due        | AA-(idn)             |

Sesuai dengan Perjanjian Perwalianan 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 dan Obligasi Berkelanjutan IV BFI Finance Indonesia, dari nilai pokok Obligasi yang terutang (Catatan 5 dan 6).

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 and Obligasi Berkelanjutan IV BFI Finance Indonesia, of the outstanding principal amount of the Bonds (Notes 5 and 6).

Selain itu, selama pokok Obligasi belum dilunasi, Perusahaan tidak diperkenankan antara lain, membagi dividen dalam hal Perusahaan laai 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.

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.

Semua pembayaran pokok Obligasi dilakukan secara penuh pada saat jatuh tempo. Pembayaran bunga Obligasi dilakukan secara triwulan.

All Bonds principal is paid in full as they fall due. All Bonds Interest is paid on quarterly basis.

b. Medium Term Notes (MTN)

b. Medium Term Notes (MTN)

|   | 2018 | 2017   |
|---|------|--------|
| Nilai nominal:<br>Medium Term Notes BFI Finance<br>Indonesia III Tahun 2015 | -    | 50.000 |
| Jumlah - bersih   | -    | 50.000 |
| MTN sesuai jatuh temponya:  |      |        |
| • < 1 tahun   | -    | 50.000 |
|   | -    | 50.000 |

Nominal value:  
Medium Term Notes BFI Finance  
Indonesia III Tahun 2015  
Total - net

MTN have the following maturity:  
< 1 year •

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16. SURAT BERHARGA YANG DITERBITKAN (Lanjutan)

16. SECURITIES ISSUED (Continued)

b. *Medium Term Notes* (MTN) (Lanjutan)

b. *Medium Term Notes* (MTN) (Continued)

*Medium Term Notes* BFI Finance Indonesia III Tahun 2015

*Medium Term Notes* BFI Finance Indonesia III Tahun 2015

| MTN                   | Nilai nominal/<br><i>Nominal value</i> | Tingkat bunga tetap/<br><i>Fixed interest rate</i> | Jatuh tempo/<br><i>Due date</i> | Status pembayaran/<br><i>Payment status</i> | Peringkat/<br><i>Rating</i> |
|-----------------------|--|--|---------------------------------|---|-----------------------------|
| Seri/ <i>Series</i> A | Rp 50.000                              | 5,50%  | 13 April/ <i>April</i> 2017     | Lunas/ <i>Paid</i>                          | AA-(idn)                    |
| Seri/ <i>Series</i> B | Rp 50.000                              | 5,50%  | 13 Mei/ <i>May</i> 2018         | Lunas/ <i>Paid</i>                          | AA-(idn)                    |

Dalam perjanjian perwalianan 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).

*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).*

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.

*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.*

17. BEBAN YANG MASIH HARUS DIBAYAR

17. ACCRUED EXPENSES

|                                  | 2018           | 2017           |                                 |
|----------------------------------|----------------|----------------|---------------------------------|
| Bonus dan tunjangan              | 134.790        | 111.166        | Bonus and allowances            |
| Bunga                            | 77.439         | 84.408         | Interest                        |
| Jasa tenaga ahli                 | 6.341          | 47.263         | Professional fees               |
| Lainnya (saldo dibawah Rp 1.000) | 69.308         | 50.690         | Others (balance below Rp 1,000) |
| <b>Jumlah</b>                    | <b>287.878</b> | <b>293.527</b> | <b>Total</b>                    |

18. LIABILITAS IMBALAN PASCA-KERJA

18. POST-EMPLOYMENT BENEFITS LIABILITIES

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.

*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.*

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.

*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.*

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18. LIABILITAS IMBALAN PASCA-KERJA (Lanjutan)

Imbalan pasca-kerja meliputi pensiun, uang pisah, uang penghargaan dan imbalan lainnya dihitung oleh PT Dayamandiri Dharmakonsilindo, aktuaris independen, dalam laporannya bertanggal 8 Januari 2019 dan 5 Januari 2018 masing-masing untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2018 dan 2017, dengan menggunakan metode "Projected Unit Credit". Jumlah karyawan yang berhak memperoleh imbalan kerja tersebut untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2018 dan 2017 adalah 6.624 dan 5.971 karyawan.

Liabilitas imbalan pasca-kerja pada tanggal 31 Desember 2018 dan 2017 didasarkan atas estimasi perhitungan aktuarial yang tercantum dalam laporan aktuarial di atas.

Rincian liabilitas atas imbalan pasca-kerja yang diakui di laporan posisi keuangan konsolidasian adalah sebagai berikut:

|                                    | 2018           | 2017           |   |
|------------------------------------|----------------|----------------|---|
| Nilai kini kewajiban imbalan pasti | 249.508        | 244.807        | Present value of defined benefit obligation |
| Nilai wajar aset program           | (47.010)       | (45.091)       | Fair value of plan asset                    |
| <b>Imbalan pasca-kerja</b>         | <b>202.498</b> | <b>199.716</b> | <b>Post-employment benefits</b>             |

Mutasi nilai kini kewajiban imbalan pasti yang diakui pada laporan posisi keuangan konsolidasian sebagai berikut:

|   | 2018        | 2017        |  |
|---|-------------|-------------|--|
| Nilai kini kewajiban imbalan pasti pada awal periode              | 244.807     | 181.619     | Present value of defined benefit obligation at beginning of period |
| Biaya jasa kini   | 37.688      | 25.883      | Current service cost   |
| Biaya jasa lalu atas perubahan imbalan                            | -           | (3.535)     | Past service cost due to plan amendment                            |
| Biaya bunga   | 18.382      | 15.299      | Interest cost  |
| Pembayaran imbalan oleh Perusahaan (sesuai provisi yang dihitung) | (2.986)     | (3.408)     | Benefit payment from Company                                       |
| Pembayaran imbalan dari Aset Program                              | (2.330)     | (8.416)     | Benefit payment from plan assets                                   |
| Penyesuaian liabilitas akibat pengakuan masa kerja lalu           | 1.813       | 1.394       | Liability assumed due to recognition of past services              |
| Pengukuran kembali atas nilai kini kewajiban imbalan pasti:       |             |             | Remeasurement of present value of defined benefit obligation:      |
| Keuntungan (kerugian) atas perubahan asumsi ekonomis              | (53.190)    | 36.222      | Gain (loss) from changes in financial assumption                   |
| Keuntungan (kerugian) atas penyesuaian pengalaman                 | 5.324       | (251)       | Gain (loss) from experience adjustments                            |
| Nilai kini kewajiban imbalan pasti pada akhir periode             | 249.508     | 244.807     | Present value of defined benefit obligation at end of period       |
|   | <b>2018</b> | <b>2017</b> |  |
| Nilai wajar aset program pada awal tahun                          | 45.091      | 41.227      | Fair value of plan assets at beginning of year                     |
| Pendapatan bunga atas aset program                                | 3.613       | 3.482       | Interest income on plan assets                                     |
| luran Perusahaan  | 6.000       | 6.000       | Company contribution   |
| Pembayaran imbalan dari aset program                              | (2.330)     | (8.416)     | Benefit payment from plan assets                                   |
| Imbal hasil aset program (tidak termasuk pendapatan bunga)        | (5.364)     | 2.798       | Return on plan assets excluding interest income                    |
| Nilai wajar aset program pada akhir tahun                         | 47.010      | 45.091      | Fair value of plan assets at end of year                           |

18. POST-EMPLOYMENT BENEFITS LIABILITIES (Continued)

Post-employment benefits include pensions, severance pay, service pay and other benefits is calculated by PT Dayamandiri Dharmakonsilindo, an independent actuary, in its report dated 8 January 2019 and 5 January 2018 for the years ended 31 December 2018 and 2017, by using the "Projected Unit Credit". Number of employees entitled for the employee benefits for the years ended 31 December 2018 and 2017 was 6,624 and 5,971 employees, respectively.

The liability for post-employment benefits as of 31 December 2018 and 2017 are based on estimated actuarial calculation as stated at the actuary report above.

The details of the liabilities for post-employment benefits recognized in the consolidated statements of financial position are as follows:

Movements in the present value of defined benefit obligation recognised in the consolidated statement of financial position are as follows:

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18. LIABILITAS IMBALAN PASCA-KERJA (Lanjutan)

18. POST-EMPLOYMENT BENEFITS LIABILITIES (Continued)

|  | 2018           | 2017           |  |
|--|----------------|----------------|--|
| Saldo awal   | 199.716        | 140.392        | <i>Beginning balance</i>   |
| luran Perusahaan yang dibayarkan (aktual)                            | (6.000)        | (6.000)        | <i>Contribution to plan made by the Company</i>                        |
| Pembayaran imbalan oleh Perusahaan<br>(sesuai provisi yang dihitung) | (2.986)        | (3.408)        | <i>Benefits paid by the Company excluding<br/>excess benefits paid</i> |
| Beban yang diakui pada laporan laba rugi                             | 59.195         | 50.117         | <i>Expense recognized in profit loss statement</i>                     |
| Beban yang diakui pada penghasilan<br>komprehensif lain              | (42.502)       | 33.173         | <i>Expense recognized in other<br/>comprehensive income</i>            |
| Biaya terminasi  | (4.925)        | (14.558)       | <i>Termination benefit</i>   |
| Liabilitas yang diakui di laporan posisi<br>keuangan                 | <u>202.498</u> | <u>199.716</u> | <i>Liability recognized in statement of<br/>financial position</i>     |

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:

|  | 2018          | 2017          |  |
|--|---------------|---------------|--|
| Biaya jasa kini  | 37.688        | 25.883        | <i>Current service cost</i>                                      |
| Biaya jasa lalu atas perubahan imbalan                     | -             | (3.535)       | <i>Past service cost due to changes in benefit</i>               |
| Biaya bunga  | 18.382        | 15.299        | <i>Interest cost</i>   |
| Pendapatan bunga atas aset program                         | (3.613)       | (3.482)       | <i>Interest income on plan assets</i>                            |
| Penyesuaian liabilitas akibat pengakuan<br>masa kerja lalu | 1.813         | 1.394         | <i>Liability assumed due to recognition of<br/>past services</i> |
| Biaya terminasi oleh Perusahaan                            | 4.925         | 14.558        | <i>Termination benefit by Company</i>                            |
| Jumlah beban   | <u>59.195</u> | <u>50.117</u> | <i>Total expenses</i>  |

Riwayat penyesuaian pengalaman adalah sebagai berikut:

The history of experience adjustment are as follows:

|   | 2018             | 2017             | 2016             | 2015             | 2014             |  |
|---|------------------|------------------|------------------|------------------|------------------|--|
| Nilai kini kewajiban imbalan pasti        | (249.508)        | (244.807)        | (181.619)        | (142.473)        | (126.365)        | <i>Present value of defined benefit obligation</i> |
| Nilai wajar aset program                  | 47.010           | 45.091           | 41.227           | 30.506           | 25.587           | <i>Fair value of plan assets</i>                   |
| Defisit                                   | <u>(202.498)</u> | <u>(199.716)</u> | <u>(140.392)</u> | <u>(111.967)</u> | <u>(100.778)</u> | <i>Deficit</i>                                     |
| Penyesuaian pengalaman liabilitas program | <u>(5.324)</u>   | <u>251</u>       | <u>5.082</u>     | <u>(279)</u>     | <u>(15.982)</u>  | <i>Experience adjustment on plan liabilities</i>   |
| Penyesuaian pengalaman aset program       | <u>(5.364)</u>   | <u>2.798</u>     | <u>1.605</u>     | <u>(3.597)</u>   | <u>653</u>       | <i>Experience adjustment on plan assets</i>        |

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18. LIABILITAS IMBALAN PASCA-KERJA (Lanjutan)

Kategori utama aset program per 31 Desember 2018 dan 2017 sebagai persentase dari total aset program adalah pasar uang 50%, pendapatan tetap 30% dan saham 20%.

Tabel berikut menunjukkan sensitivitas atas kemungkinan perubahan tingkat diskonto dan tingkat kenaikan gaji sebesar 1% dengan variabel lain dianggap tetap, terhadap nilai kini liabilitas imbalan pasca-kerja:

18. POST-EMPLOYMENT BENEFITS LIABILITIES (Continued)

The main categories of plan assets as of 31 December 2018 and 2017 as percentage of total plan assets was money market 50%, fixed income 30% and shares 20%.

The following table demonstrates the sensitivity to a reasonably possible change in discount rates and salary increment rate of 1%, with all other variables held constant, of the present value of post-employment benefits liabilities:

|   | 2018                               |                        |   |                        |   |
|---|------------------------------------|------------------------|---|------------------------|---|
|   | Tingkat diskonto/<br>Discount rate |                        | Tingkat kenaikan gaji/<br>Salary increment rate |                        |   |
|   | Kenaikan/<br>Increase              | Penurunan/<br>Decrease | Kenaikan/<br>Increase                           | Penurunan/<br>Decrease |   |
| Dampak pada nilai kini liabilitas imbalan pasca-kerja | 221.340                            | 283.052                | 282.482   | 218.981                | Effect on present value of post-employment benefits liabilities |
|   | 2017                               |                        |   |                        |   |
|   | Tingkat diskonto/<br>Discount rate |                        | Tingkat kenaikan gaji/<br>Salary increment rate |                        |   |
|   | Kenaikan/<br>Increase              | Penurunan/<br>Decrease | Kenaikan/<br>Increase                           | Penurunan/<br>Decrease |   |
| Dampak pada nilai kini kewajiban imbalan kerja        | 214.464                            | 281.402                | 280.932   | 211.844                | Effect on present value of employment benefits liabilities      |

Asumsi-asumsi utama yang digunakan dalam perhitungan di atas:

Key assumptions used in the above calculation:

|                               | 2018   | 2017  |                                 |
|-------------------------------|--|-------|---------------------------------|
| <b>Asumsi ekonomi:</b>        |  |       | <b>Economic assumptions:</b>    |
| - Tingkat diskonto per tahun  | 8,80% - 9,60%  | 7,70% | Annual discount rate -          |
| - Kenaikan gaji per tahun     | 10%  | 10%   | Annual salary increase -        |
| <b>Asumsi demografi:</b>      |  |       | <b>Demographic assumptions:</b> |
| - Tingkat kematian            | Tabel Mortalisasi Indonesia - 2011/<br>Mortality table of Indonesia - 2011   |       | Mortality rate -                |
| - Tingkat pengunduran diri    | 10% per tahun sebelum usia 31 dan terus menurun menjadi 0% pada usia 56/<br>10% per annum before the age of 31 and linearly decreasing to 0% per annum at age of 56. |       | Turnover rate -                 |
| - Tingkat kecacatan per tahun | 10% dari Tingkat Kematian/ 10% of Mortality Rates  |       | Disability rate per annum -     |
| - Tingkat pensiun             | 100% di usia 56/ 100% at age 56  |       | Retirement rate -               |

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**19. DIVIDEN KAS DAN SALDO LABA YANG TELAH DITENTUKAN  
PENGGUNAANNYA**

Berdasarkan Berita Acara Rapat Umum Pemegang Saham Tahunan PT BFI Finance Indonesia Tbk pada tanggal 17 April 2018, Perusahaan menetapkan pembagian dividen tunai sebesar Rp 39 (nilai penuh) per saham. Setelah memperhitungkan dividen tunai interim sebesar Rp 23 (nilai penuh) per lembar saham atau setara dengan Rp 344.181 yang telah dibayarkan kepada pemegang saham pada tanggal 18 Desember 2017, sisanya sebesar Rp 16 (nilai penuh) per lembar saham atau setara dengan Rp 239.430 yang telah dibayarkan pada tanggal 18 Mei 2018. Perusahaan juga menyetujui untuk menyisihkan sebesar Rp 13.574 sebagai cadangan.

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 deviden tunai interim untuk tahun buku 2016, sebesar Rp 150 (nilai penuh) per saham kepada para pemegang saham Perusahaan, yang telah dibagikan pada tanggal 16 Desember 2016.

**19. CASH DIVIDENDS AND APPROPRIATION OF RETAINED  
EARNINGS**

Based on the decision of Shareholders' Annual General Meeting on 17 April 2018, the Company announced a cash dividend from net profit in 2017 amounted to Rp 39 (full amount) per share. After taking into account the interim cash dividend amounted to Rp 23 (full amount) per share amounting to Rp 344,181 to the shareholders of the Company, which has been distributed on 18 December 2017, the remaining balance amounted to Rp 16 (full amount) per share amounting to Rp 239,430 which has been distributed on 18 May 2018. The Company agreed to set aside Rp 13,574 for the reserve.

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 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.

**20. UTANG LAIN-LAIN - PIHAK KETIGA**

|  | 2018           |
|--|----------------|
| Titipan konsumen                             | 119.637        |
| Perolehan aset tetap dan aset tidak berwujud | 58.627         |
| Premi asuransi                               | 26.839         |
| Utang kepada dealer                          | 5.168          |
| Utang pengurusan fidusia                     | 808            |
| Lainnya (saldo dibawah Rp 1.000)             | 47.153         |
| <b>Jumlah</b>                                | <b>258.232</b> |

**20. OTHER PAYABLES - THIRD PARTIES**

|               | 2017           |   |
|---------------|----------------|---|
|               | 104.659        | Customer deposits                             |
|               | -              | Fixed asset and intangible assets acquisition |
|               | 43.810         | Insurance premium                             |
|               | 31.273         | Payable to dealers                            |
|               | 1.073          | Fiducia processing payables                   |
|               | 33.906         | Others (balance below Rp 1,000)               |
| <b>Jumlah</b> | <b>214.721</b> | <b>Total</b>                                  |

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21. MODAL SAHAM

Susunan pemegang saham Perusahaan pada tanggal 31 Desember 2018 dan 2017 berdasarkan laporan daftar pemegang saham dari PT Sirca Datapro Perdana, Biro Administrasi Efek, adalah sebagai berikut:

|   | 2018                              |                          |               |
|---|-----------------------------------|--------------------------|---------------|
|   | Jumlah saham/<br>Number of shares | Nilai nominal/<br>Amount | %             |
| <b>Pemegang saham</b>                                     |                                   |                          |               |
| Trinugraha Capital & CO SCA                               | 6.835.249.660                     | 170.881                  | 42,80         |
| DB Spore DCS A/C NT Asian Discovery Master Fund-864134218 | 1.581.275.640                     | 39.532                   | 9,90          |
| Lainnya (masing-masing di bawah 5%)                       | <u>6.547.858.320</u>              | <u>163.697</u>           | <u>41,02</u>  |
|   | 14.964.383.620                    | 374.110                  | 93,72         |
| <b>Saham treasuri</b>                                     | <u>1.002.732.000</u>              | <u>25.068</u>            | <u>6,28</u>   |
| <b>Jumlah</b>   | <u>15.967.115.620</u>             | <u>399.178</u>           | <u>100,00</u> |

|   | 2017                              |                          |               |
|---|-----------------------------------|--------------------------|---------------|
|   | Jumlah saham/<br>Number of shares | Nilai nominal/<br>Amount | %             |
| <b>Pemegang saham</b>                                     |                                   |                          |               |
| Trinugraha Capital & CO SCA                               | 6.835.249.660                     | 170.881                  | 42,80         |
| DB Spore DCS A/C NT Asian Discovery Master Fund-864134218 | 1.306.275.640                     | 32.657                   | 8,18          |
| Lainnya (masing-masing di bawah 5%)                       | <u>6.822.858.320</u>              | <u>170.572</u>           | <u>42,74</u>  |
|   | 14.964.383.620                    | 374.110                  | 93,72         |
| <b>Saham treasuri</b>                                     | <u>1.002.732.000</u>              | <u>25.068</u>            | <u>6,28</u>   |
| <b>Jumlah</b>   | <u>15.967.115.620</u>             | <u>399.178</u>           | <u>100,00</u> |

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 2018 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 bulan Agustus 2018, Trinugraha Capital & Co. SCA menandatangani Perjanjian Jual Beli sesuai dengan nilai yang akan mereka jual sebesar 2.977.912.340 saham di BFI (19,9% dari total saham) ke Kompas Banca SpA, anak perusahaan yang sepenuhnya dimiliki Mediobanca SpA, dan sekitar 1,646 juta saham (sekitar 11%) di BFI ke Star Finance S.R.L. Sampai dengan tanggal 31 Desember 2018 transaksi pengalihan masih dalam proses.

21. SHARE CAPITAL

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 2018 and 2017, are as follows:

|   | 2018                              |                          |               |
|---|-----------------------------------|--------------------------|---------------|
|   | Jumlah saham/<br>Number of shares | Nilai nominal/<br>Amount | %             |
| <b>Shareholders</b>                                       |                                   |                          |               |
| Trinugraha Capital & CO SCA                               | 6.835.249.660                     | 170.881                  | 42,80         |
| DB Spore DCS A/C NT Asian Discovery Master Fund-864134218 | 1.581.275.640                     | 39.532                   | 9,90          |
| Others (each below 5%)                                    | <u>6.547.858.320</u>              | <u>163.697</u>           | <u>41,02</u>  |
|   | 14.964.383.620                    | 374.110                  | 93,72         |
| <b>Treasury stock</b>                                     | <u>1.002.732.000</u>              | <u>25.068</u>            | <u>6,28</u>   |
| <b>Total</b>  | <u>15.967.115.620</u>             | <u>399.178</u>           | <u>100,00</u> |

|   | 2017                              |                          |               |
|---|-----------------------------------|--------------------------|---------------|
|   | Jumlah saham/<br>Number of shares | Nilai nominal/<br>Amount | %             |
| <b>Shareholders</b>                                       |                                   |                          |               |
| Trinugraha Capital & CO SCA                               | 6.835.249.660                     | 170.881                  | 42,80         |
| DB Spore DCS A/C NT Asian Discovery Master Fund-864134218 | 1.306.275.640                     | 32.657                   | 8,18          |
| Others (each below 5%)                                    | <u>6.822.858.320</u>              | <u>170.572</u>           | <u>42,74</u>  |
|   | 14.964.383.620                    | 374.110                  | 93,72         |
| <b>Treasury stock</b>                                     | <u>1.002.732.000</u>              | <u>25.068</u>            | <u>6,28</u>   |
| <b>Total</b>  | <u>15.967.115.620</u>             | <u>399.178</u>           | <u>100,00</u> |

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 2018 the Company's issued and fully paid-up shares capital was amounted to Rp 399,178 which comprised of 15,967,115,620 shares with par value of Rp 25 per share.

In August 2018, Trinugraha Capital & Co. SCA have entered into Shares Sale and Purchase Agreement pursuant to which they will sell 2,977,912,340 shares in BFI (19.9% of total shares) to Kompas Banca SpA, a wholly owned subsidiary of Mediobanca SpA, and approximately 1,646 million shares (c. 11%) in BFI to Star Finance S.R.L. Until 31 December 2018, the shares transfer transaction is still under process.

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**21. MODAL SAHAM (Lanjutan)**

**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 2018 dan 2017, jumlah saham yang telah dibeli kembali oleh Perusahaan masing-masing adalah sebanyak 1.002.732.000 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*).

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 464.844.860 dan 589.407.540 saham, yang merupakan kepemilikan sebesar 2,91% dan 3,69% dari jumlah saham Perusahaan yang beredar masing-masing pada tanggal 31 Desember 2018 dan 2017 dengan rincian sebagai berikut:

| Nama Anggota/<br><i>Name of Members</i> | Jabatan/Positions                                  | Jumlah Saham/ Total Shares |                    | %           |             |
|---|--|----------------------------|--------------------|-------------|-------------|
|   |  | 2018                       | 2017               | 2018        | 2017        |
| Francis Lay Sioe Ho                     | Presiden Direktur/ <i>President Director</i>       | 389.885.080                | 389.885.080        | 2,44        | 2,44        |
| Kusmayanto Kadiman                      | Presiden Komisaris / <i>President Commissioner</i> | 74.500                     | 300.000            | 0,00        | 0,00        |
| Sudjono                                 | Direktur/ <i>Director</i>                          | 33.380.000                 | 33.380.000         | 0,21        | 0,21        |
| Sutadi                                  | Direktur/ <i>Director</i>                          | 21.382.800                 | 22.000.000         | 0,14        | 0,14        |
| Sigit Hendra Gunawan                    | Direktur/ <i>Director</i>                          | 10.000.000                 | 10.000.000         | 0,06        | 0,06        |
| Andrew Adiwijanto                       | Direktur/ <i>Director</i>                          | 10.120.000                 | 12.120.000         | 0,06        | 0,08        |
| Cornelius Henry Kho                     | Komisaris/ <i>Commissioner</i>                     | -                          | 121.719.980        | 0,00        | 0,76        |
| Johanes Sutrisno                        | Komisaris/ <i>Commissioner</i>                     | 2.480                      | 2.480              | 0,00        | 0,00        |
| <b>Jumlah/ Total</b>                    |  | <b>464.844.860</b>         | <b>589.407.540</b> | <b>2,91</b> | <b>3,69</b> |

**21. SHARE CAPITAL (Continued)**

**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 2018 and 2017, total shares bought back by the Company were 1,002,732,000 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).

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 464,844,860 and 589,407,540 shares representing 2.91% and 3.69% of the total outstanding shares of the Company as of 31 December 2018 and 2017, respectively with detail as follows:

**22. TAMBAHAN MODAL DISETOR**

Pada tahun 2018 dan 2017, 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.

**22. ADDITIONAL PAID-IN CAPITAL**

In 2018 and 2017 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.

**23. PENDAPATAN SEWA PEMBIAYAAN**

|  | 2018             | 2017             |
|--|------------------|------------------|
| Pendapatan sewa pembiayaan                 |                  |                  |
| Pihak ketiga                               | 2.256.173        | 1.777.425        |
| Pendapatan administrasi                    | 321.379          | 274.002          |
| Denda keterlambatan                        | 179.401          | 137.519          |
| Pendapatan terminasi                       | 115.011          | 92.724           |
| <b>Pendapatan sewa pembiayaan - bersih</b> | <b>2.871.964</b> | <b>2.281.670</b> |

Pada tahun 2018 dan 2017, amortisasi biaya transaksi yang diakui sebagai penambah dari pendapatan sewa pembiayaan masing-masing sebesar Rp 31.552 dan Rp 12.689.

**23. FINANCE LEASE INCOME**

*Finance lease income  
Third parties  
Administration income  
Late charges  
Termination income*

**Finance lease income - net**

In 2018 and 2017, the amortization of transaction costs recognized as an addition to finance lease income was amounted to Rp 31,552 and Rp 12,689, respectively.



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24. PENDAPATAN PEMBIAYAAN KONSUMEN

24. CONSUMER FINANCING INCOME

|  | 2018             | 2017             |  |
|--|------------------|------------------|--|
| Pendapatan pembiayaan konsumen   |                  |                  | Consumer financing income  |
| Pihak ketiga   | 1.525.411        | 1.297.114        | Third parties  |
| Pendapatan administrasi  | 357.688          | 280.339          | Administration income  |
| Denda keterlambatan  | 134.868          | 122.310          | Late charges   |
| Pendapatan terminasi   | 46.243           | 44.006           | Termination income   |
| <b>Jumlah</b>  | <b>2.064.210</b> | <b>1.743.769</b> | <b>Total</b>   |
| Dikurangi:   |                  |                  | Less:  |
| Bagian pendapatan yang dibiayai bank<br>sehubungan dengan kerjasama penerusan<br>pinjaman dan pembiayaan bersama<br>(Catatan 32) | (43.028)         | (89.438)         | Portion of funds financed by banks in relation to<br>channeling and joint financing cooperation<br>(Note 32) |
| <b>Pendapatan pembiayaan konsumen - bersih</b>   | <b>2.021.182</b> | <b>1.654.331</b> | <b>Consumer financing income - net</b>   |

Pada tahun 2018 dan 2017 amortisasi biaya transaksi yang diakui sebagai pengurang dari pendapatan pembiayaan konsumen masing-masing sebesar Rp 129.062 dan Rp 97.899.

In 2018 and 2017, the amortization of transaction costs recognized as a reduction to consumer financing income amounting to Rp 129,062 and Rp 97,899, respectively.

Pada tahun 2018 dan 2017, tidak terdapat pendapatan pembiayaan konsumen yang melebihi 10% dari jumlah pendapatan kepada satu konsumen saja.

In 2018 and 2017, the Company had no consumer financing income in excess of 10% of total revenues to a single customer.

25. PENDAPATAN LAIN-LAIN

25. OTHER INCOME

|  | 2018           | 2017          |   |
|--|----------------|---------------|---|
| Pemulihan dari piutang yang dihapusbukkan<br>dan piutang dalam proses penyelesaian | 90.852         | 73.004        | Recovery on written-off receivables and<br>receivable in the settlement process |
| Keuntungan bersih atas penjualan aset tetap<br>(Catatan 11)                        | 9.288          | 16.056        | Gain on sale of fixed assets - net<br>(Note 11)                                 |
| Lain-lain  | 4.211          | 10.090        | Others  |
| <b>Jumlah</b>  | <b>104.351</b> | <b>99.150</b> | <b>Total</b>  |

26. BEBAN GAJI DAN TUNJANGAN

26. SALARIES AND BENEFITS EXPENSES

|                                     | 2018             | 2017           |                                       |
|-------------------------------------|------------------|----------------|---------------------------------------|
| Pihak ketiga                        |                  |                | Third parties                         |
| Gaji dan imbalan kerja              | 930.938          | 767.969        | Salaries and employee benefits        |
| Imbalan pasca-kerja (Catatan 18)    | 53.998           | 45.867         | Post-employment benefits (Note 18)    |
|                                     | 984.936          | 813.836        |                                       |
| Pihak berelasi                      |                  |                | Related parties                       |
| Gaji dan imbalan kerja              | 60.071           | 50.748         | Salaries and employee benefits        |
| Imbalan pasca-kerja (Catatan 18,30) | 5.197            | 4.250          | Post-employment benefits (Note 18,30) |
|                                     | 65.268           | 54.998         |                                       |
| <b>Jumlah</b>                       | <b>1.050.204</b> | <b>868.834</b> | <b>Total</b>                          |

Lihat catatan 30 untuk rincian saldo dan transaksi dengan pihak berelasi.

Refer to note 30 for details of balances and transactions with related parties.

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| 27. BEBAN BUNGA DAN KEUANGAN  | 2018             | 2017           |   |
|---|------------------|----------------|---|
| Bunga atas pinjaman yang diterima   | 618.395          | 567.005        | Interest on borrowings  |
| Bunga atas surat berharga yang diterbitkan<br>(Catatan 16)                    | 408.863          | 321.596        | Interest on securities issued (Note 16)                                     |
| Amortisasi biaya emisi atas surat berharga<br>yang diterbitkan (Catatan 16)   | 8.392            | 7.044          | Amortization on securities issued (Note 16)                                 |
| <b>Jumlah</b>   | <b>1.035.650</b> | <b>895.645</b> | <b>Total</b>  |
| <hr/>   |                  |                |   |
| 28. BEBAN UMUM DAN ADMINISTRASI   | 2018             | 2017           |   |
| Penyusutan aset tetap (Catatan 11)  | 74.607           | 67.724         | Depreciation of fixed assets (Note 11)                                      |
| Perbaikan dan pemeliharaan  | 60.837           | 45.561         | Repairs and maintenance   |
| Beban penerimaan angsuran   | 56.455           | 44.211         | Installment collection expense  |
| Perjalanan dinas dan transportasi   | 46.725           | 38.901         | Travel and transportation   |
| Honorarium tenaga ahli  | 40.592           | 62.369         | Professional fees   |
| Asuransi  | 39.767           | 30.720         | Insurance   |
| Pemasaran   | 37.459           | 17.949         | Marketing   |
| Pendidikan dan pelatihan  | 32.357           | 28.537         | Training and education  |
| Pengiriman, perangko dan materai  | 25.434           | 20.299         | Courier, postage stamp and stamp duty                                       |
| Sewa kantor dan gudang  | 23.075           | 19.422         | Office and warehouse rental   |
| Keanggotaan dan langganan   | 22.440           | 8.539          | Membership and subscription   |
| Beban kantor  | 20.859           | 19.519         | Office expense  |
| Komunikasi  | 19.860           | 17.943         | Communications  |
| Listrik dan air   | 16.086           | 13.922         | Electricity and water   |
| Amortisasi aset tak berwujud (Catatan 12)                                     | 9.374            | 6.584          | Amortization of intangible assets (Note 12)                                 |
| Jasa pihak ketiga   | 5.884            | 4.228          | Third parties service   |
| Fotokopi dan legalisir dokumen  | 3.080            | 1.311          | Fotocopy and legalized document   |
| Beban administrasi bank   | 1.603            | 1.679          | Bank administration charges   |
| Program CSR   | 1.767            | 1.484          | CSR program   |
| Penyusutan aset ijarah  | 522              | -              | Depreciation of ijarah asset  |
| Lain-lain   | 28.142           | 31.173         | Others  |
| <b>Jumlah</b>   | <b>566.925</b>   | <b>482.075</b> | <b>Total</b>  |
| <hr/>   |                  |                |   |
| 29. BEBAN LAIN-LAIN   | 2018             | 2017           |   |
| Rincian beban lain-lain adalah sebagai berikut:                               |                  |                | The details of other expenses are as follows:                               |
| Penyisihan kerugian penurunan<br>nilai atas piutang dalam proses penyelesaian | 2.504            | 9.314          | Provision for impairment losses of<br>receivables in the settlement process |
| Penghapusan (pemulihan) piutang dalam<br>proses penyelesaian                  | 13.678           | (4.093)        | Written-off (recovery) receivables in the<br>settlement process             |
| <b>Jumlah</b>   | <b>16.182</b>    | <b>5.221</b>   | <b>Total</b>  |

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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:

| <u>Pihak berelasi/Related parties</u>   | <u>Sifat hubungan/<br/>Nature of relationship</u>     | <u>Transaksi/Transactions</u>  |
|---|---|--|
| Karyawan/Employee   | Personil manajemen kunci/<br>Key management personnel | Imbalan kerja jangka-pendek/<br>Short-term employees' benefits<br>Imbalan pasca-kerja/<br>Post-employment benefits<br>Program kompensasi manajemen dan karyawan<br>berbasis saham/Management and employee<br>stock options program |
| Saldo dan transaksi-transaksi kepada/dari pihak yang berelasi adalah sebagai berikut: |   | Balances and transactions to or from a related party are as follows:   |
| Beban gaji dan tunjangan  |   | Salaries and employee benefits   |
|   | <u>2018</u>   | <u>2017</u>  |
| Personil manajemen kunci:   |   | Key management personnel:  |
| Imbalan kerja jangka-pendek   | 60.071  | 50.748   |
| Imbalan pasca-kerja   | 5.197   | 4.250  |
|   | <u>65.268</u>   | <u>54.998</u>  |
| Persentase terhadap jumlah beban  | <u>2,05%</u>  | <u>2,15%</u>   |
|   |   | Percentage of total expenses   |

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:

| <u>Pihak berelasi/Related parties</u>   | <u>Sifat hubungan/<br/>Nature of relationship</u>     | <u>Transaksi/Transactions</u>  |
|---|---|--|
| Karyawan/Employee   | Personil manajemen kunci/<br>Key management personnel | Imbalan kerja jangka-pendek/<br>Short-term employees' benefits<br>Imbalan pasca-kerja/<br>Post-employment benefits<br>Program kompensasi manajemen dan karyawan<br>berbasis saham/Management and employee<br>stock options program |
| Saldo dan transaksi-transaksi kepada/dari pihak yang berelasi adalah sebagai berikut: |   | Balances and transactions to or from a related party are as follows:   |
| Beban gaji dan tunjangan  |   | Salaries and employee benefits   |
|   | <u>2018</u>   | <u>2017</u>  |
| Personil manajemen kunci:   |   | Key management personnel:  |
| Imbalan kerja jangka-pendek   | 60.071  | 50.748   |
| Imbalan pasca-kerja   | 5.197   | 4.250  |
|   | <u>65.268</u>   | <u>54.998</u>  |
| Persentase terhadap jumlah beban  | <u>2,05%</u>  | <u>2,15%</u>   |
|   |   | Percentage of total expenses   |

Transaction with related parties, except salary expense and employee benefits to key management personnel, conducted by normal operations requirements.

31. SEGMENT OPERASI

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. OPERATING SEGMENT

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. SEGMENT OPERASI (Lanjutan)

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.

31. OPERATING SEGMENT (Continued)

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.

|  | 2018                              |  |                    |                      | Jumlah/<br>Total  |  |
|--|-----------------------------------|--|--------------------|----------------------|-------------------|--|
|  | Sewa pembiayaan/<br>Finance Lease | Pembiayaan konsumen/<br>Consumer financing | Syariah/<br>Sharia | Lain-lain/<br>Others |                   |  |
| <b>Laporan laba rugi</b>                 |                                   |  |                    |                      |                   | <b>Statement of profit or loss</b>     |
| <b>Pendapatan</b>                        |                                   |  |                    |                      |                   | <b>Income</b>                          |
| Pendapatan pembiayaan                    | 2.871.964                         | 2.021.182                                  | 529                | -                    | 4.893.675         | Financing income                       |
| Lain-lain                                | 40.655                            | 50.197                                     | -                  | 33.746               | 124.568           | Others                                 |
| <b>Jumlah pendapatan</b>                 | <b>2.912.619</b>                  | <b>2.071.379</b>                           | <b>529</b>         | <b>33.746</b>        | <b>5.018.243</b>  | <b>Total income</b>                    |
| <b>Beban</b>                             |                                   |  |                    |                      |                   | <b>Expenses</b>                        |
| Gaji dan tunjangan                       | -                                 | -  | -                  | 1.050.204            | 1.050.204         | Salaries and benefits                  |
| Bunga dan keuangan                       | -                                 | -  | -                  | 1.035.650            | 1.035.650         | Interest and financing charges         |
| Umum dan administrasi                    | 20.059                            | 49.702                                     | -                  | 497.194              | 566.925           | General and administrative             |
| Penyisihan kerugian penurunan nilai      | 215.537                           | 293.645                                    | 1                  | -                    | 509.183           | Provision for impairment losses        |
| Lain-lain                                | -                                 | -  | -                  | 16.182               | 16.182            | Other expenses                         |
| <b>Jumlah beban</b>                      | <b>235.596</b>                    | <b>343.347</b>                             | <b>1</b>           | <b>2.599.230</b>     | <b>3.178.144</b>  | <b>Total expenses</b>                  |
| <b>Laba sebelum pajak</b>                | <b>2.677.023</b>                  | <b>1.728.032</b>                           | <b>528</b>         | <b>(2.565.484)</b>   | <b>1.840.099</b>  | <b>Profit before tax</b>               |
| <b>Beban pajak penghasilan</b>           | <b>-</b>                          | <b>-</b>                                   | <b>-</b>           | <b>(372.305)</b>     | <b>(372.305)</b>  | <b>Income tax expense</b>              |
| <b>Laba tahun berjalan</b>               | <b>2.677.023</b>                  | <b>1.728.032</b>                           | <b>528</b>         | <b>(2.937.789)</b>   | <b>1.467.794</b>  | <b>Profit for the year</b>             |
| <b>Laporan posisi keuangan</b>           |                                   |  |                    |                      |                   | <b>Statement of financial position</b> |
| <b>Aset</b>                              |                                   |  |                    |                      |                   | <b>Assets</b>                          |
| Piutang pembiayaan - bersih              | 11.357.670                        | 5.922.788                                  | 105                | -                    | 17.280.563        | Financing receivables - net            |
| Lain-lain                                | 49.600                            | 45.065                                     | 2.332              | 1.739.745            | 1.836.742         | Others                                 |
| <b>Jumlah aset</b>                       | <b>11.407.270</b>                 | <b>5.967.853</b>                           | <b>2.437</b>       | <b>1.739.745</b>     | <b>19.117.305</b> | <b>Total assets</b>                    |
| <b>Liabilitas</b>                        |                                   |  |                    |                      |                   | <b>Liabilities</b>                     |
| Pinjaman yang diterima                   | -                                 | -  | -                  | 6.899.860            | 6.899.860         | Fund borrowings                        |
| Surat berharga yang diterbitkan - bersih | -                                 | -  | -                  | 5.196.220            | 5.196.220         | Securities issued - net                |
| Lain-lain                                | 36.012                            | 38.056                                     | 17                 | 743.344              | 817.429           | Others                                 |
| <b>Jumlah liabilitas</b>                 | <b>36.012</b>                     | <b>38.056</b>                              | <b>17</b>          | <b>12.839.424</b>    | <b>12.913.509</b> | <b>Total liabilities</b>               |

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31. SEGMENT OPERASI (Lanjutan)

31. OPERATING SEGMENT (Continued)

|  | 2017                                     |   |                             |                         |  |
|--|--|---|-----------------------------|-------------------------|--|
|  | Sewa pembiayaan/<br><i>Finance Lease</i> | Pembiayaan konsumen/<br><i>Consumer financing</i> | Lain-lain/<br><i>Others</i> | Jumlah/<br><i>Total</i> |  |
| <b>Laporan laba rugi</b>                 |  |   |                             |                         | <b>Statement of profit or loss</b>     |
| <b>Pendapatan</b>                        |  |   |                             |                         | <b>Income</b>                          |
| Pendapatan pembiayaan                    | 2.281.670                                | 1.654.331   | -                           | 3.936.001               | Financing income                       |
| Lain-lain                                | 32.453                                   | 40.551  | 33.312                      | 106.316                 | Others                                 |
| <b>Jumlah pendapatan</b>                 | <b>2.314.123</b>                         | <b>1.694.882</b>                                  | <b>33.312</b>               | <b>4.042.317</b>        | <b>Total income</b>                    |
| <b>Beban</b>                             |  |   |                             |                         | <b>Expenses</b>                        |
| Gaji dan tunjangan                       | -  | -   | 868.834                     | 868.834                 | Salaries and benefits                  |
| Bunga dan keuangan                       | -  | -   | 895.645                     | 895.645                 | Interest and financing charges         |
| Umum dan administrasi                    | 10.567                                   | 35.376  | 436.132                     | 482.075                 | General and administrative             |
| Penyisihan kerugian penurunan nilai      | 125.700                                  | 177.056   | -                           | 302.756                 | Provision for impairment losses        |
| Lain-lain                                | (9.710)                                  | 14.931  | -                           | 5.221                   | Other expenses                         |
| <b>Jumlah beban</b>                      | <b>126.557</b>                           | <b>227.363</b>                                    | <b>2.200.611</b>            | <b>2.554.531</b>        | <b>Total expenses</b>                  |
| <b>Laba sebelum pajak</b>                | <b>2.187.566</b>                         | <b>1.467.519</b>                                  | <b>(2.167.299)</b>          | <b>1.487.786</b>        | <b>Profit before tax</b>               |
| <b>Beban pajak penghasilan</b>           | <b>-</b>                                 | <b>-</b>  | <b>(300.276)</b>            | <b>(300.276)</b>        | <b>Income tax expense</b>              |
| <b>Laba tahun berjalan</b>               | <b>2.187.566</b>                         | <b>1.467.519</b>                                  | <b>(2.467.575)</b>          | <b>1.187.510</b>        | <b>Profit for the year</b>             |
| <b>Laporan posisi keuangan</b>           |  |   |                             |                         | <b>Statement of financial position</b> |
| <b>Aset</b>                              |  |   |                             |                         | <b>Assets</b>                          |
| Piutang pembiayaan - bersih              | 9.435.315                                | 5.739.410   | -                           | 15.174.725              | Financing receivables - net            |
| Lain-lain                                | 29.516                                   | 208.351   | 1.070.681                   | 1.308.548               | Others                                 |
| <b>Jumlah aset</b>                       | <b>9.464.831</b>                         | <b>5.947.761</b>                                  | <b>1.070.681</b>            | <b>16.483.273</b>       | <b>Total assets</b>                    |
| <b>Liabilitas</b>                        |  |   |                             |                         | <b>Liabilities</b>                     |
| Pinjaman yang diterima                   | -  | -   | 6.819.052                   | 6.819.052               | Fund borrowings                        |
| Surat berharga yang diterbitkan - bersih | -  | -   | 3.909.411                   | 3.909.411               | Securities issued - net                |
| Lain-lain                                | 43.549                                   | 44.630  | 762.365                     | 850.544                 | Others                                 |
| <b>Jumlah liabilitas</b>                 | <b>43.549</b>                            | <b>44.630</b>                                     | <b>11.490.828</b>           | <b>11.579.007</b>       | <b>Total liabilities</b>               |

Segmen Geografis

Geographical Segments

|                   | 2018                 |                                  |                              |                              |                             | Jumlah/<br><i>Total</i> |              |
|-------------------|----------------------|----------------------------------|------------------------------|------------------------------|-----------------------------|-------------------------|--------------|
|                   | Jawa/<br><i>Java</i> | Kalimantan/<br><i>Kalimantan</i> | Sumatera/<br><i>Sumatera</i> | Sulawesi/<br><i>Sulawesi</i> | Lain-lain/<br><i>Others</i> |                         |              |
| Jumlah Pendapatan | 2.706.863            | 525.031                          | 949.559                      | 785.248                      | 51.542                      | 5.018.243               | Total Income |
| Jumlah Aset       | 11.656.928           | 2.270.219                        | 3.154.759                    | 935.011                      | 1.100.382                   | 19.117.305              | Total Assets |
|                   | 2017                 |                                  |                              |                              |                             | Jumlah/<br><i>Total</i> |              |
|                   | Jawa/<br><i>Java</i> | Kalimantan/<br><i>Kalimantan</i> | Sumatera/<br><i>Sumatera</i> | Sulawesi/<br><i>Sulawesi</i> | Lain-lain/<br><i>Others</i> |                         |              |
| Jumlah Pendapatan | 2.128.885            | 435.277                          | 753.143                      | 680.461                      | 44.549                      | 4.042.317               | Total Income |
| Jumlah Aset       | 10.683.087           | 1.572.537                        | 2.848.675                    | 873.879                      | 505.095                     | 16.483.273              | Total Assets |

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32. PERJANJIAN KERJASAMA YANG PENTING

32. SIGNIFICANT COOPERATION AGREEMENTS

a. Pembiayaan Bersama dan Penerusan Pinjaman

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*.

a. Joint Financing and Channeling

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.

|   | 2018           | 2017           |   |
|---|----------------|----------------|---|
| <b>Pembiayaan Bersama</b>               |                |                | <b>Joint Financing</b>                  |
| PT Bank Rakyat Indonesia (Persero) Tbk  | 668.358        | 337.121        | PT Bank Rakyat Indonesia (Persero) Tbk  |
| PT Bank Mandiri (Persero) Tbk           | 12.132         | 141.849        | PT Bank Mandiri (Persero) Tbk           |
| PT Bank Tabungan Pensiunan Nasional Tbk | 6.433          | 48.341         | PT Bank Tabungan Pensiunan Nasional Tbk |
| <b>Jumlah</b>                           | <b>686.923</b> | <b>527.311</b> | <b>Total</b>                            |
| <b>Dikurangi:</b>                       |                |                | <b>Less:</b>                            |
| Biaya transaksi yang belum diamortisasi | (2.627)        | (3.350)        | Unamortized transaction costs           |
| <b>Jumlah - Bersih</b>                  | <b>684.296</b> | <b>523.961</b> | <b>Total - Net</b>                      |

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/<br><i>Joint financing provider</i> | Fasilitas maksimum<br>pembiayaan/<br><i>Maximum financing<br/>facility</i> | Perjanjian terakhir/<br><i>Latest agreement</i> | Jangka waktu/<br>Period<br>(bulan/<br>month) |
|--|--|---|--|
| PT Bank Rakyat Indonesia (Persero) Tbk                         | 1.000.000  | 19 November 2018                                | 24   |
| 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 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)

b. Penyulur kendaraan

Perusahaan mengadakan perjanjian kerjasama dengan beberapa penyulur kendaraan. Pembiayaan yang telah disetujui namun belum dibayarkan kepada penyulur kendaraan dicatat sebagai utang kepada penyulur 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, PT Asuransi Purna Artanugraha (ASPAN), dan PT MAPFRE ABDA Assistance 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.

32. SIGNIFICANT COOPERATION AGREEMENTS (Continued)

b. Dealers of Motor Vehicles

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, PT Asuransi Purna Artanugraha (ASPAN) and PT MAPFRE ABDA Assistance 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. LABA PER SAHAM

Labanya 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.

|   | 2018           | 2017           |   |
|---|----------------|----------------|---|
| Labanya bersih untuk perhitungan laba per saham dasar | 1.467.794      | 1.187.510      | Net profit for the computation of basic earnings per shares |
| Jumlah rata-rata tertimbang saham                     | 14.964.383.620 | 14.964.383.620 | The weighted average of shares outstanding                  |
| Labanya bersih per saham dasar (nilai penuh)          | 98             | 79             | Basic earnings per share (full amount)                      |

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.

34. PENGHASILAN KOMPREHENSIF LAIN

Perubahan komponen penghasilan komprehensif lain yang tidak mempengaruhi laba rugi adalah sebagai berikut:

|  | 2018      | 2017      |   |
|--|-----------|-----------|---|
| Saldo awal periode - sebelum pajak penghasilan tangguhan                   | (111.405) | (82.265)  | Balance at the beginning of the period - before deferred income tax         |
| Keuntungan (kerugian) aktuarial program manfaat pasti                      | 42.502    | (33.173)  | Gain (loss) on defined benefit actuarial program                            |
| Bagian efektif dari perubahan nilai wajar instrumen lindung nilai arus kas | 46.452    | (3.252)   | Effective portion of changes in fair value of cash flow hedging instruments |
|  | (22.451)  | (118.690) |   |
| Aset pajak tangguhan (Catatan 15c)   | (17.791)  | 7.285     | Deferred tax assets (Note 15c)  |
| Saldo akhir periode - setelah pajak penghasilan tangguhan                  | (40.242)  | (111.405) | Balance at the end of the period - after deferred income tax                |

34. OTHER COMPREHENSIVE INCOME

The movement of other comprehensive income component that have not yet affected the profit and loss were as follows:

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**35. PERUBAHAN PADA LIABILITAS DARI AKTIVITAS PENDANAAN**

Perubahan pada liabilitas yang timbul dari aktivitas pendanaan adalah sebagai berikut:

|   | 2018                                |                        | 2017   |  |                   |  |
|---|-------------------------------------|------------------------|--|--|-------------------|--|
|   | Saldo awal/<br>Beginning<br>balance | Arus kas/<br>Cashflows | Pergerakan<br>valuta asing/<br>Movement in<br>foreign<br>Exchange *) | Pergerakan<br>Beban<br>transaksi/<br>Changes in<br>transaction<br>cost |                   | Saldo akhir/<br>Ending<br>balance                      |
| Pinjaman yang diterima                                | 6.819.052                           | 6.482                  | 64.212   | 10.114   | 6.899.860         | Funds borrowings                                       |
| Surat berharga yang diterbitkan -<br>bersih           | 3.909.411                           | 1.288.000              | -  | (1.191)  | 5.196.220         | Securities issued - net                                |
| <b>Jumlah liabilitas dari<br/>aktivitas pendanaan</b> | <b>10.728.463</b>                   | <b>1.294.482</b>       | <b>64.212</b>  | <b>8.923</b>   | <b>12.096.080</b> | <b>Total liabilities from<br/>financing activities</b> |

Perusahaan dan entitas anak telah melakukan kebijakan lindung nilai untuk pinjaman yang diterima dalam mata uang asing.

Changes in liabilities arised from financing activities are as follows:

The Company and its subsidiary has conducted hedge policy to borrowings denominated in foreign currencies.

**36. 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.

**36. 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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36. **MANAJEMEN RISIKO (Lanjutan)**

**Kerangka manajemen risiko (Lanjutan)**

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.

36. **RISK MANAGEMENT (Continued)**

**Framework of risk management (Continued)**

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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36. **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.

36. **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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36. 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:

36. 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:

|                             | 2018                    |                   |  |                                |
|-----------------------------|-------------------------|-------------------|--|--------------------------------|
|                             | Korporasi/<br>Corporate | Ritel/<br>Retail  | Eksposur<br>maksimum/<br>Maximum<br>exposure |                                |
| Kas dan setara kas          | 755.247                 | -                 | 755.247                                      | Cash and cash equivalents      |
| Piutang sewa pembiayaan     | 2.312.682               | 9.202.407         | 11.515.089                                   | Finance lease receivables      |
| Piutang pembiayaan konsumen | 1.688                   | 6.141.543         | 6.143.231                                    | Consumer financing receivables |
| Piutang ijarah              | -                       | 106               | 106  | Ijarah receivables             |
| Aset derivatif              | 110.170                 | -                 | 110.170                                      | Derivative assets              |
| Piutang karyawan            | -                       | 21.713            | 21.713                                       | Employee receivables           |
|                             | <b>3.179.787</b>        | <b>15.365.769</b> | <b>18.545.556</b>                            |                                |
|                             | 2017                    |                   |  |                                |
|                             | Korporasi/<br>Corporate | Ritel/<br>Retail  | Eksposur<br>maksimum/<br>Maximum<br>exposure |                                |
| Kas dan setara kas          | 225.203                 | -                 | 225.203                                      | Cash and cash equivalents      |
| Piutang sewa pembiayaan     | 1.740.819               | 7.779.988         | 9.520.807                                    | Finance lease receivables      |
| Piutang pembiayaan konsumen | 1.606                   | 5.889.794         | 5.891.400                                    | Consumer financing receivables |
| Piutang karyawan            | -                       | 24.606            | 24.606                                       | Employee receivables           |
|                             | <b>1.967.628</b>        | <b>13.694.388</b> | <b>15.662.016</b>                            |                                |

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36. MANAJEMEN RISIKO (Lanjutan)

36. 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:

|   | 2018  |   |                         |  |
|---|---|---|-------------------------|--|
|   | Tidak Mengalami Penurunan nilai/<br><i>Not impaired</i> | Mengalami penurunan nilai/<br><i>Impaired</i> | Jumlah/<br><i>Total</i> |  |
| Kas dan setara kas                              | 755.247   | -   | 755.247                 | Cash and cash equivalents                |
| Piutang sewa pembiayaan                         | 11.405.075  | 110.014                                       | 11.515.089              | Finance lease receivables                |
| Piutang pembiayaan konsumen                     | 6.031.606   | 111.625                                       | 6.143.231               | Consumer financing receivables           |
| Piutang ljarah                                  | 106   | -   | 106                     | ljarah receivables                       |
| Aset derivatif                                  | 110.170   | -   | 110.170                 | Derivative assets                        |
| Piutang karyawan                                | 21.713  | -   | 21.713                  | Employee receivables                     |
|   | <u>18.323.917</u>                                       | <u>221.639</u>                                | <u>18.545.556</u>       |  |
| Dikurangi:<br>Cadangan kerugian penurunan nilai |   |   | <u>(377.863)</u>        | Less:<br>Allowance for impairment losses |
|   |   |   | <u>18.167.693</u>       |  |
|   | 2017  |   |                         |  |
|   | Tidak mengalami penurunan nilai/<br><i>Not impaired</i> | Mengalami Penurunan nilai/<br><i>Impaired</i> | Jumlah/<br><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                     | 5.808.182   | 83.218  | 5.891.400               | Consumer financing receivables           |
| Piutang karyawan                                | 24.606  | -   | 24.606                  | Employee receivables                     |
|   | <u>15.511.339</u>                                       | <u>150.677</u>                                | <u>15.662.016</u>       |  |
| Dikurangi:<br>Cadangan kerugian penurunan nilai |   |   | <u>(237.482)</u>        | Less:<br>Allowance for impairment losses |
|   |   |   | <u>15.424.534</u>       |  |

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36. MANAJEMEN RISIKO (Lanjutan)

36. 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 penilaian penurunannya dibedakan antara yang dinilai secara individual dan kolektif.

The following table illustrates the detail of financial assets distinguished between those assessed individually and collectively.

|   | 2018                      |                         |                   |  |
|---|---------------------------|-------------------------|-------------------|--|
|   | Individual/<br>Individual | Kolektif/<br>Collective | Jumlah/<br>Total  |  |
| Kas dan setara kas                              | 755.247                   | -                       | 755.247           | Cash and cash equivalents                |
| Piutang sewa pembiayaan                         | 2.796.554                 | 8.718.535               | 11.515.089        | Finance lease receivables                |
| Piutang pembiayaan konsumen                     | 305.442                   | 5.837.789               | 6.143.231         | Consumer financing receivables           |
| Piutang ijarah                                  | 106                       | -                       | 106               | Ijarah receivables                       |
| Aset derivatif                                  | 110.170                   | -                       | 110.170           | Derivative assets                        |
| Piutang karyawan                                | 21.713                    | -                       | 21.713            | Employee receivables                     |
|   | <u>3.989.232</u>          | <u>14.556.324</u>       | <u>18.545.556</u> |  |
| Dikurangi:<br>Cadangan kerugian penurunan nilai |                           |                         | <u>(377.863)</u>  | Less:<br>Allowance for impairment losses |
|   |                           |                         | <u>18.167.693</u> |  |
|   | 2017                      |                         |                   |  |
|   | Individual/<br>Individual | Kolektif/<br>Collective | Jumlah/<br>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                   | 5.558.931               | 5.891.400         | Consumer financing receivables           |
| Piutang karyawan                                | 24.606                    | -                       | 24.606            | Employee receivables                     |
|   | <u>2.813.767</u>          | <u>12.848.249</u>       | <u>15.662.016</u> |  |
| Dikurangi:<br>Cadangan kerugian penurunan nilai |                           |                         | <u>(237.482)</u>  | Less:<br>Allowance for impairment losses |
|   |                           |                         | <u>15.424.534</u> |  |

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36. 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:

- 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 2018. Termasuk didalamnya adalah instrumen keuangan Perusahaan pada nilai tercatat, dikategorikan berdasarkan jenis mata uang.

|  | 2018                                   |                                |  |
|--|--|--------------------------------|--|
|  | USD<br>(Nilai penuh)/<br>(Full amount) | Nilai (Rp)/<br>Equivalent (Rp) |  |
| <b>Liabilitas</b>                                      |  |                                | <b>Liabilities</b>                             |
| Pinjaman yang diterima                                 | 113.333.333                            | 1.641.180                      | Fund borrowings                                |
| Beban yang masih harus dibayar                         | 1.083.271                              | 15.687                         | Accrued expenses                               |
| <b>Jumlah liabilitas</b>                               | <b>114.416.604</b>                     | <b>1.656.867</b>               | <b>Total liabilities</b>                       |
| Liabilitas bersih                                      | 114.416.604                            | 1.656.867                      | Net liabilities                                |
| Kontrak valuta berjangka<br>pertukaran mata uang asing | (114.416.604)                          | (1.656.687)                    | Foreign currency swap transactions<br>contract |
| <b>Eksposur bersih dalam mata uang<br/>asing</b>       | <b>-</b>                               | <b>-</b>                       | <b>Net exposure in foreign currency</b>        |

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.

36. RISK MANAGEMENT (Continued)

Process and risk assessments (Continued)

2. Market Risk

Market risk is the risk primarily due to changes in interest rates and exchange rates which could resulting in decrease in revenue, or increase in cost of capital of the Company. With the pattern of business activity currently operated by the Company, the market risk of the Company is mitigated to the minimum level. The Company has neither consumer financing nor finance lease business activity that denominated in foreign currencies, while all borrowings of the Company that denominated in foreign currencies have been protected by entering into swap transactions at amount and settlement date that similar to the borrowings thereof. In terms of interest rate, all interest rate charged to the customer is fixed interest rate, while most of the borrowings received bear fixed interest rate, and only a small portion the borrowings bear floating interest rate.

Risk management that has been applied by the Company are as follows:

- Managing risks of foreign exchange rates.
- 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 2018. 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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36. 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:

|   | 2018      | 2017     |  |
|---|-----------|----------|--|
| <u>Pendapatan sewa pembiayaan:</u>          |           |          | <u>Finance lease income:</u>                         |
| Kenaikan suku bunga 1%<br>(100 basis poin)  | 109.194   | 80.052   | Increase in interest rate by 1%<br>(100 basis point) |
| Penurunan suku bunga 1%<br>(100 basis poin) | (109.194) | (80.052) | Decrease in interest rate by 1%<br>(100 basis point) |
| <u>Pendapatan pembiayaan konsumen:</u>      |           |          | <u>Consumer finance income:</u>                      |
| Kenaikan suku bunga 1%<br>(100 basis poin)  | 59.212    | 51.363   | Increase in interest rate by 1%<br>(100 basis point) |
| Penurunan suku bunga 1%<br>(100 basis poin) | (59.212)  | (51.363) | Decrease in interest rate by 1%<br>(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:

|                                   | 2018                                       |                       |                      |                                 |                     |                     | Jumlah<br>Total   |                                    |
|-----------------------------------|--|-----------------------|----------------------|---------------------------------|---------------------|---------------------|-------------------|------------------------------------|
|                                   | Tingkat bunga mengambang/<br>Floating rate |                       |                      | Tingkat bunga tetap/ Fixed rate |                     |                     |                   |                                    |
|                                   | < 3 bulan/<br>months                       | 3-36 bulan/<br>months | > 3 bulan/<br>months | 3-12 bulan/<br>months           | 1-2 tahun/<br>Years | > 2 tahun/<br>years |                   |                                    |
| <b>Aset keuangan</b>              |  |                       |                      |                                 |                     |                     |                   | <b>Financial assets</b>            |
| Kas dan setara kas                | 755.247                                    | -                     | -                    | -                               | -                   | -                   | 755.247           | Cash and cash equivalents          |
| Piutang sewa pembiayaan           | -  | -                     | 1.963.541            | 4.286.870                       | 3.712.404           | 1.552.274           | 11.515.089        | Finance lease receivables          |
| Piutang pembiayaan konsumen       | -  | -                     | 1.186.058            | 2.188.986                       | 1.509.117           | 1.259.070           | 6.143.231         | Consumer financing receivables     |
| Piutang ijarah                    | -  | -                     | 106                  | -                               | -                   | -                   | 106               | Ijarah receivables                 |
| <b>Jumlah aset keuangan</b>       | <b>755.247</b>                             | <b>-</b>              | <b>3.149.705</b>     | <b>6.475.856</b>                | <b>5.221.521</b>    | <b>2.811.344</b>    | <b>18.413.673</b> | <b>Total financial assets</b>      |
| <b>Liabilitas keuangan</b>        |  |                       |                      |                                 |                     |                     |                   | <b>Financial liabilities</b>       |
| Pinjaman yang diterima            | 12.437                                     | 24.917                | 1.049.101            | 3.216.167                       | 2.099.175           | 498.063             | 6.899.860         | Fund borrowings                    |
| Surat berharga yang diterbitkan   | -  | -                     | 1.601.872            | 834.373                         | 1.110.071           | 1.649.904           | 5.196.220         | Securities issued                  |
| <b>Jumlah liabilitas keuangan</b> | <b>12.437</b>                              | <b>24.917</b>         | <b>2.650.973</b>     | <b>4.050.540</b>                | <b>3.209.246</b>    | <b>2.147.967</b>    | <b>12.096.080</b> | <b>Total financial liabilities</b> |
| <b>Bersih</b>                     | <b>742.810</b>                             | <b>(24.917)</b>       | <b>498.732</b>       | <b>2.425.316</b>                | <b>2.012.275</b>    | <b>663.377</b>      | <b>6.317.593</b>  | <b>Net</b>                         |

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Proses dan penilaian risiko (Lanjutan)

2. Risiko Pasar (Lanjutan)

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)

36. RISK MANAGEMENT (Continued)

Process and risk assessments (Continued)

2. Market Risk (Continued)

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)

|                                   | 2017                                       |                       |                      |                                 |                     |                     | Jumlah<br>Total         |                                    |
|-----------------------------------|--|-----------------------|----------------------|---------------------------------|---------------------|---------------------|-------------------------|------------------------------------|
|                                   | Tingkat bunga mengambang/<br>Floating rate |                       |                      | Tingkat bunga tetap/ Fixed rate |                     |                     |                         |                                    |
|                                   | < 3 bulan/<br>months                       | 3-36 bulan/<br>months | > 3 bulan/<br>months | 3-12 bulan/<br>months           | 1-2 tahun/<br>Years | > 2 tahun/<br>years |                         |                                    |
| <b>Aset keuangan</b>              |  |                       |                      |                                 |                     |                     | <b>Financial assets</b> |                                    |
| 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       | -  | -                     | 1.023.363            | 2.013.579                       | 1.578.154           | 1.276.304           | 5.891.400               | Consumer financing receivables     |
| <b>Jumlah aset keuangan</b>       | <b>225.203</b>                             | <b>-</b>              | <b>2.648.724</b>     | <b>5.618.490</b>                | <b>4.663.886</b>    | <b>2.481.107</b>    | <b>15.637.410</b>       | <b>Total financial assets</b>      |
| <b>Liabilitas keuangan</b>        |  |                       |                      |                                 |                     |                     |                         | <b>Financial liabilities</b>       |
| 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                  |
| <b>Jumlah liabilitas keuangan</b> | <b>12.437</b>                              | <b>74.667</b>         | <b>2.044.003</b>     | <b>3.119.195</b>                | <b>3.456.320</b>    | <b>2.021.841</b>    | <b>10.728.463</b>       | <b>Total financial liabilities</b> |
| <b>Bersih</b>                     | <b>212.766</b>                             | <b>(74.667)</b>       | <b>604.721</b>       | <b>2.499.295</b>                | <b>1.207.566</b>    | <b>459.266</b>      | <b>4.908.947</b>        | <b>Net</b>                         |

3. Risiko Likuiditas

Risiko likuiditas merupakan risiko terkait dengan kemampuan sumber dana Perusahaan untuk memenuhi liabilitasnya pada jatuh tempo.

Manajemen risiko yang diterapkan oleh Perusahaan adalah sebagai berikut:

- Mendapatkan pinjaman dengan skedul pembayaran kembali pokok dan bunga yang sesuai dengan periode jatuh tempo piutang, sehingga tidak terjadi *mis-match*.
- Menjaga agar posisi kas dan Perusahaan selalu dalam posisi likuid untuk mendukung aktivitas pembiayaan selama minimal 7 hari.
- Memonitor posisi kas dan bank Perusahaan secara periodik, baik tahunan, bulanan, mingguan maupun harian, guna memastikan agar selalu terdapat surplus kas yang memadai.
- Menjaga agar jumlah piutang yang jatuh tempo pada periode tertentu lebih besar dibanding dengan utang yang jatuh tempo pada periode yang sama.

3. Liquidity Risk

Liquidity risk is the risk associated with the ability of the Company to meet its obligations when they fall due.

Risk management that has been applied by the Company are as follows:

- Obtaining borrowings with principal and interest repayment schedule that aligns with the original maturities of receivables, in order to prevent *mis-match*.
- Maintaining the cash and bank position of the Company to remain in a liquid position in supporting the financing activities for at least 7 days.
- Monitoring the cash and bank position of the Company in a regular basis, whether annually, monthly, weekly or daily, to ensure that there is always sufficient cash surplus.
- Maintaining the number of receivables due in a certain period higher than the debts maturing in the same period.



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36. MANAJEMEN RISIKO (Lanjutan)

36. RISK MANAGEMENT (Continued)

Proses dan penilaian risiko (Lanjutan)

Process and risk assessments (Continued)

3. Risiko Likuiditas (Lanjutan)

3. Liquidity Risk (Continued)

Tabel berikut ini menyajikan profil perbedaan jatuh tempo atas aset dan liabilitas keuangan Perusahaan pada tanggal 31 Desember 2018 dan 2017:

The following table presents the maturity gap profile of the Company's financial assets and liabilities as of 31 December 2018 and 2017:

|                            |                                      | 2018   |                     |                      |                        |                     |                    |                                    |
|----------------------------|--------------------------------------|--|---------------------|----------------------|------------------------|---------------------|--------------------|------------------------------------|
|                            |                                      | Tidak memiliki jatuh tempo/<br>Don't have maturity | < 1 bulan/<br>month | 1-3 bulan/<br>months | >3-12 bulan/<br>months | 1-3 tahun/<br>years | >3 tahun/<br>years | Jumlah<br>Total                    |
| <b>Aset keuangan</b>       |                                      |  |                     |                      |                        |                     |                    | <b>Financial assets</b>            |
|                            | Kas dan setara kas                   | 755.247  | -                   | -                    | -                      | -                   | -                  | Cash and cash equivalents          |
|                            | Piutang sewa pembiayaan              | -  | 884.560             | 1.078.981            | 4.286.870              | 5.071.788           | 192.890            | Finance lease receivables          |
|                            | Piutang pembiayaan konsumen          | -  | 591.033             | 595.025              | 2.188.985              | 2.403.637           | 364.551            | Consumer financing receivables     |
|                            | Piutang ijarah                       | -  | 106                 | -                    | -                      | -                   | -                  | Ijarah receivables                 |
|                            | Aset derivatif                       | -  | 4.915               | 12.777               | 39.763                 | 52.715              | -                  | Derivative assets                  |
|                            | Piutang karyawan                     | -  | 27                  | 115                  | 4.498                  | 6.413               | 10.660             | Employees receivables              |
|                            | <b>Jumlah aset keuangan</b>          | <b>755.247</b>                                     | <b>1.480.641</b>    | <b>1.686.898</b>     | <b>6.520.116</b>       | <b>7.534.553</b>    | <b>568.101</b>     | <b>Total financial assets</b>      |
| <b>Liabilitas keuangan</b> |                                      |  |                     |                      |                        |                     |                    | <b>Financial liabilities</b>       |
|                            | Pinjaman yang diterima               | -  | 303.118             | 762.362              | 3.251.326              | 2.606.631           | -                  | Fund borrowings                    |
|                            | Surat berharga yang diterbitkan      | -  | -                   | 1.604.000            | 838.000                | 2.764.000           | -                  | Securities issued                  |
|                            | Beban bunga yang masih harus dibayar | -  | 77.439              | -                    | -                      | -                   | -                  | Accrued interest expenses          |
|                            | Utang kepada dealer                  | -  | 5.168               | -                    | -                      | -                   | -                  | Payable to dealers                 |
|                            | Utang premi asuransi                 | -  | -                   | 26.839               | -                      | -                   | -                  | Insurance premium payables         |
|                            | <b>Jumlah liabilitas keuangan</b>    | <b>-</b>   | <b>385.725</b>      | <b>2.393.201</b>     | <b>4.089.326</b>       | <b>5.370.631</b>    | <b>-</b>           | <b>Total financial liabilities</b> |
|                            | <b>Perbedaan jatuh tempo</b>         | <b>755.247</b>                                     | <b>1.094.916</b>    | <b>(706.303)</b>     | <b>2.430.790</b>       | <b>2.163.922</b>    | <b>568.101</b>     | <b>Difference in maturity</b>      |
|                            |                                      | 2017   |                     |                      |                        |                     |                    |                                    |
|                            |                                      | Tidak memiliki jatuh tempo/<br>Don't have maturity | < 1 bulan/<br>month | 1-3 bulan/<br>months | >3-12 bulan/<br>months | 1-3 tahun/<br>years | >3 tahun/<br>years | Jumlah<br>Total                    |
| <b>Aset keuangan</b>       |                                      |  |                     |                      |                        |                     |                    | <b>Financial assets</b>            |
|                            | Kas dan setara kas                   | 225.203  | -                   | -                    | -                      | -                   | -                  | Cash and cash equivalents          |
|                            | Piutang sewa pembiayaan              | -  | 710.324             | 915.037              | 3.604.910              | 4.209.500           | 81.036             | Finance lease receivables          |
|                            | Piutang pembiayaan konsumen          | -  | 496.781             | 526.582              | 2.013.579              | 2.443.991           | 410.467            | Consumer financing receivables     |
|                            | Piutang karyawan                     | -  | 82                  | 226                  | 2.363                  | 10.723              | 11.212             | Employees receivables              |
|                            | <b>Jumlah aset keuangan</b>          | <b>225.203</b>                                     | <b>1.207.187</b>    | <b>1.441.845</b>     | <b>5.620.852</b>       | <b>6.664.214</b>    | <b>502.715</b>     | <b>Total financial assets</b>      |
| <b>Liabilitas keuangan</b> |                                      |  |                     |                      |                        |                     |                    | <b>Financial liabilities</b>       |
|                            | Pinjaman yang diterima               | -  | 315.559             | 516.491              | 2.787.514              | 3.233.179           | -                  | Fund borrowings                    |
|                            | Surat berharga yang diterbitkan      | -  | -                   | 1.232.000            | 385.000                | 2.168.000           | 133.000            | Securities issued                  |
|                            | Beban bunga yang masih harus dibayar | -  | 84.408              | -                    | -                      | -                   | -                  | Accrued interest expenses          |
|                            | Liabilitas derivatif                 | -  | 2.186               | (73)                 | 3.257                  | (4.553)             | -                  | Derivative liabilities             |
|                            | Utang premi asuransi                 | -  | -                   | 43.810               | -                      | -                   | -                  | Insurance premium payables         |
|                            | Utang kepada dealer                  | -  | 31.273              | -                    | -                      | -                   | -                  | Payable to dealers                 |
|                            | <b>Jumlah liabilitas keuangan</b>    | <b>-</b>   | <b>433.426</b>      | <b>1.792.228</b>     | <b>3.175.771</b>       | <b>5.396.626</b>    | <b>133.000</b>     | <b>Total financial liabilities</b> |
|                            | <b>Perbedaan jatuh tempo</b>         | <b>225.203</b>                                     | <b>773.761</b>      | <b>(350.383)</b>     | <b>2.445.081</b>       | <b>1.267.588</b>    | <b>369.715</b>     | <b>Difference in maturity</b>      |

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36. 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.

36. 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-term 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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36. RISK MANAGEMENT (Continued)

Proses dan penilaian risiko (Lanjutan)

Process and risk assessments (Continued)

5. Risiko Permodalan (Lanjutan)

5. Capital Risk (Continued)

| Keterangan   | PMK.012/2006                                     | Struktur Modal Perusahaan/<br>Company's Capital Structure  |      | Description                            |
|--|--|--|------|--|
|  |  | 2018   | 2017 |  |
| Modal Disetor<br>(dalam miliar Rupiah)   | Minimal Rp 100 miliar/<br>Minimum Rp 100 billion | 399  | 399  | Paid-up Capital<br>(in billion Rupiah) |
| Rasio Utang Terhadap<br>Ekuitas  | Maksimum 10x/<br>Maximum 10x                     | 1,9  | 2,2  | Debt to Equity Ratio                   |
| Pada tahun 2018 dan 2017 tingkat rasio utang terhadap ekuitas Perusahaan masing-masing berada pada kondisi sehat, yaitu 1,9 kali dan 2,2 kali. |  | As of 2018 and 2017, debt-to-equity ratio level of the Company was healthy at 1.9 times and 2.2 times, respectively. |      |  |

37. ASET DAN LIABILITAS KEUANGAN

37. 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 2018 dan 2017:

The following table sets out the carrying value and fair value of financial assets and financial liabilities as of 31 December 2018 and 2017:

| 2018                                 | Nilai tercatat / Carrying amount  |   | Liabilitas   |  | 2018              |
|--------------------------------------|---|---|--|--|-------------------|
|                                      | Diukur pada nilai wajar melalui laporan laba rugi/ Fair value through profit and loss | Pinjaman yang diberikan dan piutang/ Loan and receivables | keuangan yang diukur pada biaya perolehan diamortisasi/ Financial Liabilities measured at amortized cost | Jumlah nilai tercatat/ Carrying value amount |                   |
| <b>Aset keuangan</b>                 |   |   |  |  |                   |
| <i>Financial assets</i>              |   |   |  |  |                   |
| Kas dan setara kas                   | -   | 755.247   | -  | 755.247                                      | 755.247           |
| Piutang sewa pembiayaan - bersih     | -   | 11.357.670  | -  | 11.357.670                                   | 11.357.670        |
| Piutang pembiayaan konsumen - bersih | -   | 5.922.788   | -  | 5.922.788                                    | 5.922.788         |
| Piutang ijarah                       | -   | 105   | -  | 105  | 105               |
| Aset derivatif                       | 110.170   | -   | -  | 110.170                                      | 110.170           |
| Piutang karyawan                     | -   | 21.713  | -  | 21.713                                       | 21.713            |
| <b>Jumlah</b>                        | <b>110.170</b>  | <b>18.057.523</b>   | <b>-</b>   | <b>18.167.693</b>                            | <b>18.167.693</b> |
| <b>Liabilitas keuangan</b>           |   |   |  |  |                   |
| <i>Financial liabilities</i>         |   |   |  |  |                   |
| Pinjaman yang diterima               | -   | -   | 6.899.860  | 6.899.860                                    | 6.899.860         |
| Beban yang masih harus dibayar       | -   | -   | 287.878  | 287.878                                      | 287.878           |
| Surat berharga yang diterbitkan      | -   | -   | 5.196.220  | 5.196.220                                    | 5.196.220         |
| Utang lain-lain                      | -   | -   | 258.558  | 258.558                                      | 258.558           |
| <b>Jumlah</b>                        | <b>-</b>  | <b>-</b>  | <b>12.642.516</b>  | <b>12.642.516</b>                            | <b>12.642.516</b> |

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37. ASET DAN LIABILITAS KEUANGAN (Lanjutan)

37. FINANCIAL ASSETS AND LIABILITIES (Continued)

Nilai wajar aset keuangan dan liabilitas keuangan  
(Lanjutan)

Fair value of financial assets and financial liabilities  
(Continued)

| 2017                                 | Nilai tercatat / Carrying amount   |  |   |                   | Jumlah nilai<br>tercatat/<br>Carrying<br>value amount | Jumlah nilai<br>wajar/ Fair<br>value amount | 2017                         |
|--------------------------------------|--|--|---|-------------------|---|---|------------------------------|
|                                      | Diukur pada<br>nilai wajar<br>melalui<br>laporan laba<br>rugi/ Fair<br>value through<br>profit and<br>loss | Pinjaman<br>yang<br>diberikan dan<br>piutang/ Loan<br>and<br>receivables | Liabilitas<br>keuangan yang<br>diukur pada<br>biaya perolehan<br>diamortisasi/<br>Financial<br>Liabilities<br>measured at<br>amortized cost |                   |   |   |                              |
| <b>Aset keuangan</b>                 |  |  |   |                   |   |   | <b>Financial assets</b>      |
| 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 | -  | 5.739.410  | -   | 5.739.410         | 5.739.410   | Consumer financing receivables - net        |                              |
| Piutang karyawan                     | -  | 24.606   | -   | 24.606            | 24.606  | Employee receivables                        |                              |
| <b>Jumlah</b>                        | <b>-</b>   | <b>15.424.534</b>  | <b>-</b>  | <b>15.424.534</b> | <b>15.424.534</b>                                     | <b>Total</b>                                |                              |
| <b>Liabilitas keuangan</b>           |  |  |   |                   |   |   | <b>Financial liabilities</b> |
| 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  | -  | -   | 817               | 817   | Derivative liabilities                      |                              |
| Utang lain-lain                      | -  | -  | 214.721   | 214.721           | 214.721   | Other payables                              |                              |
| <b>Jumlah</b>                        | <b>817</b>   | <b>-</b>   | <b>11.236.711</b>   | <b>11.237.528</b> | <b>11.237.528</b>                                     | <b>Total</b>                                |                              |

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 utang baru dengan sisa jatuh tempo yang serupa. Nilai wajar pinjaman yang diterima dengan tingkat suku bunga mengambang mendekati nilai tercatatnya karena tingkat suku bunganya sering ditinjau ulang.
- 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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37. **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:

- (a) harga kuotasian (tidak disesuaikan) dalam pasar aktif untuk aset atau liabilitas yang identik (tingkat 1);
- (b) input selain harga kuotasian yang termasuk dalam tingkat 1 yang dapat diobservasi untuk aset atau liabilitas, baik secara langsung (misalnya harga) atau secara tidak langsung (misalnya derivasi dari harga) (tingkat 2); dan
- (c) input untuk aset atau liabilitas yang bukan berdasarkan data pasar yang dapat diobservasi (input yang tidak dapat diobservasi) (tingkat 3).

Aset keuangan Perusahaan yang diukur dan diakui pada nilai wajar (tingkat 2) adalah aset keuangan derivatif.

38. **LITIGASI**

Ringkasan perkara antara Perusahaan dengan PT Aryaputra Teguharta (APT) dan PT Ongko Multicopora (OM).

**Latar Belakang**

APT dan OM (keduanya merupakan anak perusahaan Ongko Grup) dahulu merupakan pemegang saham BFI dengan kepemilikan saham masing-masing sebesar 111.804.732 (32,32%) dan 98.388.180 (28,44%). Pada saat krisis tahun 1998, anak-anak perusahaan Ongko Grup tidak dapat membayar utang kepada BFI sejumlah ± USD 100.000.000 (nilai penuh) yang mengakibatkan BFI turut gagal membayar utang kepada para krediturnya dan nyaris pailit.

Pada tanggal 1 Juni 1999, sebagai bagian dari rencana restrukturisasi utang BFI kepada para krediturnya, APT dan OM menggadaikan saham-saham mereka kepada BFI berdasarkan Perjanjian Gadai Saham tanggal 1 Juni 1999, sebagai jaminan atas utang anak-anak perusahaan Ongko Grup yang telah jatuh tempo dan tidak dibayar kepada BFI.

Perjanjian Gadai Saham menetapkan bahwa saham-saham APT dan OM yang dijaminan kepada BFI akan dialihkan kepada pihak ketiga sebagai kompensasi atas pembebasan utang anak-anak perusahaan Ongko Grup kepada BFI yang telah jatuh tempo dan tidak dibayar tersebut. Hal ini merupakan inti dari rencana restrukturisasi utang BFI, dimana utang BFI kepada para kreditur juga akan diselesaikan melalui permohonan Penundaan Kewajiban Pembayaran Utang (PKPU) di Pengadilan Niaga Jakarta.

37. **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:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Company's financial assets that are measured and recognised at fair value (level 2) are derivative financial assets.

38. **LITIGATION**

Summary of the case between the Company and PT Aryaputra Teguharta (APT) and PT Ongko Multicopora (OM).

**Background**

APT and OM (both of which are Ongko Group subsidiaries) were formerly BFI shareholders with 111,804,732 (32.32%) and 98,388,180 (28.44%) shares respectively. At the time of the 1998 crisis, the Ongko Group's subsidiaries were unable to pay debts to BFI in the amount of ± USD 100,000,000 (full amount) which resulted in BFI failing to pay its debts to its creditors and was almost bankrupt.

On 1 June 1999, as part of BFI's debt restructuring plan to its creditors, APT and OM mortgaged their shares to BFI under the Pledge Share Agreement dated 1 June 1999, as collateral for the debt of the Ongko Group subsidiaries due and not paid to BFI.

The Pledge Share Agreement stipulates that APT and OM shares pledged as collateral to BFI will be transferred to a third party as compensation for the debts of the subsidiary Ongko Group to BFI that are due and not paid. This is at the core of BFI's debt restructuring plan, where BFI's debt to creditors will also be settled through an application for Suspension of Debt Payment Obligation (PKPU) at the Jakarta Commercial Court.

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**38. LITIGASI (Lanjutan)**

**Latar Belakang (Lanjutan)**

Sebagai bagian dari rencana restrukturisasi utang BFI tersebut, serta dalam rangka pelaksanaan pengalihan gadai saham-saham APT dan OM kepada para pihak ketiga tersebut, BFI telah terlebih dahulu memperoleh persetujuan dari APT dan OM berdasarkan:

- (a) Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) tanggal 27 Januari 2000,
- (b) RUPSLB tanggal 22 Agustus 2000,
- (c) Persetujuan Pengalihan tanggal 7 Agustus 2000, dan
- (d) Surat Kuasa untuk Menjual Saham yang Tidak Dapat Ditarik Kembali tanggal 7 Agustus 2000.

BFI berhasil merestrukturisasi utangnya dengan ditandatanganinya Perjanjian Perdamaian dengan para kreditur dan telah disahkan oleh Pengadilan Niaga Jakarta dengan Putusan nomor 04/PKPU/2000/PN.Niaga.Jkt.Pst. tanggal 19 Desember 2000.

Sesuai ketentuan dalam Perjanjian Perdamaian dengan para krediturnya yang sudah disahkan tersebut, BFI menandatangani Perjanjian Jual Beli Saham tanggal 9 Februari 2001, dimana saham-saham APT dan OM yang ada di BFI dialihkan kepada para kreditur oleh BFI, dengan *The Law Debenture Trust Corporation* ("LDTC") sebagai Wali Amanat dari para kreditur.

Sesuai ketentuan dalam Perjanjian Gadai Saham, BFI menyerahkan Surat Pembebasan Utang kepada Ongko Grup tanggal 12 Februari 2001, dan sejak saat itu APT dan OM bukan lagi pemegang saham BFI. Nilai saham APT dan OM pada saat itu sebesar Rp 5.300 (harga pasar pada saat itu sebesar Rp 25 per saham) dikompensasi dengan utang anak-anak perusahaan Ongko Grup yang dihapus-bukukan BFI senilai lebih dari Rp 1.000.000.

Pengalihan saham-saham mengacu Perjanjian Jual Beli Saham dilaksanakan pada tanggal 11 Mei 2001 melalui Bursa Efek Jakarta. Sebagai akibat dari pengalihan tersebut, LDTC tercatat sebagai pemegang saham BFI mewakili para kreditur.

Pada tahun 2003, ketika kondisi keuangan BFI mulai menunjukkan perbaikan, dan kurang lebih 3 (tiga) tahun setelah selesai restrukturisasi utang BFI, APT dan OM menuntut pengembalian saham-saham yang telah dijaminakan tersebut meskipun tidak memiliki keberatan sebelumnya, selama PKPU dan proses pengalihan saham (butir 3) dengan dalih bahwa Perjanjian Gadai Saham tersebut sudah kedaluwarsa, padahal dalam Perjanjian Gadai Saham tersebut berlaku sampai utang anak-anak perusahaan Ongko Grup yang dijamin oleh APT dan OM dibayar lunas kepada BFI.

OM dan APT mengajukan Gugatan secara terpisah terhadap pihak-pihak yang terlibat dalam restrukturisasi utang, antara lain, BFI dan Direksi BFI yang menjabat pada saat itu (Francis Lay Sioe Ho, Yan Peter Wangkar dan Cornellius Henry Kho), LDTC (sebagai Wali Amanat), Ernst & Young (sebagai Auditor), Royal Bank of Scotland (sebagai Perwakilan Kreditur), Chase Manhattan Bank (sebagai Kustodian) untuk menuntut pengembalian saham-saham yang telah mereka gadaikan kepada BFI dan yang telah dialihkan oleh BFI kepada para krediturnya, tanpa ada pembayaran utang anak-anak perusahaan Ongko Grup yang dijamin oleh gadai saham APT dan OM, yang telah dihapus-bukukan oleh BFI.

**38. LITIGATION (Continued)**

**Background (Continued)**

As part of the BFI debt restructuring plan, as well as in order to carry out the transfer of mortgage for APT and OM shares to these third parties, BFI has obtained approval from APT and OM based on:

- (a) Extraordinary General Meeting of Shareholders (EGMS) dated 27 January 2000,
- (b) EGMS dated 22 August 2000,
- (c) Consent to Transfer dated 7 August 2000, and
- (d) Power of Attorney to Sell Irrevocable Power of Attorney to Sell Shares dated 7 August 2000.

BFI has successfully restructured its debt by signing a Reconciliation Agreement with creditors and has been approved by the Jakarta Commercial Court with Decision number 04/PKPU/2000/PN.Niaga.Jkt.Pst. dated 19 December 2000.

In accordance with the provisions in the Reconciliation Agreement with creditors that has been approved, BFI signed the Share Sell and Purchase Agreement dated 9 February 2001, where the shares of APT and OM in BFI were transferred to creditors by BFI, with *The Law Debenture Trust Corporation* ("LDTC") as Trustee of creditors.

In accordance with the provisions in the Pledge Share Agreement, BFI submitted a Letter of Discharge of Indebtedness to the Ongko Group on 12 February 2001, and since then APT and OM are no longer shareholders of BFI. The share value of APT and OM at that time was Rp 5,300 (The current market price of Rp 25 per share) is compensated with the debt of the Ongko Group subsidiaries which were written off by BFI worth more than Rp 1,000,000.

The transfer of shares refers to the Share Sell and Purchase Agreement held on 11 May 2001 through the Jakarta Stock Exchange. As a result of the transfer, LDTC was listed as a BFI shareholder representing creditors.

In 2003, when the financial condition of BFI began to show improvement, and approximately 3 (three) years after the completion of the debt restructuring of BFI, APT and OM demanded the return of the pledged shares even though they had no previous objections, during PKPU and the process transfer of shares (point 3) under the pretext that the Pledge Share Agreement has expired, even though the Pledge Share Agreement is valid until the debt of the subsidiaries of the Group Ongko guaranteed by APT and OM is paid in full to BFI.

OM and APT filed a lawsuit separately against the parties involved in debt restructuring, among others, BFI and the BFI Directors at that time (Francis Lay Sioe Ho, Yan Peter Wangkar and Cornellius Henry Kho), LDTC (as Trustee), Ernst & Young (as Auditor), Royal Bank of Scotland (as Creditors Representative), Chase Manhattan Bank (as Custodian) to demand the return of shares that they have mortgaged to BFI and which BFI has transferred to its creditors, without any debt repayment the subsidiaries of the Ongko Group are guaranteed by the pledges of APT and OM shares, which have been written off by BFI.

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38. LITIGASI (Lanjutan)

Latar Belakang (Lanjutan)

Berikut ini merupakan Putusan atas Gugatan APT dan OM di atas:

(a) Putusan Perkara APT:

- i. Di tingkat Pengadilan Negeri (PN), sebagian Gugatan APT dikabulkan melalui Putusan nomor 123/Pdt.G/2003/PN.Jkt.Pst tanggal 14 April 2004.
- ii. Di tingkat Banding, Pengadilan Tinggi (PT) mengabulkan Banding yang diajukan BFI melalui Putusan nomor 302/Pdt/2004/PT.DKI tanggal 1 September 2004.
- iii. Di tingkat Kasasi, Mahkamah Agung (MA) menolak permohonan Kasasi dari APT melalui Putusan nomor 677K/Pdt/2005 tanggal 20 Juli 2005.
- iv. Di tingkat Peninjauan Kembali (PK), MA mengabulkan sebagian Gugatan dari APT melalui Putusan nomor 240PK/Pdt/2006 tanggal 20 Februari 2007 ("PK 240"):
  - APT adalah pemilik sah atas saham-saham APT.
  - BFI dan Direksi BFI yang menjabat pada saat itu (Francis Lay Sioe Ho, Yan Peter Wangkar dan Cornellius Henry Kho) dihukum untuk:
    - mengembalikan dan menyerahkan saham-saham APT kepada APT.
    - membayar Rp 20 per hari sebagai uang paksa (*dwangsom*) atas keterlambatan pengembalian dan penyerahan saham APT kepada APT.
  - Gugatan APT terhadap pihak lain termasuk LDTC tidak dapat diterima.
  - Tuntutan APT berupa ganti kerugian tidak dapat diterima.

(b) Putusan Perkara OM:

- i. Di tingkat PN, sebagian besar Gugatan OM dikabulkan melalui Putusan nomor 517/Pdt.G/2003/PN.Jkt.Pst tanggal 2 November 2004.
- ii. Di tingkat Banding, PT mengabulkan Banding yang diajukan BFI melalui Putusan nomor 60/Pdt/2005/PT.DKI tanggal 23 Maret 2005.
- iii. Di tingkat Kasasi, MA menolak permohonan Kasasi dari OM melalui Putusan nomor 1478K/Pdt/2005 tanggal 27 Oktober 2005.
- iv. Di tingkat PK, MA menolak permohonan PK dari OM melalui Putusan nomor 115PK/Pdt/2007 tanggal 19 Juli 2007.

Putusan Pengadilan yang final dan mengikat telah menolak semua Gugatan yang diajukan oleh OM atas dasar pertimbangan hukum bahwa Perjanjian Gadai Saham adalah sah dan berlaku sampai utang anak-anak perusahaan Ongko Grup yang dijamin oleh saham OM telah dilunasi, dengan demikian penjualan saham OM oleh BFI kepada LDTC adalah sah menurut hukum.

38. LITIGATION (Continued)

Background (Continued)

The following are the Decisions of the APT and OM Lawsuit above:

(a) APT Case Verdict:

- i. At the District Court (PN) level, part of the APT lawsuit is granted through Decision number 123/Pdt.G/2003/PN.Jkt.Pst dated 14 April 2004.
- ii. At the Appeal level, the High Court (PT) grants the Appeal submitted by BFI through Decision number 302/Pdt/2004/PT.DKI dated 1 September 2004.
- iii. At the Cassation level, the Supreme Court (MA) rejected the Cassation application from APT through Decision number 677K/Pdt/2005 dated 20 July 2005.
- iv. At the Based on subpoena dated 30 June 2009 (PK) level, the MA granted part of the Lawsuit from APT through Decision number 240PK/Pdt/2006 dated 20 February 2007 ("PK 240"):
  - APT is the legal owner of APT shares.
  - BFI and the BFI Board of Directors at that time (Francis Lay Sioe Ho, Yan Peter Wangkar and Cornellius Henry Kho) were punished for:
    - returning and submitting APT shares to APT.
    - paying Rp 20 per day as forced money (*dwangsom*) for the delay in returning and submitting APT shares to APT.
  - APT's lawsuit against other parties including LDTC is not acceptable.
  - APT's demands of compensation are not acceptable.

(b) OM Case Verdict:

- i. At the PN level, most OM lawsuits are granted through Decision number 517/Pdt.G/2003/PN.Jkt.Pst dated 2 November 2004.
- ii. At the Appeal level, the PT granted the Appeal submitted by BFI through Decision number 60/Pdt/2005/PT.DKI dated 23 March 2005.
- iii. At the Cassation level, the MA rejected the Cassation request from OM through Decision number 1478K/Pdt/2005 dated 27 October 2005.
- iv. At the level of PK, the MA rejected the PK request from the OM through Decision number 115PK/Pdt/2007 dated 19 July 2007.

The final and binding court ruling has rejected all claims filed by OM on the basis of legal considerations that the Pledge Share Agreement is valid and valid until the debt of the Group Ongko guarantees by OM shares has been repaid, thus the transfer of OM shares by BFI to LDTC is lawful.

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38. LITIGASI (Lanjutan)

Latar Belakang (Lanjutan)

APT telah beberapa kali berupaya melakukan eksekusi atas Putusan PK 240 dari sejak tahun 2007 melalui PN Jakarta Pusat. Upaya tersebut tidak berhasil karena tidak ada saham-saham terdaftar atas nama APT dalam daftar pemegang saham BFI, oleh karena itu Ketua PN Jakarta Pusat yang berbeda mengeluarkan Surat/ Penetapan "Tidak Dapat Dilaksanakan (Non-Executable)" sebagai berikut:

(a) Penetapan Ketua PN Jakarta Pusat (H. Cicut Sutiarso, S.H., M.Hum.) nomor 079/2007.Eks tanggal 10 Oktober 2007, yang isinya dikutip sebagai berikut:

- i. "Menyatakan bahwa Putusan Mahkamah Agung Republik Indonesia nomor 240PK/Pdt/2006 tanggal 20 Februari 2007, yang terdaftar di Kepaniteraan Pengadilan Negeri Jakarta Pusat di bawah nomor 079/2007.Eks, tidak dapat dilaksanakan (Non-Executable);
- ii. Memerintahkan Panitera Pengadilan Negeri Jakarta Pusat untuk mencatat dan memberitahukan isi Penetapan ini kepada Para Pihak."

(b) Surat Ketua PN Jakarta Pusat (Hj. Andriani Nurdin, S.H., M.H.) nomor W10.U1.HT.079/2007 Eks. 4758 VII.2009.01 tanggal 3 Juli 2009, yang isinya dikutip sebagai berikut:

- i. "Pada acara panggilan menghadap tertanggal 30 Juni 2009 tidak diketemukan hal-hal yang baru yang diajukan oleh Pemohon sehubungan dengan permohonannya; Tidak ada alasan bagi Pengadilan Negeri Jakarta Pusat untuk membatalkan Penetapan nomor 079/2007.Eks tanggal 10 Oktober 2007 tentang "Tidak Dapat Dilaksanakan (Non-Executable);"

(c) Surat Ketua PN Jakarta Pusat (H. Syahril Sidik, S.H., M.H.) nomor W10.U1.HT.079/2007 Eks. VIII.2009.03.6238 tanggal 24 Agustus 2009, yang isinya dikutip sebagai berikut:

- i. "Pada panggilan menghadap tanggal 30 Juni 2009 tidak diketemukan hal-hal yang baru yang diajukan oleh Pemohon Eksekusi sehubungan dengan permohonannya;
- ii. Tidak ada alasan bagi Pengadilan Negeri Jakarta Pusat untuk membatalkan Penetapan nomor 079/2007.Eks tanggal 10 Oktober 2007 tentang "Tidak Dapat Dilaksanakan (Non-Executable)."

(d) Surat Ketua PN Jakarta Pusat (Suharto, S.H., M.Hum.) nomor W10.U1.HT.079/2007 Eks. X.2013.01.11412 BD tanggal 7 Oktober 2013, yang isinya dikutip sebagai berikut:

- i. "Bahwa hingga saat ini saham-saham tersebut tidak dapat ditemukan, sehingga Penetapan "Tidak Dapat Dilaksanakan" (Non Executable) tetap sah;
- ii. Bahwa Pemohon Eksekusi hingga saat ini belum dapat membuktikan atau memberikan informasi tentang saham-saham yang telah dijual kepada publik."

38. LITIGATION (Continued)

Background (Continued)

The APT has tried several times to execute the PK 240 Decision from 2007 through the PN Central Jakarta. The effort was unsuccessful because there were no shares registered under the name of APT in the list of BFI shareholders, therefore the Chairperson of the different PN Central Jakarta issued a Letter/ Stipulation "Non-Executable" as follows:

(a) Stipulation of the Chairperson of the PN Central Jakarta (H. Cicut Sutiarso, S.H., M. Hum.) Number 079/2007.Eks dated 10 October 2007, whose contents are quoted as follows:

- i. "Stating that the Decision of the Supreme Court of the Republic of Indonesia number 240PK/Pdt/2006 dated 20 February 2007, which is registered in the Registrar's Office of the Central Jakarta District Court under number 079/2007.Eks, cannot be implemented (Non-Executable);
- ii. Order the Registrar of the Central Jakarta District Court to record and notify the contents of this Stipulation to the Parties."

(b) Letter from the Chairperson of the Central Jakarta District Court (Hj. Andriani Nurdin, S.H., M.H.) number W10.U1.HT.079/2007 Eks. 4758 VII.2009.01 dated 3 July 2009, the contents of which are quoted as follows:

- i. "At the summoning event dated 30 June 2009, no new matters were submitted by the Petitioner in connection with his petition;

There is no reason for the Central Jakarta District Court to cancel the Stipulation Number 079/2007.Eks dated 10 October 2007 concerning "Non-Executable";"

(c) Letter from the Chairperson of the Central Jakarta District Court (H. Syahril Sidik, S.H., M.H.) number W10.U1.HT.079/2007 Eks. VIII.2009.03.6238 dated 24 August 2009, the contents of which are quoted as follows:

- i. "Based on subpoena dated 30 June 2009, no new matters were found submitted by the Applicant for Execution in connection with his petition;

- ii. There is no reason for the Central Jakarta District Court to cancel the Stipulation Number 079/2007.Eks dated 10 October 2007 concerning "Non-Executable"."

(d) Letter from the Chairperson of the Central Jakarta District Court (Suharto, S.H., M.Hum.) Number W10.U1.HT.079 / 2007 Eks. X.2013.01.11412 BD dated 7 October 2013, the contents of which are quoted as follows:

- i. "That until now these shares cannot be found, so that the Stipulation of "Non-Executable" remains valid;
- ii. Whereas the Execution Applicant has not yet been able to prove or provide information about shares that have been sold to the public."



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38. LITIGASI (Lanjutan)

**Latar Belakang (Lanjutan)**

APT telah beberapa kali berupaya melakukan eksekusi atas Putusan PK 240 dari sejak tahun 2007 melalui PN Jakarta Pusat. Upaya tersebut tidak berhasil karena tidak ada saham-saham terdaftar atas nama APT dalam daftar pemegang saham BFI, oleh karena itu Ketua PN Jakarta Pusat yang berbeda mengeluarkan Surat/ Penetapan "Tidak Dapat Dilaksanakan (Non-Executable)" sebagai berikut: (Lanjutan)

(e) Surat Ketua PN Jakarta Pusat (Gusrizal, S.H., M.Hum.) nomor W10.U1.HT.079/2007 Eks. VI.2014.01.6758 BD tanggal 12 Juni 2014, yang isinya dikutip sebagai berikut:

i. "Bahwa tidak ada alasan bagi Pengadilan Negeri Jakarta Pusat untuk membatalkan Penetapan nomor 079/2007.Eks tanggal 10 Oktober 2007 tentang "Tidak Dapat Dilaksanakan (Non-Executable)"."

(f) Penetapan Ketua PN Jakarta Pusat (Dr. Yanto, S.H., M.H.) nomor 079/2007.Eks tanggal 26 Januari 2018, yang isinya dikutip sebagai berikut:

i. "Menyatakan eksekusi atas Putusan Peninjauan Kembali Mahkamah Agung tanggal 20 Februari 2007 nomor 240 PK/Pdt/2006 jo. Putusan Kasasi Mahkamah Agung Republik Indonesia tanggal 20 Juli 2005 nomor 677 K/Pdt/2005 jo. Putusan Pengadilan Tinggi Jakarta tanggal 1 September 2004 nomor 302/Pdt/2004/PT.DKI jo. Putusan Pengadilan Negeri Jakarta Pusat tanggal 14 April 2004 nomor 123/Pdt.G/2003/PN.JKT.PST berdasarkan Penetapan Ketua Pengadilan Negeri Jakarta Pusat tanggal 23 September 2014 nomor 79/2007.Eks tidak dapat dilaksanakan oleh karena obyek eksekusi berupa saham-saham PT Aryaputra Teguharta telah dijual dan tidak berada pada penguasaan Para Tergugat lagi."

**Gugatan APT di Pengadilan Tata Usaha Negara (PTUN) Jakarta**

Pada tanggal 26 Februari 2018, APT mengirimkan surat kepada Direktorat Jenderal Administrasi Hukum Umum ("Dirjen AHU") cq. Menteri Hukum dan Hak Asasi Manusia Republik Indonesia ("Kemenkumham RI") untuk menuntut pembatalan dan pencabutan Keputusan Tata Usaha Negara yang telah menyetujui dan mencatat transaksi pengalihan saham APT yang dilakukan oleh BFI kepada LDTC, dan oleh LDTC telah dialihkan kepada pihak ketiga, serta menyesuaikan profil perusahaan BFI dengan mencantumkan APT sebagai pemilik atau pemegang dari 32,32% saham di BFI. Permintaan APT tersebut kemudian ditolak oleh Dirjen AHU melalui surat nomor AHU.2.UM.01.01-802 tanggal 8 Maret 2018.

38. LITIGATION (Continued)

**Background (Continued)**

The APT has tried several times to execute the PK 240 Decision from 2007 through the PN Central Jakarta. The effort was unsuccessful because there were no shares registered under the name of APT in the list of BFI shareholders, therefore the Chairperson of the different PN Central Jakarta issued a Letter/ Stipulation "Non-Executable" as follows: (Continued)

(e) Letter from the Chairperson of the Central Jakarta District Court (Gusrizal, S.H., M.Hum.) Number W10.U1.HT.079/2007 Eks. VI.2014.01.6758 BD dated 12 June 2014, the contents of which are quoted as follows:

i. "That there is no reason for the Central Jakarta District Court to cancel the Stipulation Number 079/2007.Eks dated 10 October 2007 concerning "Non-Executable"."

(f) Stipulation of the Chairperson of the Central Jakarta District Court (Dr. Yanto, S.H., M.H.) number 079/2007.Eks dated 26 January 2018, the contents of which are cited as follows:

i. "Declared the execution of the Judicial Review Decision of the Supreme Court dated 20 February 2007 number 240 PK/Pdt/2006 jo. Cassation Decision of the Supreme Court of the Republic of Indonesia dated 20 July 2005 number 677K/Pdt/2005 jo. the Decision of the Jakarta High Court on 1 September 2004 number 302/Pdt/2004/PT.DKI jo. Decision of the Central Jakarta District Court dated 14 April 2004 number 123/Pdt.G/2003/PN.JKT.PST based on Stipulation of the Chairperson of the Central Jakarta District Court dated 23 September 2014 number 79/2007.Eks cannot be implemented because the object execution of shares of PT Aryaputra Teguharta has been sold and is not in the possession of the Defendants anymore. "

**APT Lawsuit in the Jakarta Administrative Court (PTUN)**

On 26 February 2018, APT sent a letter to the Directorate General of General Legal Administration ("Director General of AHU") cq. Minister of Law and Human Rights of the Republic of Indonesia ("Kemenkumham RI") to demand cancellation and revocation of State Administrative Decrees that have approved and recorded APT share transfer transactions conducted by BFI to LDTC, and by LDTC have been transferred to third parties, as well as adjusting BFI's company profile by including APT as the owner or holder of a 32.32% stake in BFI. The APT request was later rejected by the Director General of the AHU by letter number AHU.2.UM.01.01-802 dated 8 March 2018.

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38. LITIGASI (Lanjutan)

**Gugatan APT di Pengadilan Tata Usaha Negara (PTUN)  
Jakarta (Lanjutan)**

Dikarenakan adanya penolakan tersebut, pada tanggal 16 Mei 2018, APT mengajukan Gugatan nomor 120/G/2018/PTUN-JKT terhadap Kemenkumham RI di PTUN Jakarta dengan tuntutan berupa menyatakan tidak sah dan mencabut Keputusan Tata Usaha Negara yang diterbitkan oleh Dirjen AHU tersebut di bawah ini ("Obyek Sengketa TUN"), dan mengajukan Permohonan Penundaan Pelaksanaan ("Schorsing") atas Obyek Sengketa TUN dimaksud, berupa:

- i. Surat Dirjen AHU nomor AHU.2.UM.01.01-802 tanggal 8 Maret 2018.
- ii. Persetujuan dan penerimaan laporan/pemberitahuan yang diterbitkan oleh Dirjen AHU atas akta perubahan anggaran dasar BFI dari tahun 2001-2017.
- iii. Data Profil Perusahaan BFI yang diterbitkan oleh Dirjen AHU.

Terkait Gugatan APT di atas, PTUN Jakarta mengabulkan permohonan BFI sebagai Tergugat II Intervensi dalam perkara tersebut melalui Putusan Sela tanggal 28 Juni 2018.

Terhadap perkara di atas, PTUN Jakarta mengabulkan Schorsing yang dimohonkan APT atas Obyek Sengketa TUN melalui Penetapan tanggal 19 Juli 2018, dan telah diajukan banding oleh BFI pada tanggal 20 Juli 2018 kepada Pengadilan Tinggi Tata Usaha Negara (PTTUN) Jakarta.

PTUN Jakarta juga telah mengabulkan Gugatan APT terhadap Kemenkumham RI melalui Putusan tanggal 12 November 2018. Putusan PTUN Jakarta tersebut belum mempunyai kekuatan hukum tetap (inkracht van gewijsde), karena pada tanggal 12 November 2018 BFI Finance selaku Tergugat II Intervensi telah menyatakan Banding, demikian juga pada tanggal 21 November 2018 Menteri Hukum dan Hak Asasi Manusia Republik Indonesia selaku Tergugat telah menyatakan Banding, sehingga Putusan PTUN Jakarta belum efektif berlaku dan belum dapat dilaksanakan, serta tidak berpengaruh terhadap kegiatan Operasional Perusahaan.

**Gugatan APT di PN Jakarta Pusat**

APT juga mengajukan Gugatan terhadap BFI dan pihak-pihak tersebut di bawah ini, di PN Jakarta Pusat:

- a) Gugatan nomor 521/Pdt.G/2018/PN.Jkt.Pst tanggal 19 September 2018 terhadap BFI dan Direksi BFI yang menjabat pada saat itu (Francis Lay Sioe Ho, Yan Peter Wangkar dan Cornellius Henry Kho) dengan tuntutan antara lain berupa pembayaran uang paksa (dwangsom) karena belum mengembalikan atau menyerahkan saham-saham APT yang dihitung sampai dengan tanggal Gugatan tersebut sebesar Rp 80.360.

38. LITIGATION (Continued)

**APT Lawsuit in the Jakarta Administrative Court  
(PTUN) (Continued)**

Due to the refusal, on 16 May 2018, APT filed lawsuit Number 120/G/2018/PTUN-JKT against Kemenkumham RI at the PTUN Jakarta with claim of declaring invalid and revoking the State Administrative Decrees issued by the Director General of AHU below ("TUN Dispute Object"), and submit an Application for Delay of Implementation ("Schorsing") of TUN Dispute Object:

- i. Letter of Director General of AHU number AHU.2.UM.01.01-802 dated 8 March 2018.
- ii. Approval and receipt of reports/ notifications issued by the Director General of AHU on the deed of amendment to BFI's articles of association from 2001-2017.
- iii. BFI Company Profile Data issued by the Director General of AHU.

Regarding the APT lawsuit above, the PTUN Jakarta granted the BFI's request as Defendant II Intervention in the case through Interlocutory Decision 28 June 2018.

With regard to the case above, the PTUN Jakarta grants the Schorsing that APT has applied for the TUN Dispute Object through Stipulation on 19 July 2018, and has been appealed by BFI on 20 July 2018 to the Jakarta Administrative High Court (PTTUN).

The PTUN Jakarta has also granted the APT lawsuit against the Kemenkumham RI through the Decision of 12 November 2018. The PTUN Jakarta decision has no permanent legal force (inkracht van gewijsde), because on 12 November 2018 BFI Finance as Defendant II Intervention has declared an Appeal, as well as on 21 November 2018 the Kemenkumham RI as the Defendant has stated the Appeal, so that the PTUN Jakarta Decision has not been effective and cannot be implemented, and has no effect on the Company's Operational activities.

**APT Lawsuit in PN Central Jakarta**

APT also filed a lawsuit against BFI and the parties below, in the Central Jakarta District Court:

- a) Claims number 521/Pdt.G/2018/PN.Jkt.Pst dated 19 September 2018 against BFI, President Director of BFI (Francis Lay Sioe Ho), and the former BFI Directors (Yan Peter Wangkar and Cornellius Henry Kho) with demands including payment of money forced (dwangsom) because they have not returned or handed over the APT shares calculated up to the date of the lawsuit in the amount of Rp 80,360.

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38. LITIGASI (Lanjutan)

Gugatan APT di PN Jakarta Pusat (Lanjutan)

APT juga mengajukan Gugatan terhadap BFI dan pihak-pihak tersebut di bawah ini, di PN Jakarta Pusat: (Lanjutan)

- b) Gugatan nomor 527/Pdt.G/2018/PN.Jkt.Pst tanggal 24 September 2018 terhadap BFI, Direksi BFI yang menjabat pada saat ini (Francis Lay Sioe Ho, Sudjono, Sutadi, Sigit Hendra Gunawan dan Andrew Adiwijanto), Direksi BFI yang menjabat pada saat itu (Cornellius Henry Kho dan Yan Peter Wangkar), Harry Jesus Rodriquez Palmer (mantan Komisaris BFI), Notaris BFI (Aulia Taufani, SH., Fathiah Helmi, SH., dan Herna Gunawan, SH.) (seluruhnya selaku Tergugat), serta Otoritas Jasa Keuangan (OJK), PT Bursa Efek Indonesia (BEI), PT Sirca Datapro Perdana (ketiganya selaku Turut Tergugat) dengan tuntutan antara lain berupa pembayaran dividen tahun buku 2002-2017 sebesar Rp 644.815, bunga sebesar Rp 133.930, ganti rugi immaterial karena tidak membayarkan dividen sebesar Rp 500.000 dan pembayaran bunga sebesar 6% per tahun dari sejak Putusan berkekuatan hukum tetap sampai dilaksanakan pembayaran dimaksud.
- c) Gugatan nomor 545/Pdt.G/2018/PN.Jkt.Pst tanggal 24 September 2018 terhadap BFI, Garibaldi Thohir (Boy Thohir), Trinugraha Capital & CO SCA, TPG Capital, Northstar Group PTE LTD, Compass Banca SPA, Mediobanca SPA, OJK, BEI (seluruhnya selaku Tergugat), serta PT Kliring Penjamin Efek Indonesia, PT Kustodian Sentral Efek Indonesia, PT Sirca Datapro Perdana (ketiganya selaku Turut Tergugat), dengan tuntutan antara lain berupa pengembalian dan penyerahan 32,32% saham BFI kepada APT, serta pembatalan transaksi jual-beli saham yang dibuat oleh Trinugraha Capital & CO SCA dengan Compass Banca SPA dan pihak ketiga lainnya.

Terhadap ketiga Gugatan di atas sampai dengan tanggal laporan auditor independen masih dalam tahap pemeriksaan oleh PN Jakarta Pusat.

Manajemen berpendapat bahwa sampai dengan tanggal laporan auditor independen, perkara-perkara tersebut tidak akan mempengaruhi kegiatan operasional Perusahaan secara material dan akan melakukan segala upaya yang diperlukan guna mempertahankan dan membela hak-hak Perusahaan dan juga para pemegang saham yang tercatat di Kustodian Sentral Efek Indonesia.

38. LITIGATION (Continued)

APT Lawsuit in PN Central Jakarta (Continued)

APT also filed a lawsuit against BFI and the parties below, in the Central Jakarta District Court: (Continued)

- b) Claims number 527/Pdt.G/2018/PN.Jkt.Pst dated 24 September 2018 against BFI, the current BFI Directors (Francis Lay Sioe Ho, Sudjono, Sutadi, Sigit Hendra Gunawan and Andrew Adiwijanto), former BFI Directors (Cornellius Henry Kho and Yan Peter Wangkar), Harry Jesus Rodriquez Palmer (former Commissioner of BFI), Notary (Aulia Taufani, SH., Fathiah Helmi, SH., and Herna Gunawan, SH.) (all as Defendants), as well as the Financial Services Authority (OJK), the Indonesia Stock Exchange (IDX), PT Sirca Datapro Perdana (all three as the Co-Defendants) with demands including payment of dividends for the financial year 2002-2017 of Rp 644,815, interest of Rp 133,930, immaterial compensation for not paying dividends of Rp 500,000 and interest payments of 6% per annum from the moment the Decision is legally enforceable until the payment is made.
- c) Claims number 545/Pdt.G/2018/PN.Jkt.Pst dated 24 September 2018 against BFI, Garibaldi Thohir (Boy Thohir), Trinugraha Capital & CO SCA, TPG Capital, Northstar Group PTE LTD, Compass Banca SPA, Mediobanca SPA, OJK, BEI (all as Defendants), and Indonesian Securities Guarantor Clearing House, Indonesian Central Securities Depository, PT Sirca Datapro Perdana (all three of them as the Co-Defendants), with demands including the return and delivery of 32.32% of BFI's shares to APT, and the cancellation of shares trading transactions made by Trinugraha Capital & CO SCA with Compass Banca SPA and other third parties.

Until the date of independent auditors' report date the three claims above are still in the examination stage by the PN Central Jakarta.

Management believes that up to the reporting date of the independent auditor, the cases will not affect the Company's operational activities substantially and will take every effort necessary to maintain and defend the rights of the Company as well as the shareholders recorded in the Indonesian Central Securities Depository.

Ekshibit E/90

Exhibit E/90

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**39. REKLASIFIKASI**

Beberapa akun pada laporan keuangan konsolidasian per 31 Desember 2017 telah direklasifikasi agar sesuai dengan penyajian laporan keuangan konsolidasian per 31 Desember 2018 sebagai berikut:

|                             | 2017  |   |  |                                |
|-----------------------------|---|---|--|--------------------------------|
|                             | Sebelum<br>reklasifikasi/<br><i>Before</i><br><i>reclassification</i> | Reklasifikasi/<br><i>Reclassification</i> | Sesudah<br>reklasifikasi/<br><i>After</i><br><i>reclassification</i> |                                |
| <b>Aset</b>                 |   |   |  | <b>Asset</b>                   |
| Piutang lain-lain           | 236.788   | 177.339                                   | 414.127  | Other receivables              |
| Piutang pembiayaan konsumen | 5.916.685   | (177.275)                                 | 5.739.410  | Consumer financing receivables |
| Aset lain-lain              | 82.695  | (64)                                      | 82.631   | Other assets                   |
| <b>Beban</b>                |   |   |  | <b>Expenses</b>                |
| Bunga dan keuangan          | 897.324   | (1.679)                                   | 895.645  | Interest and financing charges |
| Umum dan administrasi       | 481.594   | 481                                       | 482.075  | General and administrative     |
| Lain-lain                   | 4.023   | 1.198                                     | 5.221  | Others                         |

**40. KEJADIAN PENTING SETELAH TANGGAL LAPORAN POSISI KEUANGAN**

Pada saat penerbitan laporan keuangan, Perusahaan sedang melakukan proses penerbitan Obligasi Berkelanjutan IV BFI Finance Indonesia Tahap II Tahun 2019 dengan jumlah sebesar Rp 1 triliun (nilai penuh).

**39. RECLASSIFICATIONS**

A few accounts in the consolidated financial statements 31 December 2017 were reclassified in order to conform with the presentation of consolidated financial statements as of 31 December 2018 as follows:

**40. EVENTS AFTER THE REPORTING PERIOD**

As of this report was published, the Company is in the process of issuing Obligasi Berkelanjutan IV BFI Finance Indonesia Tahap II Tahun 2019 with a total amount of Rp 1 trillion (full amount).



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No. : 00078/2.1068/AU.1/09/1042-1/1/II/2019  
Hal : Laporan Keuangan Konsolidasian  
31 Desember 2018

No. : 00078/2.1068/AU.1/09/1042-1/1/II/2019  
Re : *Consolidated Financial Statements*  
31 December 2018

### 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 2018, 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 2018, 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

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's responsibility for the consolidated financial statements*

*Management is responsible for the preparation and fair presentation of such consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.*

#### Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan konsolidasian tersebut berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan yang memadai tentang apakah laporan keuangan konsolidasian bebas dari kesalahan penyajian material.

#### *Auditors' responsibility*

*Our responsibility is to express an opinion on such consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such consolidated financial statements are free from material misstatement.*

## 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 the 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 2018, 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 2018, 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



Susanto Bong, SE, Ak, CPA, CA  
NIAP AP.1042/  
License No. AP.1042

19 Februari 2019/ 19 February 2019

IF/yn

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# DETERMINING REPORTING TOPICS

In order to select the topics to be discussed in this Integrated Annual Report, the Company has reviewed the topics discussed in BFI Finance 2017 Sustainability Report and has reiterated the definition of the material topics 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 discussed in this report have been chosen from the Company's sustainability aspects deemed material based on the Materiality Matrix shown below.

GRAPH 31 BFI Finance's Materiality Matrix

|  |           |  |   |   |
|--|-----------|--|---|---|
| Influence on BFI Finance's stakeholders' perceptions | Very High |  |   | <ul style="list-style-type: none"> <li>• GCG (page 194)</li> <li>• Business Development (page 126-157)</li> </ul> |
|  | High      | <ul style="list-style-type: none"> <li>• Environmental Conservation (page 333)</li> <li>• Social and Community Development (page 333)</li> </ul> | <ul style="list-style-type: none"> <li>• Human Resources (page 98-117)</li> <li>• Education and Training (page 108-110)</li> <li>• Responsibility to Consumers (page 131-135, 336)</li> </ul> |   |
|  | Medium    |  | <ul style="list-style-type: none"> <li>• Employee Productivity (page 111)</li> </ul>  |   |
|  |           | Medium   | High  | Very High   |
| Impact to BFI Finance's sustainability               |           |  |   |   |



Material aspects are determined based on discussions as well as internal and external opinions while preparing this report.

In this report, there were no changes of material topics from those stated in BFI Finance's 2017 Sustainability Report.

The Company reports four of its Social Responsibility aspects, namely (1) environment, (2) employment practices, health and occupational safety, (3) social and community development, and (4) responsibility to consumers.

## MATERIAL TOPICS AND THE COMPANY'S SUPPLY CHAIN

Engaged in the financial services industry, BFI Finance has several 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 2018 there were 754 suppliers in cooperation with BFI Finance. As many as 100% are local suppliers, defined as those domiciled within the country. In 2018, there were no significant changes to the Company's supply chain across its operations.

**TABLE 141** 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       | √           |           |           | √      |

## DETERMINING REPORTING TOPICS

### 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 create and provide optimal benefit to all parties.

**TABLE 142 Summary of BFI Finance's Stakeholders Issues in 2018**

| Stakeholder Group | Engagement Method   | Issues Raised in 2018   |
|-------------------|---|---|
| Customers         | Customer surveys, customers' complaints data  | Customer service, product description, access to services                                     |
| Employees         | Employee survey, meetings with employee representatives, meetings, town hall meetings, Leader's Talk, Internal Customer Survey (ICS), Service Insight Community (SIC), and M-BEAT | 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 further engages its stakeholders through its participation in relevant external organizations that support the achievement of the Company's goals.

BFI Finance is an active participant of 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

|               |  |              |  |
|---------------|--|--------------|--|
| <b>AGMS</b>   | Annual General Meeting of Shareholders   | <b>LDP</b>   | Leadership Development Program   |
| <b>APPI</b>   | Asosiasi Perusahaan Pembiayaan Indonesia (Indonesian Financial Services Association or IFSA) | <b>MESOP</b> | Management and Employee Stock Options Program  |
| <b>BECOCO</b> | BFI Enhanced Core Competencies   | <b>MIS</b>   | Management Information System  |
| <b>BOC</b>    | Board of Commissioners   | <b>MPV</b>   | Multipurpose Vehicles  |
| <b>BOD</b>    | Board of Directors   | <b>MTN</b>   | Medium Term Notes  |
| <b>CAGR</b>   | Compound Average Growth Rate   | <b>MTP</b>   | Management Trainee Program   |
| <b>CSR</b>    | Corporate Social Responsibility  | <b>NPF</b>   | Non-Performing Financing   |
| <b>EGMS</b>   | Extraordinary General Meeting of Shareholders  | <b>OJK</b>   | Otoritas Jasa Keuangan (Financial Services Authority)  |
| <b>GCG</b>    | Good Corporate Governance  | <b>POJK</b>  | Peraturan Otoritas Jasa Keuangan (Financial Services Authority Regulation or OJK Regulation) |
| <b>GDP</b>    | Gross Domestic Product   | <b>Rp</b>    | Rupiah   |
| <b>GMS</b>    | General Meeting of Shareholders  | <b>SFAS</b>  | Statements of Financial Accounting Standards   |
| <b>GRI</b>    | Global Reporting Initiative  | <b>SEOJK</b> | Surat Edaran Otoritas Jasa Keuangan (Financial Services Authority Circular or OJK Circular)  |
| <b>HC</b>     | Human Capital  | <b>SK</b>    | <i>Surat Keputusan</i> (Decree)  |
| <b>IDX</b>    | Bursa Efek Indonesia (Indonesia Stock Exchange or BEI)                                       | <b>SLA</b>   | Service Level Agreement  |
| <b>IT</b>     | Information Technology   | <b>SME</b>   | Small Medium Enterprises   |
| <b>KNKG</b>   | Komite Nasional Kebijakan Governance (National Committee on Governance Policy)               | <b>SMS</b>   | Short Message Service  |
| <b>KPI</b>    | Key Performance Indicators   | <b>SOP</b>   | Standard Operating Procedure   |
| <b>KSEI</b>   | Kustodian Sentral Efek Indonesia (Indonesian Central Securities Depository)                  | <b>USD</b>   | US dollar  |

# CROSS REFERENCE OJK CIRCULARNO.30/ SEOJK.04/2016 ON FORM AND CONTENT OF ANNUAL REPORT OF PUBLIC COMPANIES

## OJK Circular No. 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:

- 1) Revenue/Sales
- 2) Gross profit
- 3) Income (loss)
- 4) Total Income (loss) attributed to the shareholders of the holding company and the interest of the non-controlling
- 5) Total comprehensive income (loss)
- 6) Total comprehensive income (loss) attributed to the shareholders of the holding company and the interest of the non-controlling
- 7) Earnings per share
- 8) Total assets
- 9) Total liabilities
- 10) Total equity

10-11

## OJK Circular No. 30/SEOJK.04/2016

|   |       |
|---|-------|
| 11) Return on assets  |       |
| 12) Return on equity  |       |
| 13) Net profit (loss) margin  |       |
| 14) Current ratio   |       |
| 15) Liabilities to equity ratio   |       |
| 16) Liabilities to assets ratio   |       |
| 17) Other information or financial ratios relevant to the company and the industry  |       |
| <hr/>   |       |
| b. Share Information  | 12-13 |
| 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   |       |
| 2) In the event that any corporate action takes place, such as stock split, reverse stock, issuance of dividend shares, issuance of bonus shares, and reduction in the par value of the shares, the share price information as mentioned in no. 1 above must include information on, among others, the following: |       |
| a) Date of corporate action   |       |
| b) Stock split ratio, reverse stock ratio, dividend shares, bonus shares, and changes in the shares' par value  |       |
| c) Total number of shares outstanding before and after the corporate action   |       |
| d) Share price before and after the corporate action  |       |
| 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.  |       |
| 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.  |       |
| <hr/>   |       |
| c. Report of the Board of Directors   | 38-43 |
| The report of the board of directors must contain at least the following:   |       |
| 1) Description on the company's performance, consisting at least:   | 40-42 |
| a) The Company's of strategic policy  |       |
| b) Comparison between the results achieved and the targets  |       |
| c) The challenges faced by the Company  |       |
| 2) Overview of the company's business prospect  | 43    |
| 3) Implementation of corporate governance   | 42-43 |
| 4) Changes in the composition of the Board of Directors and the reason for such changes (if any)  | N/A   |
| <hr/>   |       |

**CROSS REFERENCE OJK CIRCULAR NO. 30/SEOJK.04/2016  
ON FORM AND CONTENT OF ANNUAL REPORT OF PUBLIC COMPANIES**

**OJK Circular No. 30/SEOJK.04/2016**

|  |         |
|--|---------|
| d. Report of the Board of Commissioners  | 30-37   |
| The report of the board of commissioners must contain at least the following:  |         |
| 1) Assessment of the Directors' performance in managing the company  | 32-34   |
| 2) Supervision on the implementation of the Company's strategy   | 32, 36  |
| 3) View on the Company's business prospect as prepared by the Board of Directors   | 37      |
| 4) View on the Company's governance implementation   | 35-36   |
| 5) Changes in the composition of the Board of Commissioners and the reason for such changes (if any)   | N/A     |
| 6) Frequency and mechanism for advising the members of the Board of Directors  | 33      |
| e. Company Profile   |         |
| The company profile section must contain at least the following:   |         |
| 1) The company's name including whether there have been changes to the name and reason for such changes and the effective date for the name change occurring in the reporting year.  | 48      |
| 2) Access to the company including branch offices or representative offices from which the public may obtain information regarding the company, among others: address, phone number, facsimile number, email, and website. | 48      |
| 3) The company's brief history.  | 52-55   |
| 4) The company's vision and mission.   | 49      |
| 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.   | 56-59   |
| 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.  | 62-63   |
| 7) Profiles of the members of the board of directors, including at least:  | 70-72   |
| a) Name and brief description on the duties and functions of each  | 248-249 |
| b) Latest photograph   |         |
| c) Age   |         |
| d) Nationality   |         |
| e) Education history   |         |
| f) Employment history, including:  |         |
| i. Legal basis of initial appointment in the company   | 244-245 |
| ii. Concurrent positions, either as director, commissioner, and/or committee member and other positions (if any)   | 252     |
| iii. Work experience in and outside of the company   |         |
| g) Training programs taken to improve competence throughout the reporting year (if any)  | 258     |
| h) Disclosure on the affiliation with other members of the board of directors and the shareholders (if any)  | 251     |
| 8) Profiles of the members of the board of commissioners, including at least:  | 66-69   |
| a) Name  |         |
| b) Latest photograph   |         |
| c) Age   |         |
| d) Nationality   |         |
| e) Education history   |         |
| f) Employment history, including:  |         |
| i. Legal basis of appointment in the company as member of the board of commissioners, which is not as independent commissioner at the company  | 226     |
| ii. Legal basis of initial appointment in the company as member of the board of commissioner, which is as independent commissioner at the company  |         |

## OJK Circular No. 30/SEOJK.04/2016

|   |         |
|---|---------|
| iii. Concurrent positions, either as director, commissioner, and/or committee member and other positions (if any)   | 234     |
| iv. Work experience in and outside of the company   |         |
| g) Training programs taken to improve competence throughout the reporting year (if any)   | 240-241 |
| h) Disclosure on the affiliation with other members of the board of directors and the shareholders (if any)   | 232     |
| 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)   | 233     |
| 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 | N/A     |
| 10) Number of employees and description on their level of education and age group within the reporting year   | 120-123 |
| 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:  | 80-81   |
| a) Shareholders with ownership of more than 5% or more in the company   | 80      |
| b) Commissioners and directors that own the company's shares  | 80      |
| c) Public shareholders (less than 5%)   | 80-81   |
| 12) Number of shareholders and percentage of ownership of the company's shares based on:  | 80      |
| a) Ownership by local institutions  |         |
| b) Ownership by foreign institutions  |         |
| c) Ownership by local individuals   |         |
| d) Ownership by foreign individuals   |         |
| 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   | 81      |
| 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                        | 94      |
| 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)  | 82-87   |
| 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)  | 88-93   |
| 17) Names and addresses of capital market supporting institutions and professions   | 95      |
| 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  | -       |
| 19) Awards and/or certifications obtained by the company, both on the national and international level within the reporting year (if any), containing:  | 24-27   |
| a) Name of the award/certification  |         |
| b) Name of the awarding/certifying institution  |         |
| c) Validity period of the award and/or certification (if any)   |         |

**CROSS REFERENCE OJK CIRCULAR NO. 30/SEOJK.04/2016  
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- f. Management Discussion and Analysis  
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:
- 1) Operational review for each segment of operations in line with the company's business, containing, among others: 145-152
    - a) Production, including process, capacity, and expansion
    - b) Sales/revenue
    - c) Profitability
  - 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: 158-182
    - a) Current assets, noncurrent assets, and total assets
    - b) Current liabilities, noncurrent liabilities, and total liabilities
    - c) Equity
    - d) Revenue/sales, expenses, profit (loss), other comprehensive income, and total comprehensive income, and
    - e) Arus Kas
  - 3) The company's solvency and liquidity to service its debts by providing the relevant ratios 183-184
  - 4) The company's collectibility by providing the relevant ratios 184
  - 5) The company's capital structure and the management's policy for the capital structure and the basis for such policy 186
  - 6) Description on material commitments for capital goods, along with the explanation on the purpose of such commitments, including: 186
    - a) Purpose of such commitments
    - b) Source of funding to fulfill such commitments
    - c) Currencies in which the commitments are denominated
    - d) Measures taken by the company to mitigate its risks arising from its foreign exchange position related to such commitments
  - 7) Description on the investments on capital goods realized within the last reporting year, at least including: 187
    - a) Type of capital goods investment
    - b) Purpose of capital goods investment
    - c) Amount disbursed for the capital goods investment
  - 8) Material facts and information after the date of the audit of financial statements 187
  - 9) The company's business prospect related to the conditions in the industry, general economy, and international markets, which may be supported with quantitative data from reputable and reliable sources 191
  - 10) Comparison between the targets/forecasts at the beginning of the financial year and the results achieved, pertaining to: 185
    - a) Revenue/sales
    - b) Income (loss)
    - c) Capital structure
    - d) Other aspects considered material for the company



## OJK Circular No. 30/SEOJK.04/2016

|  |          |
|--|----------|
| 11) Targets/projections for the next year, pertaining to:  | 191      |
| a) Revenue/sales   |          |
| b) Income (loss)   |          |
| c) Capital structure   |          |
| d) Dividend policy   |          |
| e) Other aspects considered material for the company   |          |
| 12) Aspect of marketing of the company's products and services, among others marketing strategy and market share   | 153-157  |
| 13) Description on dividends for the last 2 fiscal years (if any), including at least:   | 188      |
| a) Dividend policy   |          |
| b) Date and amount of cash dividend payout and/or date of non-dividend distribution  |          |
| c) Amount of dividend per share (cash and/or non-cash)   |          |
| d) Total dividend distributed per year   |          |
| 14) Realization of the utilization of public offering proceeds, under the following requirements:  | 188      |
| a) In the event that during the reporting year the company had the obligation to report its realization of utilization of proceeds, the cumulative realized amount of utilization of public offering proceeds up to the end of reporting financial year must be provided                 |          |
| 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: | 188-189  |
| a) Date, value, and object of the transaction  |          |
| b) Names of the parties involved in the transaction  |          |
| c) Nature of the affiliation (if any)  |          |
| d) Fairness of the transaction   |          |
| e) Adherence to pertinent regulations  |          |
| 16) Changes in the laws and regulations that significantly affect the company and the impacts on its financial statements (if any)   | 189-190  |
| 17) Changes in the accounting policy, reasons for such changes, and the impacts on the financial statements (if any)   | 190      |
| <hr/>  |          |
| g. Corporate Governance  |          |
| The corporate governance section must include brief description on at least the following:   |          |
| 1) Board of directors, including among others:   | 243-258  |
| a) Description on the duties and responsibilities of each member of the board of directors   | 248-249  |
| b) Statement that the board of directors has a board of directors guideline or charter   | 205, 245 |
| c) Procedures of determination, basis for determination, structure, and amount of remuneration for each member of the board of directors and the relationship between remuneration and the company's performance   | 256-257  |

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|   |                    |
|---|--------------------|
| d) The company's policy and its implementation regarding the meetings of the board of directors, including joint meetings with the board of commissioners and the attendance of members of the board of directors in these meetings     | 253-255            |
| e) Information on the resolutions of the previous year's general meeting of shareholders (GMS), including:  | 220-225            |
| i. The realization thereof in the reporting year  |                    |
| ii. Reasons should there be any resolutions that have not yet been realized   |                    |
| f) Information on the resolutions of the GMS of the reporting year, including:  |                    |
| i. The realization thereof in the reporting year  | 212-220            |
| ii. Reasons should there be any resolutions that have not yet been realized   |                    |
| g) Performance assessment of the committees that support the execution of duties of the board of directors  | N/A                |
| 2) Board of commissioners, including among others:  | 226-242            |
| a) Duties and responsibilities of the board of commissioners  | 229-230            |
| b) Statement that the board of commissioners has a board of commissioners guideline or charter  | 229                |
| c) Procedures of determination, basis for determination, structure, and amount of remuneration for each member of the board of commissioners  | 239-240            |
| d) The company's policy and its implementation regarding the meetings of the board of commissioners, including joint meetings with the board of directors and the attendance of members of the board of commissioners in these meetings | 235-238            |
| e) The company's policy on the board of directors' and the board of commissioners' performance assessment and the implementation thereof, at least including:   | 239                |
| i. Procedures for assessing performance   |                    |
| ii. Criteria used for assessing performance   |                    |
| iii. Party assigned to assess performance   |                    |
| f) Performance assessment of the committees that support the execution of duties of the board of commissioners  | 242, 268, 272, 278 |
| 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:  | N/A                |
| i. Reason for not establishing said committee   |                    |
| ii. Nomination and remuneration procedures taking place in the reporting year   |                    |
| 3) Sharia supervisory board, if the company conducts its business based on the principles of sharia as stipulated in the Articles of Association, at least containing information on:   | 259-262            |
| a) Names  | 259                |
| b) Duties and responsibilities of the sharia supervisory board  | 259                |
| c) Frequency and method of providing guidance and advice as well as supervision of the company's compliance with the sharia principles in the capital market  | 260-261            |
| 4) Audit committee, including among others:   | 263-268            |
| a) Names and positions in the committee   | 265                |
| b) Age  | 74                 |
| c) Nationality  | 74                 |
| d) Education history  | 74                 |
| e) Employment history, including:   | 74, 266            |
| 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  |                    |

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|--|------------------|
| f) Term of office and the period as member of the audit committee  | 266              |
| g) Statement of independence of the audit committee  | 266              |
| 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  | 267-268          |
| i) Education and/or training participated in within the reporting year (if any)  | 268              |
| j) Audit committee's activities in the reporting year as stipulated in the audit committee charter   | 268              |
| 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: | 269-278          |
| a) Names and positions in the committee  | 75-76, 270, 275  |
| b) Age   | 75-76            |
| c) Nationality   | 75-76            |
| d) Education history   | 75-76            |
| e) Employment history, including:  | 75-76, 270, 275  |
| 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 committee  | 270, 275         |
| g) Description of duties and responsibilities  | 269, 273-274     |
| h) Statement that the committee charter is present   | 269, 273         |
| i) Statement of independence of the committee  | 271, 275         |
| 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  | 271-272, 277-278 |
| k) Education and/or training participated in within the reporting year   | 272, 278         |
| l) The committee's activities in the reporting year  | 272, 278         |
| 6) Corporate secretary, including among others:  | 279-281          |
| a) Name  | 280              |
| b) Domicile  | 279              |
| c) Employment history, including:  | 280              |
| 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   | 280              |
| e) Education and/or training participated in within the reporting year   | 280              |
| f) Brief description of the corporate secretary's activities in the reporting year   | 281              |
| 7) Internal audit unit, including among others:  | 282-287          |
| a) Name of the head of internal audit  | 286              |
| b) Employment history, including:  | 286              |
| 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)   | 286              |
| d) Education and/or training participated in within the reporting year   | 286-287          |

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| e) Structure and position of the internal audit unit  | 282-283             |
| f) Duties and responsibilities of the internal audit  | 284                 |
| g) Statement that the internal audit charter is present   | 282                 |
| h) Brief description on the execution of duties of the internal audit within the reporting year   | 282                 |
| 8) Description on internal control system implemented in the company, including at least the following:   | 296-297             |
| a) Operational and financial control, and compliance with pertinent regulations   |                     |
| b) Review on the effectiveness of the internal control system   |                     |
| 9) Risk management system implemented in the company, including at least the following:   | 289-295             |
| 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  |                     |
| 10) Litigations involving the company, its subsidiaries, and the current members of the board of directors and the board of commissioners, including among others:  | 298-308             |
| a) Case material  |                     |
| b) Case status  |                     |
| c) Impact on the company's condition  |                     |
| 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 | 308                 |
| 12) Information on the company's code of conduct, including:  | 317-321             |
| 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   |                     |
| 13) Information on the company's corporate culture or values (if any)   | 50-51, 105-106, 321 |
| 14) Description on employee/management share ownership program conducted by the company, containing, among others:  | 327                 |
| a) Amount of shares and/or options  |                     |
| b) Program term   |                     |
| c) Employee/management requirements for eligibility   |                     |
| d) Exercise price   |                     |
| 15) Description on the company's whistleblowing system, including, among others:  | 325-326             |
| 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:   |                     |
| i. The number of reports received and processed in the reporting year   |                     |
| ii. Follow up of the reports  |                     |
| 16) Implementation of the corporate governance guidelines should the company issue equity-based securities, including:  | 206-210             |
| 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)   |                     |

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| h. Corporate Social and Environmental Responsibility  |                    |
| 1) Description on corporate social responsibility, including the policy, programs, and expenditures, for among others the following aspects:  | 330-339            |
| a) Environment, such as:  | 333                |
| 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   |                    |
| iv. Environmental certifications  |                    |
| b) Practices related to labor and occupational health and safety, such as:  | 99-118,<br>335-336 |
| 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   |                    |
| c) Social and community development, such as:   | 333-335            |
| 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  | 321                |
| d) Product and/or service responsibility, such as:  | 336-338            |
| i. Consumer health and safety   |                    |
| ii. Product/service information   |                    |
| iii. Facility, number of customer complaints and the resolution thereof   |                    |
| 2) In the event that the company provides information on social and environmental responsibility in a separate report such as a sustainability report, the company is exempted from the obligation to disclose information on the social and environmental responsibility in the annual report  | N/A                |
| 3) The sustainability report as discussed in point 2 above must be submitted together with the annual report  | N/A                |
| <hr/>   |                    |
| i. Audited Financial Statements   |                    |
| The audited financial statements incorporated into the Annual Report must be prepared in accordance with the Financial Accounting Standards in Indonesia as audited by the accounting firm. The financial statements must include a statement on the responsibility on the financial statements as stipulated in POJK on the Board of Directors' Responsibility for the Financial Statements or in POJK on Periodic Reports of Securities Companies |                    |
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| j. Statement from Members of the Board of Directors and Board of Commissioners on their responsibility for the Annual Report  | 44-45              |
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## GRI CONTENT INDEX (CORE OPTION)

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Annual Report

**2018**

**PT BFI Finance Indonesia Tbk**