



***Bakrie &
Brothers***

EMBRACING THE FUTURE OF INDONESIA

ANNUAL REPORT 2018



EMBRACING THE FUTURE OF INDONESIA

PT Bakrie & Brothers Tbk has succeeded in withstanding various eras and stood firm for over 77 years, however with the increasingly integrated Indonesian economic with global economic, as well as rapid technological development, PT Bakrie & Brothers Tbk continues to strengthen its competitiveness in order to embrace the future of Indonesia as one of the world's economic powerhouse.

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DISCLAIMER

This report contains certain statements that may be considered "forward-looking statements", the Company's actual results, performance or achievements could differ materially from those projected in the forward-looking statements as a result, among other factors, of changes in general, national or regional economic and political conditions, changes in foreign exchange rates, changes in the prices and supply and demand on the commodity markets, changes in the size and nature of the Company's competition, changes in legislation or regulations and accounting principles, policies and guidelines and changes in the assumptions used in making such forward-looking statements.

* This Annual Report will use the name "BNBR" or "Company" as reference of PERUSAHAAN PERSEROAN (PERSERO) PT BAKRIE & BROTHERS Tbk.

For more information please visit www.bakrie-brothers.com

Corporate Profile

A black and white photograph of a building with a sign that says 'PARTNERS' and a person walking in the foreground. The image is used as a background for the corporate profile.



Corporate Identity

Name	: PT Bakrie & Brothers Tbk
Ticker Code	: BNR
Business Activity	: Investment and Divestment
Line of Business	: General trading, construction, agriculture, mining, industry, especially steel pipes manufacturing, building materials and other construction materials, telecommunication systems, electronic and electrical goods, and investment, including equity investments in other companies.
Address	: Bakrie Tower, lantai 35 – 37, Rasuna Epicentrum Jl. H.R Rasuna Said, Jakarta 12940
Telephone	: 021 2991 2222
Facsimile	: 021 2991 2333
Call Center	: N/A
Website	: www.bakrie-brothers.com
Email	: ir@bakrie.co.id
Establishment Date	: March 13, 1951
Legal Basis of Establishment	: Akta Notaris Sie Khwan Djioe Tanggal March 13, 1951 No. 55
Authorized Capital	: Rp 54,474,769,356,400 (293,715,580,156 shares)
Paid- In Capital	: Rp 14,189,463,754,400 (20,771,977,000 shares)
Tax Registration Number	: 01.000.913.2-054.000
Registration of Company	: 09.03.1.70.00661 prevails to March 11, 2021
Business Registration	: 00291-04/PB/P1/1.824.271 prevails to July 11, 2018
Operational Area	: Throughout the Indonesian region
Number of Employees	: 3,142
Shareholders	: - Fountain City Investment Ltd 34.12% : - Credit Suisse AG Singapore Branch S/A Bright Ventures Pte Ltd (MOU Facility) 9.75% : - Daley Capital Limited 7.55% : - PT Asuransi Simas Jiwa - Simas Equity Fund 2 5.92% : - Public (less than 5%) 42.66%
Stock Exchange	: Indonesia Stock Exchange. Listed in 1989.
Workers Union	: Based on Kep-16 / MEN / 2001 regarding mechanism of Wzorkers Union/Labor Certificate registration, it is pronounced that workers unions of BNR is named Pimpinan Unit Serikat Pekerja Niaga, Bank, Asuransi, dan Jasa PT Bakrie & Brothers Tbk. No: 455/V/P/III/2006 dated March 2 nd , 2006.

PT Bakrie & Brothers Tbk at a Glance



PT Bakrie & Brothers Tbk (“BNBR” or the “Company”) was established in 1942 by the late H. Achmad Bakrie (1914-1997). The Company’s journey begins with the story of a growing small trading business, and in more than 75 years has engaged in investment and/or divestment business, has reached a various achievements and deliver the Company to become one of the leading corporations in Indonesia.

The Company registered at the Jakarta Stock Exchange (now Indonesia Stock Exchange) back in 1989. The investment portfolio approach of BNBR has been the controlling on potential businesses and developed inter-business synergy for the long term, as well as designing and implementing value creation strategy.

By the start of the new millenia, BNBR business activities comprised of general trading, construction, agribusiness, coal mining , oil & gas, as well as telecommunication business; while still growing the manufacturing industries it has started in the 1950s – namely steel pipes, building materials as well as automotive components.

The Company has also expanded its venture to participate in strategic infrastructure projects in energy and transportation sectors. This business diversification provides opportunities for the Company to contribute to the national development.

In 2014, through subsidiaries and affiliations, the Company put its strategy and business focus on manufacturing, infrastructure and investments as its main pillars. The strategy has become the accurate steps to strengthen recurring income business, as well as to respond to wide-open opportunities, in line with Indonesia’s infrastructure development plans.

BNBR stood with a solid and noble foundation, developed to form a strong investment base and creating sustainable value a proud Indonesian corporation. BNBR is aspired to continue to be a strong company, to serve its employees and the community, as well as to deliver value to shareholders and stakeholders, and also contribute to accelerate the growth of Indonesian economy.

Seven Decades of Business

1942
1962

- Established as a general merchant and commissioner agent.
- Pioneered Indonesia's steel manufacturing industry.

1986
1989

- BNBR acquired PT Bakrie Sumatera Plantations ("UNSP").
- BNBR's IPO.

1990
1996

- UNSP's IPO.
- Licensed to operate fixed wireless service.
- PT Bakrieland Development ("ELTY") was established.

1997
2001

- PT Energi Mega Persada ("ENRG") was established.
- PT Bumi Resources ("BUMI") acquired 80% of PT Arutmin Indonesia.
- PT Bakrie Capital Indonesia acquired 58.1% of BUMI.

2003

- BUMI acquired additional 20% of PT Arutmin Indonesia.
- BUMI acquired 100% of PT Kaltim Prima Coal ("KPC") valued at US\$500mn.

2004
2006

- PT Bakrie Telecom's ("BTEL") IPO and awarded nationwide license.
- BTEL launched CDMA based telco service.
- ENRG acquired 100% ownership from BP.

10. CASTING TOLERANCES SPECIFIED (MS 81-20

SPECIFIED (ES-W51028)

File	Matrix	
8	Ferritic	Ferritic
6	2% Max	5% Max

EMBRACING THE FUTURE OF INDONESIA
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Tolerances	Dimension	
	120 or Less	
	Over	120 to 250
	Over	250 to 400

2007
2008

2009
2010

2011
2012

2013
2015

2016
2017

2018

- BUMI acquired 84% of Pendopo Energi Batubara valued at US\$117mn.
- SPA signing with Vallar, UK, valued at US\$844mn.
- Establishment of Bakrie Connectivity Services.

- First phase of Kalija gas pipeline project completed in 2015 and fully operated in 2016.
- Cimanggis Cibitung toll road project started.

- Signed a Memorandum of Understanding (MOU) with BYD Auto China to develop electric vehicle industry in Indonesia.
- Signed a Memorandum of Understanding (MOU) with China Railway International Group.
- Debt restructuring to creditors done through Non Preemptive Rights Issue (NPR).

- BTEL nationwide expansion valued at US\$72mn.
- BNBR acquired ELTY, ENRG and BUMI valued at US\$4.4bn.
- BUMI acquired 44% of PT Darma Henwa ("DEWA") valued at US\$218mn.
- Establishment of PT Bakrie Energy International.

- BNBR completed quasi reorganization.
- Bakrie Group formed strategic partnership with BORN and reduced debt by US\$1bn.
- Gas Transportation Agreement segment Kepodang Tambak Lorok was signed.

- Cimanggis-Cibitung Tollways Project continues land acquisition process as well as pha 1.
- First phase of Kalija project has fully operated. Gas transportation carried out according to GTA.

Corporate Vision and Mission

Vision

To become a leading Investment Company and a proxy of the Indonesian economy.

Mission

To maximize shareholder value through profitable investment activities and enhancement of core portfolio's value.

Corporate Values & Philosophy

It began with a noble aspiration to improve the quality of life for Indonesia and to become a nation with dignity. H. Achmad Bakrie, founder of BNBR, focused on business development as well as raising the high spirit and honourable goals. Through basic core values that embodies, maintains and bequeathed to the next generation in the Bakrie Group, called the PIAGAM BAKRIE. The said values provide a guidance to balance intellectual, emotional and spiritual elements in order to realize the three pillars of life.

Ke-Indonesiaan, Kemanfaatan and Kebersamaan (Indonesian-ness, Usefulness and Togetherness) known as TRIMATRA BAKRIE.



Trimatra Bakrie

CORE VALUE

INDONESIAN-NESS

Bakrie People's perspective, motive and attitude that is proud to be of Indonesian nationality, has global worldview and contributes to global society.

USEFULNESS

Bakrie People's perspective, motive and attitude that prioritizes the effectiveness and efficiency of resources to enhance the quality of life.

TOGETHERNESS

Bakrie People's perspective, motive and attitude that promotes synergy in diversity.

INDONESIAN-NESS

TOGETHERNESS

Bakrie & Brothers

USEFULNESS

INSTRUMENTAL VALUE

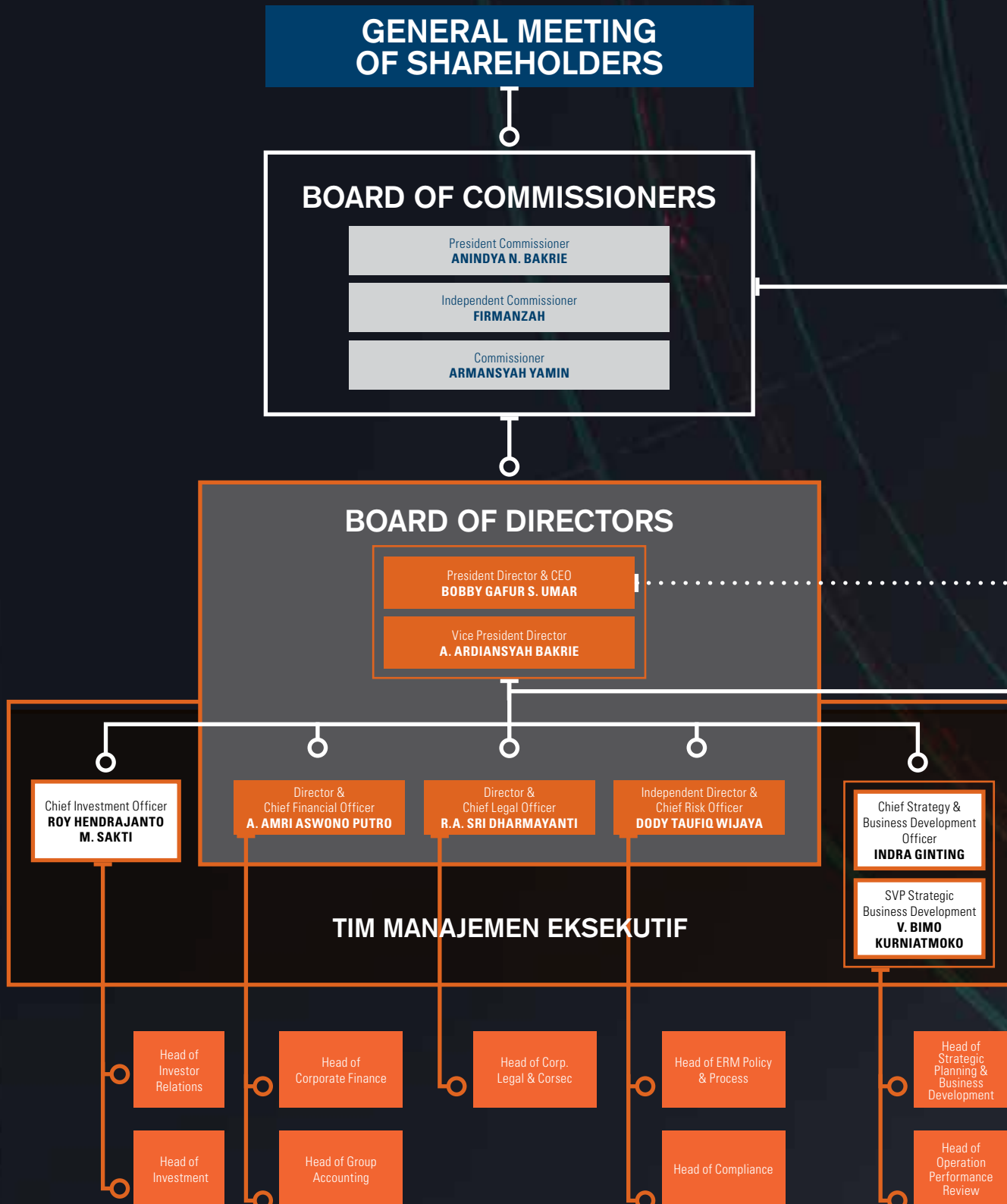
INTEGRITY

Performing obliged duties earnestly, fervently, loyally, honestly, always respecting the principles of truth and prioritizing national and company interests.

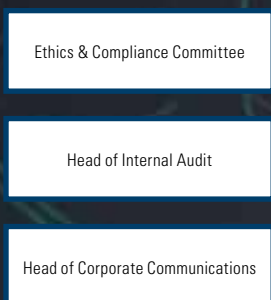
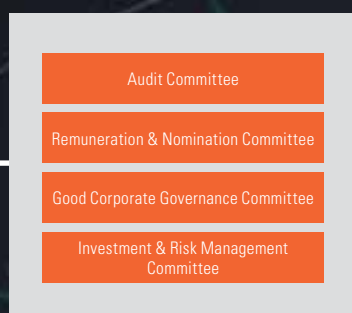
PROFESSIONALISM

Having the intelligence, expertise and worldview that encourages achievement of excellent performance, best quality, through orderly procedure, respecting the value of interpersonal and company relationship with any other parties.

PT Bakrie & Brothers Tbk Organization Structure



Company Logo



Bakrie & Brothers

PHILOSOPHY OF BAKRIE IDENTITY

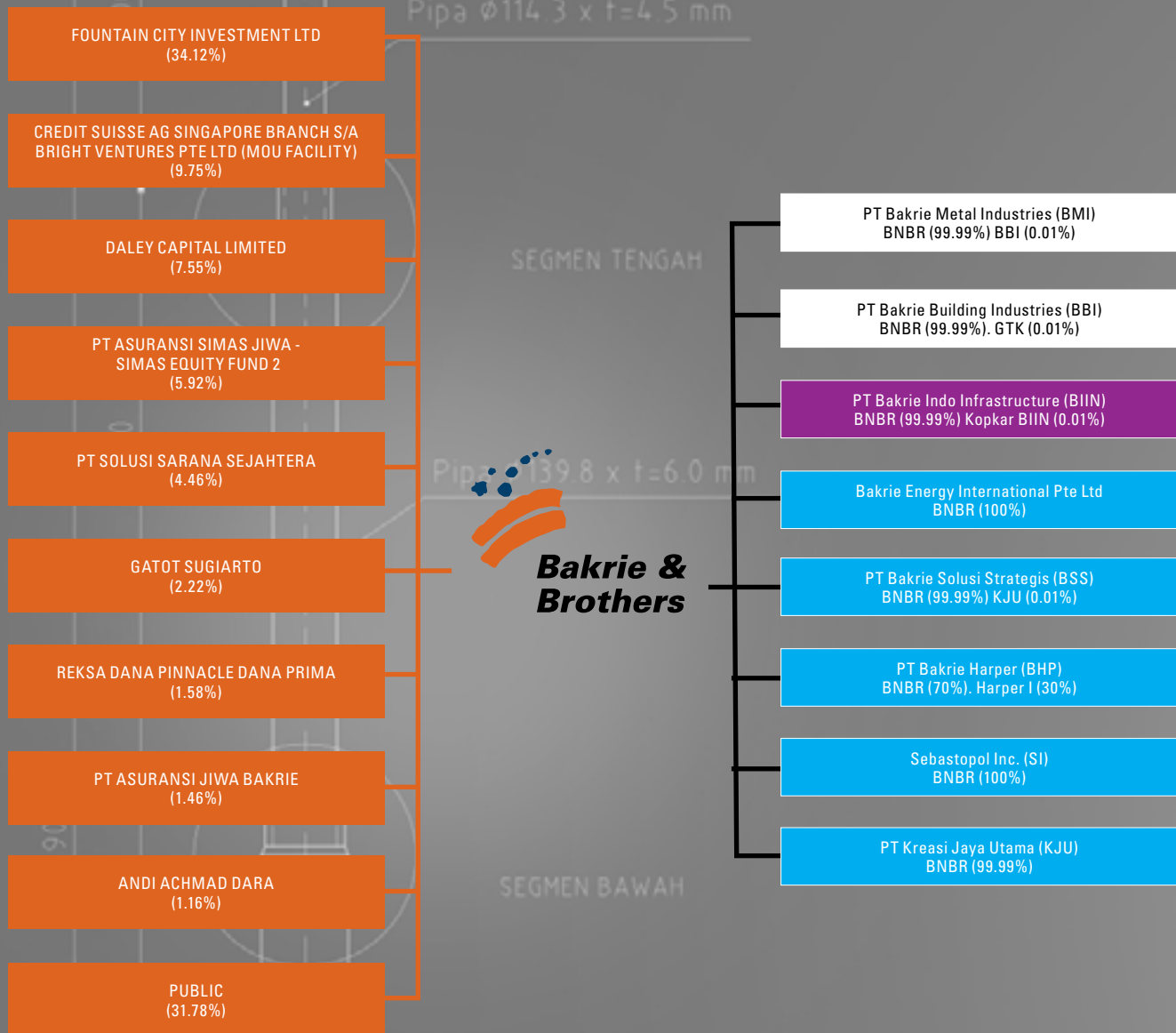
Aspiring to be the best is everybody's goal. However, a high aspiration shall remain grounded to a strong foundation while keeping people inspired and enlivened. High aspiration must not make people forget where they stand.

No matter how great, mighty or big the aspiration is, Bakrie will never forget its humble roots. From that humble roots Bakrie leaves a legacy of tradition, culture and spirit in doing business; and it has formed Bakrie today and in the future.

MEANING OF BAKRIE LOGO

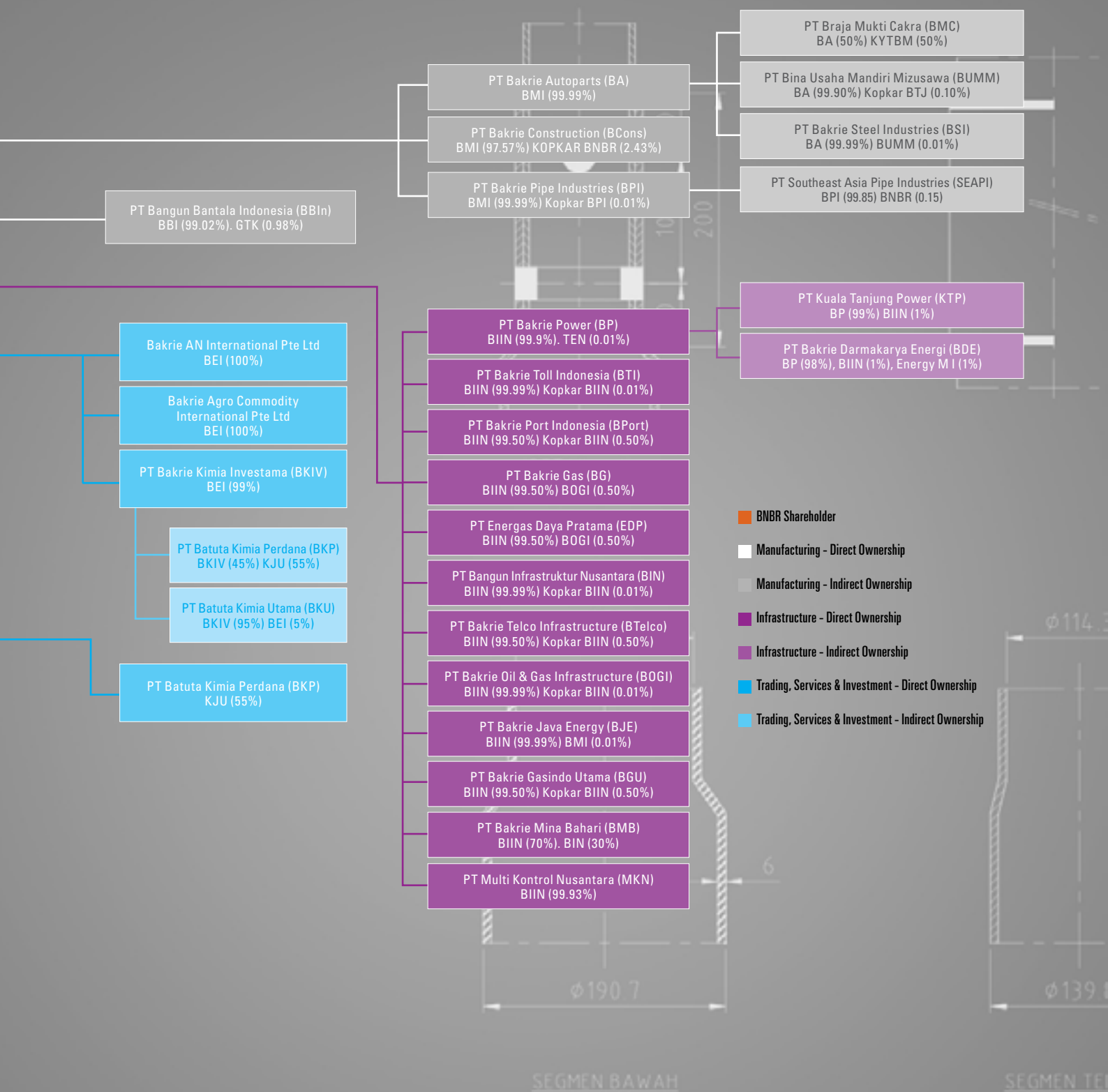
- The seven dots on top represents the North Star constellation, Polaris (or "Weluku" in Javanese), to symbolize the Company's high ambitions without neglecting its origins.
- The two bold lines in the bottom colored in Terracotta represents Indonesia's fertile soil. These lines are then separated by a white space, symbolizing land that has been cultivated, which will result in a more fertile and prosperous land. The lines are curved to represent the Earth.

Corporate Group Structure



TIANG TOLERANCE

Spesifikasi	Segmen	Diameter Luar (mm)			Tebal			Panjang Segmen			Berat	
		Nom	Min	Max	Nom	Min	Max	Nom	Min	Max	Nom	Min
9/200	Atas	114.3	113.7	114.9	4.5	4.4	5.0	2000	1960	2040	233	2.2
	Tengah	139.8	139.1	140.5	6.0	5.9	6.6	2000	1960	2040		
	Bawah	190.7	189.7	191.7	6.0	5.9	6.6	5000	4960	5040		





Subsidiaries

NO.	NAME OF SUBSIDIARIES	DOMICILE	PRINCIPAL ACTIVITY	YEAR OF ESTABLISHMENT/ COMMERCIAL OPERATION	PERCENTAGE OF OWNERSHIP		TOTAL ASSETS BEFORE ELIMINATION <i>(IN MILLION RUPIAH)</i>	
					31 DEC 2018 (%)	31 DEC 2017 (%)	31 DEC 2018	31 DEC 2017
DIRECT OWNERSHIP								
1.	PT Bakrie Building Industries (BBI)	Jakarta	Fiber cement building products	1974	99,99	99,99	1.192.545	1.391.521
2.	PT Bakrie Metal Industries (BMI)	Bekasi	Corrugated metal products and multiplate	1982	99,99	99,99	3.986.027	3.496.344
3.	PT Bakrie Harper (BHP)	Jakarta	Steel Construction	1996	70,00	70,00	37.738	37.728
4.	PT Bakrie Indo Infrastructure (BIIN)	Bekasi	Steel Construction	1996	70	70	37.728	37.728
5.	Sebastopol Inc. (SI)	Cayman Island	Investment	2008	100,00	100,00	482.975	351.156
6.	Bakrie Energy International Pte. Ltd.	Singapura	Trading	2009	100,00	100,00	425.484	231.318
7.	PT Bakrie Solusi Strategis (BSS)	Jakarta	Trading, Services, Industry	2010	99,99	99,99	4.978	4.186
8.	PT Kreasido Jaya Utama (KJU)	Jakarta	Trading	2009	99,99	99,99	-	-
INDIRECT OWNERSHIP								
THROUGH BBI								
1.	PT Bangun Bantala Indonesia (Bantala)	Jakarta	General Trading	2013	99,02	99,02	70.327	37.003
2.	PT Pilar Agra Unggul (PAU) *)	Jakarta	General Trading	2015	-	99,04	-	911.409
THROUGH BMI								
1.	PT Bakrie Pipe Industries (BPI)	Jakarta	Steel pipe manufacturer	1979	99,99	99,99	2.490.772	2.217.711
2.	PT Bakrie Construction (BCons)	Jakarta	Steel Construction	1986	97,57	97,57	427.613	401.076
3.	PT Bina Inspeksi Ujiprima (BIU) **)	Jakarta	Laboratory service	2014	0	60,00	-	-
4.	PT Bina Proteksi prima Pipabaja (BPP) **)	Jakarta	Coating Plant	2014	0	60,00	-	-
5.	PT Bakrie Autoparts (BA)	Bekasi	Foundry and automotive component	1976	99,99	99,99	803.036	803.535
THROUGH BEI								
1.	PT Bakrie Kimia Investama (BKIV)	Jakarta	Management consultation	2009	99,00	99,00	34.540	38.622
2.	Bakrie AN Interational Pte. Ltd.	Singapura	Trading in ammonium nitrat	2009	100,00	100,00	-	-
3.	Bakrie Agro Commodity International Pte. Ltd.	Singapura	Trading in Olein	2009	100,00	100,00	-	-

NO.	NAME OF SUBSIDIARIES	DOMICILE	PRINCIPAL ACTIVITY	YEAR OF ESTABLISHMENT/ COMMERCIAL OPERATION	PERCENTAGE OF OWNERSHIP		TOTAL ASSETS BEFORE ELIMINATION <i>(IN MILLION RUPIAH)</i>	
					31 DEC 2018 (%)	31 DEC 2017 (%)	31 DEC 2018	31 DEC 2017
THROUGH BIIN								
1.	PT Bakrie Gas (BG)	Jakarta	Oil and Gas Trading	2006	99,50	99,50	19.998	19.998
2.	PT Bakrie Gasindo Utama (BGU)	Jakarta	Oil and Gas Trading	2006	99,50	99,50	19.998	19.998
3.	PT Bakrie Java Energy (BJE)	Jakarta	Oil and Gas Trading	2006	99,99	99,99	498	498
4.	PT Energas Daya Pratama (EDP)	Jakarta	Oil and Gas Trading	2006	99,50	99,50	9.998	9.998
5.	PT Bakrie Power (BP)	Jakarta	Energy and electrical power	1994	99,99	99,99	411.529	364.026
6.	PT Bangun Infrastruktur Nusantara (BIN)	Jakarta	Development and Services	2008	99,99	99,99	20.267	20.267
7.	PT Bakrie Oil & Gas Infrastructure	Jakarta	Development and Services	2008	99,99	99,99	1	1
8.	PT Bakrie Telco Infrastructure (BTelco)	Jakarta	Development and Services	2008	99,50	99,50	10.000	10.000
9.	PT Bakrie Toll Indonesia (BTI)	Jakarta	Development and Services	2008	99,99	99,99	4.679	4.679
10.	PT Bakrie Port Indonesia (Bport)	Jakarta	Development and Services	2008	99,50	99,50	10.100	10.100
11.	PT Bakrie Mina Bahari	Jakarta	Perdagangan umum	2017	70,00	70,00	10.249	10.145
12.	PT Multi Kontrol Nusantara (MKN)	Jakarta	Jasa informasi teknologi, telekomunikasi, sistem integrasi, multimedia dan jaringan	1984	99,90	0,00	253.276	-

THROUGH KJU

1.	PT Batuta Kimia Perdana (BKP)	Jakarta	Chemical Industries-organic chlor	2009	55,00	55,00	5	-
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THROUGH BPI

1.	PT South East Asia Pipe Industries (SEAPI)	Jakarta	Steel pipe manufacturer	2001	99,82	99,82	590.323	674.498
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THROUGH BA

1.	PT Bakrie Steel Industries (BSI)	Jakarta	Industries and trading	2007	99,99	99,99	5.600	6.146
2.	PT Braja Mukti Cakra (BMC)	Bekasi	Automotive components manufacturer	1986	50,00	50,00	238.169	229.461
3.	PT Bina Usaha Mandiri Mizusawa (BUMM)	Tangerang	Automotive components manufacturer	1986	99,90	99,90	128.693	108.517

THROUGH BP

1.	PT Bakrie Darmakarya Energi (BDE)	Jakarta	Energy and electrical power	2011	98,00	98,00	438.799	431.112
2.	PT Kuala Tanjung Power (KTP)	Jakarta	Energy and electrical power	2010	99,00	99,00	2.866	2.865

NO.	NAME OF SUBSIDIARIES	DOMICILE	PRINCIPAL ACTIVITY	YEAR OF ESTABLISHMENT/ COMMERCIAL OPERATION	PERCENTAGE OF OWNERSHIP		TOTAL ASSETS BEFORE ELIMINATION <i>(IN MILLION RUPIAH)</i>	
					31 DEC 2018 (%)	31 DEC 2017 (%)	31 DEC 2018	31 DEC 2017
THROUGH BIN								
1.	PT Bakrie Mina Bahari	Jakarta	General Trading	2017	30,00	30,00	10.249	10.145

THROUGH MKN								
1.	PT Graha Multimedia Nusantara	Jakarta	Jasa internet dan TV kabel	2007	99,96	0,00	30.998	-
2.	PT Cipta Wisesa (CTW)	Jakarta	Trading	2013	99,00	0,00	61.451	-
3.	PT Starbit Technology Nusantara	Jakarta	Informasi teknologi, infrastruktur dan jasa	2007	75,00	0,00	2.375	-

THROUGH BKIV								
1.	PT Batuta Kimia Utama (BKU)	Jakarta	Non-organic fertilizer industry	2009	95,00	95,00	-	-
2.	PT Batuta Kimia Perdana (BKP)	Jakarta	Chemical Industries-organic chlor	2009	45,00	45,00	-	-

THROUGH CTW								
1.	PT System Energi Nusantara	Jakarta	General Trading	2008	99,00	9,00	59.951	-

NO.	NAME OF SUBSIDIARIES	DOMICILE	PRINCIPAL ACTIVITY	YEAR OF ESTABLISHMENT/ COMMERCIAL OPERATION	PERCENTAGE OF OWNERSHIP		TOTAL ASSETS BEFORE ELIMINATION (IN MILLION RUPIAH)	
					31 DEC 2018 (%)	31 DEC 2017 (%)	31 DEC 2018	31 DEC 2017

ASOSIASI KEPEMILIKAN SECARA TIDAK LANGSUNG

THROUGH BEI								
1.	Bakrie Petroleum International Pte. Ltd.	Singapura	Trading	2009	40,00	40,00	-	1.124.948
2.	PT Bakrie Investas Eco Industri	Jakarta	Perdagangan, jasa, industri	2012	40,00	40,00	-	-

ENTITAS PENGENDALIAN BERSAMA KEPEMILIKAN SECARA TIDAK LANGSUNG

THROUGH BP								
1.	PT Kalimantan Prima Power (KPP)	Jakarta	Pembangkit tenaga Listrik	200	70,00	70,00	-	2.823.746
2.	PT Guruh Agung	Jakarta	Pembangkit tenaga Listrik	2010	7,00	7,00	-	1.304.708
3.	PT Citra Prima Buana	Jakarta	Pembangkit tenaga Listrik	2010	7,00	7,00	-	16.057

*) Didekonsolidasi pada tanggal 31 Maret 2018

**) Didekonsolidasi pada tanggal 31 Desember 2018

Map of Product and Distribution



Manufacture



Distribution



Factory



Head Office

Infrastructure



Electricity



Gas and Pipeline



Toll Road

Service & Investment



Trading, Services and Investment



Main Highlights





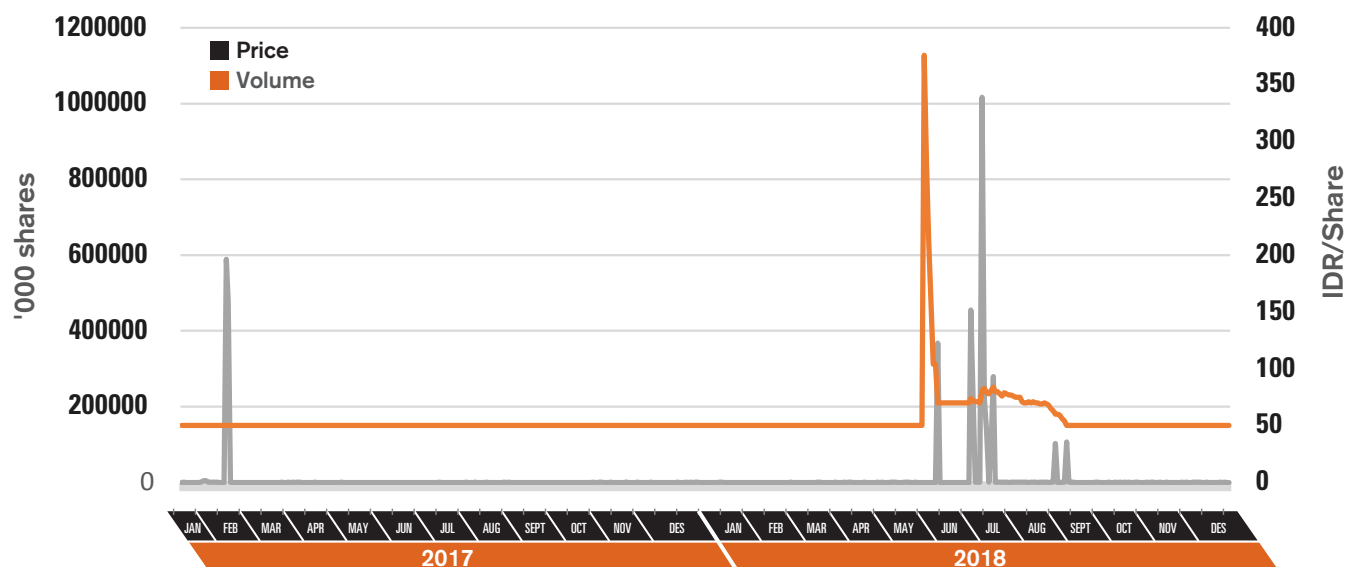
Financial Highlights

(In billion Rupiah, unless stated otherwise)

	2018	2017	2016	2015*	2014*
RESULT OF OPERATIONS					
Net Revenues	3,340	2.460	2.076	3.337	5.260
Expenses	(591)	(518)	(552)	(683)	(866)
Gross Income (Loss)	676	412	96	626	1.404
Net Income (Loss)	(1,250)	(1,208)	(3.662)	(1.729)	189
EBITDA	353	(33)	(353)	27	665
Profit (Loss) attributable to owners of parent and non-controlling interest	(1,250)	(1,208)	(3.662)	(1.729)	189
Total Comprehensive Income (Loss)	(1,324)	(1,216)	(3.423)	(1.580)	191
Total Comprehensive Income (Loss) attributable to owners of parent and non-controlling interest	(1,324)	(1,216)	(3.423)	(1.580)	191
PROFIT PER SHARE					
Total Outstanding Share (in million)	20,772	113,536	97.022	93.722	93.722
Net Profit (Loss) per Share (full amount in Rupiah)	(661.05)	(1,074.70)	(37.09)	(18.72)	1.93
FINANCIAL POSITION					
Total Assets	14,335	7,273	6.558	9.223	11.352
Total Current Assets	10,385	2,641	3,183	3,217	5.587
Total Non-Current Assets	3,950	4,632	4,053	6.006	5.764
Total Liabilities	11,656	12,655	12,667	13.131	13.500
Total Short Term Liabilities	10,668	11,729	11,758	11.637	11.813
Total Long Term Liabilities	988	926	909	1.494	1.687
Total Equity	2,679	(5,382)	(5,432)	(3.908)	(2.148)
Net Working Capital	(282)	(9,088)	(8.576)	(8.420)	(6.226)
Operating Cash Flow	124	123	(204)	(415)	860
OTHER FINANCIAL INFORMATION					
EBITDA Margin	10.56%	(1.32%)	(17.58%)	0,81%	12,63%
Net Profit Margin	(37.43%)	(49.10%)	(176.80%)	(51,81%)	3,59%
FINANCIAL RATIOS					
Return on Assets	(8.72%)	(16.60%)	(50.72%)	(18,74%)	1,66%
Return on Equity	(46.67%)	22.44%	67.57%	44,24%	(8,79%)
Current Ratio	97.35%	22.52%	27.07%	27,65%	47,30%
Short Term Debt / Equity	398.19%	(217.92%)	(216.47%)	(297,80%)	(549,84%)
Long Term Debt / equity	36.90%	(17.21%)	(16.74%)	(38,24%)	(78,51%)
Total Debt / Equity	4.35	(2.35)	(2.33)	(3,36)	(628,35%)
Total Liability / Total Asset	81.31%	174.00%	175.07%	142,37%	118,93%

*angka 2014, 2015, 2016 and 2017 numbers are restated

Shares Highlights



Regular Market Share Price (Rupiah)	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Highest	50	50	50	50	50	376	92	50
Lowest	50	50	50	50	50	50	50	50
Closing	50	50	50	50	50	70	50	50
Total Shares Traded	1.276.960.600	17.841.400	14.630.000	23.312.500	25.479.200	386.343.000	3.896.962.500	5.075.600

Total Outstanding Shares	93.721.717.528	93.721.717.528	93.721.717.528	93.721.717.528	113.535.564.308	12.116.043.000	12.116.043.000	20.771.977.000
Market Capitalization (Rp mio)								
Highest	5.673.991	5.673.991	5.676.778	5.676.778	5.676.778	4.555.632	1.114.676	1.038.599
Lowest	4.851.086	5.673.991	5.673.991	5.676.778	5.676.778	605.802	605.802	1.038.599
Closing	5.673.991	5.673.991	5.676.778	5.676.778	5.676.778	848.123	605.802	1.038.599

In 2018, PT Bakrie & Brothers Tbk exercised a reverse stock split effective on May 31, 2018. Through this corporate action, the number of shares outstanding is combined with a ratio of 10: 1, so the number of outstanding shares becomes lower and the share price rises up to Rp500.

This corporate action caused significant fluctuations of the share price, as such the Indonesia Stock Exchange (IDX) suspended BNBR shares trading two times, the first period was from June 8, 2018 until June 20, 2018 (one trading day), and the second period was from June 21, 2018 until July 10, 2018 (14 trading days). During the suspension BNBR was given a chance by IDX to carry out incidental public expose on June 26, 2018 with the purpose of conveying Company's business prospect and plans after the corporate action execution.

Shareholders Composition

SHARES OWNERSHIP OF BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

based on BNBR shareholder register per 31 Desember 2018

SHAREHOLDERS	POSITION	TOTAL SHARE	OWNERSHIP PERCENTAGE
BOARD OF COMMISSIONERS			
Anindya N. Bakrie	President Commissioner	0	0
Armansyah Yamin	Commissioner	16.799	0
Firmanzah	Independent Commissioner	0	0

BOARD OF DIRECTORS			
Bobby Gafur S. Umar	President Director & Chief Executive Officer	42.100.000	0,2
A.Ardiansyah Bakrie	Vice President Director	0	0
A.Amri Aswono Putro	Director & Chief Financial Officer	0	0
Dody Taufiq Wijaya	Director Independen & Chief Risk Officer	0	0
R.A. Sri Dharmayanti	Director & Chief Legal Officer	0	0
TOTAL		42.116.799	0

SHAREHOLDERS WITH 5% OWNERSHIP OR MORE

based on BNBR shareholder register per December 31st 2018

SHAREHOLDERS	TOTAL SHARE	OWNERSHIP PERCENTAGE
FOUNTAIN CITY INVESTMENT LTD	7.087.277.300	34,12
CREDIT SUISSE AG SINGAPORE BRANCH S/A BRIGHT VENTURES PTE LTD (MOU FACILITY)	2.025.150.000	9,75
DALEY CAPITAL LIMITED	1.568.656.700	7,55
PT ASURANSI SIMAS JIWA - SIMAS EQUITY FUND 2	1.228.979.768	5,92
Total	11.910.063.768	57,34
Public (Ownership <5%)	8.861.913.232	42,66
Total	20.771.977.000	100

SHAREHOLDERS WITH 1% OWNERSHIP OR MORE

based on BNBR shareholder register per December 31st 2018

SHAREHOLDERS	TOTAL SHARE	OWNERSHIP PERCENTAGE
FOUNTAIN CITY INVESTMENT LTD	7.087.277.300	34,12
CREDIT SUISSE AG SINGAPORE BRANCH S/A BRIGHT VENTURES PTE LTD (MOU FACILITY)	2.025.150.000	9,75
DALEY CAPITAL LIMITED	1.568.656.700	7,55
PT ASURANSI SIMAS JIWA - SIMAS EQUITY FUND 2	1.228.979.768	5,92
PT SOLUSI SARANA SEJAHTERA	927.041.041	4,46
GATOT SUGIARTO	461.550.000	2,22
REKSA DANA PINNACLE DANA PRIMA	328.681.850	1,58
PT. ASURANSI JIWA BAKRIE	302.400.518	1,46
Andi Achmad Dara	239.936.200	1,16
Other Public (Ownership <1%)	6.602.303.623	31,78
Sub Total	20.771.977.000	100,00
Shareholders with 5% Ownership or More	11.910.063.768	57,34
Total	20.771.977.000	100

100%

42,66%

<5%

6,42%

1% TO 5%

31,78%

<1%

0%

Listing of Shares Chronology

THE COMPANY LISTED ITS SHARES ON THE INDONESIA STOCK EXCHANGE
(PREVIOUSLY JAKARTA STOCK EXCHANGE) WITH TICKER CODE BNBR.

LISTING TYPE	DATE	CHANGE IN SHARES VOLUME	TOTAL SHARES
Initial Public Offering	28-Aug-89	2.850.000	2.850.000
Company Listing	09-Mar-90	16.150.000	19.000.000
Private Placement I	27-Nov-91	978.969	19.978.969
Private Placement II	10-Jan-92	1.031	19.980.000
Rights Issue I	04-Jun-93	1.080.000	21.060.000
Bonus of Shares I	22-Jun-94	31.590.000	52.650.000
Rights Issue II	14-Jul-94	189.540.000	242.190.000
Stock Split	07-Aug-95	242.190.000	484.380.000
Bonus of Shares II	17-Jan-97	1.453.140.000	1.937.520.000
Additional Paid-in Capital without Pre-emptive Rights	31-Oct-01	36.812.880.000	38.750.400.000
Reverse Stock I	17-Mar-05	(31.000.320.000)	7.750.080.000
Rights Issue III	06-May-05	19.220.198.400	26.970.278.400
Reverse Stock II	06-Mar-08	(13.485.139.200)	13.485.139.200
Rights Issue IV & Warrants Series I	24-Mar-08	84.956.376.960	98.441.516.160
Issued & Paid Up Shares *)	31-Dec-11	(4.719.798.632)	93.721.717.528
Additional Paid-in Capital without Pre-emptive Rights I **)	15-Dec-16	3.300.000.000	97.021.717.528
Additional Paid-in Capital without Pre-emptive Rights II **)	31-Mar-17	16.458.094.820	113.479.812.348
Additional Paid-in Capital without Pre-emptive Rights III **)	12-Sep-17	55.751.960	113.535.564.308
Additional Paid-in Capital without Pre-emptive Rights IV **)	03-Apr-18	7.624.865.069	121.160.429.377
Additional Paid-in Capital without Pre-emptive Rights V **)	21-May-18	623	121.160.430.000
Reverse Stock III	31-May-18	(109.044.387.000)	12.116.043.000
Additional Paid-in Capital without Pre-emptive Rights VI **)	12-Dec-18	8.655.934.000	20.771.977.000

Notes:

MCB: Mandatory Convertible Bond

*) Of the total number of Warrant Series I issued by as much as 4,719,798,720 warrants, total number of warrant converted into shares until the end of exercise period on April 1, 2011 was as much as 88 warrants.

**) Conversion of several MCBs.

Award & Certification

AWARDS

BAKRIE & BROTHERS

Top 50 Mid- Capitalization Public Listed Companies based on the ASEAN CG Scorecard 2016

December 2018

PT Bakrie & Brothers Tbk received the "TOP 50 Mid- Capitalization Public Listed Companies based on ASEAN CG Scorecard 2018" from the Indonesian Institute for Corporate Directorship (IICD) on December 10, 2018.



BAKRIE & BROTHERS

Indonesia Trusted Companies Award

December 2018

PT Bakrie & Brothers Tbk received the Trusted Company Based On Corporate Governance Perception Index award by SWA and IICG (The Indonesian Institute For Corporate Governance) on December 19, 2018.



BAKRIE AUTOPARTS

Kaizen Festival 2018

December 2018

PT Bakrie Autoparts received Silver category in the 2018 Kaizen Festival from Toyota Manufacturers Club. The award was obtained on December 8, 2018.



BAKRIE AUTOPARTS

Kaizen Festival 2018

December 2018

PT Bakrie Autoparts received Gold category in the 2018 Kaizen Festival from Toyota Manufacturers Club. The award was obtained on December 8, 2018.



BAKRIE AUTOPARTS**Kaizen Festival 2018**

December 2018

PT Bakrie Autoparts received Gold category in the 2018 Kaizen Festival from Toyota Manufacturers Club. The award was obtained on December 8, 2018.

**BAKRIE METAL INDUSTRIES****PROPER 2018**

December 2018

PT Bakrie Metal Industries received the 2018 Blue PROPER certification for Environmental Management. The award was obtained on December 21, 2018.

**BAKRIE PIPE INDUSTRIES****SNI Awards 2017 (Indonesian National Standards)**

November 2018

PT Bakrie Pipe Industries received the 2017 Silver SNI Award for the electronics, steel, and steel products corporations category from the Indonesian National Standards (SNI). The award was obtained on November 21, 2018.

**CERTIFICATION****BAKRIE AUTOPARTS****OHSAS 18001:2007**

June 2015 – June 2018

Occupational Health and Safety Management System Certificate OHSAS 18001:2007 (TÜV SÜD PSB) for Manufacture of Casted and Machined Parts was obtained by PT Bakrie Autoparts (known at the time as PT Bakrie Tosanjaya) on June 18, 2015. This certificate is valid until June 17, 2018.

**BAKRIE AUTOPARTS****ISO 9001:2015**

June 2018 – June 2021

Quality Management System Certificate; ISO 9001:2015 (TÜV SÜD PSB) for Manufacture of Casted and Machined Parts for Brake Drum, Fly Wheel, Disc Brake, Hub, Parking Brake Drum, and Bracket Generator was obtained by PT Bakrie Autoparts on June 6, 2018. This certificate is valid until June 5, 2021.



BAKRIE AUTOPARTS**ISO 14001:2015**

July 2018 – July 2021

Environmental Management System Certificate; ISO 14001:2015 (TÜV SÜD PSB) for Manufacture of Casted and Machined Parts for Brake Drum, Fly Wheel, Disc Brake, Hub, Parking Brake Drum, and Bracket Generator was obtained by PT Bakrie Autoparts on July 9, 2018. This certificate is valid until July 8, 2021.

**BAKRIE AUTOPARTS****IATF 16949 ; 2016**

July 2018 – July 2021

Quality Management System Certificate; IATF 16949:2016 (TÜV SÜD PSB) for Manufacture of Casted and Machined Parts for Brake Drum, Fly Wheel, Disc Brake, Hub, Parking Brake Drum, and Bracket Generator (without Product Design as per Chapter 7.3) was obtained by PT. Bakrie Autoparts on July 17, 2018. This certificate is valid until July 16, 2021.

**BAKRIE BUILDING INDUSTRIES****ISO 14001:2004**

June 2015 – May 2018

Environmental Management Certificate; ISO 14001:2004 (BSI, ANAB, IAF) for design and manufacture of fibrecement product (Harflex and Versa) of building materials was obtained by PT Bakrie Building Industries on June 1, 2015 and is valid until May 31, 2018.

**BAKRIE BUILDING INDUSTRIES****OHSAS 18001:2007**

June 2015 – May 2018

Occupational Health and Safety Management System Certificate OHSAS 18001:2007 (BSI, ANAB) for design and manufacture of fibrecement product (Harflex and Versa) of building materials was obtained by PT Bakrie Building Industries on June 1, 2015 and is valid until May 31, 2018.

**BAKRIE BUILDING INDUSTRIES****SNI 2050 : 2015**

November 2015 – November 2019

Quality Management System Certificate; ISO 9001:2008 (Kementrian Perindustrian Republik Indonesia) requirement SNI 2050:2015 for symmetrical corrugated cement sheets obtained by PT Bakrie Building Industries on November 25, 2015 and is valid until November 24, 2019.



BAKRIE BUILDING INDUSTRIES**ISO 9001:2008**

September 2016 – September 2018

Quality Management System Certificate; ISO 9001:2008 (BSI, KAN, ANAB, IAF) for design and manufacture of fibrecement product (Harflex and Versa) of building materials was obtained by PT Bakrie Building Industries on September 6, 2007. This certificate is recertified and is valid from September 6, 2016 until September 14, 2018.

**BAKRIE CONSTRUCTION****ISO 14001:2005**

January 2017 – January 2020

Environmental Management System Certificate; ISO 14001:2005 (Bureau Veritas Certification) for fabrication and construction services for oil & gas onshore/offshore facilities, and mining that was obtained by PT Bakrie Construction on November 25, 2016. This certificate is recertified and is valid from January 30, 2017 until January 5, 2020.

**BAKRIE CONSTRUCTION****OHSAS 18001:2007**

January 2017 – January 2020

Occupational, Health and Safety Management System Certificate; OHSAS 18001:2007 (Bureau Veritas Certification) for fabrication and construction services for oil & gas onshore/offshore facilities, and mining that was obtained by PT Bakrie Construction on November 25, 2017. This certificate is recertified and is valid from January 20, 2017 until January 5, 2020.

**BAKRIE CONSTRUCTION****ISO 9001:2008**

April 2017 – March 2020

Quality Management System Certificate; ISO 9001:2008 (Bureau Veritas Certification) for fabrication and construction services for oil & gas onshore/offshore facilities and mining that was obtained by PT Bakrie Construction on May 30, 2005. This certificate is recertified and is valid from April 3, 2017 until March 29, 2020.

**BAKRIE METAL INDUSTRIES****ISO 14001: 2015**

October 2018

Environmental Management System Certificate; ISO 14001:2015 (AJA Europe Ltd.) has been done by PT Bakrie Metal Industries on October 3-5, 2018.



BAKRIE METAL INDUSTRIES**ISO 9001:2015**

October 2018

Environmental Management System Certificate; ISO 9001:2015 (AJA Europe Ltd.) has been done by PT Bakrie Metal Industries on October 3-5, 2018.

**BAKRIE METAL INDUSTRIES****OHSAS 18001:2007**

October 2018

Occupational Health and Safety Management System; OHSAS 18001:2007 (AJA Europe Ltd.) has been done by PT Bakrie Metal Industries on October 3 -5, 2018.

**BAKRIE PIPE INDUSTRIES**

**Type Testing Certificate –
Steel Pole SUTR / Supporting, 8m/200 daN ; Sok Pen System**

June 2015 – June 2020

Type Testing Certificate, (PT PLN - Research Institute) for Steel Pole SUTR / Supporting, 8m/200 daN; Sok Pen System was obtained by PT Bakrie Pipe Industries on the June 29, 2015. The certificate is valid until June 29, 2020

**BAKRIE PIPE INDUSTRIES**

**Type Testing Certificate –
Steel Pole SUTR 9m/100 daN; Pressure Reducer System**

June 2015 – June 2020

Type Testing Certificate, (PT PLN – Research Institute) for SUTR, 9m/100 daN; Pressure Reducer System was obtained by PT Bakrie Pipe Industries on the June 29, 2015. The certificate is valid until June 29, 2020.

**BAKRIE PIPE INDUSTRIES**

**Type Testing Certificate –
Steel Pole SUTR, 9m/200 daN ; Sok Pen System**

June 2015 – June 2020

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTR, 9m/200 daN; Sok Pen System was obtained by PT Bakrie Pipe Industries on the June 29, 2016. The certificate is valid until June 29, 2020.



BAKRIE PIPE INDUSTRIES**Type Testing Certificate –
Steel Pole SUTR, 11m/100 daN; Pressure Reducer System**

June 2015 – June 2020

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTR, 11m/100 daN; Press Reducer System was obtained by PT Bakrie Pipe Industries on the June 29, 2015. The certificate is valid until June 29, 2020.

**BAKRIE PIPE INDUSTRIES****Type Testing Certificate –
Steel Pole SUTR, 11m/200 daN ; Sok Pen System**

June 2015 – June 2020

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTR, 11m/200 daN ; Sok Pen System was obtained by PT Bakrie Pipe Industries on the June 29, 2015. The certificate is valid until June 29, 2020.

**BAKRIE PIPE INDUSTRIES****Type Testing Certificate –
Steel Pole SUTR, 11m/350 daN ; Sok Pen System**

June 2015 – June 2020

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTR, 11m/350 daN ; Sok Pen System was obtained by PT Bakrie Pipe Industries on the June 29, 2015. The certificate is valid until June 29, 2020.

**BAKRIE PIPE INDUSTRIES****Type Testing Certificate –
Steel Pole SUTM, 12m/200 daN ; Sok Pen System**

June 2015 – June 2020

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTM, 12m/200 daN ; Sok Pen System was obtained by PT Bakrie Pipe Industries on the June 29, 2015. The certificate is valid until June 29, 2020.

**BAKRIE PIPE INDUSTRIES****Type Testing Certificate –
Steel Pole SUTM, 12m/350 daN ; Sok Pen System**

June 2015 – June 2020

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTM, 12m/350 daN ; Sok Pen System was obtained by PT Bakrie Pipe Industries on the June 29, 2015. The certificate is valid until June 29, 2020.



BAKRIE PIPE INDUSTRIES**Type Testing Certificate –
Steel Pole SUTM, 13m/200 daN ; Sok Pen System**

June 2015 – June 2020

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTM, 13m/200 daN ; Sok Pen System was obtained by PT Bakrie Pipe Industries on the June 29, 2015. The certificate is valid until June 29, 2020.

**BAKRIE PIPE INDUSTRIES****Type Testing Certificate –
Steel Pole SUTM, 13m/350 daN ; Sok Pen System**

June 2015 – June 2020

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTM, 13m/350 daN ; Sok Pen System was obtained by PT Bakrie Pipe Industries on the June 29, 2015. The certificate is valid until June 29, 2020.

**BAKRIE PIPE INDUSTRIES****Type Testing Certificate – Steel Pole SUTM, 14m/350 daN ; Sok Pen System**

June 2015 – June 2020

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTM, 14m/350 daN ; Sok Pen System was obtained by PT Bakrie Pipe Industries on the June 29, 2015. The certificate is valid until June 29, 2020.

**BAKRIE PIPE INDUSTRIES****OHSAS 18001:2007**

April 2016 – April 2019

Occupational, Health and Safety Management System Certificate; OHSAS 18001:2007 (ABS Quality Evaluations) for Manufacture of Fabricated Steel Pipe, Steel Poles, Coated Steel Pipes, Galvanized Steel Pipes, Rectangular and Square Pipes that was obtained by PT Bakrie Pipe Industries on April 2, 2007. This certificate is recertified and is valid from April 1, 2016 until April 1, 2019

**BAKRIE PIPE INDUSTRIES****Type Testing Certificate –
Steel Pole JTR, 9m/200 daN; Pressure Reducer System**

November 2016 – November 2021

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole JTR, 9m/200 daN; Pressure Reducer System was obtained by PT Bakrie Pipe Industries on the November 15, 2016. The certificate is valid until November 8, 2021.



BAKRIE PIPE INDUSTRIES**Type Testing Certificate –
Steel Pole SUTR, 11m/200 daN ; Press Reducer System**

November 2016 – November 2021

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTR, 11m/200 daN ; Press Reducer was obtained by PT Bakrie Pipe Industries on the November 15, 2016. The certificate is valid until November 8, 2021.

**BAKRIE PIPE INDUSTRIES****Type Testing Certificate –
Steel Pole SUTM, 12m/200 daN ; Press Reducer**

November 2016 – November 2021

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTM, 12m/200 daN ; Press Reducer System was obtained by PT Bakrie Pipe Industries on the November 15, 2016. The certificate is valid until November 8, 2021.

**BAKRIE PIPE INDUSTRIES****Type Testing Certificate – Steel Pole SUTM, 12m/350 daN ; Press Reducer System**

January 2017 – January 2022

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTM, 12m/350 daN ; Press Reducer System was obtained by PT Bakrie Pipe Industries on the January 12, 2017. The certificate is valid until January 12, 2022.

**BAKRIE PIPE INDUSTRIES****SNI 0039 - 2013**

February 2017 – February 2021

Certificate For SNI Labeled Product (The Ministry Of Industry Of Republic Of Indonesia) for the category SNI 0039:2013; Steel Water Pipes with or without iron sheeting was obtained by PT Bakrie Pipe Industries on the February 16, 2017 and is valid until February 16, 2021.

**BAKRIE PIPE INDUSTRIES****SNI 0068 - 2013**

February 2017 – February 2021

Certificate For SNI Labeled Product (The Ministry Of Industry Of Republic Of Indonesia) for the category SNI 0068:2013; Steel Pipes for General Construction was obtained by PT Bakrie Pipe Industries on the February 17, 2017 and is valid until February 16, 2021.



BAKRIE PIPE INDUSTRIES**SNI 8052 - 2014**

February 2017 – February 2021

Certificate For SNI Labeled Product (The Ministry Of Industry Of Republic Of Indonesia) for the category SNI 8052:2014; Steel Pile Pipe was obtained by PT Bakrie Pipe Industries on the February 17, 2017 and is valid until February 16, 2021.

**BAKRIE PIPE INDUSTRIES****Certificate of Appreciation – Occupational Safety and Health Management System**

July 2017 – July 2020

Certificate of Appreciation for Occupational Safety and Health Management System was awarded by The Minister Of Employment Of The Republic Of Indonesia, M. Hanif Dhakiri. The certificate is based on the Decree Of The Minister Of Employment Of The Republic Of Indonesia no. 201, year 2017 to certify that PT Bakrie Pipe Industries has implemented an Occupational Safety and Health Management System with an audit result of 96.38% for advanced level category. Certificate was obtained on July 14, 2017 and is valid until July 14, 2020.

**BAKRIE PIPE INDUSTRIES****Quality Assurance System Certificate – Steel Pole SUTR, 8m/200 daN ; Sok Pen System**

August 2017 – August 2019

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTR, 8m/200 daN ; Sok Pen System was obtained by PT Bakrie Pipe Industries on August 30, 2017. The certificate is valid until August 30, 2019.

**BAKRIE PIPE INDUSTRIES****Quality Assurance System Certificate – Steel Pole SUTR, 9m/100 daN ; Press Reducer System**

August 2017 – August 2019

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTR, 9m/100 daN ; Press Reducer System was obtained by PT Bakrie Pipe Industries on August 31, 2017. The certificate is valid until August 30, 2019.

**BAKRIE PIPE INDUSTRIES****Quality Assurance System Certificate – Steel Pole JTR, 9m/200 daN ; Press Reducer System**

August 2017 – August 2019

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole JTR, 9m/200 daN ; Press Reducer System was obtained by PT Bakrie Pipe Industries on August 31, 2017. The certificate is valid until August 30, 2019.



BAKRIE PIPE INDUSTRIES**Quality Assurance System Certificate –
Steel Pole SUTR 9m/200 daN ; Sok Pen System**

August 2017 – August 2019

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTR, 9m/200 daN ; Sok Pen System was obtained by PT Bakrie Pipe Industries on August 31, 2017. The certificate is valid until August 30, 2019.

**BAKRIE PIPE INDUSTRIES****Quality Assurance System Certificate –
Steel Pole SUTR 11m/100 daN ; Press Reducer System**

August 2017 – August 2019

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTR, 11m/100 daN ; Press Reducer System was obtained by PT Bakrie Pipe Industries on August 31, 2017. The certificate is valid until August 30, 2019.

**BAKRIE PIPE INDUSTRIES****Quality Assurance System Certificate –
Steel Pole SUTR 11m/200 daN ; Sok Pen System**

August 2017 – August 2019

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTR, 11m/200 daN ; Sok Pen System was obtained by PT Bakrie Pipe Industries on August 31, 2017. The certificate is valid until August 30, 2019.

**BAKRIE PIPE INDUSTRIES****Quality Assurance System Certificate –
Steel Pole SUTR 11m/200 daN ; Press Reducer System**

August 2017 – August 2019

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTR, 11m/200 daN ; Press Reducer System was obtained by PT Bakrie Pipe Industries on August 31, 2017. The certificate is valid until August 30, 2019.

**BAKRIE PIPE INDUSTRIES****Quality Assurance System Certificate –
Steel Pole SUTR 11m/350 daN ; Sok Pen System**

August 2017 – August 2019

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTR, 11m/350 daN ; Sok Pen System was obtained by PT Bakrie Pipe Industries on August 31, 2017. The certificate is valid until August 30, 2019.



BAKRIE PIPE INDUSTRIES**Quality Assurance System Certificate –
Steel Pole SUTM 12m/200 daN ; Press Reducer System**

August 2017 – August 2019

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTM, 12m/200 daN ; Press Reducer System was obtained by PT Bakrie Pipe Industries on August 31, 2017. The certificate is valid until August 30, 2019.

**BAKRIE PIPE INDUSTRIES****Quality Assurance System Certificate –
Steel Pole SUTM 12m/200 daN ; Sok Pen System**

August 2017 – August 2019

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTM, 12m/200 daN ; Sok Pen System was obtained by PT Bakrie Pipe Industries on August 31, 2017. The certificate is valid until August 30, 2019.

**BAKRIE PIPE INDUSTRIES****Quality Assurance System Certificate –
Steel Pole SUTM 12m/350 daN ; Press Reducer System**

August 2017 – August 2019

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTM, 12m/350 daN ; Press Reducer System was obtained by PT Bakrie Pipe Industries on August 31, 2017. The certificate is valid until August 30, 2019.

**BAKRIE PIPE INDUSTRIES****Quality Assurance System Certificate –
Steel Pole SUTM 12m/350 daN ; Sok Pen System**

August 2017 – August 2019

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTM, 12m/350 daN ; Sok Pen System was obtained by PT Bakrie Pipe Industries on August 31, 2017. The certificate is valid until August 30, 2019.

**BAKRIE PIPE INDUSTRIES****Quality Assurance System Certificate –
Steel Pole SUTM 13m/200 daN ; Sok Pen System**

August 2017 – August 2019

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTM, 13m/200 daN ; Sok Pen System was obtained by PT Bakrie Pipe Industries on August 31, 2017. The certificate is valid until August 30, 2019.



BAKRIE PIPE INDUSTRIES**Quality Assurance System Certificate –
Steel Pole SUTM 13m/350 daN ; Sok Pen System**

August 2017 – August 2019

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTM, 13m/350 daN ; Sok Pen System was obtained by PT Bakrie Pipe Industries on August 31, 2017. The certificate is valid until August 30, 2019.

**BAKRIE PIPE INDUSTRIES****Quality Assurance System Certificate –
Steel Pole SUTM 14m/350 daN ; Sok Pen System**

August 2017 – August 2019

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTM, 14m/350 daN ; Sok Pen System was obtained by PT Bakrie Pipe Industries on August 31, 2017. The certificate is valid until August 30, 2019.

**BAKRIE PIPE INDUSTRIES****Certificate of Qualification – SMHSE Contractor**

February 2018

Certificate of Appreciation for qualification of SMHSE Contractor was awarded by PT Pertamina EP to certify that PT Bakrie Pipe Industries has pass qualification of SMHSE Contractor for medium and high risk category. Certificate was obtained on February 2, 2018 and is valid until December 31, 2020.

**BAKRIE PIPE INDUSTRIES****API-5CT**

February 2018 – February 2021

Certificate of Authority to use the Official API Monogram (The American Petroleum Institute) for Manufacturer of Electric-Welded Casting or Tubing Plain End – Group 1, H40/PSL 1, J55/PSL 1, and K55/PSL 1 was obtained by PT Bakrie Pipe Industries on February 4, 2018. This certificate is valid until February 4, 2021.

**BAKRIE PIPE INDUSTRIES****Type Testing Certificate – Steel Pole SUTR, 9 m/350 and Pressure Reducer System**

March 2018 – March 2023

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTR, 9 m/350 and Press Reducer System was obtained by PT Bakrie Pipe Industries on the March 14, 2018. The certificate is valid until March 14, 2023.



BAKRIE PIPE INDUSTRIES**Type Testing Certificate – Steel Pole SUTM, 13m/200 daN ; Press Reducer System**

March 2018 – March 2023

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTM, 13 m/200 daN ; Press Reducer System was obtained by PT Bakrie Pipe Industries on the March 14, 2018. The certificate is valid until March 14, 2023.

**BAKRIE PIPE INDUSTRIES****Type Testing Certificate – Steel Pole SUTM, 13m/350 daN ; Press Reducer System**

March 2018 – March 2023

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTM, 13 m/350 daN ; Press Reducer System was obtained by PT Bakrie Pipe Industries on the March 14, 2018. The certificate is valid until March 14, 2023.

**BAKRIE PIPE INDUSTRIES****Type Testing Certificate – Steel Pole SUTM, 14m/350 daN ; Press Reducer System**

March 2018 – March 2023

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTM, 14m/350 daN ; Press Reducer System was obtained by PT Bakrie Pipe Industries on the March 14, 2018. The certificate is valid until March 14, 2023.

**BAKRIE PIPE INDUSTRIES****Award of HSE Qualification**

April 2018 – March 2020

Certificate of Appreciation for HSE qualification was awarded by PT Pertamina Hulu Mahakam to certify that PT Bakrie Pipe Industries has pass with an audit result of 74.5% for high risk category. Certificate was obtained on April 23, 2018 and is valid until March 14, 2020.

**BAKRIE PIPE INDUSTRIES****Quality Assurance System Certificate – Steel Pole SUTR 9m/350 daN ; Press Reducer System**

April 2018 – August 2019

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTR, 9 m/350 daN ; Press Reducer System was obtained by PT Bakrie Pipe Industries on April 27, 2018. The certificate is valid until August 30, 2019.



BAKRIE PIPE INDUSTRIES**Quality Assurance System Certificate –
Steel Pole SUTM 13m/200 daN ; Press Reducer System**

April 2018 – August 2019

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTM, 13m/200 daN ; Press Reducer System was obtained by PT Bakrie Pipe Industries on April 27, 2018. The certificate is valid until August 30, 2019.

**BAKRIE PIPE INDUSTRIES****Quality Assurance System Certificate –
Steel Pole SUTM 13m/350 daN ; Press Reducer System**

April 2018 – August 2019

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTM, 13m/350 daN ; Press Reducer System was obtained by PT Bakrie Pipe Industries on April 27, 2018. The certificate is valid until August 30, 2019.

**BAKRIE PIPE INDUSTRIES****Quality Assurance System Certificate –
Steel Pole SUTM 14 m/350 daN ; Press Reducer System**

April 2018 – August 2019

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTM, 14 m/350 daN ; Press Reducer System was obtained by PT Bakrie Pipe Industries on April 27, 2018. The certificate is valid until August 30, 2019.

**BAKRIE PIPE INDUSTRIES****ISO 14001:2015**

May 2018 - May 2019

Environmental Management System Certificate; ISO 14001:2015 (TÜV Rheinland) for manufacture of Fabricated Steel Pipes, Steel Poles, Coated Steel Pipes, Galvanized Steel Pipes, Rectangular and Square Pipes was obtained by PT Bakrie Pipe Industries on May 31, 2018. This certificate is valid until Mei 2, 2019.

**BAKRIE PIPE INDUSTRIES****ISO 9001:2015**

August 2018 – May 2020

Quality Management System Certificate; ISO 9001:2015 (ABS Quality Evaluation) for Fabricated Steel Pipe, Steel Poles, Coated Steel Pipes, Galvanized Steel Pipes, Rectangular and Square Pipes that was obtained by PT Bakrie Pipe Industries on July 17, 1992. This certificate is recertified and is valid from August 16, 2018 until May 18, 2020.



BAKRIE PIPE INDUSTRIES**Quality Assurance Test – Connecting Steel Telephone Pole**

August 2018 – August 2021

Quality Assurance Test (Telkom Indonesia) for Connecting Steel Telephone Pole for 7 meter capacity was obtained by PT Bakrie Pipe Industries on the August 31, 2018. The Certificate is valid until August 31, 2021.

**BAKRIE PIPE INDUSTRIES****Quality Assurance Test – Connecting Steel Telephone Pole**

August 2018 – August 2021

Quality Assurance Test (Telkom Indonesia) for Connecting Steel Telephone Pole for 9 meter capacity was obtained by PT Bakrie Pipe Industries on the August 31, 2018. The Certificate is valid until August 31, 2021.

**BAKRIE PIPE INDUSTRIES****API-5L**

October 2018 – February 2021

Certificate of Authority to use the Official API Monogram (The American Petroleum Institute) for Manufacturer of Line Pipe Plain End at PSL 1 – Type of Pipe: HFW / Delivery Condition: M / Max. Grade X70, / Delivery Condition: N / Max. Grade: X70 and / Delivery Condition: R / Max. Grade X70; Manufacturer of Line Pipe Plain End at PSL 2 – Type of Pipe: HFW / Delivery Condition: M / Max. Grade X70 and / Delivery Condition: N / Max. Grade: X60; Manufacturer of Line Pipe Plain End at PSL 2 – Service Annex H, Type of Pipe: HFW / Delivery Condition: M / Max. Grade X70; Manufacturer of Line Pipe Plain End at PSL 2 – Service Annex J – Type of Pipe: HFW / Delivery Condition: N / Max. Grade X 52 was obtained by PT Bakrie Pipe Industries on October 5, 2018. This certificate is valid until February 4, 2021.

**BINA USAHA MANDIRI MIZUSAWA****IATF 16949 : 2016**

April 2018 – April 2021

Quality Management system Certificate; IATF 16949 :2016 for Manufacture of iron casting product was obtained by PT Bina Usaha Mandiri Mizusawa on April 23, 2018 and this certificate is valid until April 22, 2021.





BINA USAHA MANDIRI MIZUSAWA**ISO 9001 : 2015**

April 2018 – April 2021

Quality Management system Certificate; ISO 9001 : 2015 of Manufacture of iron casting product for non automotive product was obtained by PT Bina Usaha Mandiri Mizusawa on April 23, 2018 and this certificate is valid until April 22, 2021.

**BINA USAHA MANDIRI MIZUSAWA****ISO 14001 : 2015**

April 2018 – April 2021

Quality Management system Certificate; ISO 14001 : 2015 of Manufacture of iron casting product for automotive product & non automotive product was obtained by PT Bina Usaha Mandiri Mizusawa on April 23, 2018 and this certificate is valid until April 22, 2021.

**BRAJA MUKTI CAKRA****ISO 9001:2008**

August 2015 – August 2018

Quality Management System Certificate; ISO 9001:2008 (SGS) for Manufacture of Machining Part used in Engine, Drive Axle, and Brake System was obtained by PT Braja Mukti Cakra on August 21, 2012. This certificate is recertified and is valid from August 21, 2015 until August 1, 2018.

**BRAJA MUKTI CAKRA****OHSAS 18001:2007**

November 2016 – November 2019

Certificate of Occupational Health and Safety Management System OHSAS 18001:2007 (BSI, ANAB) for the Manufacture of Machining and Assembling Part used in Engine, Drive axle, and Brake System was obtained by PT Braja Mukti Cakra on November 30, 2016 and is valid until November 29, 2019.

**BRAJA MUKTI CAKRA****ISO 14001:2015**

October 2018 – October 2021

Environmental Management Certificate; ISO 14001:2015 (BSI, ANAB, IAF, KAN) for Manufacture of Machining and Assembling Part Used in Engine, Drive Axle, and Brake System was obtained by PT Braja Mukti Cakra on October 24, 2012. This certificate is recertified and is valid from October 24, 2018 until October 23, 2021.



BRAJA MUKTI CAKRA**IATF 16949:2016**

December 2018 – December 2021

Certificate of Quality Management System IATF 16949:2016 (SGS) for Manufacture of Machining and Assembling Part used in Engine, Drive Axle, and Brake System was obtained by PT Braja Mukti Cakra on December 22, 2018, and is valid until December 21, 2021.

**SOUTH EAST ASIA PIPE INDUSTRIES****API-2B**

July 2017 – July 2020

Certificate of Authority to use the Official API Monogram (The American Petroleum Institute) for Manufacturer of steel pipes was obtained by PT South East Asia Pipe Industries on July 28, 2017 and is valid until July 28, 2020.

**SOUTH EAST ASIA PIPE INDUSTRIES****API-5L**

July 2017 – July 2020

Certificate of Authority to use the Official API Monogram (The American Petroleum Institute) for Manufacturer of Line Pipe Plain End at 1, Manufacturer of Line Pipe Plain End at PSL 2, Manufacturer of Line Pipe Plane PSL 2 – Service Annex H and Manufacturer of Line Pipe Plain End at PSL 2 – Service Annex J was obtained by PT South East Asia Pipe Industries on July 28, 2017 and is valid until July 28, 2020.

**SOUTH EAST ASIA PIPE INDUSTRIES****SNI 0039 - 2013**

July 2017 – July 2021

Certificate For SNI Labeled Product (The Ministry Of Industry Of Republic Of Indonesia) for the category SNI 0039:2013; Steel Water Pipes with or without iron sheeting was obtained by PT South East Asia Pipe Industries on the July 11, 2017 and is valid until July 10, 2021.

**SOUTH EAST ASIA PIPE INDUSTRIES****ISO 14001:2015**

September 2017 – September 2020.

Environmental Management System Certificate; ISO 14001:2004 (TÜVRheinland) for manufacture of Steel Pipes for Oil and Natural Gas, Chemical, and Construction was obtained by PT South East Asia Pipe Industries on September 25, 2017 and is valid until September 24, 2020.



SOUTH EAST ASIA PIPE INDUSTRIES**OHSAS 18001:2007**

September 2017 – September 2020

Occupational, Health and Safety Management System Certificate; OHSAS 18001:2007 (TÜVRheinland) for manufacture of Steel Pipes for Oil and Natural Gas, Chemical, and Construction that was obtained by PT South East Asia Pipe Industries on April 2, 2007. This certificate is recertified on September 25, 2017 and is valid from September 24, 2020.

**SOUTH EAST ASIA PIPE INDUSTRIES****ISO 9001:2015**

September 2017 – September 2020

Quality Management System Certificate; ISO 9001:2015 (TÜVRheinland) for of Steel Pipes for Oil and Natural Gas, Chemical, and Construction that was obtained by PT South East Asia Pipe Industries on July 17, 1992. This certificate is recertified and is valid from September 25, 2017 until September 24, 2020.



Event Highlights of BNBR & Subsidiaries 2018

**8
MAR**



The Inauguration of the operation Tanjung Bara 3 x 18 MW owned by PT Kalimantan Prima Coal (KPC) by the Minister of Energy and Mineral Resources, Mr. Ignatius Jonan and the distribution of excess power from PT KPC to State Owned Electricity Company (PLN), where PT Citra Kusuma Perdana (CKP) is a subsidiary of PT Bakrie Power is the contractor for the Tanjung Bara power plant.

**13
APR**



The signing of MOU between PT Bakrie & Brothers Tbk with BYD in Beijing witnessed by Coordinating Minister for Maritime Affairs of the Republic of Indonesia, Gen. (Retired) Luhut Pandjaitan.

**27
APR**



PT Bakrie & Brothers Tbk Annual General Meeting of Shareholders and Extraordinary General Meeting of Shareholders.

**26
JUN**



PT Bakrie & Brothers Tbk
Incidental Public Expose.

**18
JUL**



Implementation of a CSR Program of PT Bakrie & Brothers Tbk and PT Bakrie Pipe Industries through Bakrie Amanah, which is the launch of "Lampu Untuk Negeri", a program that provides lighting for several areas in Indonesia. This program was held for the first time in Kampung Nelayan Dadap, Tangerang.

**15
OCT**



PT Bakrie Autoparts collaborated with BYD for launch of electric bus in Bali after usage trial of the electric bus as shuttle bus during the IMF World Bank Annual Meeting, October 8 – 14, 2018 in Nusa Dua, Bali.

**6
NOV**



Implementation of Loading Test Ram on the Cimanggis Cibitung Tollways project.

This cooperation between PT Waskita Beton Precast Tbk with PT Bakrie Metal Industries proved that the products of PT Bakrie Metal Industries has been recognized and has proven quality.

**19
NOV**



The signing of MOU between PT Bakrie & Brothers Tbk and China Railway International Group Co. Ltd.

**21
NOV**



PT Bakrie & Brothers Tbk
Extraordinary General
Meeting of Shareholders.

**23
NOV**

PT Bakrie Pipe Industries received SNI Awards.

**5
DEC**

PT Bakrie & Brothers Tbk Annual Public Expose.

**10
DEC**

PT Bakrie & Brothers Tbk received the Top 50 Mid – Capitalization Public Listed Companies based on ASEAN CG Scorecard 2018 from Indonesian Institute for Corporate Directorship (IICD).

**17
DEC**

PT Bakrie Autoparts received three awards during an event of Toyota Manufacturing Club.

**19
DEC**

PT Bakrie & Brothers Tbk received the Trusted Company Based on Corporate Governance Perception Index Award by SWA and IIGC (Indonesian Institute for Corporate Governance).

**19
DEC**

PT Bakrie Pipe Industries received the Trusted Company Based on Corporate Governance Perception Index Award by SWA and IIGC (Indonesian Institute for Corporate Governance).



Report from The Board of Commissioners & The Board of Directors



LAPORAN DEWAN KOMISARIS:

Navigating Uncertainty

Firstly, please allow me to express my sincere gratitude for the trust given by our shareholders to me as President Commissioners of PT Bakrie & Brothers Tbk according to the resolution of the Annual General Meeting of Shareholders held on last April 27, 2018. Previously I have also served as Deputy COO and Deputy Managing Director BNBR in the period 1997 – 1999, and now I am returning to join BNBR at a time that is no less challenging. If in 1998 Indonesia faced the big challenge of financial crisis, 20 years later Indonesia's economic has matured and succeeded in maintaining its growth momentum after enduring another financial crisis in 2008. Nevertheless, 2018 has its own challenges with the increasing uncertainty of global economic condition and destabilization of economies of developed countries.

Global economic growth decreased compared to previous growth of 3.8%, in 2018 it only reached 3.7% , and is expected to slow down again in 2019. The policy of US central bank, the Fed, to increase Fed Funds Rate (FFR) has caused capital outflow from emerging markets, leading to appreciating US dollar exchange rate and trigger many other central banks, mostly in emerging markets, to increase their benchmark rates to prevent further massive capital outflow. During 2018 the Fed has raised FFR four times by 100 basis points (BPS), as such at the end of 2018 FFR was recorded in the range of 2.25%-2.50%. By taking economic prospect and Indonesia's external resilience into consideration, Central Bank of Indonesia (BI) responded to the increase in FFR by gradually raising benchmark interest rate as much as 175 bps, therefore by end of 2018 it reached 6.00% . At the end of 2018, many emerging markets currency exchange rates were depreciating against US dollar and cost of borrowing for real sector became more expensive. On average, in

2018 Rupiah exchange rate was depreciated by 6.05% to Rp 14,481 per US dollar, however at 8.5% volatility of Rupiah exchange rate was considerably lower if compared to other currencies volatility .

On the other side, China decided to continue its rebalancing program, shifting the growth driver from excessive reliance on inefficient debt-fueled investment to domestic consumption. This has caused decline of China's demand on imported raw materials, mostly from emerging markets in Asia region, which then led to declining prices of commodities that are the mainstay of most emerging markets performance, Indonesia included. Prices of Indonesia's key export commodities that are coal, crude palm oil (CPO), and rubber experienced weakening trend during 2018, in general composite of export prices in Indonesia decreased from 21.7% growth in 2017 into 2.8% contraction in 2018 .





Pressures on currency and commodities prices were aggravated by the prolonged trade war between US and China, which was sparked by US allegation to China saying that its unfair trade practices have caused US trade balance deficit to keep growing. Various protective policies put into effect by President Trump have led to weakening global trade and industry activities considering both US and China are traditional export destination for emerging markets. Economic condition in Europe was also not fully stable yet after Brexit and this has indirectly affected emerging markets.

Amidst global uncertainties, Indonesia still managed to maintain its economic stability. Economy growth reached 5.17%, higher if compared to previous year growth of 5.07%, inflation rate was still under control at a low and stable level of 3.13% at the end of 2018. Improvement of economic growth was supported by strong domestic demand, which was influenced by high growth of consumption and investment through continuous infrastructure projects development. Meanwhile, contribution of net export was recorded as negative as a result of high import growth and waning export growth.

REVIEW ON BOARD OF DIRECTORS PERFORMANCE

In general Company's performance in 2018 has shown improvement in both revenue and balance sheet. The Board of Commissioners considers BNBR and its subsidiaries to be quite successful in utilizing conducive economic condition in Indonesia during 2018. The Company recorded net revenue of Rp3.34 trillion in 2018, increased by 35.8% if compared to 2017, the Company also recorded operating income of Rp82.50 billion, an improvement if compared to operating loss booked in 2017. The Company's efforts to implement production efficiency can be seen from these achievements. However the weakening of Rupiah exchange rate in 2018 has significantly affected BNBR performance, the Company recorded loss on foreign exchange totaling at Rp 708.62 billion. The Company also still suffered from derivative loss by as much as Rp 523.03 billion and interest and financial expenses totaling at Rp 350.00 billion, as such in 2018 the Company recorded net loss totaling at Rp 1.25 trillion.

On the balance sheet, Company's effort to restructure its debts began to show concrete result, after recording equity deficiency for the past five years; at the end of 2018 Company's equity is positive again amounting to Rp 2.68 trillion. Negotiation with several creditors will still be carried out in 2019 and it is expected that all Company's debts can be fully restructured soon, thus significantly reducing interest expenses.

Looking at the Company's performance for 2018, the Board of Commissioners considers the following guidance, which has been given at the beginning of 2018, will still need to be carried out:

FIRSTLY, to continue finishing of the Company's debt restructuring thoroughly in order to ease Company's maneuver in utilizing every business opportunities.

SECONDLY, enhancing the strategy with agile methods to increase sales of Company's current products and services, while at the same time look for other business breakthroughs and utilize every business opportunities.

THIRDLY, to improve risk management practices throughout the group's subsidiaries in order to mitigate potential risks, and to improve internal quality control and supervision of all subsidiaries.

The Board of Commissioners continuously supports the Company's Board of Directors' policies that direct all business units to find new business opportunities, strengthen synergies, improve process effectiveness and efficiency and optimizes financing and productivity as appropriate strategies for addressing current and future conditions.

VIEW ON COMPANY BUSINESS PROSPECTS

In the upcoming 2019 Indonesia's economic outlook is predicted to remain good, even though the global economy that is not yet conducive needs to be closely watched. Amid the sluggish global economic outlook, Indonesia's economic growth in 2019 is expected to increase in the range of 5.0% - 5.4%. Indonesia's external resilience has been better supported by a decline in the current account deficit and an increase in foreign capital inflows, the current account deficit is expected to decline from 2.98% in 2018 to around 2.5% of GDP by 2019. The decline in the current account deficit was supported by various measures to control imports carried out in conjunction with efforts to increase exports, especially for manufacturing products and tourism services. While the Consumer Price Index inflation is estimated to remain under control in the inflation target range of 3.5 ± 1% in 2019.

In the medium term, economic growth is expected to grow higher in the range of 5.5% - 6.1% in 2024. Various attempts at structural reforms, including the acceleration of infrastructure development, the development of human capital, and a series of deregulations that have been taken will increase the productivity of the economy going forward. In line with this medium-term outlook, Indonesia's per capita income will increase and position Indonesia in the category of upper middle income countries.

The performance of BNBR's business units is largely influenced by the oil and gas industry and commodities; the decline in world economic activity contributed to the decline of most global commodity prices in 2018. However, some commodities experienced different trends, such as crude oil, natural gas and coal which experienced an increase in average prices in 2018. The average crude oil price is US \$ 71 per barrel and is predicted to

increase to US \$ 74 per barrel in 2019. While European natural gas prices have increased from US \$ 5.72 per mmbtu in 2017 to US \$ 7.68 per mmbtu in the year 2018, and Australian coal prices increased from US \$ 88.5 per metric ton in 2017 to US \$ 108.0 per metric ton in 2018. However, unlike crude oil, both natural gas and coal, both are predicted to experience a decline in prices in 2019 to US \$ 7.5 per mmbtu and US \$ 100.0 per metric ton. Therefore the Board of Commissioners considers BNBR and its business units can still exploit their expertise and capabilities in fields that support the commodity industry, however BNBR needs to continue its efforts to diversify its business sector in order to reduce dependence on the oil and gas and commodity industries.

The policy direction of the Government of the Republic of Indonesia (RI) in compiling the 2019 State Budget (APBN) still prioritizes productive state expenditure which is directed to encourage among others the improvement of the quality of Human Resources (HR) and the acceleration of infrastructure development. At the end of the 2015-2019 mid-term development plan period, the Government budgeted Rp 415.0 trillion for infrastructure spending in 2019, up 1.1% compared to the 2018 budget of Rp 410.4 trillion. Involvement of the role of the private sector and State-Owned Enterprises (SOEs) in supporting the acceleration of infrastructure development through creative financing, among others through the scheme of Government and Business Entity Cooperation (PPP), is expected to reach Rp. 9.38 trillion in 2019. By considering the direction of the RI Government policy, the Board of Commissioners considers BNBR and its business units can still explore business opportunities related to infrastructure, but considering 2019 is a political year with the implementation of General Elections, BNBR needs to carefully consider various risks in selecting targeted infrastructure projects.

The Board of Commissioners considers that the 2019 work plan prepared by the Board of Directors has considered various business opportunities based on projections of Indonesia's and global economic conditions. During the preparation of the work plan, the Board of Commissioners has also reminded and will continue to monitor financial planning or funding sources for various BNBR group business development plans, this is to ensure that the plan can be truly realized and improve the performance of the BNBR group.

The Board of Commissioners has witnessed the results of the implementation of various efficiency programs in each of the BNBR subsidiaries, although there is still a need to increase efficiency in certain subsidiaries. The Board of Commissioners is optimistic that in the following years, BNBR can show more substantial improvements so that it can immediately return to the path of profitability, and with robust and stronger business fundamentals.

The Company's debt restructuring efforts that are still being carried out are expected to strengthen the fundamentals and ease the Company's steps to explore growth opportunities. We

continue to support every effort to develop Company's business selectively in the future, both by increasing the capacity of existing business units, as well as expanding the product portfolio to reduce dependence on a particular business portfolio.

VIEW ON CORPORATE GOVERNANCE IMPLEMENTATION

The Board of Commissioners considers that throughout 2018 the Company continues to improve the implementation of governance within the PT Bakrie & Brothers Tbk environment in line with the development of prevailing regulations and norms.

The Board of Commissioners also considers that the management of the Company carried out by the Board of Directors throughout 2018 has been carried out carefully and responsibly, in accordance with the leadership values and culture of the Company. The Directors also pay attention to the expectations and hopes of each stakeholder proportionally and wisely in carrying out each step. However, as noted above, that supervision of subsidiaries needs to be improved, especially by strengthening the internal audit function both at the parent and business units.

The Company has developed and implemented a Whistleblowing System through Policy and Procedure No. 258 / BNBR / III / 2012 concerning the Implementation of the Whistleblowing System (WBS). The WBS aims to build loyalty to the Company and create a conducive work climate, by encouraging reporting on things and actions that can bring financial and non-financial losses to the Company, including those that can damage the Company's reputation and image. The Company's WBS is professionally managed by the Ethics & Compliance Committee, which is assisted by the Whistleblowing System Administration Management. The Board of Commissioners considers that the implementation of the WBS is a manifestation of the enforcement of good corporate governance principles, especially those related to integrity and transparency.

FREQUENCY AND METHODS OF PROVIDING ADVISORY TO MEMBERS OF BOARD OF DIRECTORS

The task of supervision of the management of the Company is carried out directly by the Board of Commissioners, as well as indirectly by the Committees established by the Board of Commissioners to handle the monitoring functions of certain strategic fields for the Company.

The Board of Commissioners believes that the functions carried out by each Committee of the Board of Commissioners in 2018 are appropriate and well implemented. The Audit Committee has coordinated well with internal auditors and external auditors to ensure the effectiveness of the control functions carried out by management, so that business operations are aligned with

applicable regulations and are reflected fairly in the financial statements produced. The Audit Committee intensively held meetings with Internal Audit to review the internal audit report and monitor audit recommendations in all levels of the company not only concerning operations, but also concerning the performance of the business unit and submit reports to the Board of Commissioners.

Throughout 2018, the Board of Commissioners actively carried out the supervisory function and provided advice and advice on various policies and steps taken by the Board of Directors in managing the Company. Consultation meetings between the Board of Commissioners and Directors are held regularly so that the Board of Commissioners can always monitor the extent of the policies and steps taken by the Board of Directors. In addition to the internal meetings of the Board of Commissioners, the monitoring function is also carried out through the Committees' committees mentioned above. The organs of the Board of Commissioners have functioned well according to the scope of their respective responsibilities and fields.

The Board of Commissioners continues to encourage the implementation of strong and sustainable corporate governance (GCG) throughout the BNBR group by all management and employees.

COMPOSITION OF BOARD OF COMMISSIONERS

In 2018 the composition of the Company's Board of Commissioners underwent changes in accordance with the results of the Annual General Meeting of Shareholders (GMS) held on April 27, 2018. In relation with the completion of the tenure of Mr. Irwan Sjarkawi as President Commissioner and Independent

Commissioner, and Mr. Nugroho I. Purbowinoto as Commissioner, therefore the Annual GMS appointed myself and Firmanzah to serve as the President Commissioner and Independent Commissioner of the Company. So that the composition of the Company's Board of Commissioners becomes:

President Commissioner: Anindya Novyan Bakrie

Independent Commissioner: Firmanzah

Commissioner: Armansyah Yamin

On behalf of the management of BNBR, I express my deepest gratitude to Mr. Irwan Sjarkawi and Mr. Nugroho I. Purbowinoto for his dedication to BNBR through the years. Furthermore, Mr. Irwan Sjarkawi will still give his guidance to BNBR through his role as a member of the Audit Committee.

CLOSING REMARKS

We are grateful to God that we managed to sail through the challenges of 2018. The Board of Commissioners expresses its gratitude to the shareholders, stakeholders and all parties who have provided support to the Company, including of course, to all employees who have demonstrated their integrity, commitment and dedication. The Board of Commissioners expresses appreciation and gratitude to the Board of Directors of the Company for all the efforts that have been demonstrated in this challenging year. Hopefully with innovation, enthusiasm and focused work, the company will achieve profitability in the coming years.

Jakarta, April 2019
On behalf of the Board of Commissioners
PT Bakrie & Brothers Tbk



Anindya N. Bakrie
President Commissioner

Firmanzah
Independent Commissioner



Board of Commissioner



Anindya N. Bakrie
President Commissioner

Armansyah Yamin
Commissioner

Anindya Novyan Bakrie

PRESIDENT COMMISSIONER

Anindya N. Bakrie, an Indonesian nationality, born in Jakarta on 1974. He has extensive experience as an Indonesian business magnate, Telco-Media- Technology (TMT) investor, and philanthropist. Currently he holds the position of President Commissioner of PT Bakrie & Brothers Tbk since April 2018.

Known as the scion of the 77-year-old Bakrie Group, Anindya's wide spectrum of business interests includes the publicly-listed companies he controls; basic industries, infrastructure, mining & minerals, oil & gas, property, plantations to TMT with a combined market capitalization that had topped over USD 15 billion.

Anindya graduated from Northwestern University as an industrial engineer and earned his MBA from Stanford Graduate School of Business. He is currently managing his time to undertake the People's Bank of China School of Finance (PBCSF) EMBA at Beijing's Tsinghua University with focus on China's One Belt One Road initiative.

Known for his business turnaround capability, Anindya founded, among others, VIVA Group which owns

#1 News/Sports nationwide broadcaster tvOne, tier 1 Entertainment nationwide broadcaster antv, and Indonesian top online portal viva.co.id. After 17 years of focusing in TMT sector, Anindya was appointed as the President Commissioner of PT Bakrie & Brothers Tbk, the Group's flagship in May 2018.

Anindya established Bakrie Center Foundation that has produced several hundreds of Indonesian leading progressive

scholars and passionate leaders, mainly through scholarship programs in collaboration with top universities and leading research centers in Indonesia and worldwide.

In addition to his business leadership and passion for social causes, Anindya now serves as Vice Chairman of the Indonesian Chamber of Commerce and Industry (KADIN Indonesia), a position he has now been entrusted for over 11 years. Furthermore, he has been appointed by two different Presidents of the Republic of Indonesia to serve as the Chairman/Member of Asia-Pacific Economic Cooperation (APEC) Business Advisory Council (ABAC) representing Indonesia, the official vehicle established by APEC to formalize private sector participation in APEC.

He is the elected Chairman of the Indonesian Aquatics Federation (PRSI), in which he previously led the Indonesian team to win 4 gold medals in SEA Games 2017 and later successfully organized Asian Games 2018—the world's largest event after the Olympics—in Jakarta.

Building bridges between Indonesia and the world, Anindya joins several boards of trustees/advisors/members of various international universities, NGOs, and research centers. He also writes from time to time in national and international publications outlining his views on socio-economic and geo-political dynamics.





Prof. Firmanzah

INDEPENDENT COMMISSIONER

Prof Firmanzah, an Indonesian citizen, was born in Surabaya in 1976, and obtained a Bachelor of Economics from University of Indonesia in 1998, Master of Management from University of Indonesia in 2000, Master of Philosophy in 'Organisation and Strategic Management' from University of Science and Technology of Lille 1, Villeneuve-d'Asc, France in 2002, PhD in 'Strategic and International Management' from University of Pau et Pays de l'Adour, Pau, France in 2005, and IDEAS Executive Program in Massachusetts Institute of Technology (MIT), Boston, United States, in 2010.

He holds the position of Commissioner at PT Bakrie & Brothers Tbk since April 2018 as well as serving as the Risk Management Committee Member at PT CIMB Niaga Tbk since 2016, Committee Member at SMIinfra 18 Index at PT Sarana Mult Infrastruktur (SMI) since 2015, and as the Rector at Paramadina University since 2015. Previously, he served as a Commissioner at PT Perusahaan Gas Negara (PGN) (2012-2015), Republic of Indonesia Presidential Staff in Economics and Development (2012-2014), President Commissioner at PT Rajawali Nusantara (RNI) (2012-2013), Independent Commissioner for CIMB-Asset Principal Indonesia (2012), Advisory Member for the Minister of Maritime Affairs and Fisheries (2012-2013), Advisory Member for Indonesia Center for Public Policy Studies (ICPPS) (2011-2012), and Market Analyst in PT Sewu New York Life (1998-1999).

A portrait of Armansyah Yamin, an Indonesian national, sitting on a wooden stool. He is wearing a dark blue suit jacket over a dark blue shirt. He has grey hair and is looking directly at the camera with a slight smile. The background is a dark, textured grey.

Armansyah Yamin

COMMISSIONER

Armansyah Yamin, an Indonesian nationality, was born in Teluk Betung, Lampung in 1953. He graduated from Indonesian Academy of Aviation in Jakarta in 1972.

He took several educations: Instructor and Test Pilot Program British Aerospace, Manchester, United Kingdom (1976) and Airline Management Course Philippine Airlines, Philippine University, Manila (1978). He also studied at Institute Commodity of London, United Kingdom (1986-1987). He was appointed as Commissioner on June 2009. Currently, he also holds the position of Commissioner at PT Bakrieland Development Tbk, and PT Bakrie Nirwana Semesta.

He began his career at the Bakrie Group as Special Project Manager for PT Bakrie & Brothers (1985-1986), Head of Representative for Mindo Commodity Europe Hamburg, Germany (1987-1991), Managing Director for Lewis & Peat International, Singapore (1991-1993), Vice President Director for Bakrie Trading (1993- 1998), President Commissioner for PT Asuransi Ikrar Lloyd (1998- 2002) President Director for Perusda Bersujud, South Kalimantan (2003-2007) and President Director for PT Arm & Ken Investment (2007-2011).

Report from the Board of Directors:

Embracing the Future of Indonesia

2018 was a challenging and promising year for PT Bakrie & Brothers Tbk. The ongoing momentum of Indonesia's economic recovery during 2018 allows BNBR to continue to exploit the expertise and production capabilities of business units that have been the mainstay of BNBR for more than three decades. BNBR's business units engaged in manufacturing have become key players in the industry they are working on, but we believe that all of our business units need revitalization in order to sustain its competitiveness in the future. The Indonesian economy, which is increasingly integrated with the global economy, coupled with the rapid development of technology and political turmoil has caused changes to be accelerated and amplified.

The dynamics of the Indonesian economy during 2018 are largely influenced by global uncertainty. The world economic growth is on a slowing trend, it grew 3.7% in 2018 compared to the 2017 output of 3.8%, resulting in a decrease in the growth of trade volume and world commodity prices. The global economy slow down was accompanied with uneven composition of economic growth, as a whole the economy of developed countries waned to 2.3%, however the economy of United States of America (USA) increased considerably high supported by large scale fiscal stimulus, reaching 2.9% growth, while Japan and Europe only recorded growth as much as 0.8% and 1.8%. The economy growth of emerging markets also slowed down, it grew only 4.6% as opposed to 4.7% growth in 2017, where China's growth declined to 6.6% and India's growth rose to 7.4%.

The slowing global economy has resulted in a decline in world trade volume and commodity price growth. Commodity prices, including prices of Indonesia's main export commodities such as coal, palm oil and rubber are also on a downward trend. Australian coal prices increased from US \$ 88.5 per metric ton in 2017 to US \$ 108.0 per metric ton in 2018, but in 2019 it is predicted to decline to US \$ 100.0 per metric ton. The price of palm oil declined to US \$ 639 per metric ton from US \$ 751 per metric ton in 2017, and the price of rubber declined to US \$ 1.37 per kg from US \$ 1.67 per kg in 2017.

The current uncertainty surrounding global trade policies continues to pose a risk to growth of Indonesia's main trading partner countries, however, until now Indonesia can still escape the impact of the global turmoil that has plagued emerging market countries, mainly due to Indonesia's healthy macroeconomic fundamentals. Economic growth in 2018 was recorded at 5.17%, an increase compared to the previous year's growth of 5.07% and was the highest growth since 2013. Indonesia's economic growth which increased in 2018 was largely supported by domestic demand.

Increased consumption and investment growth was supported by improved income, continued development of infrastructure projects, and maintained purchasing power in line with low inflationary pressures. Some other activities also affect expenditure, including the execution of regional head elections (Pilkada), international scale activities, such as the Asian Games and the annual meeting of the International Monetary Fund - World Bank (IMF - WB), and preparatory activities for general elections (Pemilu).

FINANCIAL PERFORMANCE IN 2018

Overall, the Company recorded a lower performance compared to the 2018 budget plan, but the Company recorded performance improvements when compared to the achievement in 2017. In 2018 the Company's net income increased by 35.8% compared to 2017, which was Rp 3.34 trillion. The company also recorded a positive EBITDA of Rp 353 billion in 2018 compared to the previous year which recorded a negative EBITDA. The weakening of the rupiah against the US dollar had a significant impact on the bottom line with a foreign exchange loss of Rp 708.62 billion. In addition, the Company still recorded interest and financial expenses of Rp 350.00 billion, but the burden decreased compared to 2017 which amounted to Rp 420.81 billion.

The company recorded a net comprehensive loss of Rp 1.32 trillion or a decrease of 8.9% compared to 2017 which was recorded at Rp 1.22 trillion. In addition to foreign exchange losses and interest and financial expenses, fair value changes of derivatives amounted to Rp 524.03 billion and realized losses on available-for-sale securities amounting to Rp 121.17 billion also contributed to the negative performance. On the balance sheet side, the Company recorded an increase in asset value to Rp 14.34 trillion in 2018 from Rp 7.27 trillion in 2017; the value of these assets increased as a result of a significant increase in current assets due to short-term investments made by Fitzroy Offshore Ltd.

The Company's efforts to improve its financial position through debt restructuring have been started since 2013 and continue throughout 2018, one of the ways taken is to convert the debt into Company's shares to lenders who have approved the conversion. Another step taken is the implementation of Reverse Stock, which is one of the required conditions in the Company's debt restructuring process. Company's efforts to restructure its debts have the effect of reducing debt burden as mentioned above; the more noticeable impact is the positive equity recorded in 2018 worth Rp 2.68 trillion. Since 2013 the Company has succeeded in reducing its debt by Rp 9.3 trillion and in 2019 the Company is targeting to complete the entire debt restructuring process.

FACTORS AFFECTING THE COMPANY PERFORMANCE

In 2018 manufacturing and infrastructure segment contributed up to 80.2% of Company's total revenue. The performance of BNBR's manufacturing units is mostly related to the oil and gas sector and commodities, other than that the products and services produced by the majority are made of metal. To simplify performance planning and monitoring of those business units, effective in November 23, 2018 PT Bakrie Autoparts (BA), BNBR's business units that is engaged in casting and machining field with automotive components as main products, was consolidated into PT Bakrie Metal Industries (BMI), therefore currently BMI subsidiaries are PT Bakrie Pipe Industries (BPI), PT Bakrie Construction (BCons), and BA.

Energy commodity price experienced a 33% hike in 2018 if compared to 2017, particularly crude oil price which increased by 30% to US\$ 68.3 per barrel and European natural gas price which increased by 34% to US\$ 7.68 per mmbtu. The strengthening of these two energy commodity prices has a positive impact on BPI which produces steel pipes for use in both the oil and gas and non-oil and gas sectors, BPI revenue increased by 43% in 2018 to Rp 1.63 trillion with 58% of BPI total revenue came from pipes for oil and gas sector.

However, the strengthening of crude oil and natural gas prices was not followed by increase of investment in Indonesia's oil and gas sector. In the last three years the value of upstream investment in the oil and gas sector has always been below the target, with the realization of investment value in 2018 amounting to US \$ 11.9 billion or only 83.8% of the target of the 2018 State Expenditure Budget (APBN) which pegged US \$ 14.2 billion. Without upstream oil and gas investment, the prospect of exploration and production will weaken, and this has a significant impact on the BMI business line working on steel structures for oil and gas sector, specifically for offshore exploration facilities. In 2018 there were no new projects handled by BCons which has been focusing on construction of steel structures for oil and gas projects, revenues of Rp 235.16 billion recorded by BCons are carry-over from projects handled by BCons since 2017.

On the other hand, BMI's business line that works on steel structures for non-oil and gas sector experienced good growth in 2018, alongside the increase in Government of Indonesia's spending on the infrastructure sector, which amounted to Rp 410.7 trillion in 2018 and will be increased to Rp 415.0 trillion in 2019. BMI has the expertise for fabrication of bridges and girder that are widely used in road construction, therefore during 2018 BMI was awarded with various projects related with acceleration of Indonesia's infrastructure development which one of its target is connectivity strengthening. In 2018 BMI recorded revenue as much as Rp 303.19 billion from fabrication of steel structure for non oil and gas sector.

Commodity sector also affects BA's performance which main products are automotive components for commercial vehicles. Indonesia's domestic car sales increased by 7% to 1.15 million units in 2018, with the composition of passenger vehicle segment as much as 77% and commercial vehicle segment as much as 23%. In 2018 BA recorded revenue amounted to Rp 819.57 billion, with 88% of total revenue comes from automotive sector.

BNBR's other manufacturing unit is PT Bakrie Building Industries (BBI) which produces fiber-cement based building materials. During 2018 BBI sought to explore new businesses by utilizing the advancements in the technology sector but still adhering to their background as producers of building materials. There are two new business lines currently being developed by BBI, the first one is provider of prefab houses and the second one is provider of logistic and distribution services, both lines are expansion of BBI's business process all this time. In relation with this shifting of business line from manufacturing to service provider, BBI started to reduce its production capacity, from the original effective capacity of 45 million stdm down to 9.3 million stdm at the end of 2018. BBI is the only manufacturing business units of BNBR that recorded decrease in 2018 with revenue totaling at Rp 226.49 billion.

Other than manufacturing field, BNBR still also develops several infrastructure projects through PT Bakrie Indo Infrastructure (BIIN), three main projects that are currently being handled are Coal Fired Power Plant 2 x 660 MW Tanjung Jati A in West Java, the 26.4 km Cimanggis – Cibitung toll road in West Java, as well as Kalija gas pipe line that stretches 200 km along the northern coast line of Java island from Kepodang to Tambak Lorok for phase 1, and 550 km in length for phase 2 from Bontang, East Kalimantan to Takisung, South Kalimantan.

COMPANY BUSINESS POLICIES AND PROSPECTS

BNBR's business units, especially those engaged in manufacturing, have proven to withstand for decades with their respective expertise; furthermore various macro economic indicators show the availability of opportunities for their products and services, therefore we view their performances can still be improved by continuously increasing the quality of products and services in order to maintain

their competitiveness in the market as well as improve overall operational efficiency in order to fix cost structure. At the same time, BNBR encourages its business units to explore various new business opportunities to prepare themselves in the brink of various inevitable changes as a result of integration of domestic economy with global economy and the rapid development of technology.

At the end of 2018 BPI as steel pipes producer has increased its capacity through addition of pipe production machines with different production process, namely production machines for spiral pipe which is commonly used for non oil and gas market. Through this production capacity increase BPI is expected to balance its dependence on the oil and gas sector.

Meanwhile BA has initiated electric vehicles development in the form of buses through cooperation with BYD Auto Co. Ltd (BYD), a world renowned electric vehicles company from China whose products have been used in more than 200 cities and 50 countries globally. BA planned to develop new business as environmentally friendly transportation solution provider based on electric buses for various cities in Indonesia with technological support from BYD, and will gradually increase the local content of the electric buses. BA's business expansion in the electric vehicles aims to create a new market for BA products by utilizing technological advancement and global automotive industry trend which is shifting its focus to electric vehicles development. Direction from the Government of Indonesia to reduce fuel subsidies will provide an opportunity for this electric bus development plan.

As mentioned above, BBI currently undergoes a business transformation process by utilizing technological advancement through development of digital platform to provide products in the form of prefab houses whose design can be tailored to consumer desires, as well as digital platform for logistic and distribution business lines.



Recorded in the period 2013 - 2017 the growth of the logistics market in Indonesia experienced an average annual growth rate (CAGR) of 11.7%, greater than other ASEAN countries .

Other than those new businesses exploration, BNBR also encourages its business units to keep exploiting their expertise by taking various macro and sectoral indicators into consideration. Indonesia's economic growth in 2019 is predicted to be in the range of 5.1% to 5.5% by various international institutions, and the State Expenditure Budget (APBN) deficit ratio is still being reduced to only 2.12% of Gross Domestic Product (GDP) in 2018 and targeted at 1.84% of GDP in 2019 . The Government also still provides a greater allocation of productive spending to encourage improvement in the quality of human resources, strengthening social protection programs, accelerating infrastructure development, bureaucratic reform, and strengthening fiscal decentralization.

In relation with infrastructure, the Ministry of Public Works and Public Housing is recorded as Ministry with the largest budget allocation, totaling at Rp 110.7 billion in 2019. Meanwhile, infrastructure spending was budgeted at Rp. 415.0 trillion in 2019 with a portion of Rp. 173.8 trillion through Central Government expenditure, Rp. 196.2 trillion through transfer of funds to regions and village funds, and Rp. 45.0 trillion through financing schemes. The Government's main target for infrastructure development throughout 2019 is to support the strengthening of connectivity and housing provision, which is formulated with 2,007 km of road construction, 27,067 m of bridges, 245 km of toll roads, housing for Low-Income Communities (MBR) totaling 68.9 thousand houses and flats totaling 6,873 units .

In the steel sector, it is estimated that Indonesia's steel consumption will increase to 59 kg per capita, and is targeted to increase in line with the Indonesian Government's target for infrastructure development as mentioned above. In addition, the Government of Indonesia also set a target of 99.9% electrification ratio in 2019 and the electricity consumption target of 1,200 kWh per capita, compared to the realization of the electrification ratio of only 98.30% and electricity consumption of 1,064 kWh per capita in 2018 . Therefore the development plan established by the Government of Indonesia will provide positive opportunities for business sectors managed by BNBR's business units, both in manufacturing and infrastructure. In particular, in the field of manufacturing diversification of products will be continued with a focus on non-oil steel pipes or general use - namely for use in the field of construction and manufacturing of electric poles - for the steel pipe business line, as well as focusing on passenger vehicle products and agricultural sector for precision casting and machining business lines

The Company continually enhances the quality of GCG implementation which is conducted in line with the Company values. For this, BNBR refers to the best practices in company business process, control, and standard operating procedures.

That being said, it is expected that the GCG principles that are of quality will help improve Company performance through better decision making processes, increase efficiency of operations, as well as improved services towards our shareholders.

The principles of GCG are applied through a structure which defines the relationship between every GCG organs, the relationship with the shareholders as well as stakeholders to ensure the balance and harmony between working performance and the Company's business sustainability.

During the year 2018, the Company underwent several activities and initiatives with the aim of improving the quality of GCG. One of the important activities includes Governance, Risk Management, and Compliance (GRC) day, a method of training and educating employees to become experts in GRC. The GRC day aims to disseminate and socialize the GRC related rules and regulations throughout the Company's subsidiaries.

The Company also assessed its GCG practices by participating in the CGPI Award, where the results are used as a platform to see where and how the company could improve Corporate Governance, other than that, the Company was one of 50 public listed companies that was scored by the Indonesian Institute for Corporate Directorship (IICD) for practicing GCG in accordance to the ASEAN CG Scorecard. During the CGPI Award, the Company obtained the title "Trusted Company" while as for the Annual Report Award, the Company earned 18th place on the Private Non-Financial Listed Company category, and based on the IICD Score, the Company obtained a score of 72.80 and was nominated in the Top 50 of Mid-Market Capitalization Public Listed Companies and was rewarded as "Best Role of Stakeholders MidCap 2018", which indicates that the Company has high responsibility towards its stakeholders.

CORPORATE SOCIAL RESPONSIBILITY

The Company's CSR programs aims to create an economic self-reliance among the communities around the Company's operational sites, enhancing their quality of life while at the same time maintaining environmental sustainability.

The Company alongside its subsidiaries launched several programs to help fulfill such aim, including: Peduli Untuk Negeri (social and religious sector), Cerdas Untuk Negeri (formal and non-formal sector), Sehat Untuk Negeri (health sector), Kemitraan Untuk Negeri (community development sector). Some of these programs are conducted in collaborations with various subsidiaries through one umbrella activity called Bakrie Untuk Negeri.

HUMAN RESOURCES MANAGEMENT

The human resourced development program of 2018 was implemented through various initiative programs and organizations, focusing on accelerating strategic achievements and decided business targets. Some of the initiative programs implemented were; the study of organizational design development based on the company's business model, HR planning, recruitment programs, performance management, remuneration management, HR system and procedures, leadership development programs and corporate culture development programs.

A number of programs were specifically designed to develop employee's capacity while working together with reputable universities such as Universitas Bakrie for the Bakrie Middle Management Development Program as well as the Bakrie General Manager Development Program.

COMPOSITION OF BOARD OF DIRECTORS

In 2018 the composition of the Company's Board of Directors underwent changes with the joining of Mr. Anindra Ardiansyah Bakrie into the Board of Directors. Therefore in accordance with the decision of the Annual General Meeting of Shareholders on April 27, 2018, the composition of the Company's Board of Directors is as follows:

President Director & CEO	: Bobby Gafur S. Umar
Vice President Director	: Anindra Ardiansyah Bakrie
Director & CFO	: A. Amri Aswono Putro
Director & CLO	: R. A. Sri Dharmayanti
Independent Director & CRO	: Dody Taufiq Wijaya

On behalf of the other members of the Board of Directors, I welcomed Mr. Anindra Ardiansyah Bakrie; I believe he will bring positive contribution to every business development plan of BNBR in the future.

CLOSING REMARKS

To close it off, the Board Of Directors and the entire Company's employees would like to thank the Board Of Commissioners, shareholders, and other stakeholders for their constant support throughout the years. We do hope that the performance for 2018 will always be improved for the upcoming years.

Jakarta, April 2019
On behalf of the Board of Directors
PT Bakrie & Brothers Tbk



Bobby Gafur S. Umar
Direktur Utama & CEO

A professional studio portrait of two men against a dark grey background. On the left, Dody Taufiq Wijaya stands with his hands in his pockets, wearing a dark suit jacket over a grey sweater and a light blue shirt. On the right, Bobby Gafur S. Umar is seated on a modern metal stool, wearing a dark blue blazer over a light blue shirt and dark jeans. Both men are smiling at the camera.

Dody Taufiq Wijaya
Independent Director

Bobby Gafur S. Umar
President Director & CEO

The Board of Directors



A. Amri Aswono Putro
Director

R.A. Sri Dharmayanti
Director

A. Ardiansyah Bakrie
Vice President Director

Bobby Gafur S. Umar

PRESIDENT DIRECTOR & CEO

Bobby Gafur S. Umar, an Indonesian nationality, was born in Jakarta, 1968 and obtained a Master of Business Administration (MBA) degree from the University of Arkansas, Little Rock, Arkansas, USA in 1995.

He holds the position of President Director & CEO of PT Bakrie & Brothers Tbk since June 2010, while previously was the President Director of PT Bakrie & Brothers Tbk (August 2002-March 2008). Beside his position as Commissioner of PT Bakrie Sumatera Plantations (July 2002-now), President Director/CEO of PT Bakrie Indo Infrastructure (March 2008- now), Managing Director/CEO of PT Bakrie & Brothers Tbk (June 2009-June 2010), Vice President Commissioner of PT Bakrie & Brothers Tbk (March 2008-June 2009), Director of PT Bakrie Sumatera Plantation Tbk (June 2000-August 2002), Director of PT Bakrie Pasaman Plantation Tbk (March-August 2002), Director of PT Agrowiyana (March 1998-August 2002), Manager of Restructurization and Project Acquisition of BSP (October 1997-February 1998), Assistant to the Chairman of the Bakrie Group (October 1995-February 1998).

Bobby Gafur S. Umar currently serves as the Board Member of Indonesian Engineers (2017-2022), ASEAN representative in Global Science and Innovation Advisory (GSIAC) International Council Advisory (GSIAC) International Council for the Prime Minister of Malaysia – Dato' Sri Mohd Najib bin Tun Haji Abdul Razak period 2016-2018, the Vice Chairman of Oil and Gas Energy of the Indonesian Chamber of Commerce and Industry (KADIN) (2015-2015), Vice Chairman of the Indonesian Public Listed Companies Association (AEI) for two periods of 2011-2017, Chairman of the Expertise Board of the Institution of Engineers Indonesia (PII) for the 2015-2018 executive term, Chairman of the Institution of Engineers Indonesia (PII) for the 2012-2015 executive term, Chairman of the ASEAN Federation of Engineering Organization (AFEO) for 2012-2013 executive term, and Chief of the Permanent Committee for the Infrastructural Development of the Indonesian Chamber of Commerce and Industry for the 2010-2015 executive term; after previously held the position of Assistant to the President of KADIN (1995-1998), Vice Chairman of GAPKI West Sumatera Branch (2001-2004), and Chief of the Plantation Sector of KADIN Jambi (2001-2006).



A portrait of A. Ardiansyah Bakrie, a man with short dark hair, wearing a grey textured blazer over a white shirt. He is sitting and looking directly at the camera with a slight smile. His hands are clasped in his lap, and he is wearing a watch on his left wrist.

A. Ardiansyah Bakrie

VICE PRESIDENT DIRECTOR

Anindra Ardiansyah Bakrie, an Indonesian nationality, born in Jakarta on 1979. Obtained Master of Business (MBA) degree from Bentley, McCallum Graduate School of Business, Waltham, Massachusetts, USA, on 2015 and Bachelor of Science (BSc) Business Administration degree from Georgetown University, McDonough School of Business, Washington, DC, USA, on 2001.

A. Ardiansyah Bakrie holds the position of Vice President Director of PT Bakrie & Brothers Tbk since April 2018. Currently he also holds the position as Vice President Director of PT Visi Media Asia Tbk since May 2017, Director of PT Bakrie Global Ventura since April 2012, President Commissioner of PT Lativi Mediakarya since March 2017, Commissioner of PT Cakrawala Andalas Televisi since March 2017, and President Commissioner of PT Viva Media Baru since March 2017.

Previously he held the position of President Director and CEO of PT Viva Media Baru (November 2013 – March 2017), President Director and CEO of PT Lativi Mediakarya (August 2011 – March 2017), Commissioner of PT Viva Media Baru (November 2008 – May 2012), and Commissioner of PT Asia Global Media (September 2009 – May 2012).

A portrait of A. Amri Aswono Putro, a middle-aged man with dark hair, a mustache, and glasses. He is wearing a dark blue suit jacket over a light-colored shirt. He is standing with his arms crossed and a slight smile. The background is a dark, textured wall.

A. Amri Aswono Putro

DIRECTOR

A. Amri Aswono Putro, an Indonesian nationality, was born in Yogyakarta in 1965 and earned a Bachelor degree in Civil Engineering from Gajah Mada University, Yogyakarta.

He has held the position of Director & Chief Financial Officer (CFO) since June 2015 and also holds the position of CFO at PT Bakrie Indo Infrastructure since 2012. He joined Bakrie Group in 2006 as Corporate Treasury Division Head at PT Bakrieland Development Tbk, he was then appointed as Director of PT Bakrieland Development Tbk for the period of 2011-2012. He has handled various infrastructure projects during his tenure in PT Bakrieland Development Tbk. Prior to joining Bakrie Group, he has 15 years of experience in banking and investment industry in a private national bank and other private institutions.

R.A. Sri Dharmayanti

DIRECTOR

Sri Dharmayanti, an Indonesian nationality, was born in Jakarta in 1962 and obtained her Master degree in Law from University of Indonesia.

She holds the position of Director since 2008. Currently, she also serves as Director of PT Bumi Resources Tbk, Commissioner of PT Arutmin Indonesia, Commissioner of PT Kaltim Prima Coal as well as member of the Board of the Indonesian Mining Association (API-IMA), member of Advisory Board of the Indonesian Coal Mining Association (APBI-ICMA), member of Advisory Board of the Indonesian Corporate Secretary Association (ICSA), member of the Assessment Team of Indonesia Public Listed Companies Association (AEI), Member of Association of Indonesian Mining Professional (PERHAPI), and Deputy Chairman for Coal Standing Committee (Mineral, Coal and Electricity Resources Sector) at Indonesian Chamber of Commerce and Industry (KADIN). Previously, she was General Manager-Legal of PT Arutmin Indonesia, after serving as Legal & General Affairs BHP Minerals Group in Indonesia.



A portrait of Dody Taufiq Wijaya, an Indonesian national, sitting on a wooden chair. He is wearing a dark suit jacket over a light blue shirt and a watch on his left wrist. He is smiling and looking towards the camera. The background is a dark, textured wall.

Dody Taufiq Wijaya

INDEPENDENT DIRECTOR

Dody Taufiq Wijaya, an Indonesian nationality, was born in Jakarta on October 1966 and earned an Accounting degree in 1993 from Indonesian State College of Accountancy (STAN), Jakarta and a Master of Commerce (M.Com) with Advanced Specialization in Accounting from the University of New South Wales (UNSW), Sydney Australia in 1998, he has also enrolled in "Driving Digital Strategy" short course at Harvard Business School - Executive Education, in Boston USA, in April 2018.

He was appointed as an Independent Director since June 2014; previously since 2010 he has held the position of Director. He has been the Chief Risk Officer (CRO) of the Company since June 2009 and started his career at the Company as the Internal Audit Manager (2002-2005). He was then appointed as Head of Risk Management & Internal Audit (2005-2008) and Vice President Project Support & Control at PT Bakrie Indo Infrastructure (2008-2009). He was an auditor for 15 years at several government agencies and institutions. Currently he held the position as Vice Chairman of the Standing Committee of Good Corporate Governance of KADIN Indonesia. He is also a Certified Internal Auditor (CIA) and a Chartered Accountant (CA), also a member of PRMIA, GARP, Indonesia Prima, the Institute of Internal Auditors (IIA), and the Association of Indonesian Accountants (IAI).

Statement of Responsibility for 2018 Annual Report

BOARD OF COMMISSIONERS AND DIRECTORS' STATEMENT ON THE RESPONSIBILITY FOR PT BAKRIE & BROTHERS TBK ANNUAL REPORT YEAR 2017.

We, the undersigned, hereby declare that all information disclosed in the 2017 Annual Report of PT Bakrie & Brothers Tbk is complete and we are fully responsible for the accuracy of such information.

Jakarta, April 2019,

BOARD OF COMMISSIONERS



Anindya N. Bakrie
President Commissioner



Firmanzah
Independent Commissioner



Armansyah Yamin
Commissioner

BOARD OF DIRECTORS



Bobby Gafur S. Umar
President Director & CEO



A. Ardiansyah Bakrie
Vice President Director



A. Amri Aswono Putro
Director



R.A. Sri Dharmayanti
Director



Dody Taufiq Wijaya
Independent Director

Management's Discussion & Analysis



Management's Discussion & Analysis

This financial performance discussion and analysis refers to the Company's Consolidated Financial Statements for the years ended December 31st, 2018 and 2017 attached to this Annual Report. The Consolidated Financial Statements are audited by Public Accounting Firm Y. Santosa & Rekan with their opinion that the consolidated financial statements present fairly in all material respects, the consolidated financial position of PT Bakrie & Brothers Tbk and its subsidiaries as of December 31st, 2018 and the consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

The understanding of description of the financial performance review is taking into account the disclosures in the notes to the Consolidated Financial Statements that represent as an integral part of this Annual Report.

Operating Review per Business Segment

The Company has two core business segments consist of manufacturing and infrastructure as well as trading, services and investment.

MANUFACTURING AND INFRASTRUCTURE SEGMENT AND FABRICATION AND CONSTRUCTION SERVICES SEGMENT

The Company earns a sustainable recurring income from its various manufacturing and fabrication and construction services business units. Whereas the infrastructure projects are currently developed as future income generator.

The Manufacturing and Infrastructure segment contributed nearly all of the Company's total revenue in 2018, or Rp 2.68 trillion. This revenue was generated by the Company's manufacturing business units in automotive component, building material and metal industry sectors.

The Fabrication and Construction Segment is one business lines of BNBR business unit, that it PT Bakrie Metal Industries. In 2018 this segment generated revenue totaling at Rp 538.35 billion.

Performance of Automotive Component Manufacturing Segment

BNBR carries out its automotive component business through its subsidiaries PT Bakrie Autoparts (BA), which was owned by BNBR through PT Bakrie Metal Industries (BMI) since November 23, 2018. BA was established as PT Bakrie Tosanjaya in 1975; currently BA supplies automotive components for OEM with major products among others are brake drum, flywheel, disc brake, hub and coupling housing. BA also has the capacity to perform general or non-automotive casting and has tapped into after sales spare parts market.

BA has five plant facilities with annual capacity of 33,000 ton casting and 2.5 million units precision machining. In 2018 BA reached production capacity of 80% and fulfilled orders from its various customers.

Performance of Building Material Manufacturing Segment

BNBR carries out its building material business through its subsidiaries PT Bakrie Building Industries (BBI). Established as a joint venture with an Australian company in 1976, BBI was one of the

pioneers of building material producer in Indonesia which provides Total Building Solution for domestic and international market. BBI products are high quality building material such as fiber cement for roof, ceiling and partition as well as wood substitution product.

BBI has four production facilities with capacity of 45 million stdm per year. Other than that, BBI also performs trading activity of building material products from Japan and Southeast Asia countries. During 2018 BBI started to shift its business by utilizing recent development in technology sector, while still rooted to its background as building material producer. BBI currently develops two new business lines, that are platform of provider of prefab houses as well as platform of logistic and distribution services, these two lines are expansion of BBI business process all this time. With regards to this business shifting from manufacturing into service provider, therefore BBI started reducing its production capacity and by end of 2018 total effective capacity of BBI is as much as 9.3 million Stdm.

Performance of Metal Industry Manufacturing and Fabrication and Construction Services Segment

BNBR carries out its business in metal industry through its subsidiaries PT Bakrie Metal Industries (BMI). BMI started its business in 1959 through its subsidiaries PT Bakrie Pipe Industries (BPI) by producing steel pipes for general use and later expanded to oil and gas sector. In 1984 BMI expanded its capacity by providing fabrication service for corrugated metal

and bridges, and then in 1985 BMI started its EPC business through its subsidiaries PT Bakrie Constructions (BC).

The annual capacity of BMI is 200 thousand ton of steel pipes for oil & gas and non-oil & gas sector, 20 thousand ton of non-oil & gas steel structure fabrication and 2.5 million man-hour of oil & gas steel structure fabrication. BMI also has extensive experience in handling EPC projects for various oil & gas and non-oil & gas construction. During 2018 every projects handled by BMI came from non-oil & gas sector.

Performance of Infrastructure Segment

BNBR carries out its infrastructure business through its subsidiaries PT Bakrie Indo Infrastructure (BIIN). Established in 2008, BIIN was a development of Infrastructure Division of PT Bakrie & Brothers Tbk. As a holding company with various infrastructure assets in Indonesia, BIIN utilizes its extensive experience in infrastructure field and regional expertise. BIIN's objective is to invest in lucrative and high-growth toll road, power, oil & gas, port, and telecommunication infrastructure projects.

Currently BIIN focuses on three major infrastructure projects, that are Coal Fired Steam Power Plant 2 x 660 MW Tanjung Jati A in West Java, Cimanggis-Cibitung 26.4km toll road in West Java, and Kaliya gas pipeline with phase 1 stretches 200 km at offshore North Java from Kepodang to Tambak Lorok, and phase 2 stretches 550 km from Bontang, East Kalimantan to Takisung, South Kalimantan.

Operational Performance of Manufacturing and Metal Fabrication and Construction Services by Segment

DESCRIPTION	UNIT	2017 TOTAL	2018			2018 / 2017		2019 TARGET
			TARGET	REALIZATION	% TO TARGET	DIFFERENCE	INCREASE / DECREASE 2018:2017 (%)	
A. Production Volume								
Automotive Components Manufacturing Segment								
Forging	Ton	31,906	28,701	31,461	109.6%	(445)	-1.4%	30,912
Precision Machining	Piece	2,628,515	3,202,722	3,224,668	100.7%	596,153	22.7%	3,400,934
Building Material Manufacturing Segment								
Fiber Cement Roof	Metric Ton	16,550	16,962	6,605	38.9%	(9,945)	-60.1%	15,203
Fiber Cement Board	Metric Ton	8,812	5,667	2,726	48.1%	(6,086)	-69.1%	774
Metal Industry Manufacturing and Fabrication and Construction Services Segment								
Oil & Gas Steel Pipe	Ton	30,029	47,185	41,089	87.1%	11,060	36.8%	45,899
Non-Oil&Gas Steel Pipe	Ton	31,534	57,255	33,804	59.0%	2,270	7.2%	54,674
Steel Structure Fabrication - Non Oil & Gas	Ton	3,365	19,291	6,712	34.8%	3,347	99.5%	22,311

B. Sales Volume**Automotive Components Manufacturing Segment**

Sales to OEM	Ton	23,817	23,693	22,822	96.3%	(995)	-4.2%	23,958
Replacement Spare Parts Market	Ton	573	1,889	701	37.1%	128	22.3%	1,889
General Casting	Ton	4,182	4,325	4,232	97.8%	50	1.2%	4,219
Export	Ton	472	246	377	153.3%	(95)	-20.1%	88

Building Material Manufacturing Segment

Fiber Cement Roof	Metric Ton	16,883	16,671	7,764	46.6%	(9,119)	-54.0%	15,203
Fiber Cement Board	Metric Ton	5,836	5,552	1,211	21.8%	(4,625)	-79.3%	774

Metal Industry Manufacturing and Fabrication and Construction Services Segment

Oil & Gas Steel Pipe	Ton	29,111	44,350	34,170	77.0%	5,059	17.4%	45,035
Non-Oil&Gas Steel Pipe	Ton	36,437	54,000	40,170	74.4%	3,733	10.2%	53,950
Trading of Steel Products	Ton	11,962	2,000	18,468	923.4%	6,506	54.4%	6,900
Steel Structure Fabrication - Non Oil & Gas	Ton	4,437	19,291	10,716	55.5%	6,279	141.5%	22,311

Net Sales of Manufacturing and Metal Fabrication and Construction Services by Segment

DESCRIPTION	UNIT	2017 TOTAL	2018			2018 / 2017		2019 TARGET
			TARGET	REALIZATION	% TO TARGET	DIFFERENCE	INCREASE / DECREASE 2018:2017 (%)	
Automotive Components Manufacturing Segment								
Sales to OEM	Rp mio	628,116	602,806	699,313	116.0%	71,197	11.3%	659,887
Replacement Spare Parts Market	Rp mio	9,846	34,666	15,006	43.3%	5,160	52.4%	38,014
General Casting	Rp mio	72,213	103,190	95,533	92.6%	23,320	32.3%	94,278
Export	Rp mio	10,247	5,406	8,767	162.2%	(1,480)	-14.4%	8,673
Building Material Manufacturing Segment								
Fiber Cement Roof	Rp mio	218,897	283,869	135,430	47.7%	(83,467)	-38.1%	274,457
Fiber Cement Board	Rp mio	197,295	88,774	21,067	23.7%	(176,228)	-89.3%	15,210
Metal Industry Manufacturing and Fabrication and Construction Services Segment								
Oil & Gas Steel Pipe	Rp mio	587,685	873,139	839,243	96.1%	251,559	42.8%	962,916
Non-Oil&Gas Steel Pipe	Rp mio	479,265	721,704	597,352	82.8%	118,086	24.6%	803,176
Trading of Steel Products	Rp mio	68,556	9,400	196,779	2093.4%	128,223	187.0%	20,010
Steel Structure Fabrication - Oil & Gas	Rp mio	82,500	356,623	235,163	65.9%	152,663	185.0%	425,974
Steel Structure Fabrication - Non Oil & Gas	Rp mio	58,500	424,397	289,320	68.2%	230,820	394.6%	695,906
EPC Service	Rp mio	1,000	121,887	13,866	11.4%	12,866	1286.6%	

TRADING, SERVICES AND INVESTMENT SEGMENT

The Company also earns revenues from Trading, Services and Investment Segment which comprise of trading of fuel, management and consultation services and making investment in other companies in the form of equity participation, establish or acquire stocks of other companies both directly and indirectly, trading marketable securities and other investment activities.

In 2018 Trading, Services and Investment segment contributes 3.7% of the Company's total revenue, or Rp 122.67 billion. The majority of that sum was contributed by investment activities.

Review of Financial Performance

NET REVENUES

In 2018 the Company booked total net revenues of Rp 3.34 trillion, or increased by 16.0% compared to net revenues of 2017.

Manufacturing and infrastructure sector recorded 16.0% increase of net revenues, this was mainly attributed to condusive macro economic conditions during 2018 that play significant role to Bakrie Autoparts and Bakrie Pipe Industries, namely the commodity sector and oil & gas industry.t

While trading, services and investment sector net revenues increased sharply as a result of sale of investment in shares trading in 2018.

Net Revenues by Operating Segment

DESCRIPTION	UNIT	2017		2018		2018/2017	
		TOTAL	% TO TOTAL SALES	TOTAL	% TO TOTAL SALES	DIFFERENCE	INCREASE / DECREASE 2018:2017 (%)
Manufacturing and Infrastructure	Rp mio	2,310,069	93.9%	2,679,436	80.2%	369,367	16.0%
Trading, Services and Investment	Rp mio	7,693	0.3%	122,666	3.7%	114,973	1494.5%
Fabrication and Construction Services	Rp mio	141,974	5.8%	538,349	16.1%	396,375	279.2%
CONSOLIDATED	Rp mio	2,459,736	100.0%	3,340,451	100.0%	880,715	35.8%

COST OF REVENUES

In 2018 the Company recorded an increase of cost of revenues at 30.1%, resulting in a total of Rp 2.66 trillion compared to 2017 total cost of revenues of Rp 2.05 trillion.

Cost of revenues for manufacturing and infrastructure segment increased by Rp 357.24 billion, this was inline with the increase of demand for products of Company's manufacturing subsidiaries.

Major increase of cost of revenues in fabrication and construction services segment was for raw material

procurement, totaling at Rp 312.27 billion in 2018. This was due to increasing number of projects handled by BMI.

While in the trading, services and investment segment increase of cost of revenues was caused by increase of activities in the services sector.

Detailed cost of revenues by operating segment were as follows:

Cost of Revenues by Operating Segment

DESCRIPTION	UNIT	2017 TOTAL	2018 TOTAL	2018/2017	
				DIFFERENCE	INCREASE / DECREASE (%)
Infrastructure and manufacturing					
Raw material	Rp Mio	1,033,801	1,822,282	788,481	76.3%
Direct Labor	Rp Mio	164,519	158,632	(5,887)	-3,6%
Overhead	Rp Mio	578.058	413.186	(164.872)	-28.5%
Total production costs	Rp Mio	1.776.378	2.394.100	617,721	34.8%
Work in process - Beginning	Rp Mio	89,205	64,491	(24,714)	-27.7%
Work in process - Ending	Rp Mio	(64,491)	(120,125)	(55,634)	86.3%
Finished goods - Beginning	Rp Mio	288,552	302,732	14,180	4.9%
Finished goods - Ending	Rp Mio	(302,732)	(497,046)	(194,314)	64.2%
Total infrastructure and manufacturing	Rp Mio	1,786,914	2,144,153	357,239	20.0%
Trading, services and investment					
Service and installation costs	Rp Mio	26,328	42,181	15,853	60.2%
Fabrication and Construction Services					
Raw material	Rp Mio	119,172	312,272	193,100	162.0%
Subcontractors	Rp Mio	49,213	90,873	41,660	84.7%
Direct Labor	Rp Mio	56,229	48,639	(7,590)	-13.5%
Others	Rp Mio	9.882	26.770	16.888	170.9%
Total Cost of Revenues	Rp Mio	2,047,736	2,664,887	617,151	30.1%

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

In 2018 the Company booked increase of selling, general and administrative expenses as much as 14.3%, increased to Rp 591.42 billion compared to 2017 total of Rp 517.58 billion.

The largest increase occurred in general and administrative expenses, which rose by Rp 55.80 billion.

Selling, General and Administrative Expenses

DESCRIPTION	UNIT	2017 TOTAL	2018 TOTAL	2018/2017	
				DIFFERENCE	INCREASE / DECREASE (%)
Selling expenses	Rp mio	99,461	107,784	8,323	8.4%
Personnel expenses	Rp mio	253,125	262,837	9,712	3.8%
General and administrative expenses	Rp mio	164,991	220,796	55,805	33.8%
Total Selling, General and Administrative Expenses	Rp mio	517,577	591,417	73,840	14.3%

OPERATING INCOME / (LOSS)

In 2018 the Company recorded operating profit as much as Rp 84.15 billion, an improvement if compared to 2017 total operating loss of Rp 105.58 billion.

OTHER INCOME (EXPENSES)

In 2018 the Company booked an increase of net other expenses as much as 18.9%, rose to Rp 1.29 trillion compared to Rp 1.09 trillion in 2017.

The biggest contributor to the increase of other expenses is loss on foreign exchange totaling at Rp 708.62 billion in 2018..

Other Income/(Expenses)

DESCRIPTION	UNIT	2017 TOTAL	2018 TOTAL	2018/2017	
				DIFFERENCE	INCREASE / DECREASE (%)
Share in net income (loss) of associated and jointly controlled entities	Rp Mio	137,874	173,213	35,339	25.6%
Gain on divestment	Rp Mio	(4,082)	121,174	125,256	3068.5%
Fair value changes of derivatives - net	Rp Mio	(594,970)	(524,027)	70,943	11.9%
Interest and financial expenses	Rp Mio	(420,810)	(349,995)	70,815	16.8%
Tax expenses	Rp Mio	(60,764)	(31,572)	29,192	48.0%
Write-off and provision for impairment of receivables	Rp Mio	(59,602)	(14,959)	44,643	74.9%
Gain (loss) on foreign exchange - net	Rp Mio	(54,009)	(708,617)	(654,608)	-1212.0%
Musarakah sharing expense	Rp Mio	(5,554)	(7,403)	(1,849)	33.3%
Murabahah Expense	Rp Mio	(7,663)	(5,608)	2,055	26.8%
Others	Rp Mio	(19,422)	52,962	72,384	372.7%
Total Other Expenses	Rp Mio	(1,089,002)	(1,294,832)	(205,830)	-18.9%

INCOME (LOSS) BEFORE INCOME TAX BENEFIT (EXPENSE)

The company booked loss before income tax expense amounted to Rp 1.21 trillion in 2018, which did not differ much if compared to loss before income tax expense amounted to Rp 1.19 trillion in 2017.

INCOME TAX BENEFIT/(EXPENSE)

The company booked income tax expense amounted to Rp 39.53 billion in 2018, increase if compared to the account in 2017 which totaled at Rp 13.08 billion. This was inline with increase of Company revenue in 2018.

Beban Pajak Penghasilan

DESCRIPTION	UNIT	2017 TOTAL	2018 TOTAL	2018/2017	
				DIFFERENCE	INCREASE / DECREASE (%)
Current tax	Rp juta	(33,374)	(55,869)	(22,495)	67.4%
Deferred tax	Rp juta	20,297	16,341	(3,956)	-19.5%
Total Income Tax Expense - Net	Rp juta	(13,077)	(39,528)	(26,451)	202.3%

NET INCOME (LOSS)

The company booked a net loss of Rp 1.25 trillion in 2018, a decline if compared to net loss of Rp 1.21 trillion recorded in 2017.

OTHER COMPREHENSIVE INCOME (LOSS)

Other comprehensive incomes (expenses) consist of incomes and expenses which are not recognized in comprehensive income (loss) statement but affected equity, thus recorded as a component of equity. Other comprehensive income (loss) is divided into two posts, namely posts that will be reclassify as profit (loss) and posts that will not be reclassified as profit (loss). The Company has balance of other comprehensive incomes as required by Financial Accounting Standard (FAS).

The Company's other comprehensive incomes (loss) consist of share in other comprehensive income of associated and jointly controlled entities, realized gain on available-for-sale securities, exchange rate differences due to financial statements translation, available-for-sale financial asset, remeasurement of defined benefit pension plan, and income tax on items in other comprehensive income. The Company recorded other comprehensive losses in 2018 as much as Rp 73.45 billion, a decline if compared to other comprehensive loss recorded in 2017 as much as Rp 8.10 billion.

The Company booked other comprehensive losses mainly due to realized gain on available-for-sale securities totaling at Rp 121.17 billion.

Other Comprehensive Income (Loss)

DESCRIPTION	UNIT	2017 TOTAL	2018 TOTAL	2018/2017	
				DIFFERENCE	INCREASE / DECREASE (%)
Share in other comprehensive income of associated and jointly controlled entities	Rp mio	25,745	16,985	(8,760)	-34.0%
Realized gain on available-for-sale securities	Rp mio	-	(121,174)	(121,174)	N/A
Exchange differences due to financial statement translation	Rp mio	(3,747)	(22,953)	(19,206)	-512.6%
Net change in fair value of available-for-sale financial asset	Rp mio	(175)	(1,604)	(1,429)	-816.6%
Items that will not be reclassified to profit or loss					
Remeasurement of defined benefit pension plan	Rp mio	(37,665)	67,135	104,800	+278.2%
Income tax on items in other comprehensive income	Rp mio	7,737	(11,839)	(19,576)	-253.0%
Other Comprehensive Income - Net of Tax	Rp mio	(8,105)	(73,450)	(65,345)	-806.2%

TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS OF PARENT AND NON-CONTROLLING INTEREST

Upon the calculation of profit/loss, then, in 2018 the Company recorded the comprehensive loss attributable to Owner of Parent and Non-Controlling Interest in the amount of Rp 1.32 trillion.

Balance Sheets Highlight

DESCRIPTION	UNIT	2017 TOTAL	2018 TOTAL	2018/2017	
				DIFFERENCE	INCREASE / DECREASE (%)
Current Assets	Rp mio	2,641,146	10,385,139	7,743,993	293.2%
Non-Current Assets	Rp mio	4,632,018	3,949,969	(682,049)	-14.7%
Total Assets	Rp mio	7,273,164	14,335,108	7,061,944	97.1%
Short Term Liabilities	Rp mio	11,729,315	10,667,572	(1,061,743)	-9.1%
Long Term Liabilities	Rp mio	926,143	988,497	62,354	6.7%
Total Liabilities	Rp mio	12,655,458	11,656,069	(999,389)	-7.9%

CURRENT ASSETS

In 2018 the Company recorded Rp 10.38 trillion of current assets, a significant increase compared to Rp 2.64 trillion in 2017. This was mainly due to increase of short term investment made by Fitzroy Offshore Ltd, further elaboration regarding this transaction is discussed in sub chapter Information for Investors in the Good Corporate Governance of this Annual Report.

NON-CURRENT ASSETS

The company recorded 14.7% decrease of non-current assets to Rp 3.95 trillion in 2018 compared to Rp 4.63 trillion in 2017. Largest decrease was contributed by fixed assets which decreased by Rp 835.85 billion.

TOTAL ASSETS

In 2018 the Company booked total assets amounted to Rp 14.34 trillion, increased by 97.1% compared to Rp 7.27 trillion recorded in 2016. This was due to the significant increase occurred in current assets.

SHORT-TERM LIABILITIES

In 2018 total short-term liabilities of the Company decreased by 9.1% compared to 2017, from Rp 11.73 trillion in 2017 to Rp 10.67 trillion in 2018.

LONG-TERM LIABILITIES

In 2018 the Company recorded long-term liabilities amounted to Rp 988.50 billion, increased by 6.7% from Rp 926.14 billion in 2017.

TOTAL LIABILITIES

In 2018 total liabilities of the Company decreased by 7.9% from Rp 12.66 trillion in 2017 to Rp 11.66 trillion in 2018.

TOTAL EQUITY

The Company total equity was Rp 2.68 trillion in 2018, an improvement compared 2017 equity deficiency which amounted to Rp 5.38 trillion. This improvement was due to Company's debt restructuring effort through MCB (Mandatory Convertible Bond) issuance.

Total Equity

DESCRIPTION	UNIT	2017 TOTAL	2018 TOTAL	2018/2017	
				DIFFERENCE	INCREASE / DECREASE (%)
Equity attributable to owners of the Parent	Rp Mio	13,254,241	14,189,464	935,223	7.1%
Additional paid-in capital - netto	Rp Mio	(1,395,308)	(1,395,308)	-	0.0%
Mandatory convertible bonds	Rp Mio	1,037,497	9,486,524	8,449,027	814.4%
Other capital reserves	Rp Mio	372,636	301,167	(71,469)	-19.2%
Deficit (Deficit of Rp27.7 trillion as of June 30, 2011 was eliminated in connection with quasi-reorganization)	Rp Mio	(18,634,952)	(19,895,922)	(1,260,970)	-6.8%
Sub-total	Rp Mio	5,365,886	2,685,925	8,051,811	-150.1%
Non-controlling Interest	Rp Mio	(16,408)	(6,886)	9,522	58.0%
Total (Deficiency) Equity	Rp Mio	(5,382,294)	2,679,039	8,061,333	149.8%

CASH FLOWS

During 2018 Company's operational activities were relatively stable if compared with 2017, therefore the Company recorded net cash flow provided operating activities in 2018 totaling at Rp 123.88 billion, the changes was insignificant if compared to net cash flow used for operating activities in 2017 which amounted to Rp 123.04 billion.

Cash flow used in investing activities during 2018 was as much as Rp 99.91 billion, an increase compared to cash flow used in investing activities during 2017 which amounted to Rp 75.75 billion. Cash flow used in investing activities increased due to Company's payment for acquisition of fixed assets in 2018.

Net cash used in financing activities during 2018 was as much as Rp 29.70 billion, decreased compared 2017 which recorded cash used in financing activities as much as Rp 72.30 billion. Largest contribution was due to decrease of payments for Company's -short term loans.

Cash Flows

DESCRIPTION	UNIT	2017 TOTAL	2018 TOTAL	2018/2017	
				DIFFERENCE	INCREASE / DECREASE (%)
Net Cash Flows Provided from (Used in) Operating Activities	Rp mio	123,043	123,882	839	0.7%
Net Cash Flows Provided by (Used in) Investing Activities	Rp mio	(75,754)	(99,907)	(24,153)	-31.9%
Net Cash Flows Provided by (Used in) Financing Activities	Rp mio	(72,301)	(29,698)	42,603	58.9%
Effect of exchange rate changes on cash and cash equivalent	Rp mio	3,597	252	(3,345)	-93.0%
Cash and Cash equivalent at beginning of year	Rp mio	145,763	124,348	(21,415)	-14.7%
Cash and Cash Equivalents at End of Year	Rp mio	124,348	118,877	(5,471)	-4.4%

Liabilities Servicing and Receivables Collectability

LIABILITIES SERVICING (SOLVENCY)

The Company's solvency can be analyzed by three relevant financial ratios – solvency ratio, liquidity ratio, and collectability ratio, as detailed in the following tables.

Solvabilitas

DESCRIPTION	UNIT	2017 TOTAL	2018 TOTAL	2018/2017	
				DIFFERENCE	INCREASE / DECREASE (%)
Total Liabilities to Equity Ratio	Multiple	(2.35)	4.35	6.70	285.04%
Total Liabilities to EBITDA Ratio	Multiple	(388.48)	33.04	421.52	108.50%
EBITDA to Interest Expense Ratio	Multiple	0.97	(0.08)	(1.05)	-107.72%
Total Liabilities to Total Assets Ratio	Multiple	1.74	0.81	(0.93)	-53.27%

RECEIVABLES COLLECTABILITY

Company collecting period improved from 229 days in 2017 to 168 days in 2018.
Account receivables turnover also improved to 2.14 in 2018 compared to 1.57 in 2017.

Collectability

DESCRIPTION	UNIT	2017 TOTAL	2018 TOTAL
Collection Period	Day	229	168
Account Receivables Turnover	Multiple	1.57	2.14

Capital Structure and Capital Structure Policy

The Company's capital structure in 2018 consisted of 81.3% liabilities and 18.7% equity. The Company's liabilities were mainly used to increase the Company's funding needs in financing the business development activities, working capital needs as well as to cover capital deficiency.

The Company's equity was entirely used to finance business development activities and to cover business risks. The Company's equity in 2017 recorded negative balance due to accumulation of net loss for the year and rebounded to positive equity in 2018 as a result of debt restructuring efforts carried out during 2018.

Capital Structure

DESCRIPTION	UNIT	2017		2018	
		TOTAL	% TO CAPITAL	TOTAL	% TO CAPITAL
Short-Term Liabilities	Rp mio	11,729,315	161.27%	10,667,572	74.42%
Long-Term Liabilities	Rp mio	926,143	12.73%	988,497	6.90%
Total Liabilities	Rp mio	12,655,458	174.00%	11,656,069	81.31%
Equity	Rp mio	-5,382,294	-74.00%	2,679,039	18.69%
Total Liabilities and Equity	Rp mio	7,273,164		14,335,108	

CAPITAL STRUCTURE POLICY

The Company established the policies of capital structure with a view to preserving the balance between the use of the composition of equity to loan / debt consists of short-term debt and long-term debt in order to maximize the value of the Company. The Company seeks to maintain capital structure to fit or do not exceed the financial covenant as required by loan agreement with the creditors.

The Company's capital structure policies which are implemented are:

- Capital structure should be able to balance financial risk with the rate of return to enhance the value of the Company, by:
 - Taking into account the use of scale and structure of debts that bear financial obligations (interest rate) and affect the liquidity of the Company.
 - Optimizing return of equity to increase earnings per share.
- The capital structure is reviewed by evaluating the relationship between financial leverage, the value of the company, and cost of capital in order to achieve financial trade-off that can be justified.
- Capital structure needs to be optimized by managing the combination of debt and equity that maximizes the value of the Company.

Material Commitment for Capital Expenditure

There was no material commitment for capital investment in 2018.

Capital Expenditure

The investment policy of BNBR and its subsidiaries focuses on business sustainability and achievement of company's long term plan.

In 2018 BNBR and its subsidiaries spent Rp111,2 billion for capital expenditure which comprised of land & buildings improvements of Rp14,26 billion, machinery & equipment of Rp77,26 billion, transportation equipment of Rp5.62 billion, office furniture & fixture of Rp1.90 billion, and construction in progress on machinery & equipment of Rp12,16 billion.

2018 Company's Target Compared to Actual Performance

Achievement of 2017 target was also monitored through average selling price and infrastructure projects completion as described in the following tables.

Average Selling Price

DESCRIPTION	NOTE	2017 TOTAL	2018			2018 / 2017		2019 TARGET
			PRICE TARGET	PRICE REALIZATION	% TO TARGET	DIFFERENCE	INCREASE / DECREASE (%)	
Average Selling Price								
Automotive Components Manufacturing Segment								
Sales to OEM	Rp '000/ton	26,373	25,442	30,642	120.4%	4,269	16.2%	30,148
Replacement Spare Parts Market	Rp '000/ton	17,183	18,352	21,407	116.6%	4,223	24.6%	21,854
General Casting	Rp '000/ton	17,267	23,859	22,574	94.6%	5,307	30.7%	24,338
Export	Rp '000/ton	21,728	21,976	23,255	105.8%	1,527	7.0%	24,974
Building Material Manufacturing Segment								
Fiber Cement Roof	Rp '000/stdm	12,966	17,028	17,443	102.4%	4,477	34.5%	18,053
Fiber Cement Board	Rp '000/stdm	33,809	15,991	17,402	108.8%	(16,407)	-48.5%	19,651
Metal Industry Manufacturing Segment								
Oil & Gas Steel Pipe	Rp '000/ton	20,188	19,687	24,561	124.8%	4,373	21.7%	21,381
Non-Oil&Gas Steel Pipe	Rp '000/ton	13,153	13,365	14,871	111.3%	1,717	13.1%	14,887
Trading of Steel Products	Rp '000/ton	5,731	4,700	10,655	226.7%	4,924	85.9%	2,900

Infrastructure Projects Completion

DESCRIPTION	COMPLETION STAGE		
	2017	2018	TARGET 2019
Steam Power Plant 2 x 660 MW Tanjung Jati A	Appoint EPC contractor, complete remaining land acquisition for switching station and transmission line, and financial close.	2nd PPA amendment is effective and reach financial close.	Acquire remaining land for transmission line, financial close followed by down payment for EPC
Cimanggis-Cibitung Toll Road 26.4 km	Focus on completing the construction of Phase I A spanning 3.17km and commence land acquisition in Bogor Regency.	Continue constructing section 1A, land acquisition for section 1B and 2 along with soil treatment on land already acquired	Operate section 1A, continue land acquisition and constructing section 1B and 2
Kalija Gas Pipeline	Continue normal pipeline operation according to GTA.	Continue normal pipeline operation according to GTA.	Continue normal pipeline operation according to GTA.

Material Event and Information Subsequent to the Accountant's Reporting Date

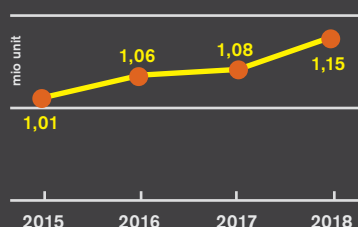
On February 27, 2019, the Company issued new 91,076,480 series D shares with a nominal value of Rp500 per share to OL Master Limited, as a holder of MCB, issued by the Company through Non Pre-emptive Right mechanism.

Company's Business Prospect

Majority of macro indicators of BNBR subsidiaries' business shown positive signals during 2018.

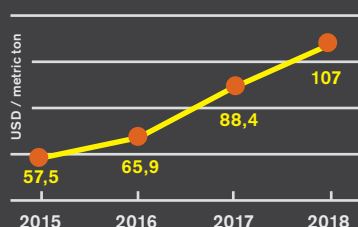
Bakrie Autoparts

ANNUAL DOMESTIC CAR SALES



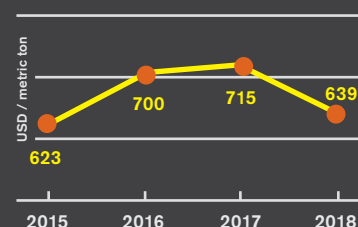
Car sales in Indonesia increased to 1.15 million units in 2018 with sales composition of 77% passenger vehicle segment and 23% commercial vehicle segment.

COAL PRICE AUSTRALIA (AVERAGE SPOT)



Coal price increased by 21% in 2018 which partly due to increase of coal consumption in China and India

CPO PRICE



Crude Palm Oil (CPO) price experienced a decrease in 2018 due to increase of CPO production.

Bakrie Autoparts (BA) main sales are components for commercial vehicle, which contributed up to 85% of total sales tonnage in 2017. BA has been trusted as component supplier for two major OEM in Indonesia, namely Mitsubishi and Hino. This reinforced BA's performance in commercial vehicle segment.

Commodity market which has been the backbone of commercial vehicle segment has experienced a noteworthy recovery in 2018 as reflected in BA performance improvement. However BA continued its effort to tap into passenger vehicle and aftersales market in order to support its business sustainability.

Other than that BA will also boost its sales in non-automotive segment (general casting) in the coming years. BA's current customer profile has also include various agricultural and heavy equipment producers, right now BA is actively prospecting partnership with other producers in order to expand this market segment.

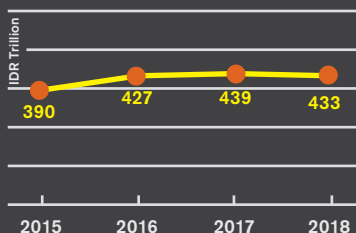
In 2018 BA initiated electric vehicle development in the form of bus through its cooperation with BYD Auto Co. Ltd (BYD), a world renowned electric vehicle company from China which products have been used in over 200 cities and 50 countries across the globe. This cooperation was established through signing of memorandum of understanding on April 13, 2018 in Beijing as witnessed by Coordinating Minister of Maritime Affairs of Republic of Indonesia.

BA planned to develop a new business as environmentally friendly transportation solution provider through deployment of electric buses in various cities in Indonesia with technological support from BYD; BA will also gradually increase the local content of the electric buses.

This business expansion of BA in the electric vehicle sector was intended to create a new market for BA products by utilizing recent technology development and the global automotive industry trend which currently shifts its focus on electric vehicle development.

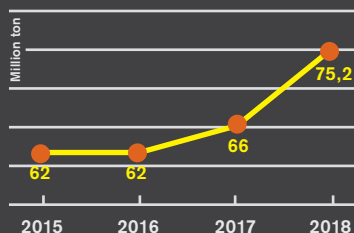
Bakrie Building Industries

VALUE OF DOMESTIC CONSTRUCTION COMMENCEMENT



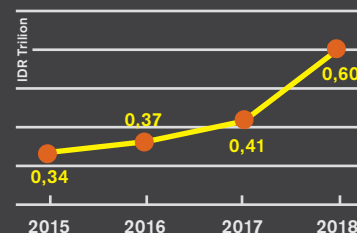
National construction market is predicted to increase by 3% in 2018 y-o-y with total value of Rp 451 trillion.

NATIONAL CEMENT DEMAND



National cement consumption increased in 2017 supported by infrastructure projects development.

OUTSTANDING OF HOUSING OWNERSHIP LOAN



Disbursement of Housing Ownership Loan (KPR) is predicted to increase due to Ministry of Public Work and Housing (Kemenpupera) plan to provide subsidized KPR up to Rp 7.1 trillion in 2019.

During 2018 BBI carried out endeavor to explore new business lines by utilizing recent development in technology sector, while still rooted to its background as building material producer. There are two new business lines currently being developed by BBI, the first one is provider of prefab houses, and the second one is logistic and distribution services provider, both lines are expansion of BBI business process all this time.

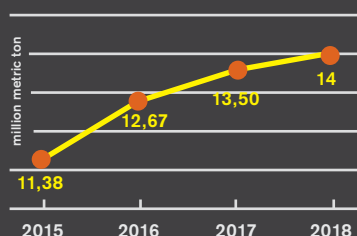
Prefab houses are houses built in modules through production of the houses components prior to construction process, resulting in a much shorter construction time compared to conventional houses. Application of technology will be performed to development of digital platform which will ease customers of BBI in selecting and modifying their houses design according to their taste and budget based on options of prefab house components produced by BBI.

BBI also planned to develop digital platform for logistic and distribution business line, through its subsidiary, PT Bangun Bantala Indonesia, BBI will become a 4 PL logistic services provider which caters to business-to-business segment. Utilization of digital technology will enables customers to perform real time monitoring of the logistic fleet movement and performance; hence customers will receive optimum service with efficient cost. This digital platform will also facilitate PT Bangun Bantala Indonesia to reach a bigger market with various building and non-building material products. During the period of 2013 – 2017 logistic market growth in Indonesia experiencing compounded annual growth rate (CAGR) of 11.7%, larger if compared to other ASEAN countries¹.

¹ Source: Indonesian Logistics and Forwarder Associations

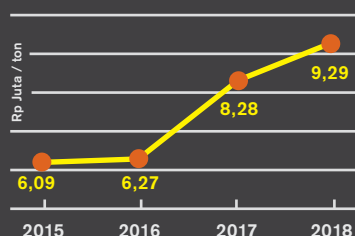
Bakrie Metal Industries

NATIONAL STEEL CONSUMPTION



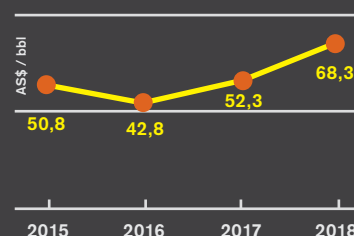
National steel consumption increased by 7% in 2017 and forecasted to increase in the range of 6-7% in 2018.

HOT ROLLED COIL STEEL PRICE (AVERAGE)



Hot Rolled Coil steel price is predicted to further rise in 2018 as a result of the government of USA's plan to impose higher tariff on steel import.

CRUDE OIL PRICE (AVERAGE)



Crude oil price shown improvement in 2017 with an increase of 23% and projected to further increase to US\$ 58 per barrel.

BMI businesses that are related to oil & gas industry such as oil & gas pipes and offshore construction experienced a steep decline since 2017. Although crude oil price has shown its recovery in 2017, which effect was shown through the increase of oil & gas pipes sales during 2017, it is believed that the recovery rate won't allow immediate rebound to its glory days. In light of this forecast BMI continued its plan to expand its non-oil & gas business.

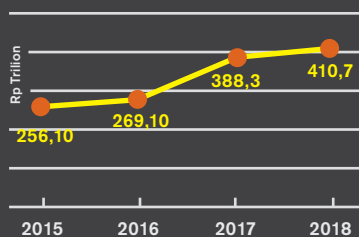
In the near future BMI will focus on expanding its EPC segment and taking part in the numerous infrastructure development project planned by the Government of Indonesia.

As for Bakrie Pipe Industries (BPI), BMI's subsidiaries that produces steel pipes, it will strengthen its position in the non-oil & gas market by expanding its production capacity of general pipes; BPI has also started tapping into new market by producing electric poles for State Electricity Company (PLN) needs. BPI also continued its effort to increase operating margin by establishing pipe coating facility in its factory area.

Bakrie Indo Infrastructure

INFRASTRUCTURE SPENDING IN STATE BUDGET

Funding needs to fulfil infrastructure development target in the period of 2015-2019 is predicted to reach Rp 4,796 trillion.

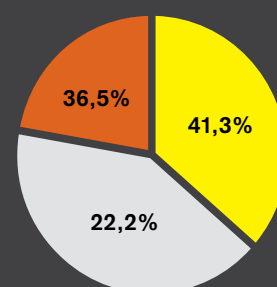


INDONESIA'S INFRASTRUCTURE INVESTMENT REQUIREMENT

2015 - 2019 *

Private sector participation is put into budget by as much as 36.5% from the total investment requirement.

■ APBN & APBD
■ BUMN
■ Swasta



Development of basic infrastructure and connectivity has become one of the mandates of National Medium Term Development Plan 2015 – 2019 of Republic of Indonesia.

Electrification ratio target in 2019 is set to reach 99.9. In order to achieve it the Government has announce accelerated development program of 35,000 MW, Private sector participation is expected higher than the Government. Based on RUPTL PLN 2019-2028, PLN believes that can develop 29% from the total capacity of 35,000 MW, so the 71% are expected can be built by Private Sector, or equivalent with 24,8 GW. In addition the Government has also opened a wider participation opportunity for private sector that previously has build and operate power plant.

The Company through its subsidiary, Bakrie Power (BP), has a considerably large prospect to further develop the capacity of PLTU Jawa-3, or Tanjung Jati Power Plant (2 x 660 MW) which will soon enter its construction stage. Furthermore, BP will also participate in other tenders that are parts of the aforementioned Government project. BP has targeted to develop renewable energy (EBT) power plant, until currently BP has succeeded in developing solar power plant in Flores Timur, Alor, Maluku and Jakarta with total capacity of 735 KWp. This direction of BP business is in line with the initiative of Government of Indonesia which targeted 23% portion of renewable energy out of total energy mix in 2025.2

Meanwhile one of the connectivity targets is the development of 2,650 km new road, 1,000 toll road and 46,770 km existing road maintenance. The Government has constructed a plans for general toll road network system, included in it were toll roads that are approved by the Minister as general guidance in constructing the toll road network; the authority of toll road management rests with the Government with several authorities comprising of regulating, managing and supervising of toll roads delegated to the Indonesia Toll Road Authority (Badan Pengatur Jalan Tol / BPJT). At the macro stage of toll road business the Government also provides opportunity for other non-Government and non-BPJT related Business Entity to propose toll road development initiative based on study of connectivity needs and business prospect as conducted by the aforementioned Business Entity.

Various business prospects that rise along with the Government's commitment to accelerate infrastructure development are captured by the Company through its subsidiary, Bakrie Indo Infrastructure (BIIN). With diversified assets portfolio, BIIN is positioned to develop, own and operate several lucrative and financially sound infrastructure projects in Indonesia. BIIN's short term projects are targeted at Indonesia's main development needs: toll road, electricity and gas pipe network. Currently BIIN has the rights to build and operate Kalija gas pipeline stretching 550 km from East Kalimantan to South Kalimantan, which is set to realize after availability of natural gas resource in East Kalimantan is confirmed.

Marketing of Company's Product and Service

Operating units of BNBR actively implement their marketing strategy in order to achieve target sales. In majority the marketing activity is carried out through two methods: Business-to-Business (B2B) and Business-to-Consumer (B2C).

B2B marketing is carried out by Bakrie Autoparts (BA) for products supplied to OEM (Original Equipment Manufacturer) and by Bakrie Metal Industries (BMI) for services in metal construction project and oil & gas products such as large diameter pipes. BA and BMI routinely maintain good relationship with their business partner and expand their network to create future collaboration. Since 2015, Bakrie Pipe Industries (BPI), a subsidiary of BMI, also offers steel pipe coating and quality testing service which marketing activity also carried out using B2B method.

B2C marketing is carried out by Bakrie Building Industries (BBI) for its products and by BPI for non-oil & gas products such as small diameter pipes. BBI has built strong relation with 80 distributors which sell BBI products in over 12,000 building materials retailers across Indonesia. BPI also cooperates with distributors in channeling its general purpose pipes to consumers all over Indonesia..

Dividend Policy

BNBR dividend policy is set in the Prospectus when the Company was conducting its Initial Public Offering (IPO), the policy is stated in the "Dividend" section, which states that BNBR will pay out dividends with respect to the financial condition and business development plans. The magnitude of the dividend payout ratio and/or the amount of the dividend per fiscal year is set by the General Meeting of Shareholders (GMS).

With due regard to the Capital Market and other prevailing law, the Company plans to pay cash dividends to its shareholder every year, without reducing the rights of the GMS to decide otherwise. Proposed policy of dividend payments to shareholders, whose names are listed on the Shareholders Registrar, is as follow:

NET PROFIT AFTER INCOME TAX	DIVIDEND PAYOUT RATIO
Rp 0 up to 250 billion	5 – 10%
Above Rp 250 billion	11 – 15%

Each of the listed companies, subsidiaries/business units and associated companies has their independent dividend policy.

DIVIDEND DISTRIBUTION

Referring to the Company's business plan for the coming fiscal year as well as the provisions of Article 70 and Article 71 of the Limited Liability Company and the requirements in BAPEPAM Circular Letter No. S-2057/PM/2003 which regulates, among others, usage of profit in the form of dividends can be done if the Company has positive retained earnings and total equity; therefore according to the decision of the Annual GMS in 2016 the usage of Company's profit of the fiscal year ended December 31st, 2015 was decided as retained earnings. While for fiscal year ended December 31st, 2016 will be decided in the coming Annual GMS in 2017.

Employee Share Ownership Program/ Management Sahre Ownership Program (ESOP/MSOP)

The Company currently does not have employee and/or management share ownership program (ESOP/MSOP).

Realization of Initial Public Offerings (IPO) Funds

On August 28, 1989, the Company conducted an Initial Public Offering (IPO) of 2,850,000 shares at par value of Rp 1,000 per share. All of Company's shares were listed on Jakarta Stock Exchange (JSX), now known as Indonesia Stock Exchange (IDX). Since then until this reporting year the Company has never conducted the corporate action of offering shares to the public in order to raise funds.

Material information on investment, expansion, divestment, merger, acquisition or debt/capital restructuring

Information on divestment as well as establishment and changes of share ownership in subsidiaries is disclosed by the Company in point number 1.c of Accompanying Notes to the Consolidated Financial Statement for fiscal year ended December 31st, 2018.

Information on material transaction which contains conflict of interest and/or affiliate transaction

In 2018 BNBR did not conduct any material transaction which contains conflict of interest and/or affiliate transaction.

RELATED PARTIES

Considering the multi-sector nature of the Company's business, sometimes the Company conducts transactions with related parties that provide services relevant to the Company's business activities.

Related parties are defined in accordance with Regulation of BAPEPAM-LK No. VIII.G.7 on Presentation and Disclosure of Financial Statements of Listed Companies or Public Companies, as an attachment to Decree of Chairman of BAPEPAM-LK Number Kep-347/BL/2012 dated June 25th, 2012.

Detailed information on Transactions with Related Parties is disclosed by the Company in point number 39 of Accompanying Notes to the Consolidated Audited Financial Statement for fiscal year ended December 31st, 2018.

As result of the transactions with related parties, the Company has balance of assets and liabilities with respect to the transactions and recognized under the accounts of: cash and cash equivalents, short-term investments, trade receivables, other liabilities, and long-term liabilities.

Types of Transactions and Balance of Transactions with Related Parties

Types of transactions with related parties are:

1. Key management compensation
2. Short-term investments
3. Trade receivables – related parties
In the sales activity, the payments for services and goods can be made within a certain period of time. The Company records the unsettled invoices under Trade Receivables – Related Parties.
4. Due from related parties
In the process of procurement of goods and services from related parties, sometime the Company may make payments within a certain period of time, which are recorded as due from related parties.
5. Receivables from Commissioners, Directors, and Employees
The Company and certain subsidiaries provide non-interest bearing loans for the purchase of houses and cars to directors and other employees.
6. Trade payables – related parties
7. Other payables to related parties
8. Due to related parties

The summary of balance and percentage of transactions with related parties compared to the respective types of transactions, including revenues, assets, liabilities, and others, as follows: (Complete information is disclosed in point number 36 of Accompanying Notes to the Consolidated Audited Financial Statement for fiscal year ended December 31st, 2016).

Transaksi dengan Pihak Berelasi

DESCRIPTION	UNIT	2017		2018		2018/2017	
		TOTAL	% TO TOTAL SALES	TOTAL	% TERHADAP TOTAL PENJUALAN	TOTAL	% TO TOTAL SALES
Key management compensation	Rp mio	66,128	2.69%	71,349	2.14%	5,221	7.9%

DESCRIPTION	UNIT	2017		2018		2018/2017	
		TOTAL	% TO TOTAL SALES	TOTAL	% TERHADAP TOTAL PENJUALAN	TOTAL	% TO TOTAL SALES
Short-term investments	Rp mio	161,187	2.22%	10,980	0.08%	(150,207)	-93.19%
Trade receivables – related parties	Rp mio	305	0.00%	11,837	0.08%	11,532	3780.98%
Due from related parties	Rp mio	259,267	3.56%	280,803	1.96%	21,536	8.31%
Receivable from Commissioners, Directors and Employees	Rp mio	273	0.00%	216	0.00%	(57)	-20.88%

DESCRIPTION	UNIT	2017		2018		2018/2017	
		TOTAL	% TO TOTAL SALES	TOTAL	% TERHADAP TOTAL PENJUALAN	TOTAL	% TO TOTAL SALES
Trade payables – related parties	Rp mio	2,276	0.02%	17,208	0.15%	14,932	656.06%
Other payables – related parties	Rp mio	21,468	0.17%	27,134	0.23%	5,666	26.39%
Due to related parties	Rp mio	199,112	1.57%	198,495	1.70%	(617)	-0.31%

Changes of Regulations

In 2018, there were some changes of regulations that impact the Company's performance today and in the future:

Regulation		Concerning	Effect to Company
1.	Investment Coordinating Board Regulation No. 13 Year 2017	Guidance and Process of Capital Investment Licensing and Facility	Neutral
2.	Investment Coordinating Board Regulation Number 14 Year 2017	Guidance and Process of Capital Investment Implementation Controlling	Neutral
3.	Financial Services Authority Regulation Number 10/POJK.04/2017	Ammendment of Financial Services Authority Regulation Number 32/POJK.04/2014 Planning and Holding General Meeting of Shareholder of Public Limited Companies	Neutral
4.	Financial Services Authority Regulation Number 31/POJK.04/2017	Share Issuance with Different Nominal Value	Neutral
5.	Financial Services Authority Regulation Number 11/POJK.04/2017	Reporting Of Ownership Or Any Amendment Of Share Ownership In Public Limited Companies	Neutral
6.	Financial Services Authority Regulation Number 30/POJK.04/2017	Buyback Shares That Has Been Issued By Public Limited Companies	Neutral
7.	Minister of Trade Regulation Number 07/M-DAG/PER/2/2017	Third Amendment on Minister of Trade Regulation Number 36/M-DAG/PER/9/2007 on Issuance of Trade Business Licenses	Neutral
8.	Minister of Trade Regulation Number 08/M-DAG/PER/2/2017	Second Amendment on Minister of Trade Regulation Number 37/M-DAG/PER/9/2007 on Governance of Company Registration	Neutral

Changes of accounting policy

The Indonesian Institute of Accountants (IAI) has issued Financial Accounting Standards which are not yet effective for annual periods beginning January 1st, 2019. However, earlier application is permitted.

Interpretations of Financial Accounting Standards (ISAK) issued and effective for annual periods beginning on or after January 1, 2019 were as follows:

- SAK No. 33, "Foreign Currency Transactions and Advance Consideration."
- SAK No. 34, "Uncertainty over Income Tax Treatments."

The new and amendments of Statements of Financial Accounting Standards (PSAK) issued and effective for annual periods beginning on or after January 1, 2020 were as follows:

- Amendment To PSAK No. 15, "Investment in Associate and Joint Venture," on Long-term Interest in Associate and Joint Venture.
- Amendment to PSAK No. 62, "Insurance Contract," on Application of PSAK No. 71: Financial Instruments with PSAK No. 62.
- PSAK No. 71, "Financial Instruments."
- PSAK No. 72, "Revenue from Contracts with Customers."
- PSAK No. 73, "Leases."

The Group is evaluating the potential impact on the consolidated financial statements as a result of the adoption of such SAK.

Material increases related to sales volume / new products

BNBR and its subsidiaries did not have any material increases related to sales volume and/or new products.



Human Capital Management



Human Capital Management

The Company, which was previously better known for its management of short- and long-term assets through the expansion of its shareholding portfolio, is now focusing more on developing its business units operating in the real sector, manufacturing and infrastructure development. The Company is also pioneering a number of development programs in the real sector, as set out in the Corporate Development Strategy Initiative. This shift in focus represents the Company's response to the increasingly favorable conditions in the real sector, especially in areas related to infrastructure development.

HUMAN CAPITAL MANAGEMENT

The Company, which was previously better known for its management of short- and long-term assets through the expansion of its shareholding portfolio, is now focusing more on developing its business units operating in the real sector, manufacturing and infrastructure development. The Company is also pioneering a number of development programs in the real sector, as set out in the Corporate Development Strategy Initiative. This shift in focus represents the Company's response to the increasingly favorable conditions in the real sector, especially in areas related to infrastructure development.

In order to support the realization of these development programs, the Company has formulated a program to increase people competence and readiness, to be implemented in line with the Corporate Development Strategy Initiative. Considering the fact that people management, attitude changing and integrity and competence-building must be implemented sustainably, the Company has formulated integrated development and Human Capital (HC) management programs.

BNBR's Human Capital programs in 2018 were carried out through a number of HC management and organization programs and initiatives, steered toward acceleration of achievement of business goals and targets. These programs and initiatives included review and development of organization design in line with the Company's business model, HC planning and recruitment programs, leadership development programs and corporate culture development programs.

ORGANIZATIONAL REVIEW AND DEVELOPMENT

Alongside the current business development and dynamic, the Company continuously updates and regulates the organizational

structure in order to make it more effective. An effective organizational structure is pivotal in promoting the Company's vision, mission and business targets among all parties within the Company.

The process of the Company's organization review and development is carried out in view of its basic philosophy, placing organization productivity as the benchmark for success in tackling the competition, designing flexibility as the main key in responding to business changes and designing an organization that is able to meet all business needs now and in the future. .

PERFORMANCE MANAGEMENT

Bakrie Performance Contract

As an integral part of BNBR's HC management, the Company consistently applies an objective performance evaluation system, allowing all levels within the Company to move in the same direction and with the same commitment, thus ensuring stronger support in the attainment of the Company's business goals.

BNBR consistently applies a performance evaluation system through the development of Key Performance Indicators (KPI), which form the basis of evaluation of the Company's performance as well as the performance of individual employees. KPI also forms the benchmark for career development at all HR levels.

Specifically for employee performance evaluation, the Company has formulated the Bakrie Performance Contract (BPC), an objective, tailored performance evaluation system designed to support employees in their attainment of previously set goals and targets. Through the BPC system, employee work processes and performance are monitored through Position Description, Objective Setting and Performance Review documents.

Employee performance is evaluated by calculating KPI, weighted 80%, and Employee Competence, weighted 20%.

Reward Management

Based on the drive to develop a performance oriented work ethos and corporate culture, BNBR implements a remuneration scheme based on principles of “internally fair” and “external competitiveness”, as well as encouraging all employees to continuously increase productivity.

The Company also applies a reward and punishment policy as a commitment alongside all Company elements in the achievement of collectively decided objectives. High-achieving employees are given rewards, while employees who fail to reach their targets will be sanctioned proportionally.

HUMAN CAPITAL MANAGEMENT POLICIES

As a company focused on operations in manufacturing and infrastructure sector, BNBR always strives to improve HR Policy and Procedure (HRP). The Company has regulated Corporate HRP with policies on the following matters:

Business Conduct

- Organization
- Recruitment and Selection
- Inter-department employee transfer
- Inter-company in Bakrie group employee transfer
- Performance Evaluation systems
- Training and Development
- Compensation and Allowances
- Industrial Relations

In order to anticipate business development in the short and long terms, especially with regards to the fulfillment of targets related to business development in manufacturing and infrastructure sector, the Company has formulated HC requirement plans, both in terms of people quantity and people quality, for the next five years.

Equality Of Career Opportunities

As part of its Corporate HC management policy, BNBR also implements a performance-oriented policy supported by remuneration and reward schemes designed to demonstrate recognition of positive performance among BNBR employees. In accordance with Law No. 13 year 2003 on Employment, the Company applies a minimum age limit of 18 years old. The Company offers equal opportunities for every person to be employed, receive training and develop their career according to their competencies and performance. The Company also provides equal opportunities for all employees to develop their career according to business area, qualifications and knowledge. Employees

with the relevant qualifications for a certain post may apply and take a series of tests through internal selection. Vacancies are opened and advertised through internal Company media as well as external media, including certain daily newspaper.

Employee Relations

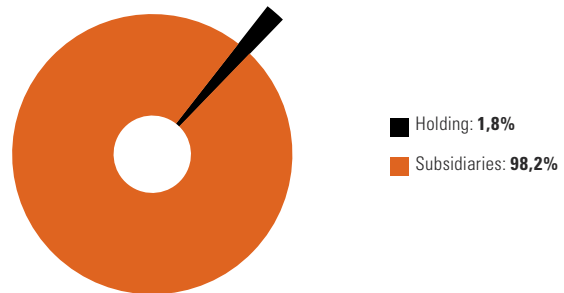
The Company believes that open and harmonious working relations and communication are a key factor to support increased efficiency in achieving optimal productivity and performance.

Improving communication and relations through integrated development begins with the socialization of work culture, Company business conduct, Company vision and mission, improve relation among employees, consistently applying Collective Labor Agreement (CLA) and developing relations with other parties through social and sport activities. Besides this, the Company also develops good relations with government agencies related to employment, as well as business associations and other human resource development agencies.



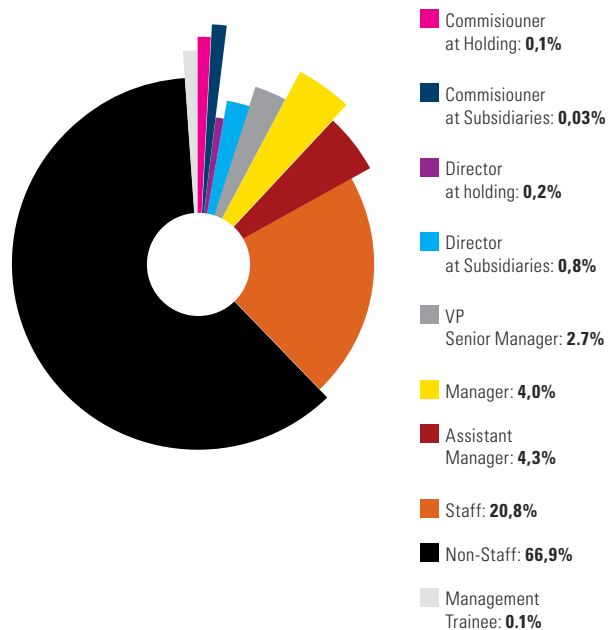
Employee Composition Based on Organization Level

ORGANIZATIONAL LEVEL	2017	2018
Holding	55	57
Subsidiaries	3,603	3,085
TOTAL	3,658	3,142



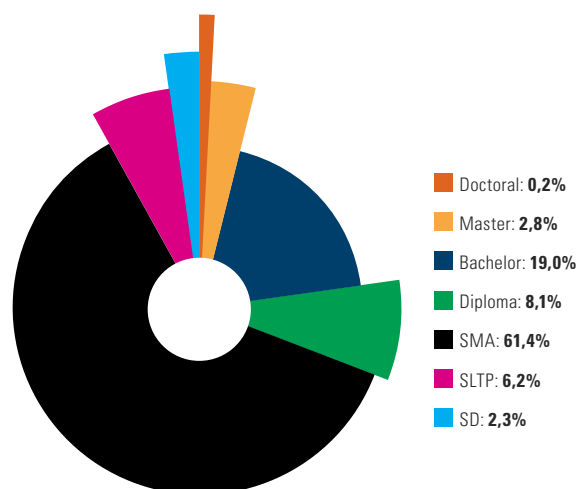
Employee Composition Based on Position

POSITION	2017	2018
Commissioner at Holding	3	3
Commissioner at Subsidiaries	0	1
Director at Holding	4	5
Director at Subsidiaries	25	24
VP/Senior Manager	78	86
Manager	142	127
Assistant Manager	128	136
Staff	676	654
Non-Staff	2,587	2,102
Management Trainee	15	4
TOTAL	3,658	3,142

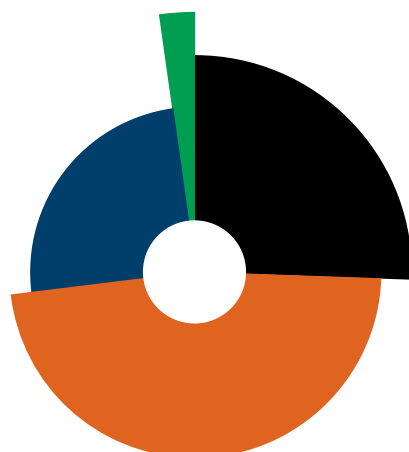


Employee Composition Based on Education

EDUCATION	2017	2018
Doctoral Degree	2	5
Master Degree	82	89
Bachelor Degree	660	598
Diploma	251	254
SMA - Senior High School	2,377	1,930
SLTP - Junior High School	206	194
SD - Elementry	80	72
TOTAL	3,658	3,142



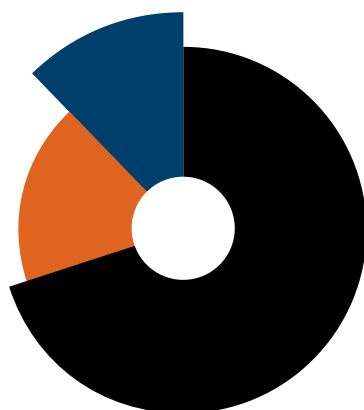
18-30 years: **25,6%**
 31-45 years: **47,5%**
 46-55 years: **24,9%**
 >55: **2,0%**



Employee Composition Based on Age Group

AGE	2017	2018
18-30 years	976	803
30-45 years	1,768	1,494
45-55 years	833	783
> 55 years	81	62
Total	3,658	3,142

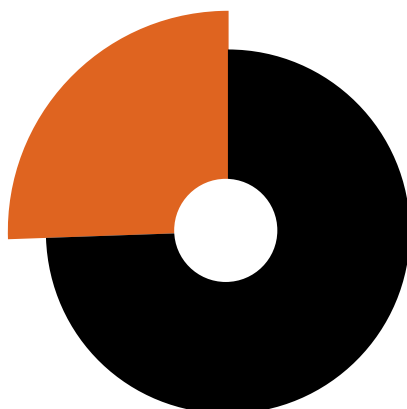
Permanent: **70,1%**
 Direct Contract: **17,8%**
 Outsourcing: **12,1%**



Employee Composition Based on Employment Status

STATUS	2017	2018
Permanent	2,555	2,201
Direct Contract	574	560
Outsourcing	529	381
Total	3,658	3,142

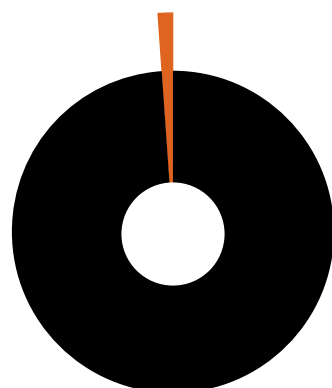
Female: **25,3%**
 Male: **74,7%**



Employee Composition Based on Gender

GENDER	2017	2018
Male	3,365	2,347
Female	293	795
Total	3,658	3,142

Indonesian: **99,6%**
 Foreigner: **0,4%**



Employee Composition Based on Nationality

NATIONALITY	2017	2018
Indonesian	3,642	3,131
Foreigner	16	11
Total	3,658	3,142

During 2018 the Company continued streamlining its structure according to its business plan. The Company has ensured its productivity level will still be maintained and the Company's goals will still be achieved despite this streamlining.

A total of 464 employees of BNBR and subsidiaries resigned and 238 new hires joined in 2018. BNBR continuously manage its turnover rate to ensure it will not disrupt company's operational activity, and BNBR believes its human resources remain highly competent and capable as well as highly dedicated. BNBR continues to support skill improvement of its employees through implementation of various training programs along 2018.

In 2018, total employee of BNBR and its subsidiaries decreased by 14% to 3,142 employees. Composition of total employee of BNBR and its subsidiaries by end of 2018 consists of 2,201 permanent employees and 941 contract employees.

Of all BNBR and its subsidiaries' employees, approximately 22% hold bachelor degree or higher, 8% hold diploma degree, and the remaining had primary education up to senior high school. In terms of age, approximately 26% are aged between 18-30 years, 48% are aged between 31-45 years, and the remaining are over 45 years old..

COMPETENCE DEVELOPMENT PROGRAM

In order to increase competitiveness and guarantee the Company's sustainability, the Company improves employee competencies and capabilities through continuous training programs. Training programs broadly consist of two types: managerial and leadership training programs, and specific skill training programs, using tested methods and curricula and working alongside recognized training agencies.

Training programs are adjusted to the Company's strategic plans for the future. In line with the Company's planned strategic focus on development of business in the real sector, especially in manufacturing and infrastructure, training programs in 2018 were focused on technical and functional abilities.

In 2018, BNBR group held training programs for a total of 805 employees from various departments within the Company and its subsidiaries with total cost as much as Rp 1,263,876,600.

Position of Participants

JABATAN	Number of Participants	Training Cost (in Rupiah)
Commissioner	0	0
Director	12	39,207,000
VP/Senior Manager	36	150,907,100
Manager	104	236,633,000
Assistant Manager	75	212,176,700
Staff	272	472,863,200
Non-Staff	306	152,089,600
Management Trainee	0	0
Total	805	1,263,876,600

Type of Training

TRAINING	Number of Participants	Training Cost (in Rupiah)
Hard Skill	471	566,236,700
Soft Skill	334	697,639,900
Total	805	1,263,876,600

Type of Training

TRAINING	Number of Participants	Training Cost (in Rupiah)
Management and Leadership Training	64	285,915,000
Functional Competence Development Training (Finance, HR, Marketing, Operation, Legal)	349	483,771,000
ISO and Continuous Improvement Related Training	363	318,640,600
Corporate Values Training	29	175,550,000
Total	805	1,263,876,600

Department of Participants

DEPARTMENTS	Number of Participants	Training Cost (in Rupiah)
Supporting Dept.	242	448,123,400
Accounting & Finance	47	114,269,800
HR	74	80,465,500
Sales & Commercial	44	137,993,900
IT, Legal Risk	25	47,284,500
Operations	373	435,739,500
Total	805	1,263,876,600

BAKRIE TALENT MANAGEMENT PROGRAM

Through the Bakrie Learning Center (BLC), the Company has formulated a Talent Management system as a long-term sustainable program aiming to ensure a balanced leadership in line with the Company's business development. The stages of the Company's talent management system can be outlined as follows:

- Talent assessment and identification
- Implementation of the Bakrie Succession Plan
- Implementation of the Bakrie Leadership Development Program
- Formulation and socialization of the Bakrie values, or Trimatra Bakrie
- Carrying out of Bakrie Engagement Programs

The Company is committed to offering the widest possible opportunities to employees with integrity, professionalism, entrepreneur spirit and motivation to develop their careers across the Company's business units. The above programs are carried out by the Company through assignments with the development of new business, rotation, promotion and participation in internal and external training programs. The Company's career development

philosophy emphasizes "promotion from within", allowing a smooth regeneration of leadership within all Company business units.

BAKRIE LEADERSHIP DEVELOPMENT PROGRAM

Through collaboration with Bakrie Solusi Strategis (BSS) and Bakrie Learning Center (BLC), the Company has developed a leadership development system for each level with the Company's organization, from entry level to executive level. This system consists of:

- Bakrie Induction Program
- Bakrie Basic Management Development Program (BBMDP)
- Bakrie Middle Management Development Program (BMMDP)
- Bakrie General Management Development Program (BGMDP)
- Bakrie Executive Development Program (BEDP)

Over the last few years, BSS has focused on studying all programs under the Bakrie Leadership Development Program, allowing the systematic production of quality leaders for Bakrie.

In 2018 BSS carried out the BGMDP for 18 participants and BMMDP for 25 participants.

BAKRIE GENERAL MANAGEMENT DEVELOPMENT PROGRAM (BGMDP)

The Bakrie General Management Development Program (BGMDP) is the second layer of Bakrie Leadership Development Journey, this program focuses on developing divisional heads and aims to create ambidextrous capability which foundations are change management, transformation, and corporate values. BGMDP realizes the challenges in current dynamic environment and the importance of leadership capability in maintaining a company's strategic position in the competition. Through this program, the Bakrie Group companies may equip their division heads with necessary leadership skill to run the company more effectively, as well as to develop the opportunities more sharply. Such purposes are realized through the following learning objectives:

1. To strengthen the roles and values of strategic leadership in performing execution excellence and achieving intrapreneurial performance.
2. To improve the quality of interpersonal and organizational competencies, in order to establish the future competitive advantage of the companies.
3. To sharpen the professional postures of the strategic leaders for better problem solving and team alignment to enhance team effectiveness.

BAKRIE MIDDLE MANAGEMENT DEVELOPMENT PROGRAM (BMMDP)

The Bakrie Middle Management Development Program (BMMDP) is the third layer of Bakrie Leadership Development Journey, this program focuses on developing middle managers and aims to build fundamental competency as professional executives, as well as to strengthen the awareness and pride to embrace the core values of the company. BMMDP aims to equip its participants with the competency to control the people and processes effectively and provide a positive and professional environment. Such purposes are realized through the following learning objectives:

1. To prepare middle manager to become Bakrie future leaders that can initiate business process improvement and analyze potential opportunities for future business growth.
2. To encourage participants comprehension and adaptation to Trimatra Bakrie.
3. To enhance participants leadership ability by managing interpersonal process within their team through effective communication and coaching to optimize their team effectiveness.
4. To adapt problem identification and problem solving as well as able to make decision based on adequate and realistic circumstances.

FINANCE FOR NON FINANCE TRAINING PROGRAM

Through collaboration with Bakrie Solusi Strategis (BSS) and Bakrie Learning Center (BLC), the Company provided training for employees without financial expertise background by educating them with the know-how on utilizing financial report.

After this training, the participants will have knowledge on:

1. Strategic financial management.
2. Various processes in financial activity.
3. Effective and efficient financial management.
4. The importance of financial management ability for every personnel in the Company.

DEVELOPMENT OF CORPORATE WORK CULTURE

BNBR believes that the Company's performance relies very much on individual performance within the Company organization. Individual employee performance, meanwhile, is heavily affected by employee values and character, which reflect Company culture. For this reason, the Company strives consistently to develop and grow a work culture in line with the ideals and goals of the Company's founders.

The Company's values and culture can broadly be described as a consistent drive to increase value for shareholders and stakeholders through business activities that honor the Bakrie Trimatra values: Indonesian-ness, Usefulness and Togetherness.

PREPARATION FOR RETIREMENT TRAINING

BNBR does not pay any less attention to those employees close to retirement age and those who chose for early retirement. According to the CLA, the age of retirement is 56 years. In order to guarantee continued prosperity post-retirement, the Company includes all employees in the Definite Benefit Pension scheme through the Bakrie Pension Fund.

BNBR also holds the "Success in Retirement" training program, which is held in cooperation between the Company with a third party. The program is aimed at employees entering retirement age, and has the following goals:

- To provide participants with knowledge, experience and mindset in preparing themselves to deal with retirement.
- Preparing the participants' psychological state so that they will enter retirement in a calm manner and able to make well informed decisions on goals after retirement.
- Possess necessary skills to manage his/her family's financial condition.



- Possess comprehensive knowledge on how to transform themselves from employee into entrepreneur, if they are interested to become an entrepreneur.

Other than the training mentioned above, the Company also carried out other training, which is “Training on Mental Preparation, Business Mindset and Business Planning for Early Retirement Employees”. This training consists of a series of events which covers presentation from relevant resources, workshop, and sharing session.

EMPLOYEE WELFARE

As part of the Company’s commitment to treat Human Capital as a key asset and a strategic partner in business development, BNBR strives to increase employee welfare through the provision of various welfare facilities which cover programs that are mandatory such as national social security (BPJS Ketenagakerjaan - Jamsostek) and national health care security (BPJS Kesehatan), as well as additional welfare facilities per Company policy such as education

grant for employee class, medication aid, work tenure award, appointment of model employee, employee cooperative, Bakrie Pension Fund Program, health clinics, canteen, education grant for the children of high-achieving employees and recreational and sporting events for all employees. These programs are implemented in the belief that decent employee prosperity, competitive compared with other companies in the same industry, will lead employees to concentrate on their work and give their best for the Company, which will ensure progress for themselves and those around them.

The Company also strives to develop organizational cooperation, optimizing employee performance through BNBR Employee Cooperative. This program covers BNBR’s operations in the areas of retail, provision of nine staple commodities, savings and loans, and office stationery provision. Meanwhile, in order to ensure employees’ welfare in retirement, BNBR includes all employees in the Definite Benefit Pension scheme through the Bakrie Pension Fund, which involves no employee contributions



Corporate Governance Implementation



Corporate Governance Implementation Report

The excellent implementation of Corporate Governance principles will support the Company's performance improvement through the creation of better decision-making process, operations efficiency enhancement, as well as service improvement to the Company's stakeholders

With full awareness in the importance of Good Corporate Governance (GCG), BNBR is committed to continue enhancing the quality of its GCG implementation consistently and continuously in line with the Corporate values. BNBR refers to the best practices in determining the Company's business process, control and standard operating procedures.

The excellent implementation of GCG principles will propel the improvement of the Company's performance through the creation of better decision-making, operations efficiency enhancement, and service improvement to the Company's stakeholders. BNBR believes that the enforcement of high integrity through code of conduct and the Company's corporate culture will provide maximum results in achieving the Company's business objectives. GCG principles are implemented through a framework that includes relations' governance between GCG organs, relations with the shareholders and stakeholders, to ensure harmonious balance between the performance achievement and business sustainability.

OBJECTIVES AND COMMITMENT OF CORPORATE GOVERNANCE IMPLEMENTATION

GCG implementation in BNBR is a real manifestation of the Company's compliance towards business regulations in Indonesia, namely in accordance with Good Corporate Governance regulation, stipulated in the Laws No. 40 year 2007 Regarding Limited Liability Company.

For the Company, Good Corporate Governance will provide real benefit and good measurement for the Company, shareholders and stakeholders. The following are the objectives of GCG implementation in the Company:

1. To enhance and maintain the trust of investors, creditors and shareholders of the Company, through GMS, performance reporting and the Company's achievement.
2. To optimize the Company's management, through the stipulation of work charter and to encourage work effectiveness in all the Company's elements.
3. To clarify the duties and obligations, functions and authorities of each of the Company's Organ, to create a harmonious performance and support better decision-making.
4. To maintain the Company's Compliance towards the prevailing laws and regulations, as a mean of the Company's awareness as a good corporate citizen.
5. To enhance Human Resource professionalism in the Company, so as to support the company's operations competence improvement.
6. To protect the interest of shareholders and stakeholders, by ensuring the discipline in the company's management, securing the assets and corporate values sustainably.
7. To improve and maintain the Company's reputation, through good public communication, the fulfillment of information transparency aspects, and implementation of corporate social responsibility.

Based on the above objectives, the Company is committed to place GCG as the referral in the management of business activities.

The Company also strives to place the governance as the mutual responsibility, and conformity towards governance principles to be embedded in the day-to-day conduct of all BNBR's employees.

GOOD CORPORATE GOVERNANCE WORK STRUCTURE

The Company developed Good Corporate Governance Work Structure and Roadmap in order to ensure development and implementation of Good Corporate Governance are carried out based on mutual understanding between management and every company organ, as well as embedded based on four main pillars of Good Corporate Governance, that are Commitment, Structure, Soft Structure/Mechanism/System & Procedure, as well as Report and Control Activities

A. Commitment

Company commitment in developing and implementing corporate governance are visible through company management that is in line with its vision and mission, corporate culture – Trimatra Bakrie and core value, business ethics (as shown by code of ethics guidance, integrity pact and business conduct policy) as well as adherence to prevailing regulations.

B. Structure

Corporate governance structure is supported by main and supporting organ of the Company, enabling execution of good corporate governance implementation.

C. Soft Structure/Mechanism/System & Procedure

Company soft structure consists of guidance formulated from company system and procedure / policy and procedure as well as culture.

D. Report and Control

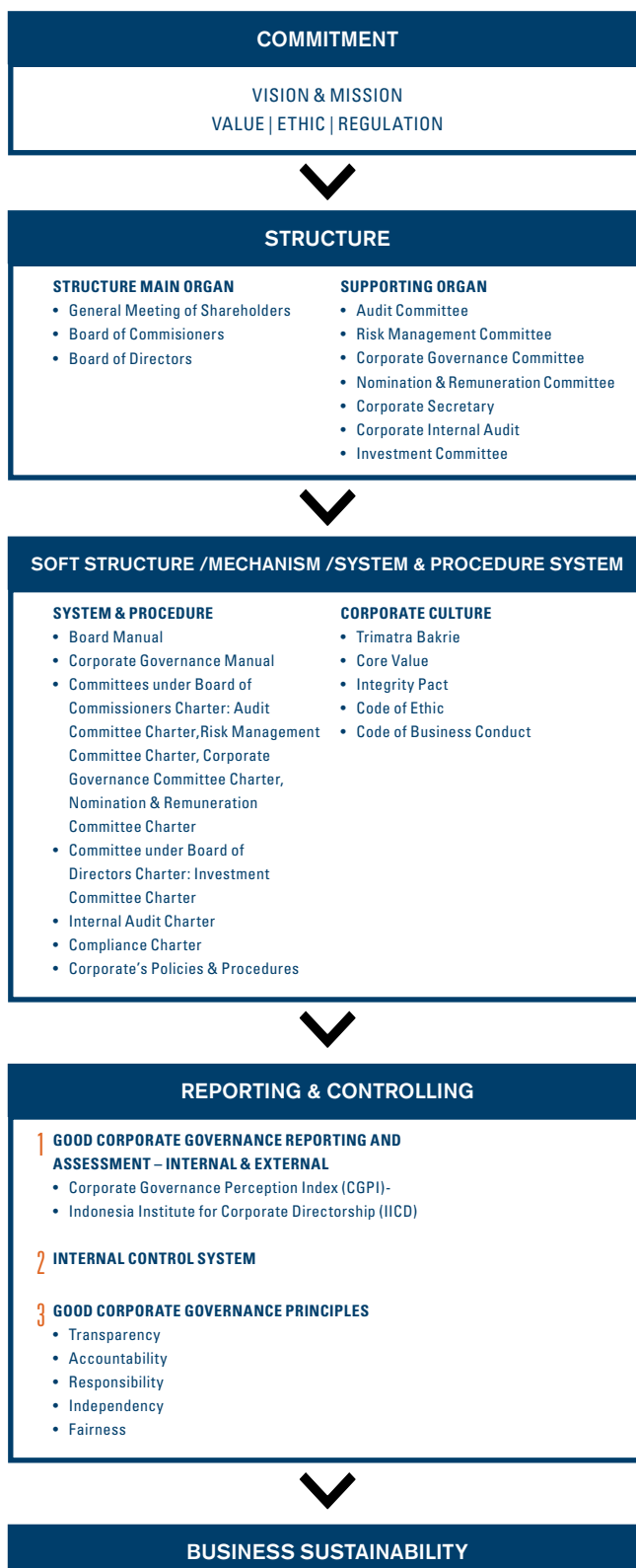
Company report and control activities on good corporate governance implementation include the following things:

- Internal control activities carried out in every Company process and transaction.
- Report as well as internal and external assessment on good corporate governance principles and in line with GCG principles (TARIF – Transparency, Accountability, Responsibility, Independency, Fairness).

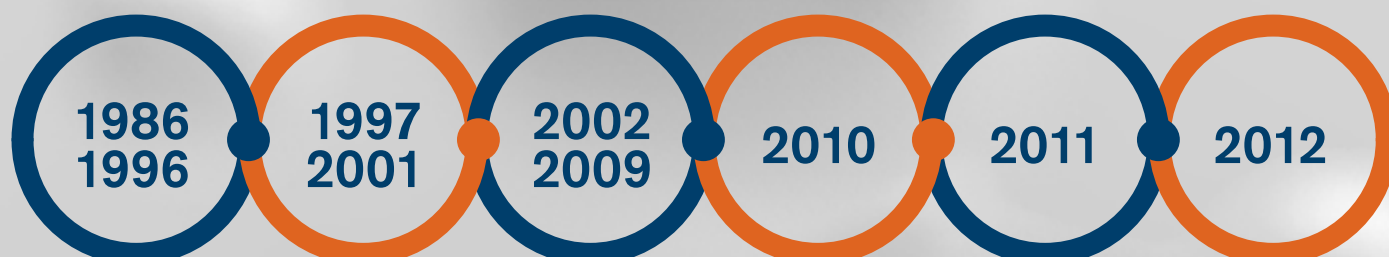
Those four main pillars are the process the Company will undergo in order to implementing GCG with business sustainability as its goal.

The Good Corporate Governance Work Structure is as follows:

GOOD CORPORATE GOVERNANCE STRUCTURE PT BAKRIE BROTHERS TBK



GCG Implementation Road Map



- Corporate Philosophy
- Corporate Identity
- Framework
- Corporate Internal Audit
- Business Policies
- Bakrie Management System

- Develop corporate culture
- Business Ethics
- Business Conduct Policy
- Bakrie Performance Contract

- Participation in GCG assessment
- Development of formal risk management system through Enterprise Risk Management ("ERM") approach
- Enterprise Risk Management Policies & Procedures
- Formation of Risk Management and Compliance Division
- Formation of Audit Committee, Risk Management Committee, Corporate Governance Committee
- Internal Audit Guidelines

- Corporate Governance Implementation Policies & Procedures
- Board Manual
- Participation in GCG implementation assessment
- Risk management reinforcement in every decision making
- Formation of Risk Control Self Assessment ("RCSA") team
- Policies & Procedures bundle related with Internal Control System of Company and Subsidiaries
- Reviewing and re-signing Code of Ethics, Business Conduct Policy and Integrity Pact

- Products and Services Procurement Policies & Procedures
- Internal Control System Policies & Procedures
- Formation of GRC (Governance, Risk Management & Compliance) Forum among Bakrie Group
- Confirming risk management implementation in a strict manner

- Reviewing and re-signing Code of Ethics, Business Conduct Policy and Integrity Pact
- Participation in GCG implementation assessment
- Reviewing Board Manual and Corporate Governance Manual
- Whistleblowing System Policies & Procedures
- Work frame reinforcement for Corporate Internal Audit, Risk Management, Human Resources Management
- Confirming risk management implementation in a strict manner



- Reviewing Board Manual and Corporate Governance Manual
- Audit Charter
- Reviewing Committee Charter
- Reviewing Code of Ethics document
- Refining Policies & Procedures
- Reviewing GCG Roadmap with adherence to OJK GCG Roadmap

- Work frame reinforcement for Corporate Internal Audit, Risk Management, Human Resources Management
- Board Manual
- Instilling risk management as a culture embedded up to Subsidiaries
- Appointment of Independent Commissioner and Independent Director
- Reviewing and re-signing Code of Ethics, Business Conduct Policy and Integrity Pact

- Work frame reinforcement for Internal Audit, Risk Management, and Corporate Governance
- Reviewing Board Manual and Corporate Governance Manual
- Instilling risk management as a culture embedded up to Subsidiaries
- Committing to independent GCG assessment up to consolidated Subsidiaries
- Antifraud and Acceptance of Gratification Policies & Procedures
- ASEAN CG Scorecard implementation for GCG and Annual Report assessment

- Becoming a role model of risk management, compliance and GCG in industries in Indonesia
- Confirming risk management, compliance and GCG are carried out effectively up to Subsidiaries
- Formation of BNBR Group (Subsidiaries) GCG with supervision by the Company to build GCG structure and soft structure
- Involving all consolidated Subsidiaries in the GCG assessment
- ASEAN CG Scorecard implementation for GCG and Annual Report assessment

- Ensure the effectiveness of risk management, compliance & GCG implementation in all subsidiaries
- Becoming a role model in risk management, compliance & GCG in similar industries in Indonesia
- Engaging all consolidated subsidiaries in GCG Assessment
- Implementation ASEAN Scorecard (Indonesian Institute for Corporate Directorship - IICD) for GCG and Annual Report Assessment of potential subsidiaries

GCG PRACTICES IMPLEMENTATION

The objectives of GCG implementation in PT Bakrie & Brothers are to support the achievement of vision, mission and the Company's objectives effectively and in a swift manner, so as to deliver the shareholders' trust on a good and proper governance of the company to reach high and fair values. GCG practices implementation shall be based on the following five principles:

1. **Transparency:** The Company ensures adequate information dissemination, clear and accurate to the shareholders and stakeholders. Transparency principle is also implemented in the decision-making process, to enhance the Company's objectivity and professionalism. The following are among others the transparency practices conducted by the Company:
 - The resolution process of Shareholders through General Meeting of Shareholders (GMS) has met the Company's Articles of Association requirements.
 - The decision-making process of the Board of Commissioners with the supervisory and advisory functions to the Board of Directors has been conducted in the internal joint meeting of the Board of Commissioners and Board of Directors.
2. **Accountability:** The Company is committed to ensure the orderly and accountability of the functions, duties, and authorities of several elements in the organization in a sound and measured manner. The following are among others the accountability practices conducted by the Company:
 - The Company possesses the organization structure, job descriptions for each job title, and key performance indicators assessment for the Board of Directors, Head of Work Units and all employees.
 - External auditor has conducted an audit on the Company's financial report with the independent auditor's opinion of unqualified.
 - The Company has been accountable and obtained ratification on the annual report in the GMS.
3. **Responsibility:** As a form of responsibility, the Company strongly holds its compliance towards the prevailing laws and legislations. In addition, the Company also conducts responsibility towards the community and environment, to achieve long term business sustainability. The following are measures taken in this company's responsibility:
 - The signing of integrity pacts and anti-bribery by Bakrie people to comply with the stipulated Code of Conduct and business ethics.

4. **Independence:** The Company's organs conduct its activities independently and objectively, to avoid conflicts of interest, and are not influenced by any parties. The Company's independence are conducted through:
 - The applicable Code of Conduct and Business Conduct Policy of the Company that applied to all Bakrie people.
 - The check and balances functions done by the Board of Commissioners and Directors through formal communication such as meetings, approval/refusal of the Board of Commissioners on the Board of Directors' proposals.
5. **Fairness and Equality:** the Company strives to ensure that both majority and minority shareholders' rights and interests are fulfilled. The Company also constantly provides fair and equal treatments to all stakeholders. The Company's commitment in delivering fairness and equality are shown as follows:
 - The Company has provided equal opportunities to all employees without discrimination based on the Collective Labor Agreement (CLA) between the Company and Employees.

COMPLIANCE ACTIVITIES

As part of the corporate governance activity, Corporate Risk Management (CRM) strives to monitor the company's compliance towards the prevailing laws and legislation in managing the company's business practices as well as individual's compliance in implementing responsibility of their duties, each in accordance with the code of conduct, business conduct policy, as well as the applicable internal policy and procedures of the company.

At the beginning of 2018, CRM has reviewed and advanced business processes in every Department to ensure that the existing business processes are in accordance with the company's strategy and business models. The analysis was conducted by reviewing the Company's business activity objectivity and complexity, which can provide significant impact on the risks faced by the company.

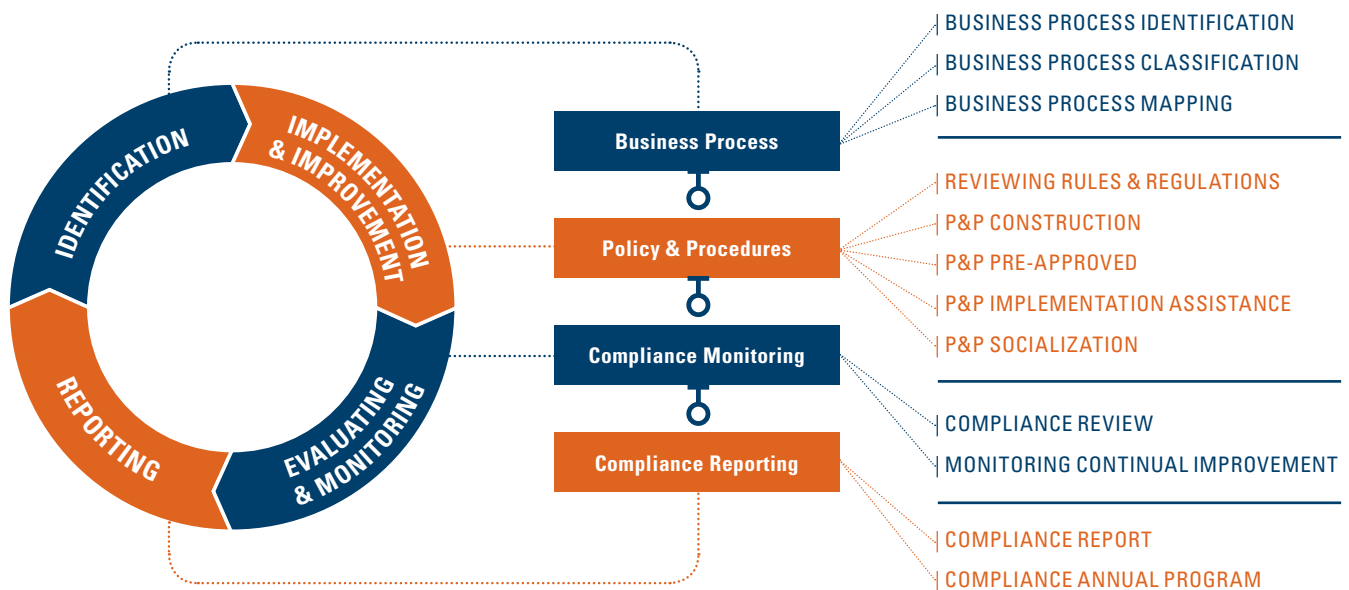
To mitigate the operational risk, CRM has sustainably reviewed, renewed, and finalized the company's internal policy and procedures, in accordance with the Company's directives and policy. The advancement by CRM was done in regards to the new legislations informed by the Legal Division, as to ensure that every business practices of the Company is in line with the prevailing laws and legislations. A total of 270 policies and procedures were documented, in which part of them are new or revision from the existing documents and has been ratified by the Board of Directors, whereas the balance are still in review and at the advancement that are going to be implemented in stages and continuously

by CRM. They are among others are policies and procedures on payroll system, disclosure of company related information to regulator, risk management, and several policy and procedures in the scope of information technology and human resources.

To measure the Company's success in the implementation of good corporate governance practices, the Company has actively organized activities to improve the compliance culture in every individual, begins from the Company's top management level through the signing of Integrity Pacts by the Board of Commissioners and Directors, as well as employees during the GRC Day.

At the end of 2018, CRM presented annual report detailing the activities conducted by CRM as well as its activity's achievement. The report was already presented to the Risk Management Committee. In line with the presentation of the report, CRM has developed 2019 activity plan at the end of December.

These stages are in accordance with the compliance system implementation framework as illustrated below.



BOARD MANUAL IMPLEMENTATION

PT Bakrie & Brothers Tbk has the commitment to maintain high standard in the implementation of Good Corporate Governance (GCG), as a prerequisite requirement in the business success and sustainability. PT Bakrie & Brothers Tbk upholds the ethics and professionalism standard in all level of the organisation. In general, the GCG implementation in the non-bank financial industry and investments sectors, as well as in other industry sectors in which the Company is involved, is following the prevailing laws and legislations, in particular the Financial Services Authority (FSA) Regulations, Laws of Limited Liability Company, and Capital Market Laws. The GCG implementation is also based on 5 (five) GCG basic principles, namely Transparency, Accountability, Responsibility, Independency, and Fairness. This background stipulates the development of Corporate Governance Manual – based on the GCG principles.

Board Manual is a working governance guideline of the Board of Commissioners, Board of Directors and the Management, which elaborated the activities and working stages of the Board of Commissioners and Directors, in a structured, systematics, easy and consistent manners. This manual functions as a reference for the Commissioners and Directors as well as the Management in implementing each duty to achieve the Company's Vision and Mission.

Board Manual is intended to elaborate the relationships of the Commissioners and Directors as well as other members of the Management in duties implementation in order to create professional, transparent, efficient and effective management of the Company. Board Manual also represents the commitment of the Commissioners and Directors in implementing GCG principles.

GOOD CORPORATE GOVERNANCE (GCG) IMPLEMENTATION ASSESSMENT

1. The Company was Awarded the Top 50 of Mid Market Capitalization Public Listed Companies with Best GCG in 2018 Based on ASEAN Corporate Governance Scorecard (ACGS) by the Indonesian Institute for Corporate Directorship (IICD)

The ASEAN CG Scorecard was used for the first time in 2012 to assess some of the largest publicly listed companies in six countries: Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.

New regulations concerning corporate governance (CG) implementation were enacted by the Financial Service Authority (OJK) based on findings from ASEAN CG Scorecard, and the Indonesian Institute for Corporate Directorship (IICD) was appointed by OJK as Domestic Ranking Body (DRB) to carry out assessment on publicly listed companies in Indonesia using the aforementioned ASEAN CG Scorecard approach since 2011.

Assessment instruments of ASEAN CG Scorecard were composed with reference to CG principles developed by the Organization for Economic Co-operation and Development (OECD), which consists of: (1) Basic Shareholder Rights; (2) Equitable Treatment of Shareholders; (3) Role of Stakeholders; (4) Disclosure and Transparency; (5) Responsibilities of the Board. Those five principles were comprehensively formulated into 184 questions.

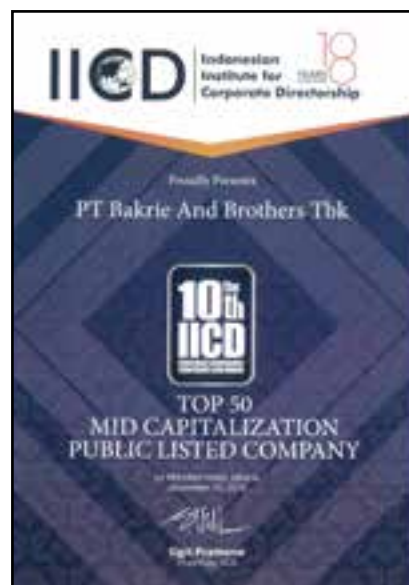
The following are scores of each Scorecard components:

OECD Principles		Scoring Weightage	2018 Scorecard Result
1.	Rights of Shareholders	10%	5,5
2.	Equitable Treatment of Shareholders	10%	6,4
3.	Role of Stakeholders	15%	13,8
4.	Disclosure and Transparency	25%	20,3
5.	Responsibilities of the Board	40%	28,7
TOTAL		100%	72,8
GCG Performance based on ASEAN CG Scorecard			FAIR

Source: Research Report of 2018ASEAN Scorecard, IICD

Based on the final score of 72.80 points, the Company's performance rate on compliance fulfilled the "Fair" predicate, meaning the Company has adequately implement corporate governance and has fulfilled minimum requirements from the Regulator.

The Company has also successfully obtained "Best Role of Stakeholders MidCap 2018", that shows The Company's responsibility in giving benefits to its surroundings and other stakeholders.



PT Bakrie & Brothers Tbk Top 50 of Mid Market Capitalization Public Listed Companies Certificate, IICD

2. The Company was Awarded as Trusted Company Based On Corporate Governance Perception Index (CGPI) 2018 by the Indonesian Institute for Corporate Governance (IICG)

A GCG implementation assessment was carried out as a means to examine GCG implementation in the Company as well as to evaluate in order to improve the aforementioned implementation. Year 2018 was the seventh year the Company participated in the research and ranking of GCG practices in the Company, namely the Corporate Governance Perception Index Award 2018 carried out by the Indonesian Institute for Corporate Governance (IICG) in collaboration with SWA Magazine.

In 2018 CGPI promoted the theme “Business Model Transformation in the Good Corporate Governance Framework”. CGPI utilized three aspects of assessment that are Governance Structure, Governance Process, and Governance Outcome. This year the CGPI award participants were 38 state owned and private companies. Ranking result was categorized to three assessment norms (very trusted, trusted, and fairly trusted) as a form of the Company’s commitment in implementing Good Corporate Governance (GCG); this result indicated that BNBR achieved a total score of 74.00 or qualified for the category “Trusted Company”. BNBR succeeded in improving its score compared to 2017 which total score was 73.07.

Assessment for CGPI Award 2018 was carried out based on Company’s 2017 Financial Report and other supporting documents which prevail during 2017 and 2018. The assessment result was as follow:

Assessment Stage		2018 Score
1.	Governance Structure	19.88
2.	Governance Process	31.61
3.	Governance Output	22.51
TOTAL		74.00
GCG Performance based on CGPI Award		Trusted Company

Source: 2017 CGPI Result Report (2018 Award), IICG



CGG Award 2018 Certification for PT Bakrie & Brothers Tbk “Trusted Company”

General Meeting of Shareholders

General Meeting of Shareholders (GMS) is the highest organ in the corporate governance structure, as a forum for the shareholders in decision-making, and exercising its rights and authorities. GMS has the authority that cannot be delegated to the Board of Commissioners or Directors in accordance with the limits stipulated in the Articles of Association and legislations. The following are authorities of GMS of PT Bakrie & Brothers:

1. Amendment of the Company’s Articles of Association.
2. To determine the Company’s capital amount.
3. To regulate the use of the Company’s net profits.
4. To appoint and terminate members of the Board of Directors and the Board of Commissioners, and to evaluate the performance of members of the Board of Commissioners and Directors.
5. To consolidate, merge or divest the Company, and
6. Authority on transactions exceeding certain value

GMS shall be held at least once a year, namely Annual GMS. Apart from the Annual GMS, Extraordinary GMS can be organized. In 2018, the Company held one Annual GMS, and held two Extraordinary GMS.

EXECUTION OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

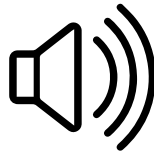
Pursuant to the Articles of Association, the Company has held the Annual GMS for fiscal year 2017 on April 27, 2018, in Manhattan Hotel, Jakarta. Based on the regulations, prior to the GMS the Company has informed the Plan Notice to the Financial Services Authority, through Directors’ Letter No. 017/BNBR/CS-OJK/III/18 dated March 13, 2018, and announced the Meeting Plan on March 21, 2018 through Company website, Indonesia Stock Exchange website and an Indonesian daily newspapers, namely Suara Pembaruan.

The Company also announced the Invitation of Annual General Meeting of Shareholders on April 5, 2018 through Company website, Indonesia Stock Exchange website and an Indonesian daily newspapers, namely Kontan.

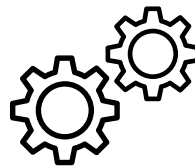
Annual GMS on April 27, 2018 was attended by shareholders that represent 66,776,882,512 shares or 55.11% from the total shareholders. Thereby the meeting was announced as quorum and has been in accordance with the Company’s Articles of Association.

**ANNOUNCEMENT**

Announcement to the shareholders regarding AGMS on March 21, 2018

**NOTICE**

Notice to shareholders regarding AGMS on April 5, 2018

**EXECUTION**

AGMS execution on April 27, 2018

**SUBMISSION OF AGMS SUMMARY**

Submission AGMS Summary on May 2, 2018

ANNUAL GMS AGENDA

Pursuant to the Meeting Invitation announced in the above News Papers, the following are the agenda of Annual GMS:

1. Approval of the Annual Report which consist of accountability report of the Board of Directors and Board of Commissioners on the management of the Company for Fiscal Year ended December 31, 2017.
2. Approval and ratification of the Company's Balance Sheet and Profit/Loss Account for Fiscal Year ended December 31, 2017, including to grant full release and discharge of responsibility (acquit et decharge) to the Board of Directors and Board of Commissioners members for the Fiscal Year 2017 .
3. Determination and approval of the use of the Company's profits for the Fiscal Year ended December 31, 2017.
4. Appointment and assignment of Public Accounting Firm to audit the Company's Financial Report for Fiscal Year ended December 31, 2018.
5. Approval of the Changes on the Company's Management.

Result of Annual General Meeting of Shareholder

ANNUAL GMS AGENDA DISCUSSION AND RESOLUTIONS		VOTING RESULT (NUMBER OF SHARES)	FOLLOW UP
1. First Agenda	<p>Agenda Discussion: The Company's Board of Directors elaborated the First Meeting Agenda that was presented by the Company's President Director.</p> <p>Meeting resolution on First Agenda: Appropriately accepted and approved the Board of Directors and Board of Commissioners' Accountability Report on the management of the Company for Fiscal Year ended December 31, 2017.</p>	<p>Agree: 66,765,716,012 (99,98%)</p> <p>Disagree: 11,166,500 (0,02%)</p> <p>Abstain: 2,000,000</p>	Grant of full release and discharge of responsibility (acquit et decharge) to the Company's Board of Directors and Board of Commissioners members.
2. Second Agenda	<p>Agenda Discussion: The Company's Board of Directors elaborated the Second Meeting Agenda that was presented by the Company's President Director.</p> <p>Meeting resolution on Second Agenda: Approved and ratified the Balance Sheet and Profit/Loss Account for Fiscal Year ended December 31, 2017 and provided acquittal and fully discharge of responsibility (acquit et decharge) to the members of the Board of Directors and the Board of Commissioners of the Company, for the management and supervisory duties implemented during Fiscal Year ended December 31, 2017, in which the management and monitoring actions are reflected in the Balance Sheet and Profit/Loss Account as well as Public Accountant's Report on Fiscal Year ended December 31, 2017</p>	<p>Agree: 66,773,302,512 (99,995%)</p> <p>Disagree: 3,580,000 (0,005%)</p> <p>Abstain: 2,000,000</p>	Grant of full release and discharge of responsibility (acquit et decharge) to the Company's Board of Directors and Board of Commissioners members.
3. Third Agenda	<p>Agenda Discussion: The Company's Board of Directors elaborated the Third Meeting Agenda that was presented by the Company's President Director.</p> <p>Meeting resolution on Third Agenda: Approved the Company for not distributing dividends and Company's proposal of earnings usage for Fiscal Year ended December 31, 2017.</p>	<p>Agree: 66,776,882,512 (100%)</p> <p>Disagree: 0 (0%)</p> <p>Abstain: 24,500,000</p>	Dividend distribution for Fiscal Year ended December 31, 2017 was not executed.
4. Fourth Agenda	<p>Agenda Discussion: The Company's Board of Directors elaborated the Fourth Meeting Agenda that was presented by the Company's President Director.</p> <p>Meeting resolution on Fourth Agenda: Approved appointment of Public Accounting Firm Y. Santosa and Partners to audit the Company's Financial Report for Fiscal Year ended December 31, 2018, in which are fulfilling the determined criteria and give authority to the Board of Commissioners to set the honorarium.</p>	<p>Agree: 66,729,562,812 (99,93%)</p> <p>Disagree: 47,319,700 (0,07%)</p> <p>Abstain: 2,000,000</p>	Board of Directors has appointed Public Accounting Firm Y. Santosa & Rekan and the appointment was accepted by Public Accounting Firm Y. Santosa & Rekan through letter no. P050/XI/BNBR/18/T dated November 15, 2018. The appointment was made with approval from Board of Commissioners as stated in letter dated November 6, 2018.

5. Fifth Agenda	<p>Agenda Discussion: The Company's Board of Directors elaborated the Fifth Meeting Agenda that was presented by the Company's President Director.</p> <p>Meeting resolution on Fourth Agenda: Approved to discharge with honor all members of Board of Commissioners and Board of Directors and grant full release of responsibility (acquit et de charge) to all members of Board of Commissioners, hereinafter nominated and appointed members of Board of Commissioners and Board of Directors with the following composition:</p> <p>Board of Commissioners President Commissioner: Anindya N. Bakrie Commissioner: Armansyah Yamin Independent Commissioner: Firmanzah</p> <p>Board of Directors President Director: Gafur Sulistyo Umar Vice President Director: A. Ardiansyah Bakrie Director: Achmad Amri Aswono Putro Director: R.A. Sri Dharmayanti Independent Director: Dody Taufiq Wijaya</p> <p>Composition and tenure of the members of Board of Commissioners and Board of Directors will be effective upon the closing of the Meeting and will end in 2021 according to the Company's Articles of Association, without reducing the shareholders' right to terminate at anytime in accordance with the prevailing regulations.</p>	<p>Agree: 63,994,301,312 (95,83%)</p> <p>Disagree: 2,782,581,200 (4,17%)</p> <p>Abstain: 2,000,000</p>	Deed of Resolutions of Meeting number 79 dated May 17, 2018.
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EXECUTION OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

Pln 2018, the Company held Extraordinary GMS two times.

EXECUTION OF THE FIRST EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS IN 2018

Pursuant to the Articles of Association, the Company has held the Extraordinary GMS on April 27, 2018, in Manhattan Hotel, Jakarta. Based on the regulations, prior to the GMS the Company has informed the Plan Notice to the Financial Services Authority, through Directors' Letter No. 017/BNBR/CS-QJK/III/18 dated March 13, 2018, and announced the Meeting Plan on March 21, 2018 through Company website, Indonesia Stock Exchange website and an Indonesian daily newspapers, namely Suara Pembaruan.

The Company also announced the Invitation of Annual General Meeting of Shareholders on April 5, 2018 through Company website, Indonesia Stock Exchange website and an Indonesian daily newspapers, namely Kontan.

Extraordinary GMS on April 27, 2018 was attended by shareholders that represent 80,788,144,972 shares or 66.68% from the total shareholders. Thereby the meeting was announced as quorum and has been in accordance with the Company's Articles of Association.



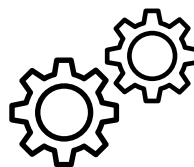
ANNOUNCEMENT

Announcement to the shareholders regarding EGMS on March 21, 2018



NOTICE

Notice to shareholders regarding EGMS on April 5, 2018



EXECUTION

EGMS execution on April 27, 2018



SUBMISSION OF EGMS SUMMARY

Submission EGMS Summary on May 2, 2018

EXTRAORDINARY GMS AGENDA

Pursuant to the Meeting Invitation announced in the above News Papers, the following are the agenda of Extraordinary GMS:

1. Approval on the exercise of additional capital of listed company without giving pre-emptive rights (Non Preemptive Rights (NPR)) as stipulated in the Regulation of the Financial Services Authority No.38/POJK.04/2014.
2. Approval of increase in Company's nominal value of shares through reverse stock and Company's capital structure changes in relation to increase of the Company's nominal value of shares.

Result of Extraordinary General Meeting of Shareholders

EXTRAORDINARY GMS AGENDA DISCUSSION AND RESOLUTIONS		VOTING RESULT (NUMBER OF SHARES)	FOLLOW UP
First Agenda	<p>Agenda Discussion: The Company's Board of Directors elaborated the First Meeting Agenda that was presented by the Company's President Director.</p> <p>Meeting resolution on First Agenda: Approved the exercise of Company's additional capital without giving pre-emptive rights (Non Pre-emptive Rights (NPR)) as stipulated in the Regulation of the Financial Services Authority No.38/POJK.04/2014.</p>	<p>Agree: 80,772,478,472 (99.98%)</p> <p>Disagree: 15,666,500 (0.02%)</p> <p>Abstain: 24,500,000</p>	Deed of Resolutions of Meeting No. 80 dated May 17, 2018.
Second Agenda	<p>Agenda Discussion: The Company's Board of Directors elaborated the Second Meeting Agenda that was presented by the Company's President Director.</p> <p>Meeting resolution on Second Agenda: Approved to increase Company's nominal value of shares through reverse stock and the Company's capital structure changes in relation to increase of the Company's nominal value of shares.</p>	<p>Agree: 80,772,478,472 (99.98%)</p> <p>Disagree: 15,666,500 (0.02%)</p> <p>Abstain: 24,500,000</p>	Deed of Resolutions of Meeting No. 80 dated May 17, 2018.

EXECUTION OF THE SECOND EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS IN 2018

Pursuant to the Articles of Association, the Company has held the Extraordinary GMS on November 21, 2018, in Manhattan Hotel, Jakarta. The second EGMS was held after the Company announced notification of change of EGMS to Company's Shareholders that the EGMS which originally will be held on October 26, 2018 was postponed pursuant to letter from the Financial Services Authority dated October 25, 2018 number S-2391/PM.2/2018 concerning Amendment and/or Additional Information on Plan to Increase Capital with Non Preemptive Rights.

Based on the regulations, prior to the GMS the Company has informed the Plan Notice to the Financial Services Authority, through Directors' Letter No. 086/BNBR/CS-OJK/IX/18 dated September 10, 2018, and announced the Meeting Plan on September 19, 2018 through Company website, Indonesia Stock Exchange website and an Indonesian daily newspapers, namely Kontan.

The Company also announced the Invitation of Annual General Meeting of Shareholders on October 4, 2018 through Company website, Indonesia Stock Exchange website and an Indonesian daily newspapers, namely Bisnis Indonesia.

The Company announced change of Meeting on October 26, 2018 through Company website, Indonesia Stock Exchange website and an Indonesian daily newspapers, namely Investor Daily.

Extraordinary GMS on November 21, 2018 was attended by shareholders that represent 8,079,907,852 shares or 66.69% from the total shareholders. Thereby the meeting was announced as quorum and has been in accordance with the stipulation of Chapter 27 letter (a) POJK No.32/2014 which stated that an Extraordinary GMS is legal if attended by at least 2/3 (two third) part of total number of shares.



ANNOUNCEMENT

Announcement to the shareholders regarding EGMS on September 19, 2018



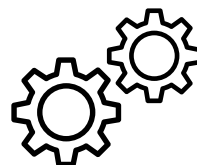
NOTICE

Notice to shareholders regarding EGMS on October 4, 2018



NOTIFICATION OF CHANGE

EGMS notification of change on October 26, 2018



EXECUTION

EGMS execution on November 21, 2018



SUBMISSION OF EGMS SUMMARY

Submission EGMS Summary on November 23, 2018

EXTRAORDINARY GMS AGENDA

Pursuant to the Meeting Invitation announced in the above Newspaper, the following are the agenda of Extraordinary GMS:

1. Approval from shareholders on Company's debt restructuring through capital increase with Non Preemptive Rights ("NPR").
2. Approval of Amendments to the Company's Articles of Association in relation with amendments of capital structure and increase in the Company's authorized capital.
3. Approval of Capital Increases with NPR in accordance with the Regulation of the Financial Services Authority No.38/POJK.04/2014 through the issuance of Company mandatory convertible bonds and/or Company share series E.

Result of Extraordinary General Meeting of Shareholders

EXTRAORDINARY GMS AGENDA DISCUSSION AND RESOLUTIONS		VOTING RESULT (NUMBER OF SHARES)	FOLLOW UP
First Agenda	<p>Agenda Discussion: The Company's Board of Directors elaborated the First Agenda that was presented by the Company's President Director.</p> <p>Meeting resolution on the First Agenda: Approved the Corporate action to restructure Company's debt through capital increase with Non Preemptive Rights ("NPR") as well as granted authority to the Company's Board of Commissioners to carry out every necessary action until the Company's debt restructuring process is completed.</p>	<p>Agree: 8,077,628,227 (99.97%)</p> <p>Disagree: 2,279,625 (0.03%)</p> <p>Abstain: 200,000</p>	Implementation capital increase with NPR.
Second Agenda	<p>Agenda Discussion: The Company's Board of Directors elaborated the Second Agenda that was presented by the Company's President Director.</p> <p>Meeting resolution on the Second Agenda: Approved the amendments to the Company's Articles of Association in relation with amendments of capital structure and increase in the Company's authorized capital as well as granted authority to the Company's Board of Commissioners to implement required adjustments until conversion process of some parts of D Series shares into E Series shares is completed.</p>	<p>Agree: 8,076,508,562 (99.96%)</p> <p>Disagree: 3,399,290 (0.04%)</p> <p>Abstain: 200,000</p>	Implementation of amendment to the Company's capital structure.

Third Agenda	<p>Agenda Discussion: The Company's Board of Directors elaborated the Third Agenda that was presented by the Company's President Director.</p> <p>Meeting resolution on the Third Agenda: Approved debt settlement to three creditors through conversion of debt into mandatory convertible bonds and/or Company's new shares which was carried out by Capital Increase with Non Preemptive Rights ("NPR") as stipulated by Regulation of the Financial Services Authority No.38/POJK.04/2014, through mechanism of issuance of mandatory convertible bond and/or Company's Series E shares, as well as granted authority to Company's Board of Commissioners until debt conversion process into Company's shares is completed.</p>	<p>Agree: 8,076,544,087 (99.96%)</p> <p>Disagree: 3,363,765 (0.04%)</p> <p>Abstain: 200,000</p>	<p>Implementation capital increase with NPR.</p>
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Board of Commissioners

In accordance with the Articles of Association, the Board of Commissioners represents the Company's organ with main functions to supervise the management of the Company by the Board of Directors and its management. The Board of Commissioners provides opinions, recommendations and directives to the Board of Directors related to the policies and actions taken by the Board of Directors, so as to fulfill good corporate governance principles, and in accordance with the Company's Articles of Association as well as the Laws and Legislations. In implementing its duties, the Board of Commissioners is assisted by the Audit Committee, Risk Management Committee, Nomination & Remuneration Committee, as well as Corporate Governance Committee.



BOARD OF COMMISSIONERS CHARTER

In performing its duties and responsibilities of monitoring the company in a professional, transparent, efficient and effective manner, the Board of Commissioners have stipulated a working guideline (Board of Commissioners Charter) which became a part of Company's Board Manual.

The followings are the outline of Board of Commissioners Charter in the Board Manual:

1. Requirement and Composition of BOC
2. Responsibilities of BOC
3. Duties and Responsibilities of BOC
4. Authorities of BOC
5. Rights of BOC
6. Profession Ethics
7. Decision Making Process
8. Meetings of BOC
9. Performance Evaluation of BOC
10. Supporting Organs of BOC (BOC Committees)

DUTIES AND RESPONSIBILITIES

The following are the Board of Commissioners' Duties and Responsibilities:

1. Supervision on the Company's policy and management, general management of the Company and provides advisory duty to the Board of Directors including analysing and reviewing the annual Financial Report, supervising the development of annual budget, business plan and business strategy of the Company.
2. Supervising the implementation of the Company's GCG and risk management conducted by the Board of Directors.
3. Ensuring the effectiveness of Internal Control System, duties implementation of External and Internal Auditors.
4. Ensuring the compliance on the Company's Business Ethics and Corporate Culture.
5. Conducting the performance assessment of the Board of Directors.
6. Providing the proposal of Nomination procedures and Remuneration system for the Board of Commissioners and Board of Directors to the Shareholders for the GMS' approval.

SEGREGATION OF DUTIES OF THE BOARD OF COMMISSIONERS

The following are the roles based on the position of the Board of Commissioners:

POSITION	ROLE IN PERFORMING COMPANY'S COMMITTEE FUNCTION
President Commissioner	To monitor and supervise the Audit Committee and Nomination and remuneration Committee's activity.
Independent Commissioner	To monitor and supervise the activity of Risk Management Committee in managing the company's risks. In addition, to monitor and supervise the activity of Corporate Governance Committee.
Commissioner	To conduct functions and responsibilities as member of Risk Management Committee.

BOARD OF COMMISSIONERS COMPOSITION

Based on the decision taken in Annual General Shareholders Meeting on April 27, 2018, composition and appointment of Board of Commissioners until the end of year 2021 is as follows:

COMPOSITION		FIRST APPOINTMENT			FOCUS OF MONITORING AREAS
POSITION	NAME	GENERAL MEETING OF SHAREHOLDERS	DOCUMENTS	RATIFICATIONS	
President Commissioner	Anindya Novyan Bakrie	April 27, 2018	Deed dated May 17, 2018 No. 79	AHU-AH.01.03-0206828, dated May 21, 2018	Supervise and monitor the activities of Investment and Risk Management Committee, Nomination and Remuneration Committee, and Corporate Governance Committee.
Independent Commissioner	Firmanzah	April 27, 2018	Deed dated May 17, 2018 No. 79	AHU-AH.01.03-0206828, dated May 21, 2018	Supervise and monitor the activities of Audit Committee, Nomination and Remuneration Committee, and Investment and Risk Management Committee.
Commissioner	Armansyah Yamin	June 30th, 2009	Deed dated July 7th, 2009 No. 33	AHU-AH.01.10-12847, dated August 12th, 2009	Supervise and monitor the activities of Corporate Governance Committee.

DELEGATION OF AUTHORITY

A member of Board of Commissioners may delegate his/her authorities to another member of Board of Commissioners by issuing a written proxy made specifically for the occasion with adherence to the Board Manual.

During 2018 there was no delegation of authority among Board of Commissioners members to attend meeting and/or to make decisions.

INDEPENDENT COMMISSIONERS

Pursuant to the Financial Services Authority Regulation Number 33/POJK.04/2014, stating that the Independent Commissioners shall be constituted as member of the Board of Commissioners, assigned from external party Public Companies, and meeting the requirement as Commissioner.

The Independent Commissioners shall not have any financial, management, ownership and/or familial relations up to the second degree with other members of the Board of Commissioners, Board of Directors and/or controlling shareholders or any relations with the Company that may influence its capabilities to act independently. The main duties of Independent Commissioners are to supervise and maintain the fulfillment of rights and obligations of the minority shareholders.



The requirements of Independent Commissioners shall meet the following criteria:

1. does not work nor constitute any authorities and responsibilities to plan, lead, control, or supervise the activity of the Public Companies in the last 6 (six) month, except the re-appointment as the Independent Commissioners of the Issuers or Listed Companies for the next period;
2. does not have any direct or indirect shares in the Public Companies;
3. does not have Affiliated relations with the Public Companies, members of the Board of Commissioners, members of the Board of Directors, or majority shareholders of the Public Companies; and
4. does not have direct or indirect business associations that related to the business activity of the Public Companies.

CONCURRENT POSITION OF MEMBERS OF THE BOARD OF COMMISSIONERS

The Regulation of Financial Services Authority Number 33/POJK.04/2014 concerning the Board of Directors and the Board of Commissioners of Issuers or Listed Companies, stipulated that Members of the Board of Commissioners can hold concurrent position as:

1. member of the Board of Directors at maximum 2 (two) other Issuers or Public Companies; and
2. member of the Board of Commissioners at maximum 2 (two) other Issuers or Public Companies.

The following are the Board of Commissioners' description on concurrent position in 2018:

NAME	COMPANY	POSITION
Anindya Novyan Bakrie	PT Intermedia Capital Tbk PT Visi Media Asia Tbk	Director
Firmanzah	-	-
Armansyah Yamin	PT Bakrieland Development Tbk	Commissioner

SHARES OWNERSHIP OF MEMBERS OF THE BOARD OF COMMISSIONERS

The Company also requests that member of the Board of Commissioners shall disclose the shares ownership both in the Company as well as other companies, domiciled both in Indonesia and overseas, in which report must be renewed annually.

The following are the Board of Commissioners members ownership of Company shares in 2018:

NAME	POSITION	SHARES OWNERSHIP (UNITS)	OWNERSHIP PERCENTAGE
Anindya Novyan Bakrie	President Commissioner	0	0
Firmanzah	Independent Commissioner	0	0
Armansyah Yamin	Commissioner	16.799	0



INDUCTION PROGRAM FOR THE BOARD OF COMMISSIONERS

Induction Program implementation is vital considering the variety of background of Board of Commissioners member. Induction Program can be carried out in the form of presentation, meeting, or visit to Company facilities. Induction Program can also be in the form of other programs deemed necessary by the Company. The Induction Program procedures cover the following matters:

1. Induction Program about the Company must be presented to Board of Commissioners members in their first time of serving as Company Board of Commissioners.
2. President Commissioner holds the responsibility of Induction Program implementation. If the President Commissioner is absent or he/she is a participant of the Induction Program, the responsibility is held by the Board of Directors.
3. The Induction Program topic includes introductory to Company's business activities, financial and operational performance, short term and long term work plan, Good Corporate Governance principles, authorities that are permitted to be delegated, internal and external audit, Internal Control System, the Board of Commissioners Supporting Committees, duties and responsibilities of the Board of Commissioners and Board of Directors, and other strategic issues.

In 2018 the induction program was presented to Anindya Novyan Bakrie and Firmanzah who for the first time serve as members of Company's Board of Commissioners since their appointment in the Annual GMS on April 27, 2018.

THE BOARD OF COMMISSIONERS COMPETENCE DEVELOPMENT PROGRAM

The Company holds the development and training programs for the Board of Commissioners, which were relevant to the main functions of the Board of Commissioners, including topics related to the Company's business strategy, regulations and legislations, as well as information and guideline on industries and economics issues that can provide future business direction for the Company.

In 2018 the Board of Commissioners members attended several development and training activities held by Company as well as external parties.

MEETINGS OF THE BOARD OF COMMISSIONERS

The Board of Commissioners holds the Board of Commissioners' meeting, or attends the meeting held by the Committees under the Board of Commissioners, or attends the joint meeting with the Board of Directors and other company's organs.

COMMISSIONERS ATTENDANCE AT THE BOARD OF COMMISSIONERS INTERNAL MEETING

The Company's Articles of Association stipulates the Board of Commissioners to hold an internal meeting at least 6 (six) times per year. During 2018, the Board of Commissioners meeting attendance is as follows:

NO	DATE	AGENDA	BOARD OF COMMISSIONERS				
			ANB	IS	AY	NIP	FIZ
1.	March 6, 2018	Discussion Concerning The Draft of BNBR Annual Report 2017	-	1	1	1	-
2.	March 15, 2018	Discussion Concerning Performance 2017 of Subsidiaries	-	1	-	1	-
3.	May 18, 2018	Discussion Concerning Role, Task, and Responsibility Division Among BOC Member.	1	-	1	-	1
4.	June 1, 2018	Discussion Concerning Strategic and Financial Analysis of Subsidiaries	1	-	-	-	1
5.	June 5, 2018	Discussion Concerning The Follow Up of Strategic and Financial Analysis Recommendation Result in Subsidiaries	1	-	-	-	1
6.	August 13, 2018	Discussion Concerning the 2nd Quarter of BNBR Financial Report	1	1	1	1	1

7.	September 23, 2018	Discussion Concerning BNBR Strategic Position Among National Business Environment	1	-	-	-	1
8.	September 28, 2018	Discussion Concerning Internal Audit Investigation Result 2018	-	-	-	-	1
TOTAL:			5	3	3	3	6
Attendance Percentage			63%	38%	38%	38%	75%

Note:

ANB : Anindya Novyan Bakrie
FIZ : Firmanzah
AY : Armansyah Yamin
IS : Irwan Sjarkawi
NIP : Nugroho I. Purbowinoto

*)Anindya Novyan Bakrie (ANB) began his tenure as President Commissioner and Firmanzah (FIZ) began his tenure as Independent Commissioner as stipulated by the decision of General Meeting of Shareholders in April 27, 2018

**) Irwan Sjarkawi (IS) held the position of President Commissioner and Independent Commissioner and Nugroho I. Purbowinoto (NIP) held the position of Commissioner until General Meeting of Shareholders in April 27, 2018.

WORKING RELATIONS OF THE BOARD OF COMMISSIONERS AND DIRECTORS

The Board of Commissioners has the responsibility to supervise the Company's management by the Board of Directors and its management. To that end, the Board of Commissioners and Directors shall maintain a harmonious and synergic working relations, in accordance with the Company's Articles of Association. The Board of Commissioners and Board of Directors are stipulated by the Company's Articles of Association to hold a joint meeting at least 3 (three) times per year. During 2018, the Board of Commissioners and Board of Directors held 43 (forty three) Joint Meetings, with the following detailed agenda and attendance:

NO	DATE	AGENDA	BOC					BOD				
			ANB*	IS**	AY	NIP**	FIZ*	BGU	AAB*	AAP	DTW	YS
1	January 22, 2018	Discussion of Annual Report BNBR 2017	-	1	1	1	-	1	-	1	1	1
2	January 24, 2018	Discussion of Project and Performance of BNBR Subsidiaries	-	1	-	1	-	1	-	1	1	1
3	March 21, 2018	Presentation of Full Year 2017 Performance of PT Multi Kontrol Nusantara	-	1	1	1	-	1	-	1	1	1
4	March 21, 2018	Presentation of Full Year 2017 Performance of PT Bakrie Solusi Strategis	-	1	1	1	-	1	-	1	1	1
5	March 21, 2018	Presentation of Full Year 2017 Performance of PT Bakrie Autoparts dan PT Bakrie Steel Industries	-	1	1	1	-	1	-	1	1	1
6	March 22, 2018	Presentation of Full Year 2017 Performance of PT Bakrie Indo Infrastructure	-	1	1	1	-	1	-	1	1	1
7	March 22, 2018	Presentation of Full Year 2017 Performance of PT Bakrie Metal Industries	-	1	1	1	-	1	-	1	1	1
8	March 22, 2018	BOD report to BOC concerning PT Bakrie & Brothers Tbk Consolidated Financial Statement per December 31, 2017	-	1	1	1	-	1	-	1	1	1
9	March 26, 2018	Discussion of BNBR Strategic Plan	-	1	1	1	-	1	-	1	1	1
10	March 28, 2018	Presentation of Full Year 2017 Performance of PT Bakrie Building Industries	-	1	-	1	-	1	-	1	1	1
11	April 18, 2018	Preparation meeting of Annual and Extraordinary General Meeting of Shareholders BNBR 2018	-	1	-	1	-	1	-	1	1	1
12	April 23, 2018	Preparation meeting of Annual and Extraordinary General Meeting of Shareholders BNBR 2018	-	1	-	1	-	1	-	1	1	1
13	April 25, 2018	BOD report to BOC concerning PT Bakrie & Brothers Tbk Consolidated Financial Statement per March 31st, 2018	-	1	-	1	-	1	-	1	1	1
14	May 25, 2018	Presentation of 1st Quarter 2018 Performance of PT Multi Kontrol Nusantara	1	-	1	-	1	1	1	1	1	1
15	May 25, 2018	Presentation of 1st Quarter 2018 Performance of PT Bakrie Solusi Strategis	1	-	1	-	1	1	1	1	1	1

16	May 25, 2018	Presentation of 1st Quarter 2018 Performance of PT Bakrie Autoparts dan PT Bakrie Steel Industries	1	-	-	-	1	1	1	1	1	1
17	May 28, 2018	Presentation of 1st Quarter 2018 Performance of PT Bakrie Metal Industries	-	-	-	-	1	1	1	1	1	1
18	May 28, 2018	Presentation of 1st Quarter 2018 Performance of PT Bakrie Building Industries	-	-	-	-	1	1	1	1	1	1
19	May 28, 2018	Presentation of 1st Quarter 2018 Performance of PT Bakrie Indo Infrastructure	-	-	-	-	1	1	1	1	1	1
20	June 25, 2018	Preparation meeting of Incidental Public Expose	1	-	1	-	1	1	1	1	1	1
21	July 27, 2018	BOD report to BOC concerning PT Bakrie & Brothers Tbk Consolidated Financial Statement per June 31st, 2018	1	-	1	-	1	1	1	1	1	1
22	August 7, 2018	Presentation of 2nd Quarter 2018 Operational and Financial Performance of PT Bakrie Indo Infrastructure	1	-	-	-	1	1	1	1	1	1
23	August 7, 2018	Presentation of 2nd Quarter 2018 Operational and Financial Performance of PT Bakrie Solusi Strategis	-	-	-	-	1	1	1	1	1	1
24	August 7, 2018	Presentation of 2nd Quarter 2018 Operational and Financial Performance of PT Bakrie Metal Industries	-	-	-	-	1	1	1	1	1	1
25	August 8, 2018	Presentation of 2nd Quarter 2018 Operational and Financial Performance of PT Bakrie Building Industries	1	-	1	-	1	1	1	1	1	1
26	August 8, 2018	Presentation of 2nd Quarter 2018 Operational and Financial Performance of PT Multi Kontrol Nusantara	1	-	1	-	1	1	1	1	1	1
27	August 8, 2018	Presentation of 2nd Quarter 2018 Operational and Financial Performance of PT Bakrie Steel Industries	1	-	1	-	1	1	1	1	1	1
28	October 25, 2018	Preparation meeting of Extraordinary General Meeting of Shareholders	1	-	1	-	1	1	1	1	1	1
29	October 30, 2018	BOD report to BOC concerning PT Bakrie & Brothers Tbk Consolidated Financial Statement per September 31st, 2018	1	-	1	-	1	1	1	1	1	1
30	October 30, 2018	Visitation and Observation from Corporate Governance Perception Index 2017 Assessor	1	-	1	-	1	1	1	1	1	1
31	September 19, 2018	Preparation meeting of Extraordinary General Meeting of Shareholders	1	-	1	-	1	1	1	1	1	1
32	December 3, 2018	Presentation of 3rd Quarter 2018 Operational and Financial Performance of PT Bakrie Indo Infrastructure	-	-	-	-	1	1	1	1	1	1
33	December 3, 2018	Presentation of 3rd Quarter 2018 Operational and Financial Performance of PT Bakrie Solusi Strategis	-	-	-	-	1	1	1	1	1	1
34	December 3, 2018	Presentation of 3rd Quarter 2018 Operational and Financial Performance of PT Bakrie Metal Industries	-	-	-	-	1	1	1	1	1	1
35	December 4, 2018	Presentation of 3rd Quarter 2018 Operational and Financial Performance of PT Multi Kontrol Nusantara	-	-	-	-	1	1	1	1	1	1
36	December 4, 2018	Presentation of 3rd Quarter 2018 Operational and Financial Performance of PT Bakrie Autoparts dan PT Bakrie Steel Industries	-	-	-	-	1	1	1	1	1	1
37	December 4, 2018	Presentation of 3rd Quarter 2018 Operational and Financial Performance of PT Bakrie Building Industries	-	-	-	-	1	1	1	1	1	1
38	December 10, 2018	Presentation of 3rd Quarter 2018 Operational and Financial Performance of PT Bakrie Autoparts & PT Bakrie Steel Industries	1	-	1	-	1	1	1	1	1	1
39	December 10, 2018	Presentation of Budget 2018 & Strategic Plan 2019-2023 of PT Bakrie Metal Industries	1	-	1	-	1	1	1	1	1	1

40	December 10, 2018	Presentation of Budget 2018 & Strategic Plan 2019-2023 of PT Bakrie Solusi Strategis	1	-	1	-	1	1	1	1	1	1
41	December 11, 2018	Presentation of Budget 2018 & Strategic Plan 2019-2023 of PT Multi Kontrol Nusantara	1	-	1	-	1	1	1	1	1	1
42	December 11, 2018	Presentation of Budget 2018 & Strategic Plan 2019-2023 of PT Bakrie Indo Infrastructure	1	-	1	-	1	1	1	1	1	1
43	December 11, 2018	Presentation of Budget 2018 & Strategic Plan 2019-2023 of PT Bakrie Building Industries	1	-	1	-	1	1	1	1	1	1
TOTAL:			17	13	25	13	30	43	30	43	43	43
Attendance Percentage			39%	30%	58%	30%	70%	100%	70%	100%	100%	100%

Note:

ANB : Anindya Novyan Bakrie	BGU : Bobby Gafur S. Umar
FIZ : Firmanzah	AAB : A. Ardiansyah Bakrie
AY : Armansyah Yamin	AAP : A. Amri Aswono Putro
IS : Irwan Sjarkawi	DTW : Dody Taufiq Wijaya
NIP : Nugroho I. Purbowinoto	YS : R.A. Sri Dharmayanti

*)Anindya Novyan Bakrie (ANB) began his tenure as President Commissioner, Firmanzah (FIZ) began his tenure as Independent Commissioner and A. Ardiansyah Bakrie (AAB) began his tenure as Vice President Director as stipulated by the decision of General Meeting of Shareholders in April 27, 2018

**) Irwan Sjarkawi (IS) held the position of President Commissioner and Independent Commissioner and Nugroho I. Purbowinoto (NIP) held the position of Commissioner until General Meeting of Shareholders in April 27, 2018

COMMISSIONERS ATTENDANCE IN BOC-BOD JOINT MEETING

Percentage of Commissioners' attendance in the Board of Commissioners and Directors Joint Meetings are as follow:

NAME	TOTAL OF MEETINGS HELD IN A YEAR	ATTENDANCE	PERCENTAGE OF ATTENDANCE IN MEETING
Anindya Novyan Bakrie	43	17	39%
Firmanzah	43	30	70%
Armansyah Yamin	43	25	58%
Irwan Sjarkawi	43	13	30%
Nugroho I. Purbowinoto	43	13	30%

BOARD OF COMMISSIONERS APPROVALS FOR TRANSACTIONS UNDER THE AUTHORITIES OF BOARD OF DIRECTORS

Board of Directors has the authorities to perform the following transactions only after gaining written approval from the Board of Commissioners.

1. Accepting financing from other party or giving commitment related to such financing to other party, if the financing amount exceeds the amount specified in the annual budget approved by the Board of Commissioners.
2. Giving financial loans to anyone, except for or not including loans directly related to trading business activities.
3. Binding the Company as guarantor.
4. Hypothecating Company's assets.
5. Selling or releasing and/or buying or acquiring immovable goods owned by the Company, including the rights on land.
6. Conducting sharing and/or releasing the sharing in other Company.
7. Proposing to issue the shares in the Company.
8. Deciding the annual budget, business plans and preparing the business strategy of the Company.
9. Deciding and/or making alteration to the Company's management structure, including appointment of the Chief Executive Officer.

On condition that such action having the value equal to or higher than 20% (twenty percent) of the Company's equity, based on Company Financial Statement, is within 1 (one) or more transactions, whether the transactions are related to each other or not.

THE BOARD OF COMMISSIONERS PERFORMANCE ASSESSMENT

The Board of Commissioners performance assessment is conducted with self-assessment methods, assisted by the committees under the Board of Commissioners and accountable to the GMS.

BOARD OF COMMISSIONERS KPI

The performance indicators for Board of Commissioners is formulated according to Duties and Responsibilities of Board of Commissioners which was stipulated based on Company's Articles of Association and prevailing rules and regulations. The following is table of parameters for Board of Commissioners performance self-assessment:

NO	PARAMETER	BOBOT
1.	Review on company's long-term objectives and strategic options for achieving them.	20%
2.	Review on company's basic philosophy: corporate values, code of ethics, code of conducts and corporate social responsibility.	20%
3.	Review on organizational structure of the company and human resource development programs.	20%
4.	Access to up-to-date information on company's management to ensure effective monitoring.	10%
5.	Routine meeting with President Director to discuss annual plans and budgets as well as its achievement.	10%
6.	Review on company's major decision, ie. future objectives, strategies, policies, major investment and senior executives appointments.	20%
TOTAL		100%

THE BOARD OF COMMISSIONERS REMUNERATION

The Company regulates the remuneration stipulations of the Board of Commissioners in 2018, as follows:

POSITION	2018	2017
Board of Commissioners	Rp 9,944,739,571	Rp 11,410,864,610

THE BOARD OF COMMISSIONERS ALLOWANCES AND FACILITIES

The Company regulates the allowances and facilities stipulations of the Board of Commissioners in 2018, as follows:

NO	ALLOWANCES & FACILITIES	ALL MEMBERS OF BOARD OF COMMISSIONERS
1.	Religious Allowance	Paid for 1 (one) month salary.
2.	Vehicles Allowance	Conform to prevailing Company policy.
3.	Communication Allowance	Conform to prevailing Company policy.
4.	Health Facility	Paid as much as 85% from total expense.
5.	Transportation Facility	Conform to prevailing Company policy.
6.	BPJS Worker and Health	Conform to UU RI No.40 year 2004 concerning National Social Security System and UU RI No.24 year 2011 concerning Social Security Administrative Body.
7.	Tenure Appreciations	Reward is given for every 5 years of job tenure.
8.	Out of Town Duty Allowance	Conform to prevailing Company policy.
9.	Executive Club Membership	Conform to prevailing Company policy.
10.	Leave Days Allowance	Paid as much as 1 (one) month salary after 12 months of tenure.

Board of Directors

The Board of Directors is the Company's organ with full authority and responsibility on the Company's management for the interest of the Company, in accordance with the Company's objectives. The duties of the Board of Directors include representing the Company both within and outside of the court in accordance with the Articles of Association.

BOARD OF DIRECTORS CHARTER

In performing its duties and responsibilities of monitoring the company in a professional, transparent, efficient and effective manner, the Board of Directors have stipulated a working guideline (Board of Directors Charter) which became a part of Company's Board Manual.

The followings are the outline of Board of Directors Charter in the Board Manual:

1. Functions of BOD
2. Duties and Authorities of BOD
3. Rights and Obligations of BOD
4. Requirements of BOD Member
5. Appointment Procedures
6. Tenure
7. Composition and Segregation of Duties of BOD
8. Profession Ethics of BOD
9. Meetings of BOD
10. Performance Evaluation of BOD
11. Supporting Organs of BOD (Senior Management and Committee)

DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

BNBR's Board of Directors holds several main duties in the management of the Company, which are:

1. Ensuring the effectiveness of the Company's management.
2. Stipulating the Company's annual business plan and budget.
3. Formulating business strategy as a reference of the Company's operational development.
4. Preparing the Company's Five year Long Term Plans.
5. Providing advice and inputs as well as approving the Company's business portfolio strategy formula and investments.
6. Providing the approval on the Company's investment plans.
7. Stipulating and validating the Company's values, code of conduct and business ethics.
8. Ensuring the implementation of Corporate Social Responsibility programs by the Company.

SEGREGATION OF DUTIES OF THE BOARD OF DIRECTORS

Whereas, the division of the Board of Directors duties in accordance with its functions and positions are as follows:

President Director & Chief Executive Officer (CEO)

Assigns to formulate the Company's strategic and general policies, coordinates the Company management and supervision with all members of the Board of Directors, including the implementation and execution of business strategy, formulates the portfolio strategy and investment transactions, or to review the strategic alliance of mutual benefits with other parties.

The President Director is responsible on the implementation of the Company internal control system and risk management effectiveness, as well as the performance evaluation of members of the Board of Directors that comprising of Chief Financial Officer (CFO), Chief Legal Officer (CLO), and Chief Risk Officer (CRO), as well as Chief Investment Officer (CIO), Chief Strategic Business Development Officer (CSBDO), and other Chiefs in the Executive Management Team composition.

Vice President Director

Assigns to carry out benchmarking study of Company and Business Units' competitive advantage, provides support Business Units' performance improvement, reviews and monitors the performance of Business Unit and Company's business, provides support to Business Units to create innovations with regards to Company strategic plan.

Collaborates with President Director to formulate the Company's strategic and general policies, coordinates the Company management and supervision with all members of the Board of Directors. Assists and supports President Director to implement and execute business strategy, formulates portfolio strategy and investment transaction, or probes strategic alliances that brings mutual benefits with other party.

Collaborates with President Director to ensure implementation of the Company internal control system and risk management effectiveness, as well as the performance evaluation of members of the Board of Directors that comprising of Chief Financial Officer (CFO), Chief Legal Officer (CLO), and Chief Risk Officer (CRO), as well as Chief Investment Officer (CIO), Chief Strategic Business Development Officer (CSBDO), and other Chiefs in the Executive Management Team composition.

Director and Chief of Financial Officer (CFO)

Assigns to formulate the strategic policy, management and operational of the company's finance, as well as acts for and on behalf of the President Director & CEO or the Board of Directors in conducting its duties of leading the activities and implementation governance of overall Finance Division.



The duties of CFO include preparing and coordinating the Company's Work and Budget Plan development, as well as the Company's financial management, so as to maintain the Company's liquidity and solvency. CFO is responsible to develop and implement the Accounting System and Procedures, including to analyze and evaluate the Company's Financial Statements. CFO also has the duties to manage the Company's financing requirements, including to design optimum financing structures as required for the Company's operations and investments.

Director & Chief Legal Officer (CLO)

Assigns to formulate, develop and implement the strategic policy and the Company's operational in legal fields, as well as to coordinate all activities and implementation governance of Legal Division, including to develop Legal Division Work and Budget Plan.

CLO is responsible to develop all administrations, systems and information of the Company's Legal Division, as well as providing legal considerations in every measure conducted by the Company. CLO periodically provided activity report of Legal Division to the CEO.

Director & Chief Risk Officer (CRO)

Assigns to assist the CEO or the Board of Directors in the overall implementation of the Company's risk management, through the implementation of Enterprise Risk Management program in accordance with international standards.

CRO is responsible to stipulate the Company standard operating procedures, and to cooperate with the Chief Investment Officer and Investment Committee in conducting risk management process, as well as implementing the compliance frameworks. CRO is periodically provided report to the CEO and coordinated with the Risk Management Committee.

BOARD OF DIRECTORS COMPOSITION

BNBR is led by the President Director/Chief Executive Officer and assisted by the members of the Board of Directors, of whom are selected, appointed, and terminated through GMS. Pursuant to the resolutions of Annual General Meeting of Shareholders dated April 27, 2018, the composition and appointment of the Board of Directors up to the end of 2021, are as follows:

COMPOSITION		FIRST APPOINTMENT		
POSITION	NAME	GENERAL MEETING OF SHAREHOLDERS	DOCUMENTS	RATIFICATION
President Director & Chief Executive Officer	Bobby Gafur S. Umar	June 25th, 2010	Deed dated June 25th, 2010 No. 149	AHU-AH.01.10-20381, dated August 9th, 2010
Vice President Director	A. Ardiansyah Bakrie	April 27, 2018	Deed dated May 17, 2018 No.79	AHU-AH.01.03-0206828, dated May 21, 2018
Director & Chief Financial Officer	A. Amri Aswono Putro	June 18th, 2015	Deed dated September 30th, 2015 No. 140	AHU-AH.01.03-0968773, dated October 1st, 2015
Director & Chief Legal Officer	R.A Sri Dharmayanti	June 26th, 2008	Deed dated July 9th, 2008 No. 15	AHU-49901.AH.01.02.Year 2008, dated August 11th, 2008
Independent Director & Chief Risk Officer	Dody Taufiq Wijaya	June 19th, 2014	Deed dated June 19th, 2014 No. 102	AHU-20154.40.22.2014, dated July 16th, 2014

DELEGATION OF AUTHORITY

A member of Board of Directors may delegate his/her authorities to another member of Board of Directors by issuing a written proxy made specifically for the occasion with adherence to the Board Manual.

During 2018 there was no delegation of authority among Board of Directors members to attend meeting and/or to make decisions.

CONCURRENT POSITION OF MEMBERS OF THE BOARD OF COMMISSIONERS

The Regulation of Financial Services Authority Number 33/POJK.04/2014 concerning the Board of Directors and the Board of Commissioners of Issuers or Listed Companies, stipulated that Members of the Board of Directors can hold concurrent position as:

1. member of the Board of Directors at maximum 1 (one) other Issuers or Public Companies;
2. member of the Board of Commissioners at maximum 3 (three) other Issuers or Public Companies; and/or
3. member of committee at maximum 5 (five) committees in Issuers or Public Companies in which the aforementioned also holds the position as member of Board of Directors or Board of Commissioners.

The following are the Board of Directors' description on concurrent position in 2018:

NAME	COMPANIES	POSITION
Bobby Gafur S. Umar	PT Bakrie Sumatra Plantations Tbk BTEL	Commissioner Vice Commissioner
A. Ardiansyah Bakrie	PT Visi Media Asia Tbk	Director
A. Amri Aswono Putro	-	-
R.A Sri Dharmayanti	PT Bumi Resources Tbk	Director
Dody Taufiq Wijaya	-	-

SHARES OWNERSHIP OF MEMBERS OF THE BOARD OF DIRECTORS

The Company also requests that member of the Board of Directors shall disclose the shares ownership both in the Company as well as other companies, domiciled both in Indonesia and overseas, in which report must be renewed annually.

The following are the Board of Directors members ownership of Company shares in 2018:

NAME	POSITION	SHARES OWNERSHIP (UNITS)	OWNERSHIP PERCENTAGE
Bobby Gafur S. Umar	President Director	42,100,000	0.20%
A. Ardiansyah Bakrie	Vice President Director	0	0
A. Amri Aswono Putro	Director	0	0
R.A Sri Dharmayanti	Director	0	0
Dody Taufiq Wijaya	Director	0	0

INDUCTION PROGRAM FOR THE BOARD OF DIRECTORS

Induction Program implementation is vital considering the variety of background of Board of Directors member. Induction Program can be carried out in the form of presentation, meeting, or visit to Company facilities. Induction Program can also be in the form of other programs deemed necessary by the Company. The Induction Program procedures cover the following matters:

1. Induction Program about the Company must be presented to Board of Directors members in their first time of serving as Company Board of Directors.
2. President Director holds the responsibility of Induction Program implementation. If the President Director is absent or he/she is a participant of the Induction Program, the responsibility is held by other members of the Board of Directors.
3. The Induction Program topic includes introductory to Company's business activities, financial and operational performance, short term and long term work plan, Good Corporate Governance principles, authorities that are permitted to be delegated, internal and external audit, Internal Control System, the Board of Directors Supporting Functions, duties and responsibilities of the Board of Commissioners and Board of Directors, and other strategic issues.

In 2018 the induction program was presented to A. Ardiansyah Bakrie who for the first time serves as a member of Company's Board of Directors since his appointment in the Annual GMS on April 27, 2018.

THE BOARD OF DIRECTORS COMPETENCE DEVELOPMENT PROGRAM

The Board of Directors has continuous education which is combined in self-study and participation in special education, training, workshops, seminars and conferences that are useful in improving Board of Directors' function effectiveness.

In 2018 the Board of Directors members attend several development and training activities held by the Company as well as external parties.

BOARD OF DIRECTORS MEETINGS

The Board of Directors holds the Board of Directors' meeting, or attends the meeting held by the Committees under the Board of Directors, or attends the joint meeting with the Board of Commissioners and other company's organs.

DIRECTORS ATTENDANCE IN BOARD OF DIRECTORS INTERNAL MEETING

The Company's Articles of Association stipulates the Board of Directors to hold an internal meeting at least 12 (twelve) times per year. The Board of Directors holds 49 (forty nine) meetings during 2018, with the following details:

Board of Directors Internal Meetings

NO	DATE	AGENDA	BOARD OF DIRECTORS				
			BGU	AAB	AAP	DTW	YS
1	January 22, 2018	Discussion Meeting of BNBR Annual Report 2017	1	-	1	1	1
2	January 24, 2018	Discussion Meeting of BNBR subsidiaries Project and Performance	1	-	1	1	1
3	February 23, 2018	Updating on Company's Current Situation	1	-	1	1	1
4	March 21, 2018	Discussion concerning the Result of Performance 2017 of PT Bakrie Multi Kontrol Nusantara	1	-	1	1	1
5	March 21, 2018	Discussion concerning the Result of Performance 2017 of PT Bakrie Solusi Strategis	1	-	1	1	1
6	March 21, 2018	Discussion concerning the Result of Performance 2017 of PT Bakrie Autoparts	1	-	1	1	1
7	March 22, 2018	Discussion concerning the Result of Performance 2016 of PT Bakrie Indo Infrastructure	1	-	1	1	1
8	March 22, 2018	Discussion concerning the Result of Performance 2016 of PT Bakrie Metal Industries	1	-	1	1	1
9	March 22, 2018	Discussion concerning PT Bakrie & Brothers Tbk Annual Financial Statement as of December 31st, 2017	1	-	1	1	1
10	March 26, 2018	Discussion of BNBR Strategic Plan	1	-	1	1	1
11	March 28, 2018	Discussion concerning the Result of Performance 2017 of PT Bakrie Building Industries	1	-	1	1	1
12	April 3, 2018	Updating on Company's Current Situation	1	-	1	1	1
13	April 4, 2018	Updating on Company's Current Situation	1	-	1	1	1
14	April 18, 2018	Discussion concerning Preparation of Annual and Extraordinary General Meeting of Shareholders 2018	1	-	1	1	1
15	April 23, 2018	Discussion concerning Preparation of Annual and Extraordinary General Meeting of Shareholders 2018	1	-	1	1	1
16	April 25, 2017	Discussion concerning PT Bakrie & Brothers Tbk Financial Statement as of March 31st, 2016	1	-	1	1	1
17	April 30, 2017	Discussion concerning PT Bakrie and Brothers Tbk's Subsidiaries	1	1	1	1	1
18	May 25, 2018	Discussion concerning Presentation on Operational and Financial Performance 1st Quarter 2018 of PT Multi Kontrol Nusantara	1	1	1	1	1
19	May 25, 2018	Discussion concerning Presentation on Operational and Financial Performance 1st Quarter 2018 of PT Bakrie Solusi Strategis	1	1	1	1	1
20	May 25, 2018	Discussion concerning Presentation on Operational and Financial Performance 1st Quarter 2018 of PT Bakrie Steel Industries	1	1	1	1	1
21	May 28, 2018	Discussion concerning Presentation on Operational and Financial Performance 1st Quarter 2018 of PT Bakrie Metal Industries	1	1	1	1	1
22	May 28, 2018	Discussion concerning Presentation on Operational and Financial Performance 1st Quarter 2018 of PT Bakrie Building Industries	1	1	1	1	1
23	May 28, 2018	Discussion concerning Presentation on Operational and Financial Performance 1st Quarter 2018 of PT Bakrie Indo Infrastructure	1	1	1	1	1
24	June 25, 2017	Discussion concerning Preparation of Incidentil Public Expose	1	1	1	1	1
25	July 19, 2018	Updating on Company's Current Situation	1	1	1	1	1
26	July 27, 2017	Discussion concerning PT Bakrie & Brothers Tbk Mid-Year Financial Statement	1	1	1	1	1

27	August 7, 2018	Presentasi Kinerja Q2 Tahun 2018 PT Bakrie Indo Infrastructure	1	1	1	1	1
28	August 7, 2018	Discussion concerning Operational and Financial Performance 1st Semester 2018 of PT Bakrie Solusi Strategis	1	1	1	1	1
29	August 7, 2018	Discussion concerning Operational and Financial Performance 1st Semester 2018 of PT Bakrie Metal Industries	1	1	1	1	1
30	August 8, 2018	Discussion concerning Operational and Financial Performance 1st Semester 2018 of PT Bakrie Building Industries	1	1	1	1	1
31	August 8, 2018	Discussion concerning Operational and Financial Performance 1st Semester 2018 of PT Multi Kontrol Nusantara	1	1	1	1	1
32	August 8, 2018	Discussion concerning Operational and Financial Performance 1st Semester 2018 of PT Bakrie Autoparts dan PT Bakrie Steel Industries	1	1	1	1	1
33	September 5, 2018	Updating on Company's Current Situation	1	1	1	1	1
34	October 25, 2018	Discussion concerning Preparation of Extraordinary General Meeting of Shareholders 2018	1	1	1	1	1
35	October 30, 2018	Discussion concerning PT Bakrie & Brothers Tbk Financial Statement as of September 31st, 2018.	1	1	1	1	1
36	October 30, 2018	Visitation and Observation from Corporate Governance Perception Index Team 2018	1	1	1	1	1
37	September 19, 2018	Discussion concerning Preparation of Extraordinary General Meeting of Shareholders 2018	1	1	1	1	1
38	December 3, 2017	Discussion concerning Presentation on Operational and Financial Performance 3rd Quarter 2018 of PT Bakrie Indo Infrastructure	1	1	1	1	1
39	December 3, 2017	Discussion concerning Presentation on Operational and Financial Performance 3rd Quarter 2018 of PT Bakrie Solusi Strategis	1	1	1	1	1
40	December 3, 2017	Discussion concerning 2019 Budget and Strategic Plan for 2020-2023 of PT Bakrie Metal Industries	1	1	1	1	1
41	December 4, 2017	Discussion concerning Presentation on Operational and Financial Performance 3rd Quarter 2018 of PT Multi Kontrol Nusantara	1	1	1	1	1
42	December 4, 2017	Discussion concerning Presentation on Operational and Financial Performance 3rd Quarter 2018 of PT Bakrie Autoparts dan PT Bakrie Steel Industries	1	1	1	1	1
43	December 4, 2017	Discussion concerning Presentation on Operational and Financial Performance 3rd Quarter 2018 of PT Bakrie Building Industries	1	1	1	1	1
44	December 10, 2017	Discussion concerning 2019 Budget and Strategic Plan for 2020-2023 of PT Bakrie Steel Industries	1	1	1	1	1
45	December 10, 2017	Discussion concerning 2019 Budget and Strategic Plan for 2020-2023 of PT Bakrie Metal Industries	1	1	1	1	1
46	December 10, 2017	Discussion concerning 2019 Budget and Strategic Plan for 2020-2023 of PT Bakrie Solusi Strategis	1	1	1	1	1
47	December 11, 2017	Discussion concerning 2019 Budget and Strategic Plan for 2020-2023 of PT Multi Kontrol Nusantara	1	1	1	1	1
48	December 11, 2017	Discussion concerning 2019 Budget and Strategic Plan for 2020-2023 of PT Bakrie Indo Infrastructure	1	1	1	1	1
49	December 11, 2017	Discussion concerning 2019 Budget and Strategic Plan for 2020-2023 of PT Bakrie Building Industries	1	1	1	1	1
TOTAL			49	33	49	49	49
Attendance Percentage			100%	67%	100%	100%	100%

Note:

BGU : Bobby Gafur S. Umar DTW : Dody Taufiq Wijaya
 AAB : A. Ardiansyah Bakrie YS : R.A. Sri Dharmayanti
 AAP : A. Amri Aswono Putro

*) A. Ardiansyah Bakrie (AAB) mulai menjabat sebagai Wakil Direktur Utama sesuai keputusan Rapat Umum Pemegang Saham pada tanggal 27 April 2018.

DIRECTORS ATTENDANCE IN BOC-BOD JOINT MEETING

During 2018, the Board of Commissioners and Board of Directors held 43 (forty three) Joint Meetings, with detailed agenda and attendance as described in this Annual Report page 131-133.

Percentage of Directors' attendance in the Board of Commissioners and Directors Joint Meetings are as follow:

NAME	TOTAL OF MEETINGS HELD IN A YEAR	ATTENDANCE	PERCENTAGE OF ATTENDANCE IN MEETING
Bobby Gafur S. Umar	43	43	100%
A. Ardiansyah Bakrie	43	43	100%
A. Amri Aswono Putro	43	30	70%
R.A Sri Dharmayanti	43	43	100%
Dody Taufiq Wijaya	43	43	100%

BOARD OF DIRECTORS PERFORMANCE ASSESSMENT

Performance Assessment of every Director is done individually based on achievement of Key Performance Indicator which has been agreed in the beginning of every year. The assessment process is implemented through self-assessment approach and formal one-on-one meeting with President Director twice a year.

In general, the Board of Directors' KPI was stipulated based on the following 2 parameters:

- Quantitative Parameter, is a parameter related to the Company's financial performance measurement, which consists of:
 - Management Point of view
 - Leaders point of view
 - Shareholders point of view
- Qualitative Parameter, is a parameter related to the managerial capacity and leadership of the Board of Directors, which consists of:
 - Leadership
 - Integrity
 - Credibility

The Company's Board of Directors' KPI was formulated by assessing performance through evaluations of Corporate's achievement of the above two parameters (Corporate's KPI), which was then derived into functional and individuals KPI. As an illustration, parameters for Board of Director performance assessment are shown in the following table, these parameters are also applied in performance assessment of Board of Directors of BNBR subsidiaries.

TABLE OF KPI DIRECTORS		
PARAMETER	KPI	INDICATOR
Quantitative		
A. Management Point of View	• Revenue Achievement	15,0
	• Production Yield	2,5
	• Capacity Utilization	2,5
	• Cost Improvement	7,5
	• Gross Margin Ratio	5
	• EBITDA Ratio	5
	• EBITDA compare to Last Year	5
	• Inventory Turn Over	2,5
	• Assets Turnover	2,5
	• Account Receivables days	2,5
	• Human Resources Effectiveness	2,5
	• Return On Assets	2,5
	• NIBT Compare to Last Year	5
B. Owners Point of View	• Net Operating Cash Flow	2,5
	• Earning per Shares	2,5
	• Management Fee	15
C. Lenders Point of View	• Current Ratio	5
	• Debt to Equity	5
	• Long Term Debt to EBITDA	5
Sub Total		90
Qualitative		
	• Leadership	2
	• Integrity	2
	• Professionalism	2
	• Accountability	2
	• Reporting & Control System	2
Sub Total		10
TOTAL		100

THE BOARD OF DIRECTORS REMUNERATION

The Company regulates the remuneration stipulations of the Board of Directors in 2018, as follows:

POSITION	2018	2017
Board of Directors	Rp 42,999,768,963	Rp 38,889,223,723

THE BOARD OF DIRECTORS ALLOWANCES AND FACILITIES

The Company regulates the allowances and facilities stipulations of the Board of Directors in 2018, as follows:

NO	ALLOWANCES & FACILITIES	ALL MEMBERS OF BOARD OF DIRECTORS
1	Religious Allowance	Paid for 1 (one) month salary.
2	Housing Allowance	Conform to prevailing Company policy.
3	Vehicles Allowance	Conform to prevailing Company policy.
4	Communication Allowance	Paid at cost.
5	Health Facility	Paid as much as 85% from total expense.
6	Transportation Facility	Conform to prevailing Company policy.
7	BPJS Worker and Health	Conform to UU RI No.40 year 2004 concerning National Social Security System and UU RI No.24 year 2011 concerning Social Security Administrative Body.
8	Pension Fund	Monthly premium: 7.95% of gross salary.
9	Tenure Appreciations	Reward is given for every 5 years of job tenure.
10	Out of Town Duty Allowance	Conform to prevailing Company policy.
11	Executive Club Membership	Conform to prevailing Company policy.
12	Leave Days Allowance	Paid as much as 1 (one) month salary after 12 months of tenure.

AFFILIATED RELATIONS OF THE BOARD OF COMMISSIONERS AND DIRECTORS

BNBR's Board of Commissioners and Directors do not hold concurrent position as members of the Board of Commissioners and Directors of the Controlling Shareholders, and do not have familial relations nor financial relations with members of the Directors and or Board of Commissioners and or the Controlling Shareholders.

With this independent status, BNBR's Board of Directors strives to act independently, in which are not posses any conflicts of interest that may disrupt its capabilities to implement duties independently and critically, both in the relations between the Board or towards the Board of Commissioners.

BOARD OF COMMISSIONERS & DIRECTORS	FAMILIAL RELATIONS WITH						FINANCIAL RELATIONS WITH						DESCRIPTION ON FAMILIAL RELATIONS AND/OR FINANCIAL RELATIONS
	BOARD OF COMMISSIONERS		DIRECTORS		CONTROLLING SHAREHOLDERS		BOARD OF COMMISSIONERS		DIRECTORS		CONTROLLING SHAREHOLDERS		
	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	
Anindya N. Bakrie	√	-	√	-	-	√	-	√	-	√	-	√	Sibling of A. Ardiansyah Bakrie
Firmanzah	-	√	-	√	-	√	-	√	-	√	-	√	-
Armansyah Yamin	√	-	√	-	-	√	-	√	-	√	-	√	Uncle of Anindya N. Bakrie and A. Ardiansyah Bakrie
Bobby Gafur S. Umar	-	√	-	√	-	√	-	√	-	√	-	√	-
A. Ardiansyah Bakrie	√	-	-	√	-	√	-	√	-	√	-	√	Sibling of Anindya N. Bakrie
A. Amri Aswono Putro	-	√	-	√	-	√	-	√	-	√	-	√	-
R.A Sri Dharmayanti	-	√	-	√	-	√	-	√	-	√	-	√	-
Dody Taufiq Wijaya	-	√	-	√	-	√	-	√	-	√	-	√	-

DIVERSIFICATION POLICY ON THE BOARD OF COMMISSIONERS AND DIRECTORS COMPOSITION

The Company presents the opportunity and chance for the best and selected Bakrie people to serve the position and authority as the Director, or Commissioner, with equality in age and gender, as well as educational background. The Company, yet, shall provides firm consideration on the candidates experience background and milestones.

All BNBR's Board of Directors and Commissioners shall conducts and passes the Fit and Proper test, both internally as well as by the Regulations from the relevant Regulators/Institutions.

The following are the diversity in BNBR's Board of Commissioners and Directors composition in 2018.

Diversity Based on Age

	30 – 40 years old	40 – 50 years old	50 – 60 years old	60 years old<
Board of Commissioners	-	2	1	-
Board of Directors	1	1	3	-

Diversity Based on Gender

	Male	Female
Board of Commissioners	3	-
Board of Directors	4	1

Diversity Based on Experience with Equal Position of Directors and or Commissioners

	5– 10 years	11 – 15 years	16 – 20 years	21 years<
Board of Commissioners	1	1	-	1
Board of Directors	3	2	-	-

Diversity Based on Education

	Graduates	Post Graduates	Honorary Degree	Honorary Member
Board of Commissioners	1	1	1	-
Board of Directors	-	5	-	-

The Secretary to the Board of Commissioners

The Secretary to the Board of Commissioners is appointed by and responsible to the Board of Commissioners.

The responsibilities of Secretary to the BOC are to manage the administration and the implementation of Good Corporate Governance in assisting the BOC to conduct an effective supervision function.

Lifransyah Gumay, the previous Secretary to the Board of Commissioners has resigned from the Company and handed in his resignation letter on February 28, 2018. Therefore the Board of Commissioners appointed Arief Dhani as Secretary to the Board of Commissioners as stated in the Decision Letter of Board of Commissioners No. 12A/SK-DEKOM/BNBR/V/2018 dated May 21, 2018.

Arief A. Dhani, SE, MM, CPA, CA

Arief A. Dhani, an Indonesian, born in 1971. Began his career as an auditor in Public Accounting Firm Drs Hadi Sutanto & Partners / Pricewaterhouse Coopers. He then served as Partner in Public Accounting Firm RSM AAJ Associates, and then Partner in the Public Accounting Firm Arman Dhani & Partners. Currently he serves as audit committee in other listed companies, and lecturer in the Economy Faculty of the University of Indonesia. He earned an Economics degree majoring in Accounting from the University of Indonesia and Master of Management degree in finance from the University of Pelita Harapan.



COMPETENCE DEVELOPMENT PROGRAM FOR THE SECRETARY TO THE BOARD OF COMMISSIONERS

Secretary to the Board of Commissioners has continuous education which is combined in self-study and participation in special education, training, workshops, seminars and conferences that are useful in its function effectiveness.

The Board of Commissioners Supporting Committees

In implementing its supervisory functions on the company's management, the Board of Commissioners establishes supporting committees chaired by one of the Independent Commissioner.

AUDIT COMMITTEE

Audit Committee is established by and responsible to the Board of Commissioners. The Committee's duties are to assist the Board of Commissioners in conducting supervisory functions on matters pertaining to the financial information, internal control, risk management and compliance towards the applicable legislations.

The company's Audit Charter and OJK regulation number 55/POJK.04/2015 concerning the Establishment and Audit Committee Implementation Guidelines directs the implementation of Audit Committee's duties. The Audit Charter elaborates the duties, roles and functions of the Committee comprehensively.

Duties and Responsibilities of Audit Committee

As stipulated in the Audit Charter, the Audit Committee's duties are to assist the Board of Commissioners in its supervisory functions in accordance with the implementation of Good Corporate Governance. The Audit Committee acts independently in implementing its duties and responsibilities.

The Audit Committee's Duties and Responsibilities are regulated as follows:

1. Reviewing the financial information, which will be published by the company such as financial reports, projections, and other reports on the company's financial information;
2. Reviewing the compliance towards regulations related to the company's activity;
3. Providing independent opinions in the event of disagreements between the management and the External Auditor on the tendered services;
4. Providing recommendations to the Board of Commissioners on the appointment of External Auditor based on independency, scope of works, and fees;
5. Reviewing the auditing works of the internal auditor and follow-up actions by the Board of Directors on the internal auditor's findings;
6. Reviewing the implementation of risk management conducted by the Board of Directors, if the Company does not have a risk oversight function under the Board of Commissioners;
7. Reviewing the whistleblowing related to the company's accounting process and financial reporting;
8. Reviewing and providing advise to the Board of Commissioners pertaining to the potential of conflicts of interest in the company;
9. Maintaining the confidentiality of the company's documents, data and information.

Audit Committee's Members Qualifications

1. In order to conduct proper duties, the Audit Committee's members shall have the competency and expertise in auditing, and be independent. The following are qualifications and requirements of the Company's Audit Committee: High Integrity, adequate expertise, knowledge, and experience, as well as good communication skills.
2. Good understanding on the financial reports, company's business, audit process, risk management, and has the adequate knowledge on Capital Market laws as well as other related legislations.
3. At least one of the Audit Committee's members has the education background and expertise in accounting or finance.
4. Compliance to the Company's Audit Committee code of conduct.
5. Continuously enhance its competence through education and trainings.
6. Not a representative of Accounting Firm, Legal Consultant Firm, or other parties that provide attestation and non-attestation services, and/or other consultancy services to the Issuers or Listed Companies in the last 6 (six) month.
7. Does not have direct or indirect shares in the Company.
8. In the event of direct or indirect ownership by the members of Audit Committee due to legal actions, he/she therefore shall transferring its shares within 6 (six) month after the ownership to the other parties.
9. Does not have affiliated relations with the Company, Commissioners, Directors, or the Company's Majority Shareholders.

10. Does not have a direct or indirect business relations related to the Company's business activity.
11. Does not have other relations that may influence its ability to act independently.

1. Chairman : Irwan Sjarkawi
2. Member : Nugroho I. Purbowinoto
3. Member : Lifransyah Gumay
4. Member : Arief A. Dhani

Audit Committee Independence

All members of Audit Committee have fully fulfilled the independence criteria, as stipulated in the Audit Charter and able to assure independency in every duty and decision-making.

Audit Committee Membership Composition

The Audit Committee is appointed by the Board of Commissioners with the professional qualifications to support objectives approach. The Audit Committee members' tenure may not be longer than the tenure of the Board of Commissioners as stipulated in the articles of association and can be re-elected for the next 1 (one) period after the periodical review by the Board of Commissioners.

Based on the Board of Commissioners Decree No. 02/SK-DEKOM/BNBR/I/2017, as of January 18th, 2017, the Audit Committee's composition for the period of 2017-2019 is as follows:

Furthermore based on the Board of Commissioners' Decree No. 11/SK-DEKOM/BNBR/V/2018, as of May 21, 2018, the Audit Committee's composition according to Decree No. 02/SK-DEKOM/BNBR/I/2017 is no longer valid and the Audit Committee composition for the period of 2018 - 2020 is as follows:

1. Chairman : Firmanzah
2. Member : Irwan Sjarkawi
3. Member : Arief A. Dhani

Profile of Audit Committee Member

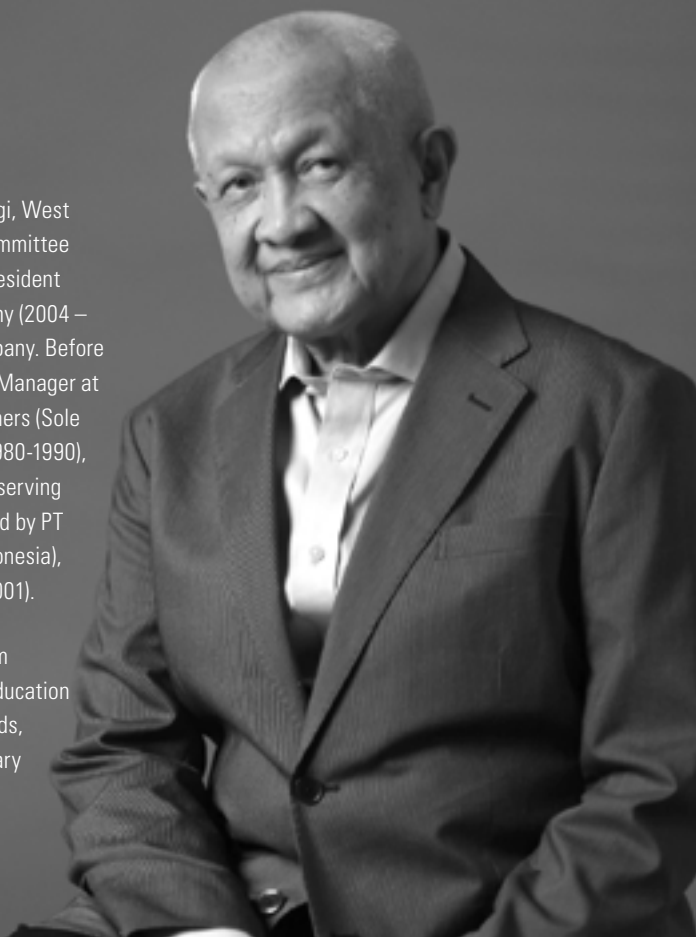
1. Chairman : Firmanzah (see profile of Board of Commissioners)
2. Member : Irwan Sjarkawi
3. Member : Arief A. Dhani, SE, MM, CPA, CA (see profile of Secretary to the Board of Commissioners)

Irwan Sjarkawi

Member of Audit Committee

Irwan Sjarkawi is an Indonesian nationality born in Bukittinggi, West Sumatra in 1946. He is a member of the Company's Audit Committee for 2018 – 2020 period. Previously he held the position of President Commissioner and Independent Commissioner of the Company (2004 – 2018), and President Director & CEO (1998-2002) of the Company. Before joining the Company, he started his professional career as a Manager at PT Elektronika Nusantara in 1974, Director of PT Daeng Brothers (Sole Distributor of Philips Telecommunications & Data System) (1980-1990), President Director of PT Pantja Niaga (1991-1998) as well as serving as President Commissioner to more than 10 companies owned by PT Pantja Niaga including Pantja Motor (Sole Agent Isuzu in Indonesia), and as Director of UNIPRO BV, Amsterdam, Holland (1993-2001).

He obtained a Degree in Telecommunication Engineering from Bandung Institute of Technology in 1973 and continued his education in the International Institute of Philips, Eindhoven, Netherlands, majoring in Digital Electronics in 1974. He received an honorary degree as a Senior Fellow of the John F. Kennedy School of Government, Harvard University Cambridge, USA in 2002.



Competence Development Program for Audit Committee Members

Audit Committee Members have continuous education which is combined in self-study and participation in special education, training, workshops, seminars and conferences that are useful in its function effectiveness.

During 2018 the company's Audit Committee members attended the following development program:

NO	DATE	ATTENDANT	AGENDA	LOCATION
1	January 31, 2018	Arief A. Dhani	Tax Workshop	Jakarta
2	May 31, 2018	Arief A. Dhani	Pension Fund Financial Statement preparation	Jakarta
3	July 20, 2018	Arief A. Dhani	Understanding Valuation Report and The Valuation Process	Jakarta

Audit Committee Duties Implementation

In fulfilling its duties, Audit Committee's daily activities are to assist BOC in doing its monitoring function towards BOD and Company's management in the following matters:

1. Reliability of Company's Financial Report and its internal control.
2. Compliance to prevailing law and regulations including all of Company's policies and code of ethics.
3. Qualification, independence, and performance of Company's Independent Auditor.
4. All processes related with risk management and internal control systems.
5. Process and performance of Corporate Internal Audit.

Audit Committee Members Meeting and Attendance

During 2018, in its duties implementation, Audit Committee holds the committee meetings as well as the meeting with the Board of Commissioners, Directors and other organs of the company.

The following are detailed of the Audit Committee Meeting and Attendance in 2018:

NO	DATE	AGENDA	AUDIT COMMITTEE				
			FIZ*	IS	NIP**	LG**	AD
1	January 23, 2018	Progress of 2017 Financial Statement	0	1	1	1	1
2	February 28, 2018	Discussion concerning Internal Audit monitoring result	0	1	1	1	1
3	March 15, 2018	Discussion concerning Public Accounting Firm audit result on 2017 Financial Statement	0	1	1	0	1
4	May 28, 2018	Meeting with Internal Audit team	1	1	0	0	1
5	July 6, 2018	Discussion concerning Internal Audit monitoring result	1	1	0	0	1
6	November 15, 2018	Discussion concerning the appointment of public accounting firm as External Auditor	1	1	0	0	1
7	November 29, 2018	Discussion concerning Internal Audit monitoring result	1	1	0	0	1
8	December 7, 2018	Discussion with Public Accounting Firm concerning audit plan 2018 Financial Statement	1	1	0	0	1
TOTAL			5	8	3	2	8

Note:

FIZ : Firmanzah
IS : Irwan Sjarkawi
NIP : Nugroho I. Purbowinoto
LG : Lifranyah Gumay
AD : Arief Dhani

*)Firmanzah (FIZ) began his tenure as Chairman of Audit Committee on May 21, 2018 as stipulated by the Board of Commissioners' Decree No. 11/SK-DEKOM/BNBR/V/2018.

**) Nugroho I. Purbowinoto (NIP) and Lifranyah Gumay (LG) were released from their position as Members of Audit Committee on May 21, 2018 as stipulated by the Board of Commissioners' Decree No. 11/SK-DEKOM/BNBR/V/2018.

NOMINATION AND REMUNERATION COMMITTEE

As stipulated in the Company's Articles of Association and Financial Services Authority Regulation No. 34/POJK.04/2014, the management of nomination and remuneration of the Board of Commissioners and Directors is ratified by the GMS to be implemented by the Board of Commissioners. In its implementation, aligned with GCG implementation, the Board of Commissioners assisted by the Nomination and Remuneration Committee.

The company's Nomination and Remuneration Committee Charter and OJK regulation number 34/POJK.04/2015 concerning the Nomination and Remuneration Committee of an Issuer or a Public Company directs the implementation of Nomination and Remuneration Committee's duties. The Nomination and Remuneration Committee Charter elaborates the duties, roles and functions of the Committee comprehensively.

Duties and Responsibilities of Nomination and Remuneration Committee

The following are among others the duties and responsibilities of Nomination and Remuneration Committee:

1. Providing direction in leadership and succession plan of key positions as well as the appointment of the members of BOC/BOD, including matters related to the re-appointment and remuneration.
2. Ensuring a transparent remuneration system in the Company, such as salaries or honorarium, fixed benefits and facilities including *tantiem* and variables incentives.
3. Reviewing the appropriateness of remuneration system for the Board of Directors and the Board of Commissioners, as well as to recommend any necessary adjustment by taking into account the relations between awarded remuneration levels with the set performance achievements.
4. Providing recommendations on nomination system, transparent remuneration evaluations for the Board of Commissioners, Directors and one-down executives under the Directors for further recommendation to the Board of Commissioners.
5. Reviewing the appropriateness of rewarding policies and the usage of available facilities for the Board of Commissioners, Directors and one-down executives under the Directors, and to provide recommendation on necessary improvements/amendments.
6. Stipulating the policies in the formulation of salary system and benefits rewarding as well as reviewing and recommending the performance achievement, incentives rewarding, pension and compensation systems in the event of employees reduction.

7. Developing the selection criteria and nomination procedures of the members of the Board of Commissioners and Directors, and other executives, and providing recommendation on the number of the Board of Directors and Commissioners.

Nomination and Remuneration Committee Independence

The members of Nomination and Remuneration Committee independently act and able to guarantee its independency in every duties and decision-making.

Nomination and Remuneration Committee Membership Composition

The composition of Nomination and Remuneration Committee for the period of 2017 to 2019 was stipulated based on the Board of Commissioners Decree No. 05/SK-DEKOM/BNBR/I/2017 dated January 18th, 2017 with the following composition:

1. Chairman : Irwan Sjarkawi
2. Member : Nugroho I. Purbowinoto
3. Member : Okder Pendrian

Furthermore based on the Board of Commissioners' Decree No. 10/SK-DEKOM/BNBR/V/2018, as of May 21, 2018, the Nomination and Remuneration Committee's composition according to Decree No. 05/SK-DEKOM/BNBR/I/2017 is no longer valid and the Nomination and Remuneration Committee composition for the period of 2018 - 2020 is as follows:

1. Chairman : Firmanzah
2. Member : Anindya N. Bakrie
3. Member : Okder Pendrian

Profile of Nomination and Remuneration Committee Member

1. Firmanzah (see profile of Board of Commissioners)
2. Anindya N. Bakrie (see profile of Board of Commissioners)
3. Okder Pendrian



Okder Pendrian

Nomination and Remuneration Committee

Okder Pendrian, an Indonesian, born in 1973. Started his career in the human capital field as trainee at PT Unilever Indonesia Tbk, Surabaya in 1996. Joined PT Bakrie & Brothers Tbk in 1997 and currently holds the position of Head of Human Capital & Office Support, he also holds the position of Director & CEO of PT Bakrie Strategic Solutions. During his tenure in the Company, he has been posted at several business units: as Chief Human Resources & Organization of PT Bakrie Metal Industries and as HR Advisor of PT Darma Henwa Tbk. He earned his Bachelor degree in Agriculture Industry Technology major from Bogor Agricultural University (IPB) and MBA degree in General Management major from IPMI Business School, Jakarta.

Competence Development Program for Nomination and Remuneration Committee Members

Nomination and Remuneration Committee Members have continuous education which is combined in self-study and participation in special education, training, workshops, seminars and conferences that are useful in its function effectiveness.

Nomination and Remuneration Committee Duties Implementation

In implementing its duties, the Nomination and Remuneration Committees daily activities are to assist the Board of Commissioners in the following matters:

1. Formulate and provide guidance about leadership and succession plan for every key positions and nomination as members of BOC or BOD, as well as other matters related with reappointment and its remuneration.
2. Conduct review and nominates candidate for BOC or BOD member to be appointed and ratified in GMS.
3. Periodically assess the eligibility of a retiring BOC or BOD member for reappointment in GMS.
4. Nominate candidate for C-level executives (CIO, CCC, CSBDO and other Chiefs).
5. Suggest remuneration package for BOC, BOD and C-level executives.

Nomination and Remuneration Committee Members Meeting and Attendance

NO	DATE	AGENDA	NOMINATION & REMUNERATION COMMITTEE				
			FIZ*	ANB*	IS**	NIP**	OP
1	January 3, 2018	Leadership and management development program in BNBR and subsidiaries	0	0	1	0	1
2	February 6, 2018	Remuneration adjustment of BNBR Board of Directors	0	0	1	0	1
3	March 8, 2018	Talent management program in BNBR and subsidiaries	0	0	1	0	1
4	March 19, 2018	Progress review of leadership and management development program	0	0	1	0	1
5	May 18, 2018	Stipulation of remuneration structure of BNBR Board of Commissioners	1	1	0	0	1
6	May 23, 2018	Stipulation of remuneration of Vice President Director	1	1	0	0	1
7	June 1, 2018	Strategic analysis on BNBR subsidiaries' policies including consequences of nomination and remuneration strategy for board of directors of subsidiaries	1	1	0	0	1
8	September 28, 2018	Strategic Analytical frameworks: Assessing BNBR firms Group. Reassessment plan of subsidiaries directors competence	1	0	0	0	1
9	October 19, 2018	Evaluation on subsidiaries 3rd quarter performance and evaluation on leadership competence of subsidiaries directors	1	0	0	0	1
TOTAL			5	3	4	0	9

Note:
 FIZ : Firmanzah NIP : Nugroho I. Purbowinoto
 ANB : Anindya Novyan Bakrie OP : Okder Pendrian
 IS : Irwan Sjarkawi

*Firmanzah (FIZ) began his tenure as Chairman of Nomination and Remuneration Committee and Anindya Novyan Bakrie began his tenure as Member of Nomination and Remuneration Committee on May 21, 2018 as stipulated by the Board of Commissioners' Decree No. 10/SK-DEKOM/BNBR/V/2018.

**Irwan Sjarkawi (IS) was released from his position as Chairman of Nomination and Remuneration Committee and Nugroho I. Purbowinoto (NIP) was released from his position as Members of Nomination and Remuneration Committee on May 21, 2018 as stipulated by the Board of Commissioners' Decree No. 10/SK-DEKOM/BNBR/V/2018.

Policies on Board of Directors Succession

Policy on Company's Board of Directors succession is stipulated in Human Resources policy concerning Career Development and Succession Program. In its implementation, Nomination and Remuneration Committee is responsible to lead the succession planning process of Board of Directors, although appointment of a Director must gain approval from GMS. The Company has a policy to do internal promotion wherever possible. Internal candidates for a leader position can be identified and groomed through human resources development program managed by Human Resources division and Bakrie Learning Center.

INVESTMENT AND RISK MANAGEMENT COMMITTEE

The Investment and Risk Management Committee was established to assist the Board of Commissioners in ensuring sound implementation of Good Corporate Governance principles and ensuring that investment activities (including divestment, financing, and other related activities), which are the Company's main business activity, can be carried out in an orderly manner and

based on prudent principle to achieve Company's vision, mission and goal. The Investment and Risk Management Committee also assist the Board of Commissioners in developing, implementing and regulating the risk management policies in the Company, as well as responsible of carrying out supervisory on major risk aspects and for the assurance of risks anticipation and mitigation.

In implementing its duties, the Investment and Risk Management Committee cooperates with the Audit Committee and Corporate Risk Management Division.

The Company's Investment and Risk Management Committee Charter directs the implementation of Investment and Risk Management Committee's duties. The Investment and Risk Management Committee Charter elaborates the duties, roles and functions of the Committee comprehensively.

Duties and Responsibilities of Investment and Risk Management Committee

The Investment and Risk Management Committee has the duty of assisting and/or represent the Board of Commissioners to monitor, evaluate, and give input on investment, divestment, as well as risk controlling activities in the following matters:

1. Monitor, evaluate, assess, appraise and give input on adequacy, completeness, and effectiveness of control over investment / divestment / funding process, as well as Company risk management.
2. Monitor, evaluate, and give recommendation on policy direction in managing every resources of the Company in efficient and effective manner to be carried out by the Board of Directors and Chief Investment Officer (CIO).
3. Ensure thorough implementation of Company risk management starting from policy formulation, provision of resources and means, completeness of procedures, and implementation practices can be carried out in efficient and effective manner according to international standard and prevailing rules and regulations.
4. Monitor, evaluate, and give input/recommendation on approval process of investment, divestment, and funding proposal, as well as other related activities. In giving input/recommendation on approval process of investment / divestment / funding proposal, the Committee considers strategic risks (including reputation risk and law / legal / regulation risk), financial risk (including mismatch risk), market / commercial risk, and operation risk affecting the investment, divestment, and funding plan.
5. Assist BOC in carrying out supervision, evaluation, and give input on risk management at all level (Enterprise Risk Management – ERM) to achieve goals and results that are inline and consistent with Company's vision, mission, target, and strategic planning. Including appraisal on risk management policy in terms of risk limit (risk appetite and risk tolerance) set by the Board of Directors, as well as appraisal on efforts to mitigate risks (risk response) through risk mitigation steps.
6. Carry out discussion, evaluation, verification and give recommendation on investment control process and risk management by the BOD and report it to the BOC.
7. Give periodic and/or timely report as requested by BOC.

Investment and Risk Management Committee Membership Composition

The composition of Risk Management Committee for the period of 2017 to 2019 was stipulated based on the Board of Commissioners Decree No. 04/SK-DEKOM/BNBR/I/2017 dated January 18th, 2017 with the following composition:

- | | |
|-------------|--------------------------|
| 1. Chairman | : Nugroho I. Purbowinoto |
| 2. Member | : Armansyah Yamin |
| 3. Member | : Arief A. Dhani |
| 4. Member | : Lifransyah Gumay |

Furthermore based on the Board of Commissioners' Decree No. 09/SK-DEKOM/BNBR/V/2018, as of May 21, 2018, the Risk Management Committee's composition according to Decree No. 04/SK-DEKOM/BNBR/I/2017 is no longer valid and the roles previously carried out by Risk Management Committee will be carried out by Investment and Risk Management Committee which composition for the period of 2018 - 2020 is as follows:

- | | |
|-------------|-------------------------------|
| 1. Chairman | : Anindya N. Bakrie |
| 2. Member | : Firmanzah |
| 3. Member | : Roy Hendrajanto Marta Sakti |
| 4. Member | : Arief A. Dhani |

Profile of Risk Management Committee Member

1. Anindya N. Bakrie (see profile of Board of Commissioners)
2. Firmanzah (see profile of Board of Commissioners)
3. Roy Hendrajanto Marta Sakti (see profile of BNBR Senior Management)
4. Arief A. Dhani (see profile of Audit Committee Member)

Competence Development Program for Investment and Risk Management Committee Members

Investment and Risk Management Committee members have continuous education which is combined in self-study and participation in special education, training, workshops, seminars and conferences that are useful in its function effectiveness.

Investment and Risk Management Committee Duties Implementation

The Investment and Risk Management Committee assist the Board of Commissioners in conducting its supervision function over the Board of Directors, especially in conducting review, recommendation and assessment to the adequacy, completeness and effectiveness of risk management for the company's activities, including project proposal and implementation.

In executing its function, the Investment and Risk Management Committee gain support from the Board of Directors assisted by Corporate Risk Management (CRM) Division by giving access to source of information including documents required and sufficient facility in performing its function.

Investment and Risk Management Committee Members Meeting and Attendance

NO	DATE	AGENDA	INVESTMENT AND RISK MANAGEMENT COMMITTEE						
			ANB*	FIZ*	RH*	NIP**	AY**	LG**	AD
1	March 6, 2018	Risk Management Committee internal meeting	0	0	0	1	1	1	1
2	March 22, 2018	Risk Management report	0	0	0	1	1	0	1
3	October 3, 2018	Discussion concerning Investment and Risk Management Committee program	1	1	1	0	0	0	1
4	December 18, 2018	Risk Management program and Investment and Risk Management Committee Charter 2018	1	1	1	0	0	0	1
TOTAL			2	2	2	2	2	1	4

Note:

FIZ : Firmanzah
 ANB : Anindya Novyan Bakrie
 RH : Roy Hendrajanto M. Sakti
 NIP : Nugroho I. Purbowinoto
 AY : Armansyah Yamin
 LG : Lifransyah Gumay
 AD : Arief Dhani

**) Anindya Novyan Bakrie (ANB) began his tenure as Chairman of Investment and Risk Management Committee and Firmanzah (FIZ) and Hendrajanto Marta Sakti (RH) began their tenure as Member of Investment and Risk Management Committee on May 21, 2018 as stipulated by the Board of Commissioners' Decree No. 09/SK-DEKOM/BNBR/V/2018.*

***) Nugroho I. Purbowinoto (NIP), Armansyah Yamin (AY) and Lifransyah Gumay (LG) was released from their position as Members of Risk Management Committee on May 21, 2018 as stipulated by the Board of Commissioners' Decree No. 09/SK-*

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee (GCG) is established to assist the Board of Commissioners' functions in the management and assurance of effectiveness of GCG practices implementation in the Company. The Committee monitors and supports the implementation of GCG principles in accordance with the prevailing legislations and industry standards, as well as ethical norms in the community.

The company's Corporate Governance Committee Charter directs the implementation of Corporate Governance Committee's duties. The Corporate Governance Committee Charter elaborates the duties, roles and functions of the Committee comprehensively.

Duties and Responsibilities of Corporate Governance Committee

1. Assist the Board of Commissioners in supervisory and monitoring function, especially regarding effectiveness of GCG practices implementation in the Company as an effort to increase Shareholders value.
2. Provide recommendations on improvement of GCG implementation in the Company, in accordance with GCG principles.
3. Increase Stakeholders' confidence that the Company is managed in a prudent, professional and reliable manner.
4. Ensure that the implementation of Corporate Governance (CG) principles and sound corporate practices have been carried out in accordance with the demand of rules and regulations, prevailing industry standard, and ethical norms practiced by society .
5. Assist the Board of Commissioners in comprehensively assessing GCG policies formulated by the Board of Directors and Management as well evaluate the consistency of its implementation, including those that are related with business ethics and corporate social responsibility (CSR).
6. Ensure adequacy of structure and process for company organs and company supporting organs have been well fulfilled and carried out in accordance with the demand of prevailing rules and regulations (among others are UU No.40/2007 concerning Limited Liability Company and UU No.8/1995 concerning Capital Market).

7. Ensure, monitor and evaluate implementation of Compliance and Ethics Program including Whistleblowing System have been carried out well.
8. Ensure, monitor and evaluate implementation of reliable internal control system has been carried out in all level of organization and company operation.
9. Ensure, monitor and evaluate as well as provide recommendations on declaration of PT Bakrie & Brothers Tbk Integrity Pact can be implemented gradually according to Company development and needs.
10. If deemed necessary, the CG Committee with approval from the Board of Commissioners may invite independent parties to assess CG implementation.
11. Conduct discussion, evaluation, verification and provide recommendations on results of CG Committee duties implementation with related parties and deliver the result to Board of Commissioners.
12. If deemed necessary, CG Committee may communicate with other Committees regarding general implementation of CG.
13. Perform other tasks mandated by the Board of Commissioners providing the tasks are still within Board of Commissioners duties and responsibilities scope according to prevailing rules and regulations.

Corporate Governance Committee Independency

Corporate Governance Committee member possess a professional attitude and have a sense of independency, meaning that independence and professionalism are reflected in situation when dealing with the influences and pressures that may come from various interests which are feared would interfere with the implementation of duties.

Corporate Governance Committee Membership Composition

The composition of Corporate Governance Committee for the period of 2017 to 2019 was stipulated based on the Board of Commissioners Decree No. 03/SK-DEKOM/BNBR/I/2017 dated January 18th, 2017 with the following composition:

1. Chairman : Nugroho I. Purbowinoto
2. Member : Irwan Sjarkawi
3. Member : Dody Taufiq Wijaya

Furthermore based on the Board of Commissioners' Decree No. 12/SK-DEKOM/BNBR/V/2018, as of May 21, 2018, the Audit Committee's composition according to Decree No. 03/SK-DEKOM/BNBR/I/2017 is no longer valid and the Audit Committee composition for the period of 2018 - 2020 is as follows:

1. Chairman : Armansyah Yamin
2. Member : Anindya N. Bakrie
3. Member : Irwan Sjarkawi
4. Member : Dody Taufiq Wijaya

Profile of Corporate Governance Management Committee Member

1. Armansyah Yamin (see profile of Board of Commissioners)
2. Anindya N. Bakrie (see profile of Board of Commissioners)
3. Irwan Sjarkawi (see profile of Audit Committee)
4. Dody Taufiq Wijaya (see profile of Board of Directors)

Competence Development Program for Corporate Governance Committee Members

Corporate Governance Committee Members have continuous education which is combined in self-study and participation in special education, training, workshops, seminars and conferences that are useful in its function effectiveness.

Corporate Governance Committee Duties Implementation

The Risk Management Committee assist the Board of Commissioners in ensuring that the principles of Good Corporate Governance is followed and utilized as well as comply to the prevailing regulations and meet the Company's objectives.

In performing its duties, the Corporate Governance Committee perform the following activities:

1. Communicate with Corporate Secretary, Internal Audit Department and Human Capital Division concerning compliance to prevailing Capital Market regulations and other related regulations, internal control system in accordance with COSO description, as well as implementation of Compliance and Ethics program including Whistleblowing System (WBS).
2. Directly monitor effectiveness of implementation of Corporate Governance program and communicate with the person in charge.
3. With approval from the Board of Commissioners, the committee may seek assistance from external experts.

Meeting and Attendance of Members of Corporate Governance Committee

NO	DATE	AGENDA	CORPORATE GOVERNANCE COMMITTEE				
			AY*	ANB*	NIP**	IS	DTW
1	July 20, 2018	Assessment of GCG implementation in 2018	1	1	-	1	1
2	July 26, 2018	Report of 2018 Corporate Governance program and 2018 CRM work plan	1	1	-	1	1
3	August 8, 2018	Assessment of GCG socialization implementation at BNBR and subsidiaries	1	1	-	1	1
4	December 17, 2018	Enhancement of Board Manual and Corporate Governance Manual	1	1	-	1	1
TOTAL			4	4	0	4	4

Note:

AY : Armansyah Yamin
 ANB : Anindya Novyan Bakrie
 NIP : Nugroho I. Purbowinoto
 IS : Irwan Sjarkawi
 DTW : Dody Taufiq Wijaya

*) Armansyah Yamin (AY) began his tenure as Chairman of Corporate Governance Committee and Anindya Novyan Bakrie (ANB) began his tenure as Member of Corporate Governance Committee on May 21, 2018 as stipulated by the Board of Commissioners' Decree No. 12/SK-DEKOM/BNBR/V/2018.

**) Nugroho I. Purbowinoto (NIP) was released from his position as Member of Corporate Governance Committee on May 21, 2018 as stipulated by the Board of Commissioners' Decree No. 12/SK-DEKOM/BNBR/V/2018.

Functions Supporting the Board of Directors

CORPORATE SECRETARY

Corporate Secretary is a function who acts as liaison officer between Financial Service Authority (OJK), Indonesia Stock Exchange and other regulators, as well as with public in order to reinforce transparency principles in company's information and communication management. Therefore the Corporate Secretary acts as the organizer of Board of Commissioners and Board of Directors daily activities. Corporate Secretary is responsible to the Board of Directors through Director & CLO.

The appointment of Christofer A. Uktolseja as Corporate Secretary was ratified by the Decision Letter of Board of Directors No.003/SK-BOD-BNBR/VI/15 dated June 5th, 2015, and has been informed to OJK through letter No.046/BNBR/CS-OJK/VI/15 dated June 8th, 2015.

Corporate Secretary Duties

The Corporate Secretary duties cover the following:

1. A liaison between the Company with OJK, Shareholders, Self Regulatory Organization (SRO), other Institutions, and public.
2. Provide suggestion to the Board of Directors on the compliance towards relevant regulations, and to hold firmly on the Company's standard of ethics.
3. Prepare and disseminate accurate and complete information regarding the Company's performance to the Capital Market community and other stakeholders.
4. Assist the Board of Directors in:
 - Information dissemination to the Board of Directors regarding the requirement of the Board of Commissioners, OJK, SRO and other Institutions.
 - Ensuring the Company's fulfillment in its obligations to reporting and information transparency in timely and accurate manners.
5. Documenting several activities and information on the Company as well as to publish it on time in accordance with the Company's policy.
6. Conducting update on the Capital Market industry development, specifically the prevailing regulations in the Capital Market, as well as GCG practices so as to provide whenever necessary any information required by the Board of Commissioners, Directors, and internal parties.
7. Maintain and enhance the Company's positive image, both nationally and internationally.

Christofer Alexander Uktolseja

Corporate Secretary

Christofer Alexander Uktolseja, an Indonesian, was born in Prabumulih in 1973 and earned a Bachelor degree in Law from Parahyangan Catholic University, Bandung. He has held the position of Corporate Secretary since June 2015 and also holds the position of Head of Corporate Legal since 2011. He joined the Company in 1999 in Corporate Legal Department as a Legal Advisor. Prior to joining the Company, he has joined with one of the largest Oil & Gas company in Indonesia namely Total E&P Indonesia (previously Total Indonesia).

Competence Development Program for the Corporate Secretary

Corporate Secretary has continuous education which is combined in self-study and participation in special education, training, workshops, seminars and conferences that are useful in its function effectiveness.

During 2018 Corporate Secretary has attended the following development program:

NO	DATE	AGENDA	ORGANIZER	LOCATION
1	January 2, 2018	Speech of President of The Republic of Indonesia (Opening of IDX Trading 2018)	IDX	Main Hall IDX
2	March 13, 2018	Seminar of Deepening Financial Service Authority Regulation No. 32/PFSA.04/2014 and Service Authority Regulation No. 13/PFSA.03/2017	IDX	Main Hall IDX
3	April 17, 2018	Workshop of Financial Service Authority Regulation PFSA.33/2014 (BOD and BOC) & Financial Service Authority Regulation PFSA.58/2017 (Electronic Submission of Registration Statements or Proposal of Corporate Actions)	Indonesia Stock-Issuer Association	Main Hall IDX
4	April 18, 2018	Workshop of PFSA.32/2015 (Plan and Execution of General Meeting of Shareholders in order of Issuance of Pre-Emptive Rights)	ICSA	Main Hall IDX
5	July 23, 2018	The Consequences of Stock Market Law for Public Companies and Things To Look Out by Corporate Secretary	ICSA	Main Hall IDX
6	August 1, 2018	<i>Seminar of Sustainability Reporting for Public Listed Companies</i>	Global Reporting Initiative	Main Hall IDX
7	August 14, 2018	Seminar of Material Transaction and Change of Core Business Activity	ICSA	Main Hall IDX
8	September 18, 2018	Seminar of "Heading Towards Modern Capital Market in Digital Economic Era"	IDX	Main Hall IDX
9	September 20, 2018	Invitation for Sounding of Stock Exchange Regulation No. I-A Concerning Listing of Shares (Stock) and Equity-Type Securities	IDX	Main Hall IDX
10	September 27, 2018	Socialization of Financial Service Authority Regulation No. 9/PFSA.04/2018 Concerning Take Over A Public Company and Financial Service Authority Regulation No. 11/PFSA.04/2018 Concerning Public offering of Debt Securities and/or Sukuk to the Professional Investors	AEI	Main Hall IDX
11	October 9, 2018	Things To be Understood by Corporate Secretary Regarding with Underwriter and Trustee Role in Corporate Action	ICSA and IDX	Main Hall IDX
12	October 18, 2018	Seminar of IPO, Listed Company, and Listed Subsidiaries with The Theme of "Accelerating Companies Performance through IPO"	IDX	Main Hall IDX
13	December 6, 2018	Socialization of Introduction to E-Proxy	ICSA	Main Hall IDX
14	December 13, 2018	Seminar of "Government Regulation & Business Strategic in Disruptive Economic Era"	Indonesia Stock-Issuer Association	Main Hall IDX
15	December 28, 2018	Brief Report of Indonesia Stock Exchange Performance (Closing of IDX Trading 2018)	IDX	Main Hall IDX

Corporate Secretary Duties Implementation in 2018

The Corporate Secretary activities in 2018 are as follows:

- 2018 Annual GMS preparation and implementation
- Held the Public Expose
- Conducted communication with the regulators and relevant institutions

NO.	DATE	ADDRESSED TO	SUBJECT	REGULATION
1	January 9, 2018	IDX	Monthly Report on Share Registrar As of December 31, 2017	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
2	January 10, 2018	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of December 2017	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009
3	January 8, 2018	IDX	Monthly Report on Share Registrar As of January 31, 2018	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
4	February 9, 2018	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of January 2018	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009
5	February 27, 2018	IDX	Respond of Explanation Request to Mass Media	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
6	March 7, 2018	IDX	Respond of Explanation Request Concerning Volatility of Stock Transaction	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
7	March 8, 2018	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of February 2018	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009
8	March 9, 2018	IDX	Monthly Report on Share Registrar As of February 2018	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
9	March 13, 2018	FSA	Announcement of BNBR Annual and Extraordinary General Meeting of Shareholders Agenda	Financial Service Authority Regulation No. 32/ PFSA.04/2014 concerning Disclosure of Information or Material Facts by Issuer or Public Company
10	March 15, 2018	IDX	Submission of Application for Pre-Listing of Mandatory Convertible Bonds for Additional Shares through Capital Increases Without Pre-Emptive Rights for Public Companies	Financial Service Authority Regulation No. 38/ PFSA.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
11	March 15, 2018	IDX	Application of Capital Increases Without Pre-Emptive Rights for Public Companies	Financial Service Authority Regulation No. 38/ PFSA.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
12	March 21, 2018	OJK	Submission of Advertisement Proof for BNBR Annual and Extraordinary General Meeting of Shareholders Announcement	Financial Service Authority Regulation No. 32/ PFSA.04/2014 concerning Disclosure of Information or Material Facts by Issuer or Public Company
13	March 21, 2018	OJK	Information Submission to Shareholders concerning Capital Increases Without Pre-Emptive Rights for Public Companies Plan	Financial Service Authority Regulation No. 38/ PFSA.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
14	March 22, 2018	OJK	Submission of Annual Consolidated Financial Statement of PT Bakrie & Brothers Tbk as of December 31, 2017 (audited)	Bapepam Rule No. X.K.2 Concerning Obligation to Submit Periodic Financial Statement
15	March 25, 2018	OJK	Submission of Advertisement Proof for Annual Consolidated Financial Statement of PT Bakrie & Brothers Tbk as of December 31, 2017 (audited)	Bapepam Rule No. X.K.2 Concerning Obligation to Submit Periodic Financial Statement
16	March 28, 2018	BEI	Respond to Request of Explanation and Document	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
17	April 3, 2018	FSA	Statement of BoC-BoD PT Bakrie & Brothers Tbk Concerning Information to Shareholders that has been Announced on March 21st 2018	Financial Service Authority Regulation No. 32/ PFSA.04/2014 concerning Disclosure of Information or Material Facts by Issuer or Public Company

18	April 3, 2018	IDX	Announcement of Capital Increases Without Pre-Emptive Rights Implementation Execution	Financial Service Authority Regulation No. 38/ PFSA.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
19	April 4, 2018	FSA	Company Respond Concerning Capital Increases Without Pre-Emptive Rights for Public Companies	Financial Service Authority Regulation No. 31/ FSA.04/2015 Concerning Disclosure on Material Information or Facts by Issuers or Public Companies
20	April 5, 2018	FSA	Submission of Advertisement Proof for BNBR Annual and Extraordinary General Meeting of Shareholders Call	Financial Service Authority Regulation No. 32/ PFSA.04/2014 concerning Disclosure of Information or Material Facts by Issuer or Public Company
21	April 5, 2018	FSA	Submission of PT Bakrie & Brothers Tbk Annual Report Fiscal Year 2017	Bapepam Rule No. X.K.6 Concerning Obligation to Submit Annual Report for Issuers or Public Companies
22	April 5, 2018	IDX	Submission of PT Bakrie & Brothers Tbk Annual Report Fiscal Year 2017	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
23	April 6, 2018	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of March 2018	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009
24	April 6, 2018	IDX	Monthly Report on Share Registrar As of March 2018	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
25	April 10, 2018	FSA	Announcement of Information Changes to Shareholders	Financial Service Authority Regulation No. 55/FSA.04/21015 Concerning Establishment and Guidelines of Implementation of The Work of Audit Committee
26	April 16, 2018	IDX	Explanation of Stock Response Request	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
27	April 20, 2018	FSA	Announcement of Information Changes to Shareholders	Financial Service Authority Regulation No. 31/ FSA.04/2015 Concerning Disclosure on Material Information or Facts by Issuers or Public Companies
28	April 26, 2018	IDX	Submission of Consolidated Interim Financial Statement BNBR and Subsidiaries As of March 2018	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
29	April 30, 2018	FSA	Information Disclosure	Financial Service Authority Regulation No. 31/ FSA.04/2015 Concerning Disclosure on Material Information or Facts by Issuers or Public Companies
30	May 2, 2018	FSA	Submission of Advertisement Proof for BNBR Annual and Extraordinary General Meeting of Shareholders Call	Financial Service Authority Regulation No. 32/ PFSA.04/2014 concerning Disclosure of Information or Material Facts by Issuer or Public Company
31	May 2, 2018	FSA	Submission of Annual & Extraordinary Meeting of Shareholders Result	Financial Service Authority Regulation No. 32/ PFSA.04/2014 concerning Disclosure of Information or Material Facts by Issuer or Public Company
32	May 3, 2018	IDX	Application of Capital Increases Without Pre-Emptive Rights for Public Companies	Financial Service Authority Regulation No. 38/ PFSA.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
33	May 8, 2018	FSA	Information Result or Material Facts	Financial Service Authority Regulation No. 31/ FSA.04/2015 Concerning Disclosure on Material Information or Facts by Issuers or Public Companies
34	May 8, 2018	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of April 2018	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009
35	May 8, 2018	IDX	Monthly Report on Share Registrar As of April 2018	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
36	May 11, 2018	FSA	Information Submission to Shareholders concerning Capital Increases Without Pre-Emptive Rights for Public Companies Plan	Financial Service Authority Regulation No. 38/ PFSA.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
37	May 21, 2018	IDX	Application of Share Listing for Reverse Stock Result	Indonesia Stock Exchange Rule Number I-A Concerning the Listing of Shares (Stock) and Equity-Type Securities Other Than Stock Issued by the Listed Company

38	May 23, 2018	FSA	Announcement of Capital Increases Without Pre-Emptive Rights Implementation Result	Financial Service Authority Regulation No. 38/ PFSA.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
39	May 23, 2018	FSA	Announcement of Audit Committee PT Bakrie & Brothers Tbk Change	Financial Service Authority Regulation No. 55/FSA.04/21015 Concerning Establishment and Guidelines of Implementation of The Work of Audit Committee
40	May 24, 2018	FSA	Confirmation Concerning Information Report and Material Facts	Financial Service Authority Regulation No. 31/ FSA.04/2015 Concerning Disclosure on Material Information or Facts by Issuers or Public Companies
41	May 24, 2018	FSA	Submission of Minute of General and Extraordinary Meeting of Shareholders	Financial Service Authority Regulation No. 32/ PFSA.04/2014 concerning Disclosure of Information or Material Facts by Issuer or Public Company
42	May 24, 2018	FSA	Information Report and Material Facts	Financial Service Authority Regulation No. 31/ FSA.04/2015 Concerning Disclosure on Material Information or Facts by Issuers or Public Companies
43	May 28, 2018	IDX	Reverse Stock	Indonesia Stock Exchange Rule Number I-A Concerning the Listing of Shares (Stock) and Equity-Type Securities Other Than Stock Issued by the Listed Company
44	May 30, 2018	IDX	Revision of Number of Stock Reversed	Indonesia Stock Exchange Rule Number I-A Concerning the Listing of Shares (Stock) and Equity-Type Securities Other Than Stock Issued by the Listed Company
45	June 6, 2018	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of May 2018	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009
46	June 6, 2018	IDX	Monthly Report on Share Registrar As of May 2018	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
47	June 11, 2018	IDX	Incidental Public Expose PT Bakrie & Brothers Tbk	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
48	June 11, 2018	IDX	Announcement of Incidental Public Expose PT Bakrie & Brothers Tbk Schedule	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
49	June 11, 2018	IDX	Announcement of Incidental Public Expose PT Bakrie & Brothers Tbk Material	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
50	June 26, 2018	IDX	Announcement of Incidental Public Expose PT Bakrie & Brothers Tbk Result	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
51	July 4, 2018	IDX	Explanation of Stock Respond Request	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
52	July 5, 2018	FSA	Confirmation Concerning Information Disclosure	Financial Service Authority Regulation No. 31/ FSA.04/2015 Concerning Disclosure on Material Information or Facts by Issuers or Public Companies
53	July 9, 2018	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of June 2018	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009
54	July 9, 2018	IDX	Monthly Report on Share Registrar As of June 2018	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
55	July 24, 2018	FSA	Submission of Consolidated Mid-Year Financial Statement of BNR and Subsidiaries As of June 30, 2018	Bapepam Rule No. X.K.2 Concerning Obligation to Submit Periodic Financial Statement
56	July 30, 2018	FSA	Submission of Advertisement Proof of Consolidated Mid-Year Financial Statement of BNR and Subsidiaries As of June 30, 2018	Bapepam Rule No. X.K.2 Concerning Obligation to Submit Periodic Financial Statement
57	August 9, 2018	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of July 2018	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009

58	August 9, 2018	IDX	Monthly Report on Share Registrar As of July 2018	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
59	September 7, 2018	FSA	Announcement of BNBR Extraordinary General Meeting of Shareholders Agenda	Financial Service Authority Regulation No. 32/ PFSA.04/2014 concerning Disclosure of Information or Material Facts by Issuer or Public Company
60	September 7, 2018	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of August 2018	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009
61	September 7, 2018	IDX	Monthly Report on Share Registrar As of August 2018	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
62	September 19, 2018	FSA	Information Submission to Shareholders	Financial Service Authority Regulation No. 31/ FSA.04/2015 Concerning Disclosure on Material Information or Facts by Issuers or Public Companies
63	September 19, 2018	FSA	Submission of Advertisement Proof for BNBR Extraordinary General Meeting of Shareholders Announcement	Financial Service Authority Regulation No. 32/ PFSA.04/2014 concerning Disclosure of Information or Material Facts by Issuer or Public Company
64	September 19, 2018	IDX	Explanation of Stock Respond Request	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
65	September 28, 2018	IDX	Explanation of Stock Respond Request	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
66	October 3, 2018	FSA	Submission of Advertisement Proof for BNBR Extraordinary General Meeting of Shareholders Call	Financial Service Authority Regulation No. 32/ PFSA.04/2014 concerning Disclosure of Information or Material Facts by Issuer or Public Company
67	October 5, 2018	IDX	Explanation of Stock Respond Request	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
68	October 9, 2018	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of September 2018	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009
69	October 9, 2018	IDX	Monthly Report on Share Registrar As of September 2018	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
70	October 11, 2018	FSA	Explanation of Stock Respond Request	Financial Service Authority Regulation No. 31/ FSA.04/2015 Concerning Disclosure on Material Information or Facts by Issuers or Public Companies
71	October 24, 2018	IDX	Explanation of Stock Respond Request	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
72	October 24, 2018	FSA	Explanation of Stock Respond Request	Financial Service Authority Regulation No. 31/ FSA.04/2015 Concerning Disclosure on Material Information or Facts by Issuers or Public Companies
73	October 24, 2018	FSA	Announcement of BNBR Annual and Extraordinary General Meeting of Shareholders Reschedule	Financial Service Authority Regulation No. 32/ PFSA.04/2014 concerning Disclosure of Information or Material Facts by Issuer or Public Company
74	October 25, 2018	FSA	Submission of Advertisement Proof for BNBR Extraordinary General Meeting of Shareholders Reschedule	Financial Service Authority Regulation No. 32/ PFSA.04/2014 concerning Disclosure of Information or Material Facts by Issuer or Public Company
75	October 30, 2018	IDX	Submission of Financial Statement of BNBR and Subsidiaries As of September 30th, 2018	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
76	November 7, 2018	FSA	Additional Information to Shareholders	Financial Service Authority Regulation No. 31/ FSA.04/2015 Concerning Disclosure on Material Information or Facts by Issuers or Public Companies
77	November 8, 2018	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of October 2018	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009
78	November 8, 2018	IDX	Monthly Report on Share Registrar As of October 2018	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission

79	November 16, 2018	FSA	Report of BNBR Audit Committee Evaluation Result Concerning Execution of Audit Service for Annual Historical Financial Information	Financial Service Authority Regulation No. 55/FSA.04/2015 Concerning Establishment and Guidelines of Implementation of The Work of Audit Committee
80	November 16, 2018	FSA	Additional Information Submission to Shareholders	Financial Service Authority Regulation No. 31/ FSA.04/2015 Concerning Disclosure on Material Information or Facts by Issuers or Public Companies
81	November 19, 2018	IDX	Announcement of Annual Public Expose PT Bakrie & Brothers Tbk Schedule	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
82	November 23, 2018	FSA	Submission of BNBR Annual and Extraordinary General Meeting of Shareholders Resolution	Financial Service Authority Regulation No. 32/ PFSA.04/2014 concerning Disclosure of Information or Material Facts by Issuer or Public Company
83	November 23, 2018	FSA	Submission of Advertisement Proof for BNBR Extraordinary General Meeting of Shareholders Result	Financial Service Authority Regulation No. 32/ PFSA.04/2014 concerning Disclosure of Information or Material Facts by Issuer or Public Company
84	November 27, 2018	FSA	Application of Capital Increase and Mandatory Convertible Bonds	Financial Service Authority Regulation No. 38/ PFSA.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
85	November 30, 2018	IDX	Submission of Public Expose Material	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
86	December 5, 2018	FSA	Announcement of Capital Increases Without Pre-Emptive Rights for Public Companies Plan to Public	Financial Service Authority Regulation No. 38/ PFSA.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
87	December 6, 2018	IDX	Report on BNBR Annual Public Expose Result	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
88	December 7, 2018	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of November 2018	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009
89	December 7, 2018	IDX	Monthly Report on Share Registrar As of November 2018	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
90	December 14, 2018	FSA	Announcement of Capital Increases Without Pre-Emptive Rights Implementation and Submission of Proof for Announcement to Public	Financial Service Authority Regulation No. 38/ PFSA.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
91	December 19, 2018	FSA	Submission of Minute of General and Extraordinary Meeting of Shareholders	Financial Service Authority Regulation No. 32/ PFSA.04/2014 concerning Disclosure of Information or Material Facts by Issuer or Public Company
92	December 26, 2018	FSA	Submission of Respond to Request of Explanation	Financial Service Authority Regulation No. 31/ FSA.04/2015 Concerning Disclosure on Material Information or Facts by Issuers or Public Companies

INVESTOR RELATIONS

The Company's information communication activity is also supported by the Investor Relations function with the focus on financial aspects, investments and the Company's business strategy. The Investor Relations Officer holds the roles to conduct efficient and effective communication with the investors, shareholders and capital market communities, as well as relevant institutions in accordance with the Company's plans and strategies as well as investment policies. The Company's information dissemination presented by the Investor Relations, among others are:

1. Financial Performances
2. Investment Performances (including the Company's portfolio)
3. Share prices movements
4. The Company's frameworks
5. The Company's other strategic activity

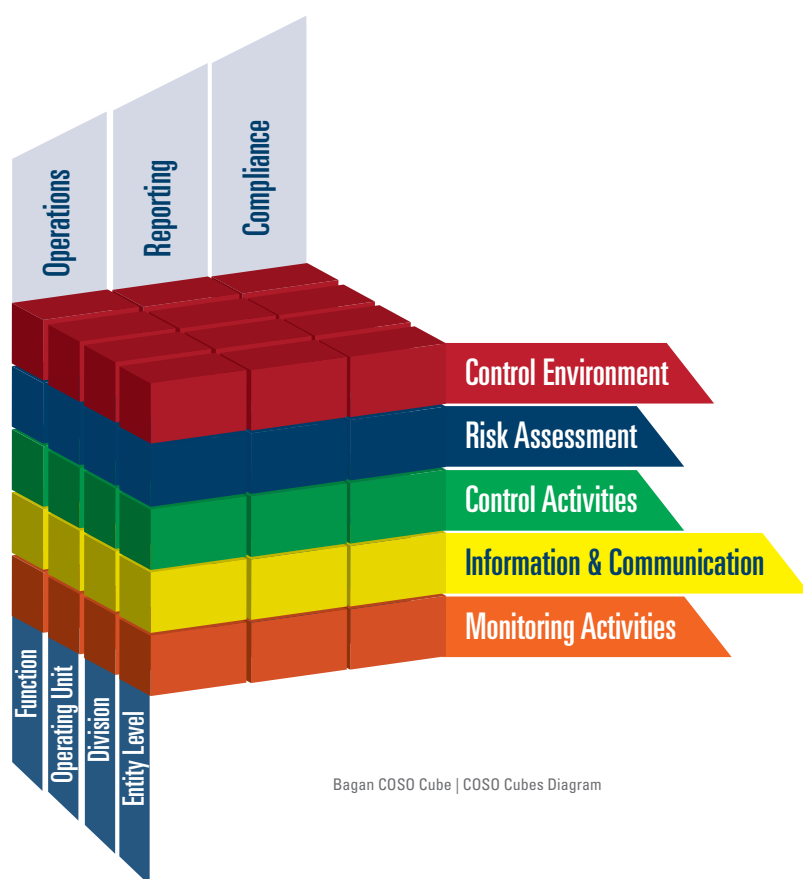
Chief Investment Officer leads the Investor Relations. The Company appointed Hendrajanto Marta Sakti as the Chief Investment Officer since August 2018.

Profile of Hendrajanto Marta Sakti can be seen in profile of Senior Management.

Internal Control System

BNBR has implemented the control functions in its operational activities in order to manifest the implementation of GCG in the Company. By referring to the General Guidelines of Indonesia Good Corporate Governance published by KNKG in 2006, the Company continuously strives to develop the Internal Control System by the application of COSO (Committee of Sponsoring Organizations of The Treadway Commissions) approach to secure the Company's investments and assets.

The BNBR's Internal Control System and quality assurance implementation has complied with the internal control framework validated internationally (COSO), including control environment, risk assessment, control activities, information & communication and monitoring activities.



Bagan COSO Cube | COSO Cubes Diagram

INTERNAL CONTROL OBJECTIVES

The implementation of internal control functions in all aspects of the Company is continuously assured by the Board of Directors as the Company's top executives organs responsible on the Company's operations and management. Through the Audit Committee, the Board of Commissioners directly monitors the internal control implementation. In general, the Company's Internal Control System is conducted through the application of the Corporate values, ethics, and employees integrity, as reflected in the Company's Code of Conduct, Business Conduct Policy, and Integrity Pacts. The Internal Control System management also conducted through the company's organization structure with clarity in division of duties, responsibilities and authorities of the Board of Commissioners and Directors that reflected in the Board Manual.

The objectives of the Company's Internal Control:

- Financial reporting reliability.
- Operational effectiveness and efficiency.
- Compliance on prevailing laws and regulations.

Internal Control System is also responsible to manage comprehensive risk management, from policy formulations, procurements and utilization of resources and infrastructures, adequacy of policies and procedures as well as its implementation practices, so as to achieve efficient and effective application in accordance with the international standards and prevailing regulations, including the effective information and communication systems.

Guidelines of Internal Control System and Risk Management Implementation

Based on the Corporate Governance Guidelines of PT Bakrie & Brothers Tbk, the Board of Commissioners

and Directors are responsible in the implementation of Internal Control System and risk management in BNBR.

The guidelines of BNBR's Internal Control System and risk management implementation are as follows:

1. Consistent implementation by the Board of Directors and active supervision by the Board of Commissioners
2. Adequacy in policies, procedures and stipulations of implementation scopes
3. Adequacy in risk identification process, measurements/assessments, mitigations, monitoring and control
4. Comprehensive internal control system
5. Adequate internal control information system and risk management.

INTERNAL CONTROL PRINCIPLES

1. Control Environment

The control environment consists of actions, policies and procedures that reflected the standpoint of all Company's Organs towards control and its importance to the company. Several factors that influenced the control environment among others are: integrity and ethics values, commitment towards competency, the Board of Commissioners, Directors, Audit Committee, management stances, operational approaches, organization structure, delegation of authorities and responsibilities as well as practices and policies in Human Resource ("HC").

2. Risk Assessment

Risk assessment covers risk identifications, analysis, and management that can minimize the risk impacts and presence.

3. Control Activities

Control activities are the policy and procedures to ensure the implementation of management directives.

4. Information & Communication

Information and communication system enables the Company's internal parties to obtain information that requires in managing, implementing, and controlling the Company's operational activities.

5. Monitoring Activities

Monitoring activities are the process that determines the internal control performance quality at all times. The monitoring covers the determination of internal control design and implementation in a timely manner and any necessary corrections. The process is implemented through periodically and continuously monitoring activity, as well as separate evaluations, or of both combinations.

MONITORING AND CONTROL ACTIVITY IN 2018

BNBR's Internal Control System has conducted the following monitoring and control activity in 2018:

1. Conducted periodical and continuous evaluations and updates on the organization structure including principal duties, functions and authorities of the Board of Commissioners and Directors, as stipulated in the Board Manual.
2. Assisted the Objective Settings of the Board of Commissioners, Directors, and Employees for the next 1 (one) year, Annual Performance Appraisal of the Board of Commissioners, Directors and Employees, and rewarding programs on the employees performances and tenures.
3. The Company has designed the Objective Settings of the Board of Commissioners, Directors, and Employees for the next 1 (one) year, Annual Performance Appraisal of the Board of Commissioners, Directors and Employees, and rewarding programs on the employees performances and tenures.
4. Facilitated the risk owners to identify, assess, analyze, and manage the risk and then present it in the reports and documents published weekly, monthly, and annually by the CRM Division, namely the Weekly Market and Industry Outlook (Weekly MIO), Risk Outlook, Market Risk Assessment (MRA) reports, Financial Risk Report, risk assessment for a project or transaction (RARS), risk registrar, as well as to refine the Company's documents on Policies and Procedures. The reports are submitted to the Risk Management Committee, the Board of Directors and risk owner.
5. Handled and managed Whistleblowing system by the Evaluations Team of Whistleblowing System Cases.
6. Conducted evaluation, reviews and monitoring of the audit findings by the Company's Internal Audit, one of it was conducted by the Audit Committee.
7. Conducted evaluation, reviews and monitoring of the effectiveness of Internal Control System application by the Audit Committee and External Auditor.
8. Conducted Operational Audit in several business units (PT Bakrie Autoparts and PT Bakrie Building Industries) through Internal Audit Unit of BNBR.

Internal Audit

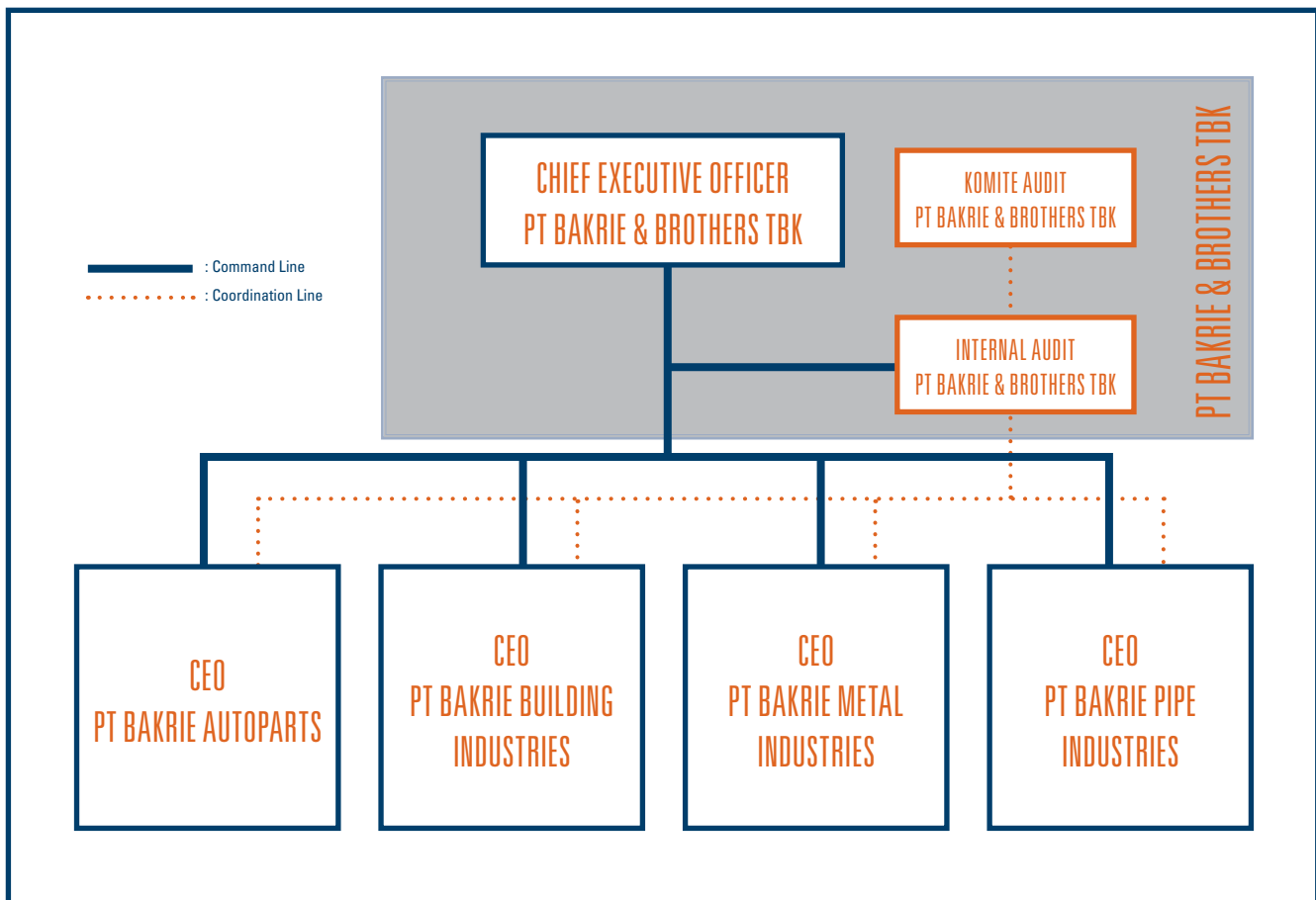
The Internal Audit is the assurance and consultation activities that independently and objectively gives added value and improves the operations of organization. This activity supports the organization in reaching its objectives through discipline and systematic approaches to evaluate and enhance the effectiveness of risk management process, control and governance.

The Internal Audit activity of PT Bakrie & Brothers Tbk was intended to deliver added value and improve the organization's operations. The means and scopes of internal audit are assurance and consultation in the area of risk management process, control and organization's governance. The Company's commitment to implement good corporate governance and standard is strongly seen since the inception of Corporate Internal Audit ("CIA").

POSITION OF THE INTERNAL AUDIT UNIT IN COMPANY STRUCTURE

Position of The Internal Audit is formally stated in The Internal Audit Charter which defines the purpose, authority, and responsibility of the Internal Audit activities that are consistent with the Standards for the Professional Practice of Internal Auditing.

The Internal Audit Charter was mutually agreed by the President Director & CEO and President Commissioner / Independent Commissioner.



QUALIFICATION OF INTERNAL AUDIT

The following are minimum requirements of an Internal Auditor at BNBR:

1. Possess high integrity and professional, independent, trustworthy, discipline and objective behavior in performing its duties.
2. Possess knowledge and experience on audit technic and other subjects relevant with its scope of work.
3. Possess knowledge about capital market and other related rules and regulations.
4. Have the ability to interact and effectively communicate in both verbal and written manner.
5. Must adhere to profession standard as issued by Internal Audit Association.
6. Must obey Internal Audit ethics.
7. Must protect confidentiality of corporate information and/or data in relation with its implementation of duties and responsibilities as Internal Audit unless obligated by law or court order.
8. Understand principles of good corporate governance and risk management.
9. Willing to continuously improve his/her profession knowledge, skills and abilities.

DUTIES IMPLEMENTATION OF INTERNAL AUDIT

CIA has become a significant function to assist the President Director in the supervision of financial and operational, both in the Company and subsidiary in order to achieve the company's objectives and going concern, through:

1. Reviewing and assessing the appropriateness and accuracy of accounting control, finance and operations implementation.
2. Analyzing the implementation that shall be in accordance with the set policies, plans and procedures.
3. Analyzing whether the company/organization treasuries are appropriately accountable and securely conducted towards every possibilities of risk losses.
4. Ensuring the accounting trust levels and other manners that are developed in the organization.
5. Assessing the quality of duties implementation and responsibilities.



The Internal Audit scopes of work covers the following duties:

1. Develop and implement annual internal audit plans.
2. Analyze and evaluates the internal control implementation from the risk management system in accordance with the company's policy.
3. Investigate and assess the efficiency and effectiveness of finance, accounting, operational, human resources, marketing, information technology and other activities.
4. Provide advices on objectives improvement and information on the audited activities in all level of management.
5. Prepare the audit results report and present it to the President Director & CEO as well as the Board of Commissioners.
6. Monitors, analysis, and report the recommended in follow up implementation.
7. Cooperate with the Audit Committee.
8. Develop the program to evaluate the quality of internal audit activity.
9. Conduct specific investigations whenever necessary.

INTERNAL AUDIT DUTIES IMPLEMENTATION REPORT IN 2018

The Annual General Audit schedule plan is developed based on the risk analysis results reported and approved by the President Director and Chairman of Audit Committee. The Annual General Audit Plan can be adjusted in accordance with the business risk dynamics in the organization in the relevant years.

In 2018, Internal Audit has conducted Audit and published the Audit Report (LHA) as follows:

NO	AUDITEE	TYPE OF WORK		WORK ACTIVITY	WORK RESULT
1	PT Bakrie Autoparts	Assurance	Operational Audit	<ul style="list-style-type: none"> Assessment on 3E (Efficiency, Effectiveness, and Economic) in every Operational Function / Division Assessment on effectiveness of internal control 	<ul style="list-style-type: none"> Operational Audit Report Recommendation to perform advanced audit (investigation audit)
2	PT Bakrie Autoparts	Assurance	Investigation Audit	Obtaining further findings and proving whether there is presence of violation in asset divestment process	<ul style="list-style-type: none"> Investigation Audit Report Recommendation of Ethics Committee establishment that is in-charge for worker sanction granting in accordance with The Company Collective Labor Agreement (CLA)
3	Bakrie Pension Fund	Assurance	Review	Assessment on compliance to prevailing government rules and regulations	Review Report
4	PT Bakrie Building Industries	Assurance	Operational Audit	<ul style="list-style-type: none"> Assessment on 3E (Efficiency, Effectiveness, and Economic) in every Operational Function / Division Assessment on effectiveness of internal control 	<ul style="list-style-type: none"> Operational Audit Report Recommendation to perform advanced audit (investigation audit)
5	PT Bakrie Building Industries	Assurance	Investigation Audit	Obtaining further findings and proving whether there is presence of violation in cash spending of PT Bakrie Building Industries HCGA Division	<ul style="list-style-type: none"> Investigation Audit Report Recommendation of Ethics Committee establishment that is in-charge for worker sanction granting in accordance with The Company Collective Labor Agreement (CLA)
6	PT Bina Usaha Mandiri Misyuzawa (BUMM)	Audit	Investigation Audit	Obtaining further findings and proving whether there is presence of violation in investment process of Otto Juncker Machine	Investigation Audit Report
7	BNBR IT Department	Audit	Performance Audit	Assessment on performance of IT Department services to stakeholder	Performance Audit Report
8	BNBR and units	Consultation	Strengthening Internal Control Socialization	Providing an understanding to manager level regarding the importance of strengthening internal control	Socialization
9	BNBR and units	Consultation	Anti-Fraud Socialization	Providing an understanding to manager level regarding fraud symptoms and precautionary measures	Socialization

The Operational Audit was conducted with concentration on assessment of 3E (Efficiency, Effectiveness and Economic) in every function, assessment of internal control implementation effectiveness, and assessment of compliance to prevailing rules and regulations / Standard Operating Procedures (SOP).

APPOINTMENT PROCEDURE OF INTERNAL AUDIT HEAD

PT Bakrie & Brothers Tbk's Internal Audit Division is led by the Head of Internal Audit appointed and terminated by the President Director & CEO following the approval of the Board of Commissioners, and is responsible to the President Director & CEO.

Toni Triyulianto

Head of Internal Audit

Toni Triyulianto, an Indonesian, was born in Jakarta in 1975 and earned a D4 majoring in Accountancy from State College of Accountancy in 2001 and earned a Master of Public Policy degree majoring in Finance and Budget from Michigan State University, USA, in 2012. He joined the Internal Audit Unit of PT Bakrie & Brothers Tbk since July 2017. Prior to this position, he began his career as the senior auditor in Indonesia's National Government Internal Auditor (BPKP) for 17 years and as Tax and Accounting Manager in PT Bakrie Building Industries for three years.



External Auditors

As a public company, BNBR is obliged to publish the financial statements audited by the External Auditors. External Auditors is the third party responsible to audit and ensure the presentation of BNBR Financial Statements to be in accordance with the prevailing accounting standards. The audit by the External Auditors is implemented in accordance with prevailing audit standards with the end results in a means of auditor opinions on BNBR Financial Statements. In the event of corporate actions, BNBR also can publish the financial statements on certain periods.

Based on the 2018 Annual GMS resolutions, the Board of Directors has the authority to appoint the Public Accounting Firm (KAP) Y. Santosa & Rekan as the auditor of the Company Financial Statements fiscal year December 31, 2018. The Board of Commissioners has approved the appointment after taking into account the recommendation of Audit Committee.

2018 is the third year of Public Accounting Firm (KAP) Y. Santosa & Rekan in conducting the audit of the Company's Financial Statements. During 2018, the Public Accounting Firm (KAP) Y. Santosa & Rekan does not provides other services to the Company apart from the audit services, thus there was no conflicts of interest in the audit process implementation.

Appointment Period and External Audit Fee

DESCRIPTION	2018	2017	2016	2015	2014
KAP NAME	Y. Santosa & Rekan	Y. Santosa & Rekan	Y. Santosa & Rekan	Handoko Tomo Samuel Gunawan & Rekan (Moores Rowland)	Samuel Gunawan (Moores Rowland)
AUDIT FEE	Rp 3,800,000,000	Rp 3,600,000,000	Rp 3,500,000,000	Rp 2,135,000,000	Rp1,494,000,000

Risk Management

SOLID FOUNDATION OF RISK MANAGEMENT

While presenting opportunities, the demand of changes and company's capability improvement also presents risks. These risks may disrupt the Company from achieving its goal and mission if not addressed properly. Company's failure in achieving its goal and mission may cause public distrust towards the Company, wherein at its worst state such distrust may halts its business activity.

Risk management is therefore a strategic requirement and it plays an important part in improving PT Bakrie & Brothers Tbk's performance. Risk management is needed to optimize the Company's limited resources to achieve specified targets and to fulfill the Company's vision and mission. Allocation of resources is decided based on risk priorities, with the utmost attention paid to the most critical risk. Furthermore, management of existing risks is periodically reviewed along with improving its reliability.

Risks can be mitigated by lowering the probability of risk occurrence and/or reducing effects caused by such risk. Risk Management at BNBR is expected to be able to anticipate rapid changes, to improve corporate governance, and to secure Company's resources and assets. These reasons form the base of BNBR's commitment to continuously implement solid risk management for the fulfillment of Company's goals.

The creation of a Risk Management team in 2003 marked the beginning of formal implementation of risk management at PT Bakrie & Brothers Tbk, wherein at that time the Risk Management team was responsible to supervise the implementation of Company's business revitalization blue-print post debt restructuring program. This Risk Management team also implemented basic risk management principles across the Company in accordance with international standards.

CORPORATE RISK MANAGEMENT SYSTEM

ERM Implementation Roadmap

As part of continuous efforts, the Company has systematically laid out the foundations of risk management to form the basis of a good corporate governance infrastructure. The formal implementation of risk management began with the creation of the Risk Management Team as stipulated by PT Bakrie & Brothers Tbk Directors' Decree No.BGU-109/Presdir-BB/III/03, dated March 11th, 2003, which was later amended by Decree No.BGU-739/Presdir-BB/XII/05, dated December 6th, 2005, with the task of coordinating the entire business development plans and strategic decisions to ensure optimal results, by mitigating

the business risks, and ensuring cost efficiency while acting as achievement and milestone monitoring function as well.

The duty of this team later was reaffirmed by the Policy & Procedure No. 004/BNBR/II/2010, dated February 20th, 2010, on the Implementation of Enterprise Risk Management and no. 005/BNBR/II/2010, dated February 25th, 2010, on the Evaluation of Transaction-Based Risk, as well as several other policies and procedures linked to the evaluation of market risk, credit risk and liquidity risk.

By end of 2018, Risk Management Implementation has entered into the integrated risk management up to Subsidiaries stage as outlined in the Roadmap depicted in the following illustration, with periodic risk evaluation at the level of both the Holding and the Subsidiaries.



ERM Roadmap Implementation PT Bakrie & Brothers Tbk

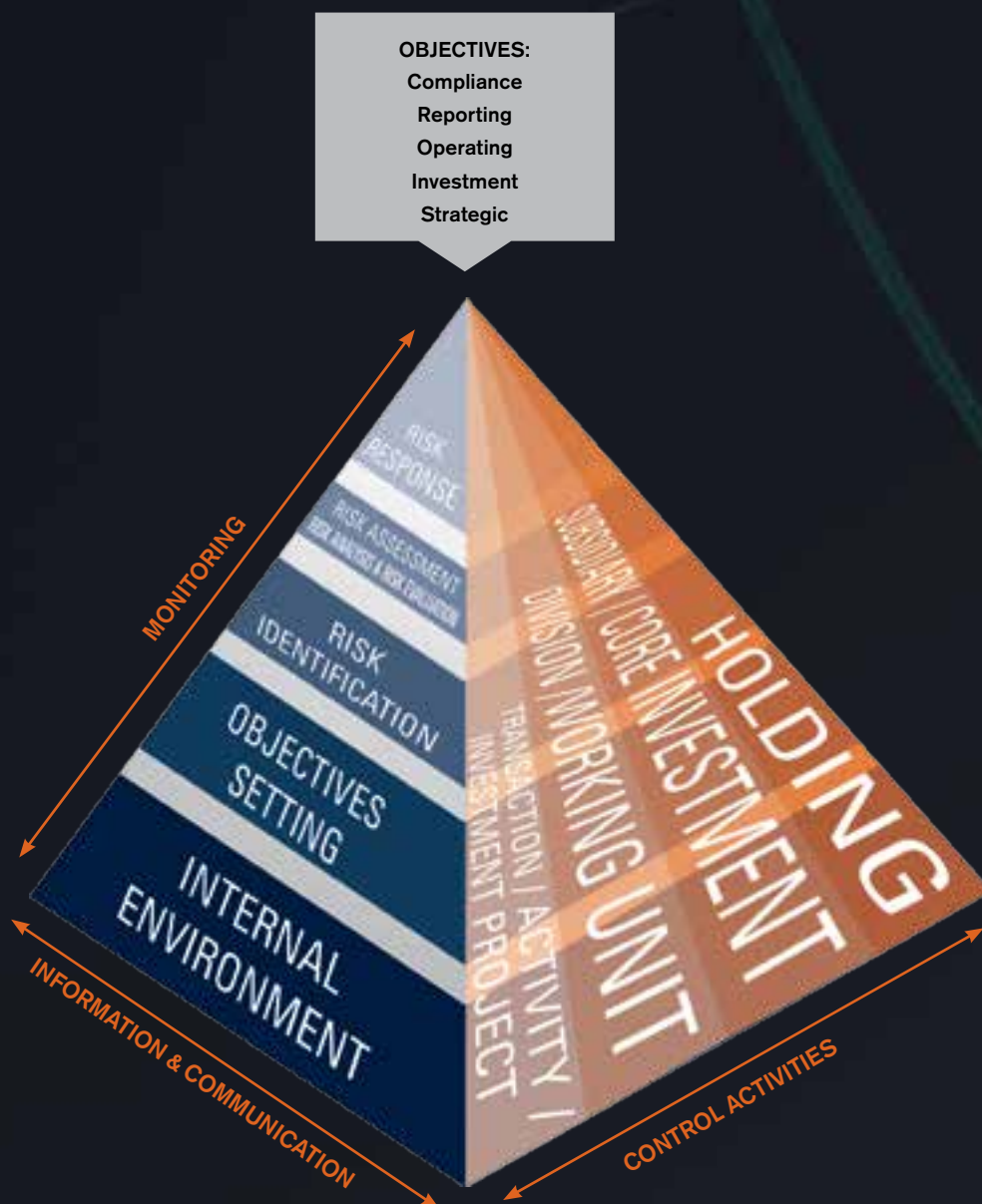


ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK

In 2016, the Company generally, and specifically the Corporate Risk Management Division (CRM), continued to improve the risk management systems by employing a framework that is in line with the ISO 31000 on Risk Management.

Such framework, the BNBR's Enterprise Risk Management framework, titled The Pyramid as shown in Illustration 2, is the main framework used by the CRM Division for implementing risk management process across the Company. The Pyramid embodies the framework of ISO 31000 about Risk Management. The risk management processes use transaction-based approaches such as the ones covering investment, financial, and other transactions, and continuous approaches conducted by every functions and structures within the Company (Continuous ERM).

In the continuous ERM process, each risk owner is expected to carry out its own risk evaluation, starting from the risk identification and evaluation to the risk control and mitigation, a process that is also known as risk and control self-assessment (RCSA). The main goal is to minimize potential loss and at higher stake, is to maximize the achievement of goals in each Company's functions and structures.



1

PRELIMINARY PROCESS: (LEVELS 1 AND 2 FROM THE BOTTOM OF THE PYRAMID)

- “Internal Environment”, aiming to prepare conducive internal corporate environment for effective and efficient risk management process implementation. This stage consists of preparation of framework, policies, systems and procedures, resources, organization, implementation strategy and other tools.
- “Goal Setting”, acting as the Company’s directional reference in achieving its short, medium and long-term goals.

2

**CORE PROCESS:
(LEVELS 3, 4 AND 5 FROM THE BOTTOM OF THE PYRAMID)**

- “Risk identification”, in all Company’s business processes, functions and structures, as well as transactions/ activities/projects/investments currently being implemented or to be carried out by the Company.
- “Risk assessment”, conducted by weighing the risks in terms of their probability/likelihood and impact.
- “Risk responses” as follow-up measures to mitigate.

3

**SUPPORTING PROCESSES:
(THE BASE AND THE HEIGHT FACES OF THE PYRAMID)**

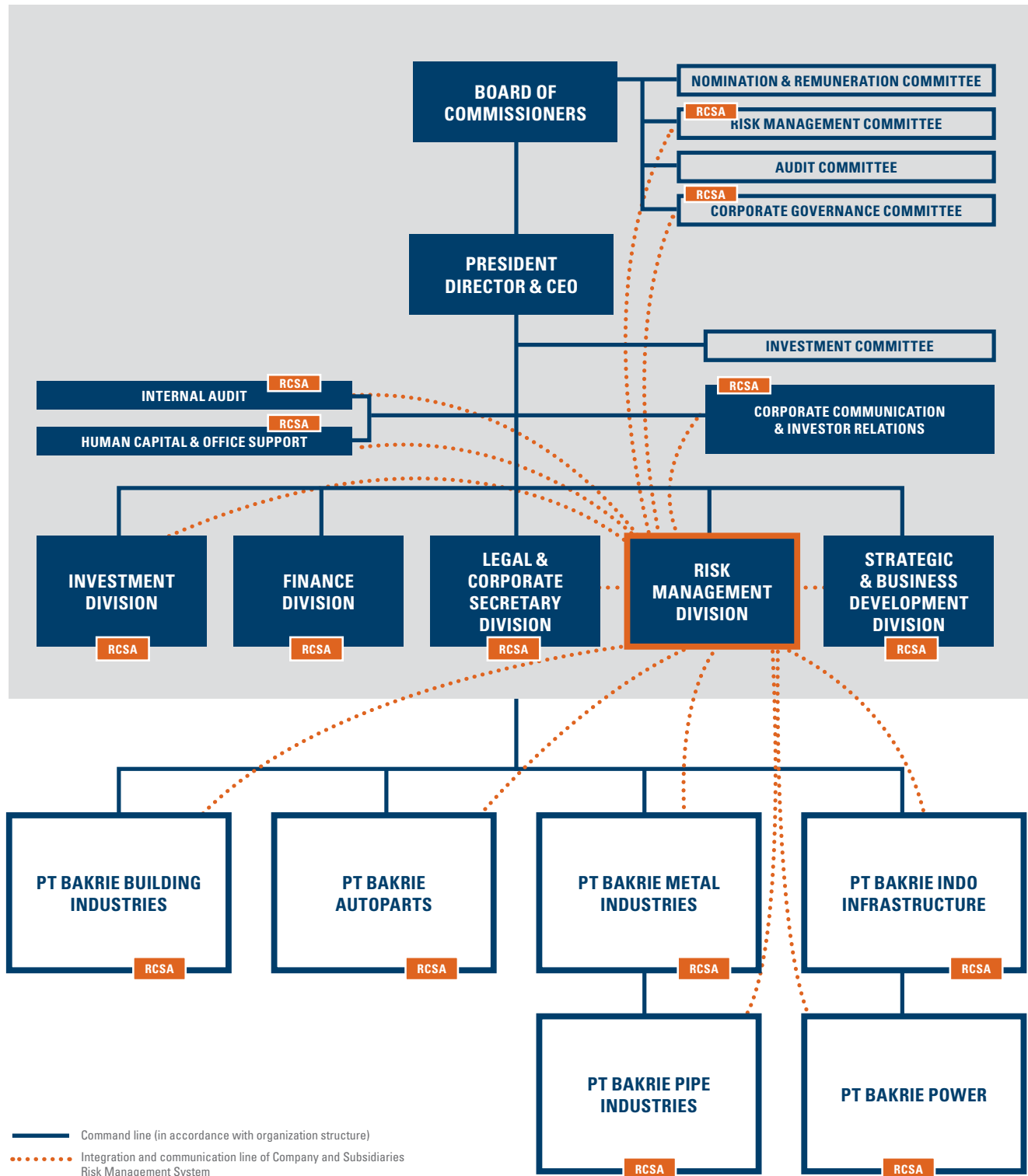
- “Control Activities” are policies and procedures to ensure that all risk mitigation processes and measures have been carried out properly.
- “Communication and Information Provision Activities” intend to communicate the results of risk management to all related stakeholders.
- “Monitoring Activities” aim to evaluate and to ensure that all risk management systems have been implemented effectively and efficiently.

4

**SCOPE OF COMPANY RISK MANAGEMENT:
(THE RIGHT FACE OF THE PYRAMID)**

1. The scope of risk management set by PT Bakrie & Brothers Tbk includes all activities and process within the holding company and subsidiaries as follows:
 - Holding company level.
 - Subsidiary level, which constitutes the non-listed companies whose financial reports are consolidated to BNBR.
 - Business unit level, functions, or activities at the holding and the subsidiary levels.
2. Implementation of Risk Management Systems at the level of holding company and non-listed subsidiaries whose financial reports are consolidated to BNBR must be coordinated with the Risk Management Committee and the holding company level through the office of the President Director and the CRM.
3. Implementation of Risk Management Systems at the level of business units/ functions/ activities at holding company or subsidiaries included in the risk management scope is carried out by the Risk and Control Self Assessment (RCSA) Officer. The RCSA Officer is appointed by Risk Owners from relevant business units/functions/activities. RCSA at the holding company level is the responsibility of the CRM.

Corporate Governance Structure of Risk Management



Company Risk Management (CRM) division is responsible for management and periodical report of risk management and corporate governance in the Company to the Risk Management Committee and Corporate Governance Committee.

Risk Management Committee is led by an Independent Commissioner who also holds the position as member; this committee is responsible to the Board of Commissioners.

Corporate Governance Committee is also led by a member of the Board of Commissioners; this committee is responsible to the Board of Commissioners.

Profiles of head and members of Risk Management Committee and Corporate Governance Committee are disclosed in The Board of Commissioners Supporting Committees part.

The Board of Directors and all BNBR employees' commitment in implementing Enterprise Risk Management (ERM) was reflected through the formation of Risk & Control Self Assessment (RCSA) Officer of BNBR. With the RCSA initiative, every division/department as Business Process Owner is under the obligation to carry out Risk Management System in an intensive and sustainable manner by usage of self-assessment and risk control concept known as RCSA. In carrying out collaboration and coordination for assessment, mitigation, control and risk management process with RCSA concept, several BNBR employees with minimum title/position of Manager were appointed as RCSA Officer in each respective division. Those RCSA Officers are responsible to each Risk Owner Head and regularly coordinates with the CRM Division.

PROCESS AND RESULT OF THE CORPORATE RISK MANAGEMENT SYSTEMS

Corporate Risk Management Activities

The following expositions explain the activities carried out as part of the risk management system implementation within the Company, specifically at the level of the holding company and consolidated subsidiaries, as well as compliance and Good Corporate Governance (GCG) activities.

1. ERM-Based Risk Implementation

The activities carried out as part of Company Risk Management in 2018 include:

a. Governance – Risk – Compliance (GRC) Day

GRC Series is a routine program of Company's Corporate Risk Management Department and act as a means of socialization and guardians of implementation process of Governance, Risk Management and Compliance down to Company's Business Units. Various topics included in the GRC series are among others: Corporate Governance, Internal Control System, Risk Management, Compliance and Corporate Ethics.

Participants of GRC Series are President Directors/CEOs and/or Chief down to employees of Business Units with the minimum position of Manager from all Departments. The Business Units that were present in the event include PT Bakrie Pipe Industries and PT Bakrie Autoparts.

b. Appointment of Risk and Control Self-Assessment (RCSA) Officers

The commitment of the Board of Directors and all BNBR employees to Enterprise Risk Management (ERM) implementation is reflected through the appointment of the BNBR Risk & Control Self Assessment (RCSA) Officer. Through RCSA, all divisions/departments as Process Owners and Risk Owners are obliged to carry out the Risk Management System in intensive and sustainable manner with an independent risk control and evaluation concept. To facilitate coordination and cooperation for processes of evaluation, mitigation control and management of risks, some BNBR employees, whose job ranks are at least Manager, are appointed as RCSA Officer in each division. The RCSA Officers subsequently report to each Risk Owner and coordinate regularly with the CRM Division.

RCSA Officers' tasks and responsibilities are:

- Disseminating and keeping up with the ERM System's Procedure and Policy in the respective work unit or risk-owner in an entity within their scope of duties.
- Ensuring completion of the ERM Standard Work Papers in the respective entity.
- Collecting and summarizing risk registers of the entity within their scope of duties.
- Collecting the Risk Mitigation Plans and Risk Mitigation Progress Status Reports from the entity within their scope of duties, as well as reporting to the related unit head if there is any risk that has not been dealt with.
- Informing the CRM Division if any business entity within their scope of duties is exposed to a risk whose level is beyond the organization's tolerance limit.
- Carrying out annual evaluation of ERM system application in the entity within their scope of duties.
- Facilitating Risk Evaluation Meetings in the entity within their scope of duties.
- Supporting the entity within their scope of duties in educating the topics of risk management to all of its employees and related parties.
- Motivating, driving and maintaining risk awareness culture in the entity within their scope of duties.



In carrying out their tasks and responsibilities, the RCSA Officers are supported by the CRM Division which acts as a facilitator and mediator, especially in disseminating relevant Policies and Procedures as well as the transfer of theoretical and practical risk management knowledge. This is implemented through continuous review of Company business processes and detection of potential risks which are ranked from extreme to low, which in turn, are used to formulate Policies and Procedures as operational risks mitigation. The transfer of risk management knowledge is carried out through regular RCSA meetings, with the agenda of updating the list of risks that could affect each entity.

The Company's Board of Directors has appointed 13 (thirteen) people from various divisions and functions in the Company as well as 6 (six) people from each Subsidiaries to act as RCSA officers who are responsible for coordinating all risk owners to carry out their own risk management, starting from identification and assessment to control and mitigation. RCSA Officers at subsidiary level have also been nominated and performed their duties well, furthermore they were appointed through a formal Directors' decree from respective subsidiaries.

2. Risk Assessment and Monitoring

Risk assessment and monitoring, written in the form of reports produced by the CRM Division constitute a form of the corporate risk management implementation. The following table lists the types of such reports.

3. Cooperation and Capacity Building

As part of professional risk management efforts, CRM needs to be actively involved as an association member and to cooperate with other professionals in the field of risk management. The Company's Board of Directors and CRM Division members are registered as members of GARP and PRMIA, as well as the Practicing Risk Manager Forum (PRMF). The Company's CRM Division has been invited as speakers at the Workshop ISO 31000: International Risk Management Standard event, and has also carried out a Benchmarking & Sharing Session with Risk Management Teams of several public companies. Some CRM Division members hold CIA (Certified Internal Audit) and ERMAP (Enterprise Risk Management Associate Professional) certificates. Furthermore, the CRM Division have also attended various training programs and seminars held by other reputable associations and agencies; with the goal of those efforts is to enhance CRM staff's abilities, knowledge and insight in the field of risk management.

4. Cross-Division Projects

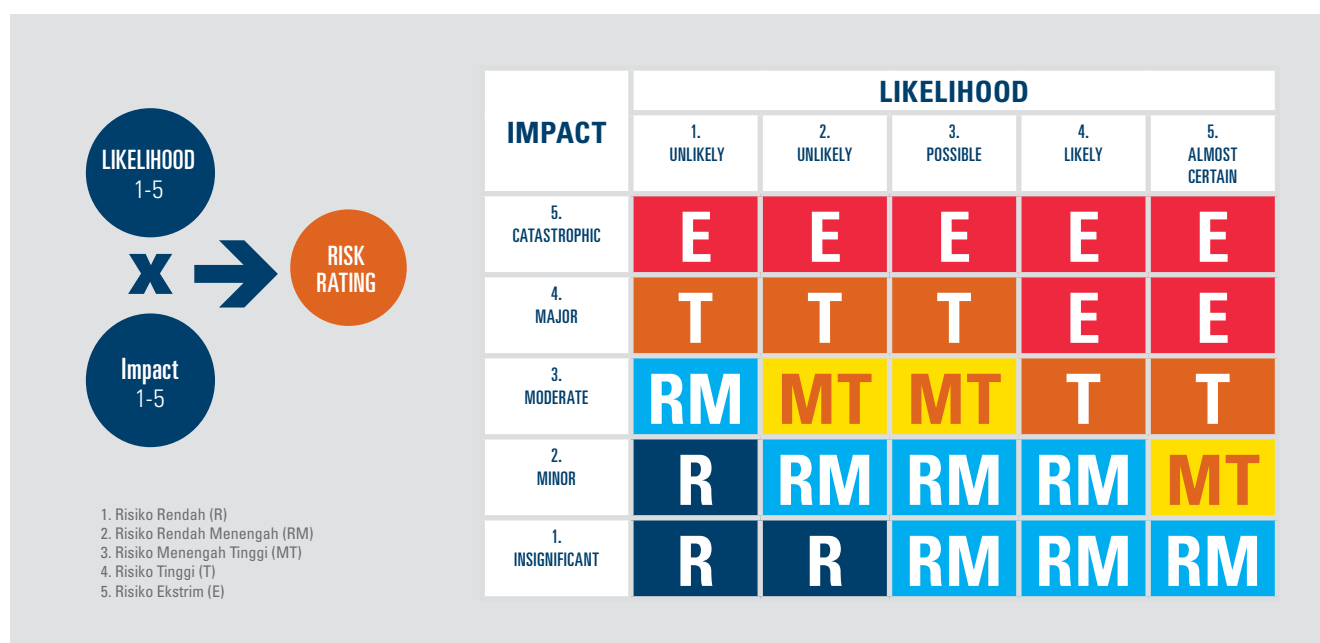
Cross-division risk management activities are part of CRM division's task and responsibility as representative of the Board of Directors to support and supervise Company operational activities, including carrying out of compliance duties to minimize risk of failure to achieve Company goals and targets as well as potential loss in the Company's operational activities. These activities are project-based and temporary in nature. In 2018, the CRM Division was active in three cross-divisional activities: Governance – Risk – Compliance (GRC) Series, the construction of the 2017 Annual Report, 2017 Sustainability Report and financial report studies in every financial reporting period.

Reports Produced by the Company's Corporate Risk Management Division

TYPE OF ACTIVITY AND/OR REPORT	NUMBER OF REPORTS	DESCRIPTION
Risk Outlook 2018	1 (annual)	<ul style="list-style-type: none"> stock ownership investment budget dividend growth subsidiary revenue market risk analysis financial risk analysis operational risk analysis macro-economic conditions
Market Risk Assessment(MRA)	50 (weekly)	<ul style="list-style-type: none"> Macro economic conditions including inflation, Bank Indonesia interest rates, foreign exchanges reserves, exchange rates. Capital Market, formed of the Composite Index (JCI), average fluctuation and volatility. Commodities. Market Performance of portfolio stocks held by the Company, including share price, volatility, risk level, trade volume and value and fluctuation comparisons between the stock portfolio and the JCI. Industry news related to the Company's portfolio.
Market Risk Assessment(MRA)	4 (quarterly)	<ul style="list-style-type: none"> macroeconomic conditions commodities core portfolio market risk analysis risk evaluation forecasting risk mitigation
Financial Risk Report and Asset and Liability Management Position Monitoring	4 (quarterly)	<p>Company and Subsidiary financial performance review reports explain the results of the Z-Score analysis test, Internal Credit Rating and Liquidity Analysis.</p> <p>Weekly monitoring of Company asset positions as reflected through stock price in the market and ownership portion at every core portfolio and Company's debt position as reflected through principal, interest rates, payment terms, top-up positions and due dates.</p>
Transaction-Based Risk Evaluation	16 (per project)	<p>Reports on identification, evaluation and recommended mitigation of transaction-based risks at Company and Subsidiary level.</p> <p>These reports cover: financing, investment, divestment, and operational transactions, reporting and compliance as well as investment, divestment, and financing proposals from subsidiaries, requiring the agreement of the Investment and Risk Management Committee, Board of Directors and/or Board of Commissioners.</p>

CORPORATE RISK EVALUATION MATRIX

The risk evaluation matrix serves as a reference for PT Bakrie & Brothers Tbk to evaluate risks, classified by their likelihood, impact and risk rating, as shown in the following illustration.



INTEGRATED RISK MANAGEMENT AT COMPANY AND SUBSIDIARIES

A. Risks at Holding Level

CRM classified risks at Company holding level into seven types of main risks as follows::

1. Strategic Risk
2. Market Risk
3. Liquidity Risk
4. Insolvency Risk
5. Credit Risk
6. Mismatch Risk
7. Operational Risk



NO.	RISK CLASSIFICATION	RISK REGISTER	RISK MITIGATION
1.	Strategic Risk	<ul style="list-style-type: none"> A shortfall of revenues at the Company and/or consolidated subsidiaries level in a fiscal year. Increased sovereign risk of the Republic of Indonesia (country risk) which can be caused by deteriorating macroeconomic conditions leading to a less economic stability required for business growth. Negative changes to the world/global economy will also affect the Indonesian economy and/or performance of the Company. The Company is strongly affected by the volatility of the Indonesian economy and/or the global economy. The deterioration of the Company's reputation can be affected by the same issue experienced by other Bakrie Group Companies. Changes in the composition of the Company's investment portfolio that may be less optimal due to unfulfilled macroeconomic condition assumptions. Changes in the composition of financing constrained by the prevailing laws and regulations. Failure to achieve synergy in marketing, finance, human resources and/or operational. Inadequate good corporate governance practices, and/or Unexpected changes to government policies and regulations, related to certain industries or to financial systems or fiscal or monetary policy of the country. 	<ul style="list-style-type: none"> Risk identification and assessment, as well as recommendation to the Board of Directors and Risk Management Committee concerning every investment plan, particularly those that are related to change of Company investment and financing portfolio, and/or other strategic measure. Carry out discussion and assessment on every transaction through IFRL-WG (Investment, Finance, Risk & Legal Working Group) to ensure completion of a transaction or project, operational monitoring and achievement of revenue target. Continuously strive to build a unique and positive brand of Bakrie & Brothers among other businesses in the Bakrie Group while simultaneously supporting the reputation of Bakrie Group through intensive and professional collaboration with related parties, ie the creditors, print/electronic media, regulator, analysts and investors.

NO.	RISK CLASSIFICATION	RISK REGISTER	RISK MITIGATION
2.	Market Risk	<p>Movements that are against the Company's expectation in:</p> <ul style="list-style-type: none"> • stock price of assets, • interest rate of the financing, • exchange rate, and/or • commodity prices affecting the Company's business. <p>Increased volatility associated to increased uncertainty in terms of:</p> <ul style="list-style-type: none"> • stock price of the assets, • interest rate of the financing, • exchange rate, • commodity prices affecting the Company's business. 	<ul style="list-style-type: none"> • Periodically calculates and review hedging process for certain risk factors if it is of beneficial value for the Company. • Consideration of hedging process is based on decided risk limit, consisting of risk rating based on price volatility, beta value range, risk aversion and range of product/asset/object market value. • Gradually reduce Company's share-based financing that are highly exposed to market risks.
3.	Liquidity Risk	<ul style="list-style-type: none"> • Asset liquidity risk, i.e. the risk arising from factors affecting the market price of assets (stocks), such as the size of asset transaction volume, discrepancy between bid prices and market demand and total market value in circulation. • Cash flow risk, such as those that are due to lack of cash in the Company to pay the due principal or interest or other cash obligations. 	<ul style="list-style-type: none"> • Liquidity risks mitigation steps are highly dependent on market risks mitigation steps. • Periodically perform quantitative method measurement, Cash Flow At Risk (CFAR), particularly for cash flow availability risks. • The Company strives to periodically perform stress testing process on its investment portfolio in particular scenarios as an early anticipation of liquidity risks occurrence.
4.	Insolvency Risk	<ul style="list-style-type: none"> • Risk that Company asset value is insufficient to meet all claims received by the Company, including long-term claims. 	<ul style="list-style-type: none"> • Improve operational and financial performance to regain investors' trust towards Bakrie Group. • Realized internal and external Good Corporate Governance (GCG) practices through information disclosure for regulator, investors and media. • Perform a breakthrough or corporate action directly related with real investment activity in order to regain positive market sentiment towards Bakrie Group. • Settlement of default and gaining new financing source to fund investment projects in infrastructure and other sectors.
5.	Credit Risk	<ul style="list-style-type: none"> • Risk of failure of all or part of the cash flow promised from loans and securities held by the Company sourced from investment and non-investment activities through the use of the Company's loans facilities in banks or other financial institutions, and/or fund provision for liquidity requirements, working capital, debt restructuring and/or investment projects with certain yield levels in line with business/ investment deals between related parties. 	<p>Credit risks mitigation starts with assessment on:</p> <ul style="list-style-type: none"> • Loan purpose and payment source. • Recent risk profile from debtor candidate. • Adequacy and quality of collateral/guarantee. • Repayment capacity analysis. • Internal business capacity analysis and benchmarking to similar industries. • Debtor risk mitigation plan in case of default. In credit risk management process the CRM set a risk limit as reference in managing investment and non-investment transactions categorized as credit risks



NO.	RISK CLASSIFICATION	RISK REGISTER	RISK MITIGATION
6.	Mismatch Risk	<ul style="list-style-type: none"> Refinancing risk, in which the cost of refinancing in the future increases and exceeds the returns of the Company's investment activities, and Reinvestment risk, in which returns to be reinvested shrunk below the cost of funds. 	<ul style="list-style-type: none"> Reprofiling investment and financing portfolio to reduce mismatch and continuously perform similar risk mitigation steps.
7.	Operational Risk	<ul style="list-style-type: none"> Risk of negligence, error and/or fraud in internal business management related to Policies and Procedures, Human Resources, stock trading activity management, financial liabilities and asset management systems and other supporting systems (assets and working tools), as well as such aforementioned risks that are related to laws and regulations and other legal aspects. Tax risk linked to the possibility of differing conclusions on tax regulations between relevant authorities, in which the Company has decided to respect and comply with all prevailing regulations. Risk of poor decision-making or poor coordination between functions and structure within the Company 	<ul style="list-style-type: none"> Imposing sanctions for violations on system. ERM work frame implementation in the Company. Active participation of Company Compliance function with the Legal function in monitoring Company's adherence to various rules and regulations as well as legal aspects related with business activities of the Company as a whole. Periodical risk profiling in each Division of the Company.

B. Risks Faced by Company Related with Subsidiaries Business Activities

Considering that the Company's business continuity is affected by risk exposures arising directly from its business activities and indirectly from subsidiaries business activities, the Company is obligated to implement consolidated risk management in order to oversee those risks exposures. Consolidated risk management implementation is carried out by the Company through identifying, measuring, monitoring and managing risks arising from business activities of both Company and subsidiaries. The following are presentation of risk identification specific to Company and subsidiaries business activities in the manufacturing and infrastructure sector, namely: PT Bakrie Autoparts (BA), PT Bakrie Building Industries (BBI), PT Bakrie Indo Infrastructure (BIIN), PT Bakrie Metal Industries (BMI), and PT Bakrie Pipe Industries (BPI).

NO.	RISK CLASSIFICATION	RISK REGISTER	RISK MITIGATION
1.	Strategic Risk	<ul style="list-style-type: none"> • Risk of lack of innovation on design and product development. 	<ul style="list-style-type: none"> • Perform periodical market research and peer review to identify and seize opportunities.
		<ul style="list-style-type: none"> • Risk of being unable to suppress pricing/margin. 	<ul style="list-style-type: none"> • Prudent expenses planning of production support.
		<ul style="list-style-type: none"> • Risk of being unable to compete with competitor. 	<ul style="list-style-type: none"> • Perform periodical benchmarking through market research and planning.
		<ul style="list-style-type: none"> • Risk of lack of Human Resources planning based on talent and succession. 	<ul style="list-style-type: none"> • Perform effective Human Resources planning and succession plan for decision makers and experts in each industry.
		<ul style="list-style-type: none"> • Risk of deterioration of Company and subsidiaries reputation as perceived by the stakeholders due to lack of execution of GCG principles based business activities. 	<ul style="list-style-type: none"> • Whistleblowing system management; socialization of GRC (governance, risk management, compliance) implementation up to subsidiaries, GCG self-assessment, assistance for Company up to subsidiaries; RCSA concept.
		<ul style="list-style-type: none"> • Risk of tender loss. 	<ul style="list-style-type: none"> • Partnership with other company; additional of expert human resources; improve internal control of financial condition; improve company business.
		<ul style="list-style-type: none"> • Risk of shareholders' dissatisfaction. 	<ul style="list-style-type: none"> • Perform shareholders and customer satisfaction survey.
		<ul style="list-style-type: none"> • Risk of environment pollution caused by company activities. 	<ul style="list-style-type: none"> • Adherence to Environmental Impact Assessment Survey and increase responsiveness to external condition and complaints.
2.	Market Risk	<ul style="list-style-type: none"> • Risk of commodity or raw material price volatility. 	<ul style="list-style-type: none"> • Perform monitoring of related commodities price movement; perform planning for timely purchase of raw material; perform effective PPIC.
		<ul style="list-style-type: none"> • Risk of instability of central bank rate and foreign exchange rate. 	<ul style="list-style-type: none"> • Perform monitoring of foreign exchange rate, central bank rate and capital market movement; periodically consider and review possibility of hedging for certain risk factors if it is deemed beneficial for the Company.
		<ul style="list-style-type: none"> • Risk of capital market volatility. 	
3.	Liquidity Risk	<ul style="list-style-type: none"> • Risk of production cost overrun which might disturb cash flow. 	<ul style="list-style-type: none"> • Perform detailed and comprehensive financial planning.
		<ul style="list-style-type: none"> • Risk of missing revenue target (including Company's revenue) due to insufficient working capital. 	<ul style="list-style-type: none"> • Build synergy with other subsidiaries and companies in order to maximize resources.
		<ul style="list-style-type: none"> • Risk of insufficient cash for operation activities. 	<ul style="list-style-type: none"> • Perform cash flow monitoring and internal control; review of related policies and procedures.

NO.	RISK CLASSIFICATION	RISK REGISTER	RISK MITIGATION
4.	Insolvency Risk Profile	<ul style="list-style-type: none"> • Force majeure. 	<ul style="list-style-type: none"> • Insurance
		<ul style="list-style-type: none"> • Risk of production cost overrun which initiate major loss. 	<ul style="list-style-type: none"> • Perform prudent loan planning and review on credit agreement by taking its advantages and disadvantages into consideration; implement internal and external GCG practices through information disclosure to Stakeholders; perform new breakthrough or corporate actions that are related to real investment activities; settlement of matured loan and acquire new funding source to finance investment projects in infrastructure or other sectors.
		<ul style="list-style-type: none"> • Risk of default on major liabilities. 	
5.	Credit Risk	<ul style="list-style-type: none"> • Risk of Bank credit facility extension (fine). 	<ul style="list-style-type: none"> • Perform prudent loan planning and review on credit agreement by using pros and cons analysis.
		<ul style="list-style-type: none"> • Risk of Bank loan delinquency. 	
		<ul style="list-style-type: none"> • Risk of late payment of tax. 	<ul style="list-style-type: none"> • Perform periodical tax payment planning.
6.	Mismatch Risk	<ul style="list-style-type: none"> • Risk of late payment by customers. 	<ul style="list-style-type: none"> • Perform synergy with financing company/Bank and/or supplier vendor to carry out vendor financing and working capital credit; perform effective project finance planning; perform strategic alliance synergy with other reliable companies to carry out investment.
		<ul style="list-style-type: none"> • Risk of inadequate working capital for project execution. 	
		<ul style="list-style-type: none"> • Risk of inadequate total loan to finance projects. 	
		<ul style="list-style-type: none"> • Risk of unavailability of long term loan for investment financing. 	
7.	Operational Risk	<ul style="list-style-type: none"> • Risk of construction damage. 	<ul style="list-style-type: none"> • Perform periodic maintenance.
		<ul style="list-style-type: none"> • Risk of reject products. 	<ul style="list-style-type: none"> • Reinforce QC and SOP based review on production process.
		<ul style="list-style-type: none"> • Risk of labor strike. 	<ul style="list-style-type: none"> • Perform HR related policies and procedures monitoring; perform coordination with HR related parties; intensify supervision; socialization of HR & GA issue and its resolutions.
		<ul style="list-style-type: none"> • Risk of design and technology error. 	<ul style="list-style-type: none"> • Perform thorough review and project planning with related parties concerning design development and technology utilization.
		<ul style="list-style-type: none"> • Risk of legal views that are unsuitable, failed at problem solving, and unsupportive of Company business development. 	<ul style="list-style-type: none"> • Perform second review for every internal and external legal review.
		<ul style="list-style-type: none"> • Risk of Information Technology implementation that is unstructured and has deviated from Roadmap. 	<ul style="list-style-type: none"> • Formation of IT implementation team according to master plan.



NO.	RISK CLASSIFICATION	RISK REGISTER	RISK MITIGATION
		<ul style="list-style-type: none"> • Risk of material purchase error (wrong specification). 	<ul style="list-style-type: none"> • Confirmation of completeness (detailed and specific) and accuracy of received RFQ by buyer; composing of PO matched with user requirement.
		<ul style="list-style-type: none"> • Risk of sub-contractors not meeting specification. 	<ul style="list-style-type: none"> • Perform review and implementation of policies and procedures for products and services procurement.
		<ul style="list-style-type: none"> • Risk of unperforming career path. 	<ul style="list-style-type: none"> • Perform effective career planning and succession plan with reference to Bakrie Leadership Journey Matrix; execution of transfer and rotation based on employee's interest and talent; training program.
		<ul style="list-style-type: none"> • Risk of high work injuries. 	<ul style="list-style-type: none"> • Periodical HSE socialization and strict supervision by HSE team.
		<ul style="list-style-type: none"> • Risk of fraud and abuse of authority. 	<ul style="list-style-type: none"> • Whistleblowing system implementation; signing of business conduct policy, code of ethics and integrity pact; internal control implementation.
		<ul style="list-style-type: none"> • Risk of production failure caused by power outage. 	<ul style="list-style-type: none"> • Perform power switching to genset; maintain genset condition..
		<ul style="list-style-type: none"> • Risk of unavailable spare part and raw material stock. 	<ul style="list-style-type: none"> • ERP system implementation.
		<ul style="list-style-type: none"> • Risk of machine failure and over-capacity caused by production activity. 	<ul style="list-style-type: none"> • Perform scheduled maintenance program for machineries.
		<ul style="list-style-type: none"> • Risk of late construction completion. 	<ul style="list-style-type: none"> • Perform value engineering; perform inventory on additional work to enable billing; reinforce supervision and coordination.
		<ul style="list-style-type: none"> • Risk of untimely operation. 	<ul style="list-style-type: none"> • Coordination with related parties, strict and timely supervision on planned time frame.
		<ul style="list-style-type: none"> • Risk of tort by related parties. 	<ul style="list-style-type: none"> • Perform comprehensive and thorough review.

RISKS EVALUATION OF COMPANY AT HOLDING AND SUBSIDIARIES LEVEL

Risk evaluation was done annually by all Departments. At every fourth quarter, 19 (nineteen) members of Company RCSA Officer formulate and update the risk register on each Department's work sheet. The following table displays the result of fourth quarter year 2018 risk register.

Sustainable ERM and GRC process is managed through assessment of each risk registered by each business process in the Company.

Table 1:
Matrix Result of Risk Register of Company at Subsidiaries level year 2018

IMPACT	LIKELIHOOD				
	1. UNLIKELY	2. UNLIKELY	3. POSSIBLE	4. LIKELY	5. ALMOST CERTAIN
5. CATASTROPHIC	Extreme : 17				
4. MAJOR	High: 23				
3. MODERATE		Medium to High: 15			
2. MINOR	Low: 4	Low to Medium: 14			
1. INSIGNIFICANT					

Total Risk Register of Company at Holding Level: 73

Table 2:
Matrix Result of Risk Register of Company at Subsidiaries level year 2018

IMPACT	LIKELIHOOD				
	1. UNLIKELY	2. UNLIKELY	3. POSSIBLE	4. LIKELY	5. ALMOST CERTAIN
5. CATASTROPHIC	Ekstreme : 6				
4. MAJOR	High: 43				
3. MODERATE		Medium to High: 89			
2. MINOR	Low: 30	Low to Medium: 79			
1. INSIGNIFICANT	Very Low: 19				

Total Risk Register of Company at Subsidiaries Level: 266

Total risk of operation risk level evaluation at each Department at Holding level is 73 risk register. While at Subsidiaries level, the total of risk register in 2018 is 266 risk register. The Company continues to support RCSA Officer in developing accurate comprehension of risk owners at every business unit concerning risk management and mitigation in their business process, so that the RCSA Officer (and risk owner) are capable of performing insightful risk management, reducing risk exposure and mitigating risk.

Company Evaluation on the Effectiveness of Risk Management Systems

The Company's evaluation on the effectiveness of risk management systems is one of the tasks of the Risk Management Committee whose aforementioned evaluation is as follow:

1. The Risk Management Committee accepted well the results of the risk management program implementation carried out by CRM. In 2016, the CRM Department has published Market & Industry Outlook (MIO), Market Risk Assessment (MRA), Risk Outlook Risk, Financial Risk Report and Transaction Based Risk Report (Risk Assessment and Recommendation Sheet)

The Risk Management Committee was therefore able to see that the risk mitigation efforts had already been carried out by the Board of Directors, and that the results of the risk assessment had been used as reference in the decision-making process by the management. The Risk Management Committee also advised the CRM Division to implement steps in order to maintain and increase risk awareness at every subsidiary of the Company.

2. The Risk Management Committee has evaluated the CRM Division's efforts to ensure compliance at the levels of

Business Process, Policy & Procedure, Compliance Monitoring and Compliance Reporting activities. The Risk Management Committee appreciates the Compliance Department's implementation of Compliance tests. The Risk Management Committee requested CRM to implement Financial Risk Report with its mitigations in Company Subsidiaries, as well as improving Asset Liability Management Report.

3. The Risk Management Committee advises the CRM Division to constantly monitor the managements mitigation efforts to maintain positive sentiment toward Bakrie Group shares, which are ensuring Good Corporate Governance (GCG) both internally and externally, through transparent disclosure to regulators, investors and the media; carrying out corporate actions directly related to investment in the real sector, so as to ensure positive sentiment toward Bakrie Group; resolving default; and finding new sources of funding for investment projects in infrastructure and other areas.

Important Legal Cases

In 2018, the Company, Board of Commissioners, Directors and employees of BNBR were not involved in any legal or taxes cases.

Access to Company Information and Data

As a public company, BNBR strives to disseminate clear, comprehensive and on time information to the stakeholders, as the manifestation of its commitment towards accountability and information transparency principles related to the Company's performance and operations.

For easy access to the public on BNBR information, the Company provides several official contacts information on the Company, including performance reports, announcements, and BNBR business activities, through:

Corporate Secretary or Investor Relations

PT Bakrie & Brothers Tbk

Bakrie Tower 35-37 Floor

Rasuna Epicentrum

Jl H.R. Rasuna Said

Jakarta 12940, Indonesia

Telephone: (62 21) 2991 2222

Faximile : (62 21) 2991 2333

Email : bnbr.corcomm@bakrie.co.id

ir@bakrie.co.id

Website : www.bakrie-brothers.com

Funds Provision for Social and Politics Activity

The Company is aware that assets funds and/or company's profits is inappropriately meant for political grant interests. This political grant includes; donation to political parties, legislations candidates, and community group in litigation, group/institutions/foundations under one party.

To that end, the company does not involved in any political activities and does not in the position to grant donation for political interests. The Company put more focused on fund allocation to activities with highest care towards the social and environmental issues, as the manifestation of the Corporate social responsibility to the community. The Company reports in detailed the 2015 corporate social responsibility in the Chapter of Corporate Social Responsibility in this Annual Report.

Corporate Code of Ethics and Code of Conduct

BNBR continues to strive in building organization supported by people with honesty, integrity, and loyalty, to achieve business sustainability. This effort is embodied by the development of Code of Conduct and Business Conduct Policy. By the implementation of code of conduct, professionalism is expected to be elevated in the management level and all employees of PT Bakrie & Brothers Tbk including subsidiary.

CODE OF CONDUCT IMPLEMENTATION

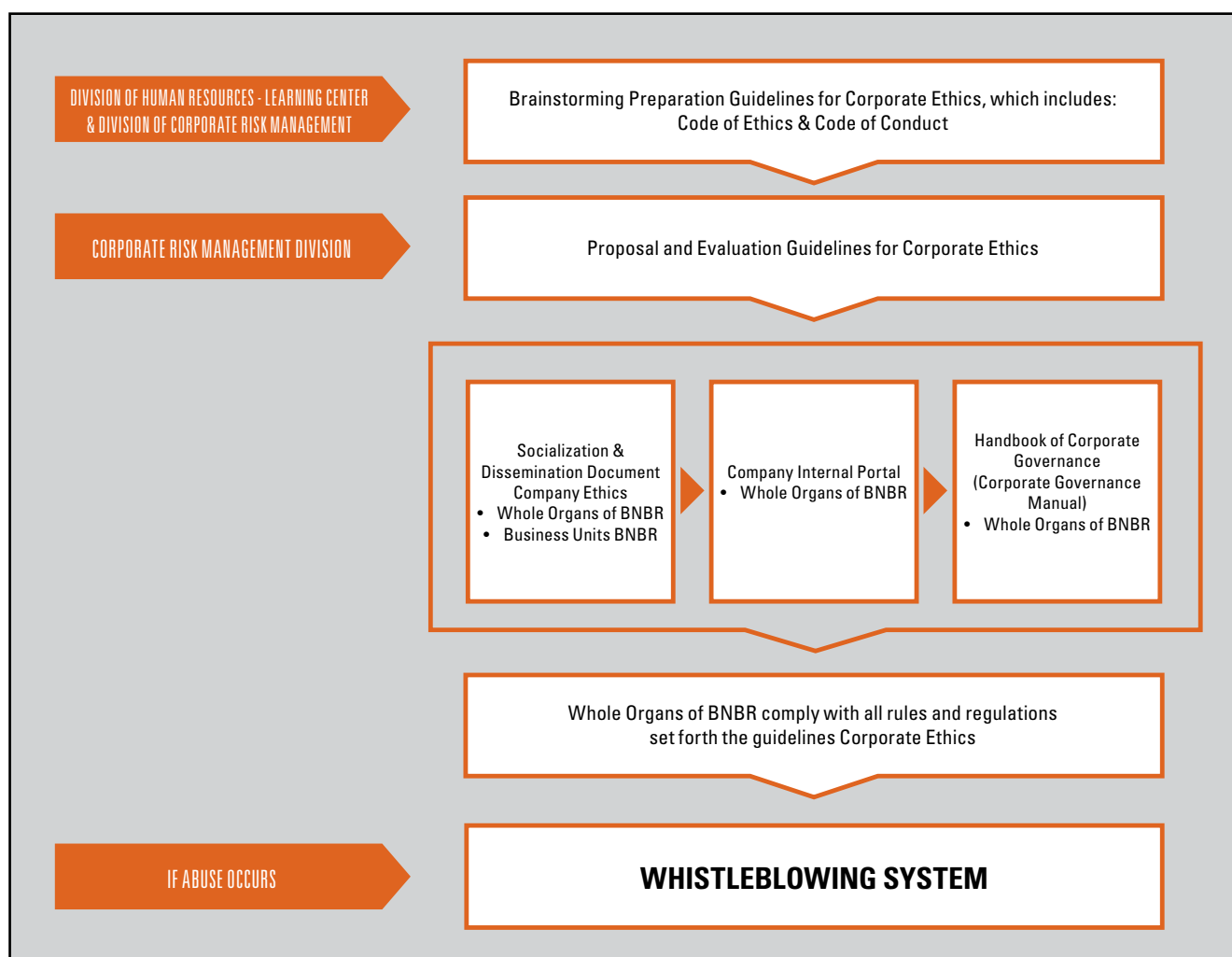
The code of conduct and business conduct policy contains full principles of the Company and covers the values and standard of manners of PT Bakrie & Brothers Tbk. Both conducts are applicable to all BNBR people in all level of Company's organization, and shall be used in day-to-day activities. These conducts enabled the best choices and acted in the highest integrity by following the Company's principles.

The implementation and enforcement of Code of Conduct and Business Conduct Policy of PT Bakrie & Brothers Tbk is stipulated in:

- Corporate Governance Guidelines
- Integrity Pacts
- Board Manual
- Corporate Culture
- Conflicts of Interest Guidelines

CODE OF CONDUCT DISSEMINATION MECHANISM

The Company's Code of Conduct Dissemination Mechanism is illustrated as below:



CODE OF ETHICS

PT Bakrie & Brothers Code of Ethics represents the employees' code of conduct in conducting their works. Every employee of PT Bakrie & Brothers Tbk is responsible to understand and implement this code in all daily activities. The Code of Ethics of PT Bakrie & Brothes Tbk consists of standard of manners in interact

with the stakeholders, such as illicit activity, compliance on the Company's laws and policies, recordings and appropriate assets utilization, compensations for agents and others, prohibition of conflicts of interest, prohibition in granting and entertain the stakeholders, honesty in reporting perdiem, disclosure of

the Company's confidentiality with permission, protection on the Company's interests, prohibition to act that may caused any loss to the Company, prohibition to violate the Company's Code of Ethics, compliance on the Company's Regulations, and good cooperation with the auditors and legal counsels.

CODE OF ETHICS SOCIALIZATION

The socialization and dissemination of Code of Ethics Document and Business Conduct Policy is periodically conducted every year in the event holds by the Corporate Risk Management (CRM) Division, namely Governance-Risk-Compliance (GRC) Day. This event is attended by all Company's organs and business units. The signing of Code of Ethics document and Business Conduct Policy is done by all Company's employees and business units collectively. In addition, the Company disseminated the Code of Ethics through the Corporate Governance Guidelines and company's internal portals.

BUSINESS CONDUCT POLICY

The Business Conduct Policy of PT Bakrie & Brothers Tbk is a compilation of norms and rules that become the platform of ethics and code of conduct in every actions or expressions regarding matters that are obliged, prohibited, or inappropriate to be performed by employees of PT Bakrie & Brothers Tbk.

The Business Conduct Policy is intended to support an ethical performance effectiveness based on laws. In general, Business Conduct Policy consists of policies on financial recording, inappropriateness, receipt of payment, entertainment and business, conflicts of interest, and annual questionnaires.

ENFORCEMENT AND VIOLATION SANCTIONS

The efforts of the Company in the enforcement of code of conduct among others are through the signing of Code of Ethics document and Business Conduct Policy. All employees are also mandated to sign the working agreement, which included the agreement on compliance towards the company's regulations. For several types of violations, the Company stipulated sanctions through reprimand, warning letters as well as termination of employment.

Corporate Culture Statements

The Company has the cultural foundation that reflects the organization conduct and ethics communicated in writing and as the guidelines for all Company's employees. The corporate culture rooted in noble values that become the platform of the Company's management. In BNBR, the corporate culture is stated in Trimatra Bakrie statements.

TRIMATRA BAKRIE BASIC VALUE



INDONESIAN-NESS

Point of views, motives and actions of Bakrie People who are proud to be Indonesian Nation, with global perspective and contribute to the world community's.

TOGETHERNESS

Point of views, motives and actions of Bakrie People that put forward the synergy in diversity.

USEFULNESS

Point of views, motives and actions of Bakrie People that prioritizing the effectiveness and efficiency of resources to improve the quality of better life

INSTRUMENTAL VALUE

INTEGRITY

Conducting duties with with sincerity, passion, loyalty, honesty, always respecting the principles of truth and put the interests of the nation and the company

PROFESSIONALISM

Have the knowledge, skills and insights that support the achievement of maximum employment with the best quality and conduct, governed and highly uphold personal and company's relations value with any parties

Whistleblowing System

BNBR has developed and implemented Whistleblowing System through the Policies and Procedures No. 258/BNBR/III/2012 concerning the Implementation of Whistleblowing System. The Whistleblowing System is intended to build loyalty to the Company and create conducive working environment, by supporting the whistleblowing towards matters that may cause financial or non-financial losses to the Company, including matters which may damage the Company's good name and image.

WHISTLEBLOWING POLICY

Whistleblowing System is a manifestation of good Corporate Governance principles enforcement, related with the business operations of transparent, accountable, and responsible. Whistleblowing System is expected to place the roles as prevention function and detection towards whistleblowing potentials. The Company provides this system as the facility to BNBR employees, subsidiaries, and or external parties, in disseminating feedbacks, complaints and reports on matters, events, or actions that are inappropriate towards the Company's conduct, community norms, prevailing laws and legislations. Whistleblowing System is considered as one of the most secure, effective and efficient in prevention, reporting, collective of evidence and following up actions on the violations by the Company's employees or management. This system protects the whistleblowers' identity and rights to support conducive follow up.

WHISTLEBLOWING MANAGEMENT

The Company's Whistleblowing System is managed professionally by the Ethics & Compliance Committee, assisted by Whistleblowing System Administration Management. The Ethics & Compliance Committee is a committee appointed and established by the Board of Directors to support the Directors in providing directions, decision-making and supervision on the Company's adherence/ compliance and/or the Board of Commissioners, Directors and employees as well as executives of the Company towards ethics and conduct policies or prevailing laws and regulations. The Ethics & Compliance Committee guarantees protection to every Whistleblower. The Ethics & Compliance Committee and Whistleblowing System Officer guarantee the confidentiality of the Whistleblowers' identity that provide their personal data and information for communication purposes; including guarantee of confidentiality of the Whistleblowers' identity to the Investigations Team. The Whistleblowing System Officer/WBS Manager consists of the Corporate Internal Audit ("CIA"), and in implementing its duties, the CIA establishes and coordinates the Investigations

Team, which members are comprising of Legal Department, Enterprise Risk Management (ERM) Department, Compliance Department, and Human Capital (HC) Function, whereby the duties and responsibilities of Investigations team are to assist the WBS Manager in analyzing the whistleblowing system cases.

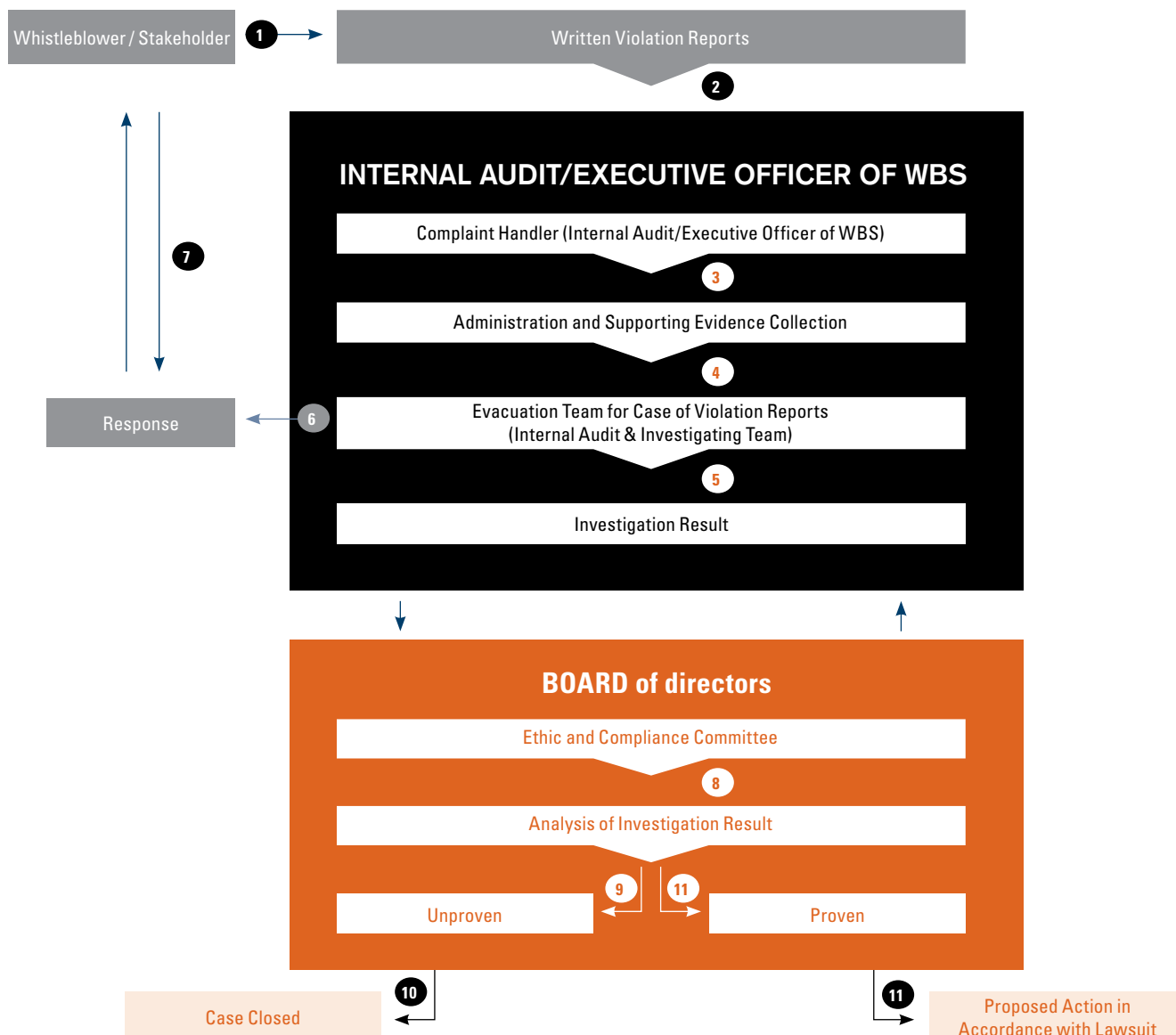
REPORTING MANAGEMENT ON ALLEGED VIOLATIONS BY THE EMPLOYEES

In general the following are procedures of whistleblowing system management of PT Bakrie & Brothers Tbk:

1. Whistleblowers aware and have the initial evidences that relevant with the violations indications done by the offenders (Reported) and submit it to the WBS Manager through hotlines or emails.
2. WBS Manager conducts prescreening on the initial evidences towards its relevancy with the initial indication reports presented by the Whistleblowers. WBS manager finds the other supporting evidences relevant and sanction that related to the whistleblowing.
3. WBS Manager forms the Investigations Team to assist the Internal Audit Unit (IAU) in analyzing the violations cases. Based on the investigations results, Ethics & Compliance Committee will audit and analyze the investigations results as a base of decision-making.
4. In the proven of violations:
 - Ethics & Compliance Committee stipulates sanctions and issued the Decree of Whistleblowing Sanctions to the Offenders.
 - Ethics & Compliance Committee submits to the HC Functions for following up the Decree of Whistleblowing Sanctions.
 - Ethics & Compliance Committee can submits to the Corporate Legal Department for every violations towards laws and regulations for follow up to the authorities.

The following are whistleblowing system procedures conducted by the employees as illustrated below:

WHISTLEBLOWING SYSTEM PROCEDURES OF VIOLATIONS DONE BY THE EMPLOYEES AS ILLUSTRATED BELOW:



REPORTING MANAGEMENT ON ALLEGED VIOLATIONS BY THE BOARD OF COMMISSIONERS OR DIRECTORS OR WBS MANAGERS

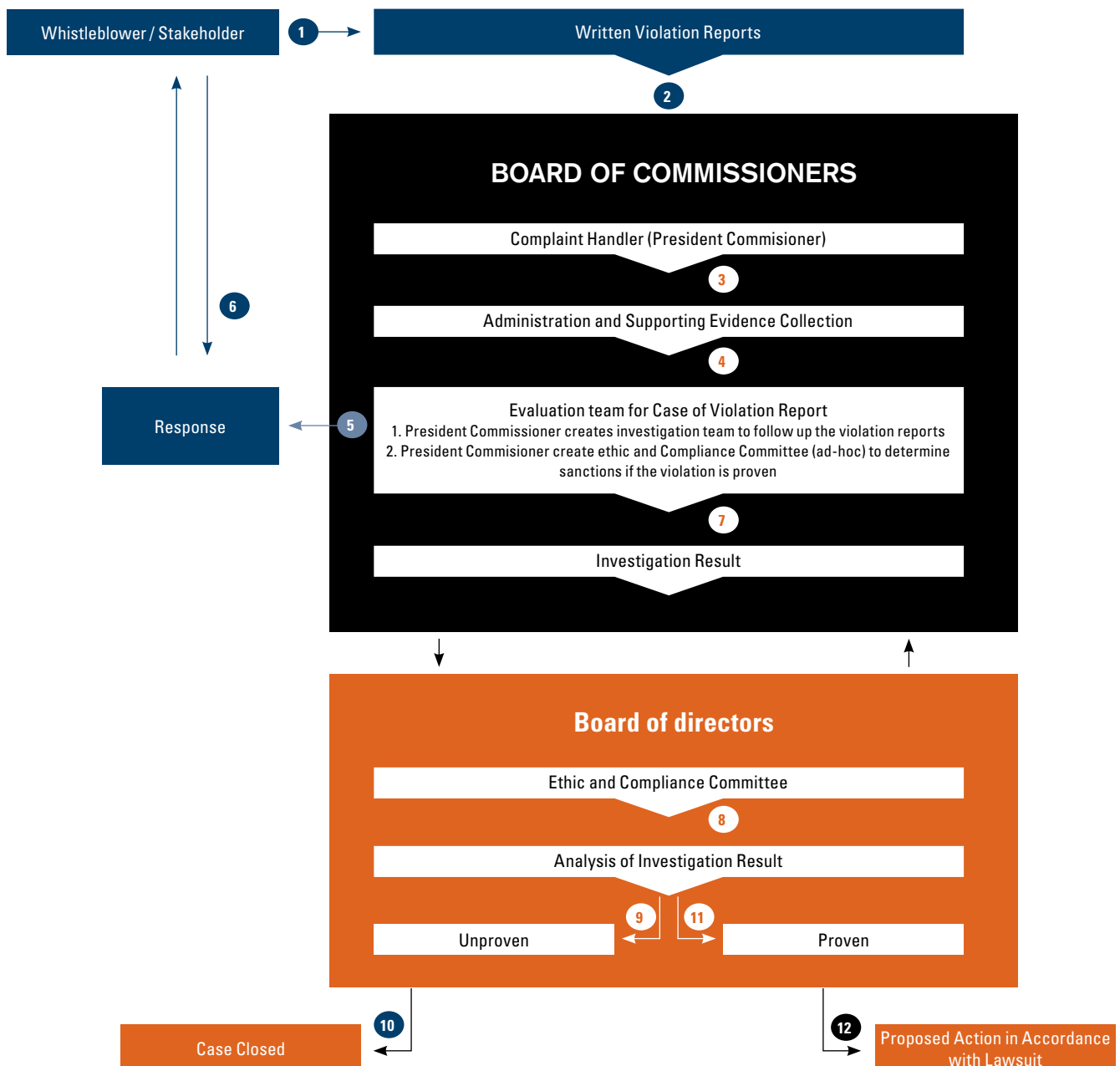
The following are procedures for the whistleblowing system by the Board of Commissioners/ Directors/ WBS Managers:

1. The Whistleblowers aware and has the initial evidences on violations indications conducted by the Board of Commissioners/ Directors/ WBS Managers. If the Offenders are the Board of Commissioners and/or WBS Managers, the Whistleblowers submit the violation indication reports through e-mails addressed to the President Director. If the Offenders are the Board of Directors, the Whistleblowers submit the violations indication through e-mails addressed to the President Commissioner.
2. The President Commissioner/ President Director conducts prescreening on the submitted initial evidences, for its relevancy with the violations indication presented by the Whistleblower by completing the Whistleblowing Forms.
3. The Commissioner/ President Director forms the internal Investigations Team and/or can request assistance from an independent external party for the following up of the violations. If the violations indications are done by the Board of Directors, President Commissioner forms the ad-hoc Ethics & Compliance Committee to set the sanctions to the Offenders if he/she proven guilty.

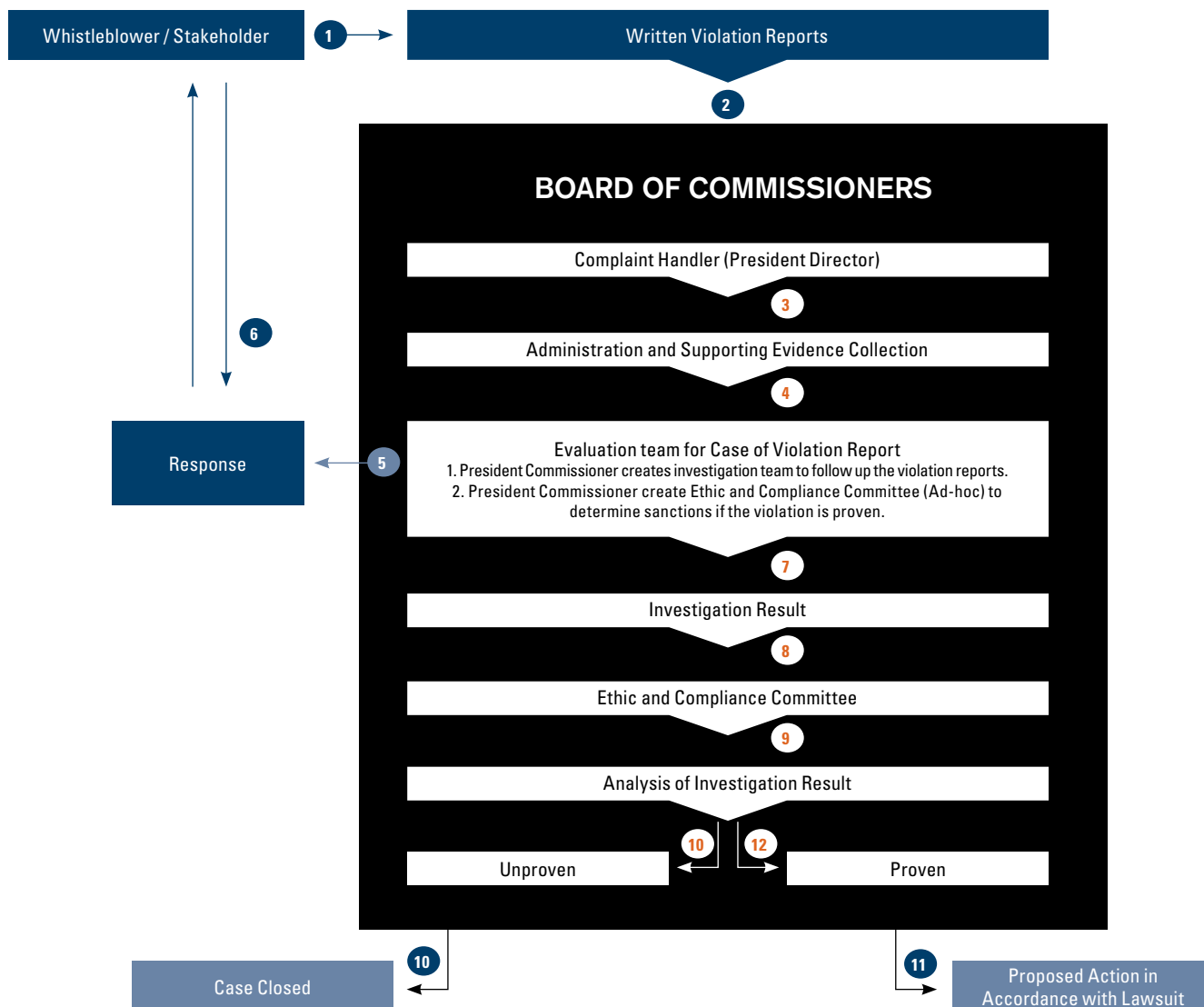
4. In the proven of violations:

- Ethics & Compliance Committee stipulates sanctions and issued the Decree of Whistleblowing Sanctions to the Offenders.
- Ethics & Compliance Committee submits to the President Commissioner/ President Director for following up the Decree of Whistleblowing Sanctions.
- Ethics & Compliance Committee can submit to the Corporate Legal Department for every violations towards laws and regulations for follow up to the authorities.

THE FOLLOWING ARE WHISTLEBLOWING SYSTEM PROCEDURES OF VIOLATIONS DONE BY THE BOARD OF DIRECTORS AS ILLUSTRATED BELOW:



THE FOLLOWING ARE WHISTLEBLOWING SYSTEM PROCEDURES OF VIOLATIONS DONE BY THE BOARD OF COMMISSIONERS OR WBS MANAGERS AS ILLUSTRATED BELOW:



WHISTLEBLOWING SYSTEM SOCIALIZATION

The Regulation and Implementation on Whistleblowing System is disseminated and evaluated sustainably to all employees of PT Bakrie & Brothers Tbk, and periodically conducted the Whistleblowing System advancement/refinement for sustainability in accordance with the Company's business development. The following are steps taken by the Company:

1. The Company conducts socialization, implementation and evaluation on Whistleblowing System continuously.
2. The socialization activity is done sustainably towards the Company's internal or external parties. The socialization for internal party will be focusing on the understanding, awareness and requirements to implement consistent

GCG. The socialization to the external party is intended to provide understanding on the Company's applicable frameworks in accordance with GCG principles.

3. Whistleblowing System is consistently implemented with full commitment from all elements of PT Bakrie & Brothers Tbk and supported by the others stakeholders.
4. The Company evaluates the Whistleblowing System. The evaluation is intended to acknowledge and measures the appropriateness of Whistleblowing System with the Company's needs as well as the effectiveness of implementation programs. Based on evaluation results, improvement and development of Whistleblowing System and its implementation programs will be conducted sustainably.

WHISTLEBLOWER PROTECTION

To maintain stability and conducive environment, Whistleblowing System shall provide whistleblower protection to the Whistleblowers. The protection to the whistleblowers cover the following:

1. Independent, free and confidential reporting facilities;
2. Whistleblowers' identity confidentiality guarantee;
3. Protection against retaliation from the Offenders or the Company as well as the other protections within the ability of the Company;
4. Protection guarantee provided by the Company's Ethics & Compliance Committee to the Whistleblowers.

The protection on the retaliation from the Offenders as well as other protections within the Company's ability.

REPORTS OF VIOLATIONS DURING 2018

Since the policies and procedures of Whistleblowing System was developed and disseminated in March 2012 up to December 31st, 2018 the Company has not received any violation report.

Information for Investors

Since 2013 the Company started serious efforts to improve its financial position by means of, among others, restructuring of Company's debt through conversion of such debt into Company shares as approved by creditors or lenders.

Restructuring through conversion is carried out in stages by firstly implementing conversion of debts from creditors or lenders who have approved the conversion restructuring terms as proposed by the Company.

Capital Increase with Non Preemptive Rights ("NPR") through Issuance of Mandatory Convertible Bonds

Extraordinary General Meeting of Shareholders of PT Bakrie & Brothers Tbk ("The Company") held on June 2nd, 2016 ("EGMS") has approved Capital Increase with Non Preemptive Rights ("NPR") with adherence to OJK Rule No.38/POJK.04/2014 through issuance of Mandatory Convertible Bonds ("MCB") and shares D series.

Before conducting the EGMS, the Company has disclosed its plan to issue MCB which will be converted into Company New Shares through Non Preemptive Rights mechanism ("Transaction Plan") by publishing Information to Shareholders on April 26, 2016.

The Company conducted capital increase with Non Preemptive Rights in accordance with POJK No.38/POJK.04/2014, specifically according to article 3 (b) that the Company has negative net working capital and has obligations greater than 80% of Company assets at the time EGMS was conducted, or article 3 (c) that the Company is unable to avoid default on its obligations to a non-affiliated lender and if such lender agrees to accept shares or convertible bonds of the Company in settlement of the loan.

The Company will issue MCB as much as Rp990,692,339,000 where each MCB holder will convert the MCB into Company New Shares through capital increase with NPR mechanism as much as 19,813,846,780 shares or equivalent to 17.45% of Company issued and fully paid capital after the execution of Transaction Plan with exercise price of Rp 50 with par value of Rp50 per share. The period of MCB conversion is 5 (five) years since the MCB issuance date.

Transaction Plan is a Material Transaction, however it was exempted from such definition as regulated in Rule IX.E.2 and it was not an Affiliated Transaction or Transaction with conflict of interests as described in Rule IX.E.1.

Company's debts that will be exchanged into MCB are debts from the following creditors:

1. Daley Capital Limited
2. Interventures Capital Pte Ltd
3. Smart Treasures Limited
4. Harus Capital Limited
5. PT Maybank Kim Eng Securities

Furthermore the aforementioned creditors became holders of MCB and are eligible to exercise conversion of MCB into Company New Shares.

CAPITAL INCREASE WITH NON PREEMPTIVE RIGHTS ("NPR") FIRST STAGE CONVERSION ONE

On December 15th, 2016 PT Bakrie & Brothers Tbk has executed capital increase with NPR through conversion of MCB with total additional shares of 3,300,000,000 shares valued at Rp 50 per share. The party that absorbed the shares was Daley Capital Ltd and the fund raised from this addition of shares was used to settle Company's debt. Before the execution of capital increase with NPR the Company issued and fully paid capital was as much as 93,721,717,528 shares and after the execution of capital increase with NPR its total increased to 97,021,717,528 shares.

CAPITAL INCREASE WITH NON PREEMPTIVE RIGHTS ("NPR") FIRST STAGE CONVERSION TWO

On March 31st, 2017 PT Bakrie & Brothers Tbk has executed capital increase with NPR through conversion of MCB with total additional shares of 16,458,094,820 shares valued at Rp 50 per share. The party that absorbed the shares was Daley Capital Ltd which appointed PT Solusi Sarana Sejahtera, Interventures Capital Pte Ltd, PT Maybank Kim Eng Securities, Harus Capital Ltd, and Smart Treasures. The fund raised from this addition of shares was used to restructure Company's debt. Before the execution of capital increase with NPR the Company issued and fully paid capital was as much as 97,021,717,528 shares and after the execution of capital increase with NPR its total increased to 113,479,812,348 shares.

CAPITAL INCREASE WITH NON PREEMPTIVE RIGHTS ("NPR") FIRST STAGE CONVERSION THREE

On September 12th, 2017 PT Bakrie & Brothers Tbk has executed capital increase with NPR through conversion of MCB with total additional shares of 55,751,960 shares valued at Rp 50 per share. The party that absorbed the shares was PT Solusi Sarana Sejahtera and the fund raised from this addition of shares was used to restructure Company's debt. Before the execution of capital increase with NPR the Company issued and fully paid capital was as much as 113,479,812,348 shares and after the execution of capital increase with NPR its total increased to 113,535,564,308 shares.

CAPITAL INCREASE WITH NON PREEMPTIVE RIGHTS ("NPR") SECOND STAGE CONVERSION ONE

On April 3, 2018 PT Bakrie & Brothers Tbk has executed capital increase with NPR through conversion of MCB and issuance of ordinary shares D series with total additional shares of 7,624,865,069 shares valued at Rp 50 per share. The party that absorbed the shares was PT Solusi Sarana Sejahtera and Merrill Lynch International, the fund raised from this addition of shares was used to restructure Company's debt. Before the execution of capital increase with NPR the Company issued and fully paid capital was as much as 113,535,564,308 shares and after the execution of capital increase with NPR its total increased to 121,160,429,377 shares.

CAPITAL INCREASE WITH NON PREEMPTIVE RIGHTS ("NPR") AND CHANGE IN SHARE PAR VALUE THROUGH REDUCTION OF TOTAL OUTSTANDING SHARES (REVERSE STOCK)

The Company's effort to restructure its debt continues throughout 2018.

Extraordinary General Meeting of Shareholders of PT Bakrie & Brothers Tbk ("The Company") held on April 27, 2018 ("EGMS") has approved Capital Increase with Non Preemptive Rights ("NPR") with adherence to OJK Rule No.38/POJK.04/2014 through issuance of 72 (seventy two) shares C series with par value of Rp 114 per share and issuance of 551 (five hundred fifty one) shares D series with par value of Rp 50 per share, therefore total fund raised from NPR was as much as Rp 71,002. The NPR execution plan was Company's action to avoid odd-share potential resulting from implementation of Company Reverse Stock.

The EGMS held on April 27, 2018 also approved implementation of Reverse Stock with adherence to prevailing Capital Market regulations which include Decisions of the Board of Directors of the Indonesia Stock Exchange Inc. ("BEI") Kep-00001/BEI/01-2014 Rule of Securities Listing Number I-A concerning General Regulations on Listing of Equity-Type Securities in Stock Exchange (Attachment to the Decisions of the Board of Directors of the Jakarta Stock Exchange Inc. No: Kep-305/BEI/07-2004 dated July 19, 2004). The rationale of the Reverse Stock implementation was fulfillment of a prerequisite condition for Company debt restructuring process.

Before conducting the EGMS, the Company has disclosed its plan to carry out capital increase with Non Preemptive Rights and Reverse Stock ("Transaction Plan") by publishing Information to Shareholders (IKPS) on March 21, 2018, and then publishing Amendment of IKPS on April 25, 2018.

The Company executed capital increase with NPR in accordance with POJK No.38/POJK.04/2014, particularly article 4 (1), that is the Company may increase its capital without giving preemptive rights to shareholders under the condition in the period of 2 (two) years the aforementioned capital increase does not exceed 10% (ten percent) of fully paid capital.

The Company also amended its articles of association concerning authorized capital increase of D series shares and change in share par value related with Reverse Stock. The Company increased authorized capital by as much as 8 (eight) D series shares to avoid odd share potential resulting from Reverse Stock implementation. The new D series shares from issuance of new shares with NPR are estimated to be listed on IDX at the latest May 21, 2018.

The Company implemented Reverse Stock on all issued and fully paid Company shares. Every 10 (ten) shares with old par value will undergo consolidation into 1 (one) share with new par value. The implementation of Reverse Stock will not cause changes to neither total of issued and fully paid capital nor authorized capital, however it may change ownership structure if any of the odd lot shares are purchased by the standby buyer. After the implementation of Reverse Stock, the Company will continue with the next corporate actions.

CAPITAL INCREASE WITH NON PREEMPTIVE RIGHTS ("NPR") THIRD STAGE

In accordance with resolution of EGMS held on April 27, 2018, on May 21, 2018 PT Bakrie & Brothers Tbk has issued and listed new shares totaling at 72 ordinary shares C series with par value of Rp114 and 551 shares D series with par value of Rp50 per share. Execution price of capital increase with NPR was Rp114 per share. Capital increase with NPR of the new shares was conducted on May 21, 2018, with PT Bakrie Capital Indonesia acting as the standby buyer of the shares. Fund raised from this addition of new shares will be used as additional working capital of the Company.

Before the execution of capital increase with NPR the Company issued and fully paid capital was as much as 121.160.429.377 shares and after the execution of capital increase with NPR its total increased to 121.160.430.000 shares.

Reverse Stock Implementation

On May 31, 2018, also as a follow up on resolution of EGMS held on April 27, 2018, the Company announced total number of reverse stock shares (issued and fully paid capital) to comply with Rule of Securities Listing of the Indonesia Stock Exchange Number: Kep-00001/BEI/01-2014, as follows:

SHARE SERIES	OLD PAR VALUE	NEW PAR VALUE	TOTAL SHARES BEFORE REVERSE STOCK (ISSUED AND FULLY PAID CAPITAL)	TOTAL SHARES AFTER REVERSE STOCK (ISSUED AND FULLY PAID CAPITAL)
A	Rp 2,850	Rp 28,500	193,752,000	19,375,200
B	Rp 399	Rp 3,990	3,681,288,000	368,128,800
C	Rp 114	Rp 1,140	89,846,677,600	8,984,667,760
D	Rp 50	Rp 500	27,438,712,400	2,743,871,240
TOTAL NUMBER OF SHARES			121,160,430,000	12,116,043,000

MATERIAL FACTS RELATED TO COMPANY DEBT AND CAPITAL INCREASE WITH NON PREEMPTIVE RIGHTS ("NPR")

On April 26, 2018 two transactions occurred, which are signing of Debt Transfer Agreement and Company Debt Settlement Agreement, with the following scheme:

1. Transfer of Company's debt from Mitsubishi Corporation RtM Japan Ltd to Fountain City Investment Ltd;
2. Settlement of the Company's debt to Fountain City Investment Ltd by:
 - Transfer of the Company's assets in the form of PT Bumi Resources Tbk shares previously used as collateral to the credit facility granted by Mitsubishi Corporation RtM Japan Ltd.
 - ssuance of Mandatory Convertible Bonds (MCB) to Fountain City Investment Ltd.
 - Issuance of Company new shares to Fountain City Investment Ltd.

The Company does not have any affiliation relationship with both parties conducting the aforementioned debt transfer.

On May 23, 2018 two transactions occurred, which are signing of Mutual Investment Agreement and Loan Agreement, with the following scheme:

1. Mutual Investment Agreement
 - Between Company as investor and Fitzroy Offshore Ltd as investee;
 - Company does not have any affiliation relationship with Fitzroy Offshore Ltd;
 - This agreement was investment agreement from Company to Fitzroy Offshore Ltd;
 - Investment value amounted to US\$416,061,000; and
 - Company bind itself with investee in the form of option to sell asset which is 806,595,000 shares of PT Bumi Resources Tbk ("BUMI Shares") owned by Company until all conditions has been fulfilled under the agreement, Company shall has the rights to receive the same amount of initial investment and in return as consequence Company had to transfer BUMI Shares to the investee.

2. Loan Agreement

- Between Company as debtor and Levoca Enterprise Ltd as creditor;
- Company does not have any affiliation relationship with Levoca Enterprise Ltd ;
- This agreement was loan agreement from Levoca Enterprise Ltd to Company;
- Loan value amounted to US\$416,061,000;
- Company obtain loan from creditor to invest in Mutual Investment Agreement described in point 1 above and such loan will be converted into Company equity.

Extraordinary General Meeting of Shareholders of PT Bakrie & Brothers Tbk ("The Company") held on November 21, 2018 ("EGMS") has approved the plan to convert some parts of Company's debt into New Shares and/or Mandatory Convertible Bond (MCB) which can be converted into Company's new shares through Capital Increase with Non Preemptive Rights ("Transaction Plan") with adherence to OJK Rule No.38/POJK.04/2014.

The EGMS was previously planned on October 26, 2018 and it was postponed after the Company received a letter from the Financial Services Authority (OJK) No: S-2391/PM.2/2018 dated October 25, 2018 which stated the Company may not conduct the EGMS on October 26, 2018. Therefore the Company republished the Information to Shareholders (IKPS) concerning the Transaction Plan on November 16, 2018; previously the IKPS has been published on November 19, 2018.

The Transaction Plan was carried out to restructure Company's debt from Company's Creditor totaling at Rp9,384,250,081,825 which will be done through conversion of Company's debt into New Shares as much as 8,655,934,00 shares and issuance of MCB which can be converted into Company's New Shares as much as 137,972,973,300 shares. Total number of New Shares as a result of either direct conversion or MCB conversion is as much as 146,628,907,300 shares or equivalent to 92.37% of Company issued and fully paid capital after the execution of Transaction Plan with exercise price of Rp64 with par value of Rp64 per share. The period of MCB conversion is 5 (five) years since the MCB issuance date.

The issuance of New Shares and/or Company MCB was conducted in accordance with POJK No.38/POJK.04/2014 article 3 (b), that is the Company currently has negative net working capital and has obligations greater than 80% of Company assets at the time EGMS approved increase of capital with Non Preemptive Rights (NPR).

Transaction Plan is a Material Transaction, however it was exempted from such definition as regulated in Rule IX.E.2 and it was not an Affiliated Transaction or Transaction with conflict of interests as described in Rule IX.E.1.

Company's debts that will be exchanged into MCB are debts from the following creditors:

1. Fountain City Investment Ltd ("FCIL")
2. Levoca Enterprise Ltd ("Levoca")
3. Daley Capital Limited ("Daley")

Furthermore the aforementioned creditors became holders of MCB and are eligible to exercise conversion of MCB into Company New Shares.

CAPITAL INCREASE WITH NON PREEMPTIVE RIGHTS ("NPR") FOURTH STAGE CONVERSION ONE

In accordance with resolution of EGMS held on November 21, 2018, on December 12, 2018 PT Bakrie & Brothers Tbk has executed increase of issued and fully paid capital by issuing new shares E series totaling at 8,655,934,000 shares with par value of Rp64 per share through capital increase with NPR. The parties that absorbed the shares were Fountain City Investment Ltd and Daley Capital Ltd, and the fund raised from this addition of shares was used to restructure Company's debt.

Before the execution of capital increase with NPR the Company issued and fully paid capital was as much as 12,116,043,000 shares and after the execution of capital increase with NPR its total increased to 20,771,977,000 shares with par value of Rp64 per share.

Report of ASEAN Corporate Governance Assessment - IICD

	QUESTIONS		ANSWER			SCORE
			YES	NO	N/A	
A	RIGHTS OF SHAREHOLDERS					
A.1	Basic Shareholder Rights					
	A.1.1	Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by shareholders at general meetings for final dividends? In case the company has offered Scrip dividend, did the company paid the dividend within 60 days?			✓	0
A.2	Rights to Participate in Decisions Concerning Fundamental Corporate Changes					
		Do shareholders have the right to participate in:				
	A.2.1	Amendments to the company’s constitution?	✓			1
	A.2.2	The authorization of additional shares?	✓			1
	A.2.3	The transfer of all or substantially all assets, which in effect results in the sale of the company?	✓			1
A.3	Rights to Participate Effectively In and Vote In General Shareholders Meetings and should be Informed of the Rules, including Voting Procedures that Govern General Shareholders Meetings					
	A.3.1	Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?	✓			1
	A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?	✓			1
	A.3.3	Does the company allow shareholders to elect directors/commissioners individually?	✓			1
	A.3.4	Does the company disclose the voting procedures used before the start of meeting?		✓		0
	A.3.5	Do the minutes of the most recent AGM record that the shareholders were given the opportunity to ask questions and the questions raised by shareholders and answers given recorded?		✓		0
	A.3.6	Does the company disclose the voting results including approving, dissenting, and abstaining votes for all resolutions/each agenda item for the most recent AGM?		✓		0
	A.3.7	Does the company disclose the list of board members who attended the most recent AGM?		✓		0
	A.3.8	Does the company disclose that all board members and the CEO (if he is not a board member) attended the most recent AGM?		✓		0
	A.3.9	Does the company allow for voting in absentia?	✓			1
	A.3.10	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?		✓		0
	A.3.11	Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?	✓			1
	A.3.12	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM/EGM for all resolutions?		✓		0
	A.3.13	Does the company provide at least 21 days notice for all AGMs and EGMs?	✓			1
	A.3.14	Does the company provide the rationale and explanation for each agenda which require shareholders’ approval in the notice of AGM/circulars and/or the accompanying statement?	✓			1
	A.3.15	Does the company give the opportunity for shareholder to place item/s on the agenda of AGM?		✓		0

	QUESTIONS		ANSWER			SCORE
			YES	NO	N/A	
A.4	Markets for Corporate Control should be Allowed to Function in an Efficient and Transparent Manner					
A.4.1	In cases of mergers, acquisitions and/or takeovers, does the board of directors/commissioners of the offeree company appoint an independent party to evaluate the fairness of the transaction price?	✓			1	
A.5	The Exercise of Ownership Rights by All Shareholders, including Institutional Investors, should be Facilitated					
A.5.1	Does the company publicly disclose policy/practice to encourage shareholders including institutional shareholders to attend the general meetings or engagement with the company?		✓		0	
B	EQUITABLE TREATMENT OF SHAREHOLDERS					
B.1	Shares and Voting Rights					
B.1.1	Do the company's ordinary or common shares have one vote for one share?	✓			1	
B.1.2	Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website/reports/the stock exchange/the regulator's website)?		✓		0	
B.2	Notice of AGM					
B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?	✓			1	
B.2.2	Are the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version?	✓			1	
	Does the notice of AGM/circulars have the following details:					
B.2.3	Are the profiles of directors/commissioners (at least age, qualification, date of first appointment, experience and directorships in other listed companies) in seeking election/re-election included?			✓	0	
B.2.4	Are the auditors seeking appointment/re-appointment clearly identified?		✓		0	
B.2.5	Documents required to be proxy/Were the proxy documents made easily available?	✓			1	
B.3	Insider Trading and Abusive Self-Dealing should be Prohibited					
B.3.1	Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	✓			1	
B.3.2	Are the directors and commissioners required to report their dealings in company shares within 3 business days?		✓		0	
B.4	Related Party Transactions by Directors and Key Executives					
B.4.1	Does the company have a policy requiring directors /commissioners to disclose their interest in transactions and any other conflicts of interest?	✓			1	
B.4.2	Does the company have a policy requiring a committee of independent directors/ commissioners to review material/significant RPTs to determine whether they are in the best interests of the company and shareholders?	✓			1	
B.4.3	Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?	✓			1	
B.4.4	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates?		✓		0	
B.5	Protecting Minority Shareholders from Abusive Actions					
B.5.1	Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arm's length?		✓		0	
B.5.2	In case of related party transactions requiring shareholders' approval, is the decision made by disinterested shareholders?	✓			1	

	QUESTIONS		ANSWER			SCORE
			YES	NO	N/A	
C	ROLE OF STAKEHOLDERS					
C.1	The Rights of Stakeholders that are Established by Law or Through Mutual Agreements are to be Respected					
	Do the company disclose a policy & activity that:					
	C.1.1	The existence and scope of the company's efforts to address customers' health and safety?	✓		1	
	C.1.2	Supplier/contractor selection procedures?	✓		1	
	C.1.3	Describes the company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?	✓		1	
	C.1.4	The company's efforts to interact with the communities in which they operate?	✓		1	
	C.1.5	Describe the company's anti-corruption programmes and procedures?	✓		1	
	C.1.6	Describes how creditors' rights are safeguarded?	✓		1	
	C.1.7	Does the company have a separate report/section that discusses its efforts on environment/economy and social issues?	✓		1	
C.2	Where Stakeholder Interests are Protected by Law, Stakeholders should Have the Opportunity to Obtain Effective Redress for Violation of Their Rights					
	C.2.1	Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public, etc.) can use to voice their concerns and/or complaints for possible violation of their rights?	✓		1	
C.3	Performance-Enhancing Mechanisms for Employee Participation should be Permitted to Develop					
	C.3.1	Does the company explicitly disclose the health, safety, and welfare policy for its employees?	✓		1	
	C.3.2	Does the company explicitly disclose the policies and practices on training and development programmes for its employees?	✓		1	
	C.3.3	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measure?		✓	0	
C.4	Stakeholders Including Individual Employee and Their Representative Bodies, should be Able to Freely Communicate Their Concerns about Illegal or Unethical Practices to the Board and Their Rights should not be Compromised for Doing This					
	C.4.1	Does the company have a whistle blowing policy which includes procedures for complaints by employees concerning alleged illegal (including corruption) and unethical behaviour and provide contact details via the company's website or annual report?	✓		1	
	C.4.2	Does the company have a policy or procedures to protect an employee/ person who reveals illegal/unethical behavior from retaliation?	✓		1	
D.	DISCLOSURE AND TRANSPARENCY					
D.1	Transparent Ownership Structure					
	D.1.1	Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?	✓		1	
	D.1.2	Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?	✓		1	
	D.1.3	Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?		✓	0	
	D.1.4	Does the company disclose the direct and indirect (deemed) shareholdings of senior management?		✓	0	
	D.1.5	Does the company disclose details of the subsidiaries, associates, joint ventures and special purpose enterprises/vehicles (SPEs)/(SPVs)?	✓		1	
D.2	Quality of Annual Report					
	Does the company's annual report disclose the following questions:					
	D.2.1	Corporate objectives	✓		1	
	D.2.2	Financial performance indicators	✓		1	
	D.2.3	Non-financial performance indicators	✓		1	
	D.2.4	Dividend policy	✓		1	

	QUESTIONS		ANSWER			SCORE
			YES	NO	N/A	
	D.2.5	Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	✓			1
	D.2.6	Attendance details of each director/commissioner in respect of meetings held	✓			1
	D.2.7	Total remuneration of each member of the board of directors/commissioners		✓		0
	D.2.8	Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance	✓			1
D.3	Disclosure of Related Party Transactions (RPT)					
	D.3.1	Does the company disclose its policy covering the review and approval of material/significant RPTs?		✓		0
	D.3.2	Does the company disclose the name of the related party and relationship for each material/significant RPT?	✓			1
D.4	Directors and Commissioners Dealings in Shares of the Company					
	D.4.1	Does the company disclose trading in the company's shares by insiders?	✓			1
D.5	External Auditor and Auditor Report					
	D.5.1	Are audit fees and non-audit fees disclosed?	✓			1
	D.5.2	Does the non-audit fees exceed the audit fees?	✓			1
D.6	Medium of Communications					
	Does the company use the following modes of communication?					
	D.6.1	Quarterly reporting	✓			1
	D.6.2	Company website	✓			1
	D.6.3	Analyst's briefing	✓			1
	D.6.4	Media briefings/press conference	✓			1
D.7	Timely Filing/Release of Annual/Financial Reports					
	D.7.1	Are the audited financial report/statement released within 120 days from the financial year end?	✓			1
	D.7.2	Is the annual report released within 120 days from the financial year end?	✓			1
	D.7.3	Is the true and fairness/fair representation of the annual financial statement/reports affirmed by the board of directors/commissioners and/or the relevant officers of the company?	✓			1
D.8	Company Website					
	Does the company have a website disclosing up-to-date information on the following:					
	D.8.1	Financial statements/reports (latest quarterly)	✓			1
	D.8.2	Materials provided in briefings to analysts and media	✓			1
	D.8.3	Downloadable annual report	✓			1
	D.8.4	Notice of AGM and/or EGM	✓			1
	D.8.5	Minutes of AGM and/or EGM	✓			1
	D.8.6	Company's constitution (company's bylaws, memorandum and articles of association)	✓			1
D.9	Investor Relations					
	D.9.1	Does the company disclose the contact details (e.g. telephone, fax, and email) of the officer responsible for investor relations?	✓			1

E. RESPONSIBILITIES OF THE BOARD

E.1	Duties and Responsibilities of the Board of Commissioners:					
	Clearly Defined Board Responsibilities and Corporate Governance Policy:					
	E.1.1	Does the company disclose its corporate governance policy/board charter?	✓			1
	E.1.2	Are the types of decisions requiring board of directors/commissioners' approval disclosed?	✓			1
	E.1.3	Are the roles and responsibilities of the board of directors/commissioners clearly stated?	✓			1

	QUESTIONS	ANSWER			SCORE
		YES	NO	N/A	
	Company Vision and Mission:				
E.1.4	Does the company have an updated vision and mission statement?	✓			1
E.1.5	Does the board of directors play a leading role in the process of developing and reviewing the company's strategy at least annually?	✓			1
E.1.6	Does the board of directors monitor/oversee the implementation of the corporate strategy?	✓			1
E.2	Board of Commissioners Structure				
	Code of Ethics or Conduct:				
E.2.1	Are the details of the code of ethics or conduct disclosed?	✓			1
E.2.2	Does the company disclose that all directors/commissioners, senior management and employees are required to comply with the code?		✓		0
E.2.3	Does the company have a process to implements and monitors compliance with the code of ethics or conduct?	✓			1
	Structure and Composition of Board of Commissioners:				
E.2.4	Do independent directors/commissioners make up at least 50% of the board of directors/commissioners?		✓		0
E.2.5	Does the company have a term limit of nine years or less or 2 terms of five years each for its independent directors/commissioners?		✓		0
E.2.6	Has the company set a limit of five board seats that an individual independent/non-executive director/commissioner may hold simultaneously?	✓			1
E.2.7	Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?	✓			1
	Nominating Committee:				
E.2.8	Does the company have a Nominating Committee (NC)?	✓			1
E.2.9	Does the Nominating Committee comprise of a majority of independent directors/commissioners?		✓		0
E.2.10	Is the chairman of the Nominating Committee an independent director/commissioner?	✓			1
E.2.11	Does the company disclose the terms of reference/governance structure/charter of the Nominating Committee?	✓			1
E.2.12	Is the meeting attendance of the Nominating Committee disclosed and if so, did the Nominating Committee meet at least twice during the year?	✓			1
	Remuneration Committee/Compensation Committee:				
E.2.13	Does the company have a Remuneration Committee?	✓			1
E.2.14	Does the Remuneration Committee comprise of a majority of independent directors/commissioners?		✓		0
E.2.15	Is the chairman of the Remuneration Committee an independent director/commissioner?	✓			1
E.2.16	Does the company disclose the terms of reference/governance structure/charter of the Remuneration Committee?	✓			1
E.2.17	Is the attendance of members at Remuneration Committee meetings disclosed?	✓			1
	Audit Committee:				
E.2.18	Does the company have an Audit Committee?	✓			1
E.2.19	Does the Audit Committee comprise entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?	✓			1
E.2.20	Is the chairman of the Audit Committee an independent director/commissioner?	✓			1
E.2.21	Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?	✓			1
E.2.22	Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)?	✓			1
E.2.23	Is the meeting attendance of the Audit Committee disclosed and, if so, did the Audit Committee meet at least four times during the year?	✓			1
E.2.24	Does the Audit Committee have primary responsibility for recommendation on the appointment, and removal of the external auditor?		✓		0

	QUESTIONS	ANSWER			SCORE
		YES	NO	N/A	
E.3	Role of Board of Commissioners				
	Meetings and Attendance of Board of Commissioners:				
E.3.1	Are the board of directors meetings scheduled before the start of financial year?		✓		0
E.3.2	Does the board of directors/commissioners meet at least six times per year?	✓			1
E.3.3	Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?		✓		0
E.3.4	Does the company require a minimum quorum of at least 2/3 for board decisions?		✓		0
E.3.5	Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present?	✓			1
	Information Access:				
E.3.6	Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting?		✓		0
E.3.7	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?	✓			1
E.3.8	Is the company secretary trained in legal, accountancy or company secretarial practices and has kept abreast on relevant developments?	✓			1
	Appointment and Re-election of members of Board of Commissioners				
E.3.9	Does the company disclose the criteria used in selecting new directors/commissioners?		✓		0
E.3.10	Does the company disclose the process followed in appointing new directors/commissioners?		✓		0
E.3.11	Are all directors/commissioners subject to re-election every 3 years; or 5 years for listed companies in countries whose legislation prescribes a term of 5 years each? The five years term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011		✓		0
	Remuneration Matters:				
E.3.12	Does the company disclose its remuneration (fee, allowances, benefit-in-kind and other emoluments) policy (i.e., the use of short term and long term incentives and performance measures) for its executive directors and CEO?		✓		0
E.3.13	Is there disclosure of the fee structure for non-executive directors/commissioners?	✓			1
E.3.14	Do the shareholders or the board of directors approve the remuneration of the executive directors and/or the senior executives?	✓			1
E.3.15	Does the company have measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interests of the company, such as claw back provision and deferred bonuses?		✓		0
	Internal Audit:				
E.3.16	Does the company have a separate internal audit functions?	✓			1
E.3.17	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	✓			1
E.3.18	Does the appointment and removal of the internal auditor require the approval of the Audit Committee?	✓			1
	Risk Oversight:				
E.3.19	Does the company establish a sound internal control procedures/risk management framework and periodically review the effectiveness of that framework?	✓			1
E.3.20	Does the Annual Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?	✓			1
E.3.21	Does the company disclose the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic)?	✓			1
E.3.22	Does the Annual Report contain a statement from the board of directors/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management system?		✓		0

	QUESTIONS		ANSWER			SCORE
			YES	NO	N/A	
E.4	Individuals in the Structure of Board of Commissioners					
	Board Chairman:					
	E.4.1	Do different persons assume the roles of chairman and CEO?	✓			1
	E.4.2	Is the chairman an independent director/commissioner?	✓			1
	E.4.3	Is any of the directors a former CEO of the company in the past 2 years?	✓			1
	E.4.4	Are the role and responsibilities of the chairman disclosed?	✓			1
	Senior Independent Commissioner :					
	E.4.5	If the Chairman is not independent, has the Board appointed a Lead/ Senior Independent Director and has his/her role been defined?		✓		0
	Skill and Competencies of Board of Commissioners:					
	E.4.6	Does at least one non-executive director/commissioner have prior working experience in the major sector that the company is operating in?	✓			1
E.5	Performance of Board of Commissioners					
	Training/Development of Board of Commissioners:					
	E.5.1	Does the company have orientation programs for new directors/commissioners?	✓			1
	E.5.2	Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmes?	✓			1
	Appointment and Performance Assessment of President Director:					
	E.5.3	Does the company disclose how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management?	✓			1
	E.5.4	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President Director?	✓			1
	Board of Commissioners Performance Appraisal:					
	E.5.5	Did the company conduct an annual performance assessment of the board of directors/ commissioners and disclose the criteria and process followed for the assessment?	✓			1
	E.5.6	Did the company conduct an annual performance assessment of the individual directors/ commissioners and disclose the criteria and process followed for the assessment?		✓		0
	E.5.7	Did the company conduct an annual performance assessment of the board committees and disclose the criteria and process followed for the assessment?		✓		0

Total Score for Corporate Governance Practices at PT Bakrie & Brothers Tbk

NO.	INDICATORS/DEFINING PARAMETERS		TOTAL OF COMPLIANCE ON QUESTIONS IN EACH PARAMETER	TOTAL OF QUESTIONS	SCORES OF EACH COMPONENT	WEIGHT-AGE	SCORES OF EVERY PRINCIPLES
1.	A	RIGHTS OF SHAREHOLDERS	11	20	55,00%	10%	5.5
2.	B	EQUITABLE TREATMENT OF SHAREHOLDERS	9	14	64,00%	10%	6.4
3.	C	ROLE OF STAKEHOLDERS	12	13	92,30%	15%	13.8
4.	D	DISCLOSURE AND TRANSPARENCY	26	32	81,30%	25%	20.3
5.	E	RESPONSIBILITIES OF THE BOARD	46	64	71,90%	40%	28.7
6.		BONUS	-	-	-	-	4
7.		PENALTY	-	-	-	-	-6
Total Score of Corporate Governance Practice							72.80

Total score of GCG practices earned by PT Bakrie & Brothers Tbk for year 2017 (ASEAN CG Scorecard 2018) amounted to **72,80**.

Overall, assessment result of GCG implementation at PT Bakrie & Brothers Tbk gained the qualification **"FAIR"**

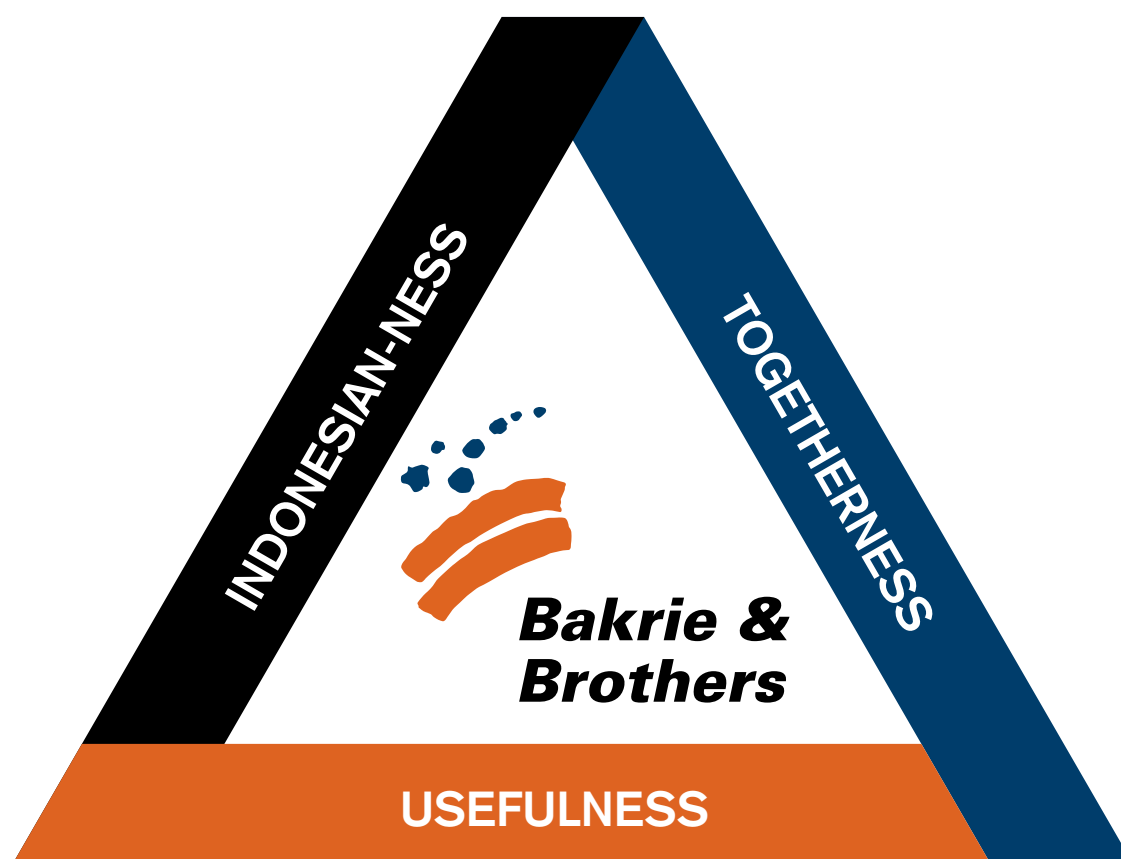


Corporate Social Responsibility



Corporate Social Responsibility

The implementation of CSR at BNBR and its subsidiaries is always guided by ISO 26000 and by our “Bakrie Untuk Negeri” (Bakrie for the Nation) philosophy. Our core values are then outlined in the “Trimatra Bakrie”, which consists of three dimensions:



INDONESIAN-NESS

Motivation and attitude of all Bakrie employees who are proud to be an Indonesian nation, with global insights and contribution to world society.

TOGETHERNESS

Motivation and attitude of all Bakrie employees who emphasize synergy in diversity.

USEFULNESS

Motivation and attitude of all Bakrie employees who prioritize effectiveness and efficiency of resources to enhance better quality of life.

Overall, this philosophy determines our CSR master plan for the year 2018, making sure that each and every CSR activity that is conducted reflects back on our core values.

IMPLEMENTATION OF ISO 26000

ISO 26000 focuses on seven core subjects: "Organizational Governance", "Human Rights", "Labour Practices", "The Environment", "Fair Operating Practices", "Consumer Issues" and "Community Involvement and Development".

The Company's interaction within these seven aspects is as follows:



With the determination of ISO 26000 as its fundamental reference, CSR fulfillment is inseparable from the Company's business activities. The first and most important aspect is related to organizational governance, followed by the community-related issues, in line with the seven core subjects of ISO 26000.

2018 CORPORATE SOCIAL RESPONSIBILITY ACTIVITY PLAN

BNBR formulates its Corporate Social Responsibility activity plan through implementation of ISO 26000 as follows:

NO	CORE SUBJECT	TARGET	2018 ACTIVITIES
1.	Organizational Governance	1. Development and implementation of PT Bakrie & Brothers Tbk Code of Conduct and Business Conduct Policy.	Implementation and enforcement of: 1. Corporate Governance Guidelines; 2. Board Manual; 3. Conflict of Interest Guidelines; 4. Integrity Pacts; and 5. Corporate Culture.
		2. Commitment to respect law and responsibility to pay taxes.	BNBR Group and its management were not involved in any legal or taxes cases throughout 2018.

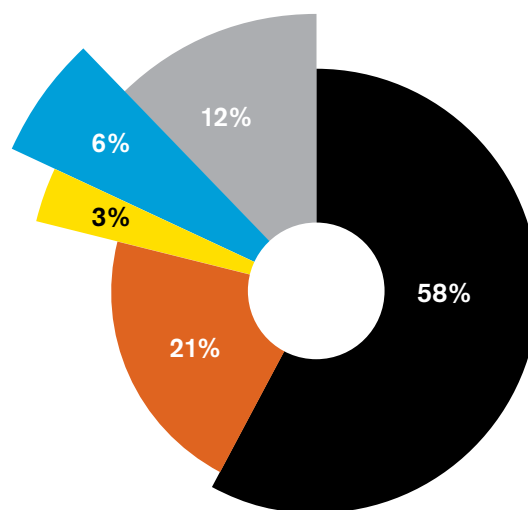
2.	Human Rights	1. Provide equal opportunities to every person to be employed receive training and develop their career in BNBR Group.	In accordance with Law No.13 Year 2003 concerning Employment, BNBR Group provides equal opportunities to every person above the age of 18 years old to be employed receive training and develop their career according to their competencies and performance.
		2. Respect civil and political rights, as well as economic, social and cultural rights.	1. BNBR respect individuals' rights to freedom of opinion and expression, to peaceful assembly and association, to seek and impart information, to due process and a fair hearing before taking disciplinary measures. 2. BNBR provides adequate medical benefit as well as educational aid for its employees and family.
3.	Labor Practices	1. Provide good conditions of work and social protection as well as support social dialogue.	1. Employee responsibilities and rights are discussed through a two-way communication board between the management and employees. 2. Extension of Collective Labor Agreement.
		2. Promote and maintain health and safety at work.	BNBR Group carried out training on health and safety topic every year to ensure that every employee has an adequate knowledge to practice health and safety on their daily work. In 2018 a total of 363 employees were trained.
		3. Encourage human development.	BNBR Group continuously improves employee competencies through various relevant training programs. More information can be learned from the Human Capital Management chapter of this 2018 Annual Report.
4.	Environment	1. Implement environmental risk management.	BNBR Group obtains external certification related to environmental issues. More information can be learned the Corporate Social Responsibility Towards Environment segment in this chapter.
		2. Adopt precautionary approach in handling environmental issues related to daily business operation.	
5.	Fair Operating Practices	1. Practice honesty in business dealings.	BNBR has enforced Policy and Procedure on Anti Fraud and Report of Accepting Gratification on January 21, 2016 which applies to every employee of BNBR Group.
		2. Respect property rights.	BNBR avoids counterfeiting or piracy and pays fair compensation for property acquired or used.

6.	Consumer Issues	1. Provide customer service, support and dispute resolution.	BNBR Group views its customers as valuable partners and seeks to treat them with the utmost importance. More information can be learned the Corporate Social Responsibility Towards Customer segment in this chapter.
		2. Provide clear and helpful user information of products or services.	
7.	Community Involvement and Development	1. Conduct social investment through improving social aspect of BNBR surrounding community life.	BNBR Group recognizes its long-term interest in the sustainability of the communities in which it operates. More information can be learned the Corporate Social Responsibility Towards Social and Community Development segment in this chapter.
		2. Engage in actions to improve educational quality and promote good health of its employees and surrounding community.	

BNBR's charity-based CSR activities are carried out by subsidiaries as well as channeled through Management Board of Bakrie Untuk Negeri (BP BUN). This board was established on August 17, 2007, carries out synergy functions in companies within the Bakrie Group including BNBR. CSR activities carried out by BNBR and its subsidiaries adapted the programs implemented by BP BUN as briefly described in the following CSR expenditure table.

Expenditure for Charity Type Corporate Social Responsibility Activity

CSR Program	Expenditure (in Rupiah)
Peduli Untuk Negeri (Social and Religious) ■	874,645,747
Cerdas Untuk Negeri (Education) ■	319,004,000
Hijau Untuk Negeri (Environmental) ■	49,200,000
Sehat Untuk Negeri (Health) ■	84,100,000
Kemitraan Untuk Negeri (Community Development) ■	221,121,332
Total	1,498,871,079



Corporate Social Responsibility related to Environment

CSR implementation in the environment sector has become an integral part of BNBR and its subsidiaries' way of conducting business in reference to Government Regulation UU No.32 year 2009 concerning Environment Conservation and Management.

UTILIZATION OF ENVIRONMENT-FRIENDLY MATERIALS

BNBR will always try to our full potential in producing environmentally friendly products. Our subsidiary, PT Bakrie Building Industries (BBI) have produced an environmentally friendly product, named Versa Wood. The product is a plank designed to be a substitute for wood, hoping to reduce deforestation. Versa Board and Versa Wood products are registered in the Indonesian Green Listing since 2015 for environmentally friendly architectural material product categories.

ENVIRONMENT-FRIENDLY ENERGY

The company's subsidiary, PT Bakrie Power (BP) is dedicated in the development of clean energy projects that focuses on geothermal, solar, wind turbines, and biomass power plants. Development of this environmentally friendly energy power plants has reached total capacity of 195 MW.

USAGE OF RECYCLED MATERIALS

BNBR manufacturing subsidiaries have begun using recyclable material in some part of their production process all in the effort of waste reduction. PT Bakrie Autoparts (BA) uses recycled material in the form of scrap from its machining process which is later utilized as raw material for its forging process.

WASTE MANAGEMENT SYSTEM

BNBR and its subsidiaries manage waste created from the manufacturing process as well as that from supporting activities based on the 3R (Reduce, Reuse, and Recycle) principle while also performing safe disposal. BNBR group differentiates its waste into two main categories; Toxic and Hazardous (B3) waste, and Non-Toxic and Non-Hazardous (Non-B3) Waste. These two categories of waste are handled differently.

BNBR and its subsidiaries implement standard operating procedures as part of its oversight of every stage of solid and liquid B3 waste management. This oversight and management is comprehensive from collecting, storing, and transporting for further processing by waste management partners.

Wastewater or liquid waste produced by manufacturing production processes are also managed properly by partnering with waste management organizations. BBI also utilizes Wastewater Treatment Installations (IPAL) with circulation or sedimentation to tanks (sludge retrieval) in processing both its industrial and domestic wastewater.

GREEN LANDING

Green landing is one of the main core activities for "Green for the Nation" ("Hijau Untuk Negeri"). In 2018, green landing program by business units is consistently carried out by PT Bakrie Pipe Industries annually by donating trees to the Medan Satria districts.

DEVELOPING AN ECO-FRIENDLY CULTURE WITHIN THE COMPANY

To build an eco-friendly culture that is embedded within each stakeholder of the Company is an important mission. BNBR encourages and conducts educational and socialization programs relating to waste reduction & management, recycling, environmental preservation and management. PT Bina Usaha Mandiri Mizusawa conducted deliberations related to the cleanliness of the environment in the residential area around the company as well as participating in community service cleaning the environment after a hurricane. To be more beneficial to the surrounding environment, in addition to carrying out community service cleaning, PT Bina Usaha Mandiri Mizusawa also contributes to the aesthetic value of the surrounding area by making Kampung Warna Warni.

AIR QUALITY MANAGEMENT

Various management efforts have been applied by BNBR group to reduce effects of air quality decrease due to its industrial operation activities. Some of those efforts are installation of dust collector exhaust fan, ventilation and chimney equipped with filter, as well as planting trees in open space area in the factory site. The Company subsidiaries also performs emission test on its operational machinery and vehicles at least once every six months.

ENVIRONMENTAL AWARDS & CERTIFICATES

BAKRIE AUTOPARTS

ISO 14001:2015

July 2018 – July 2021

Environmental Management System Certificate; ISO 14001:2015 (TÜV SÜD PSB) for fabrication and construction services Manufacture of Casted and Machined Parts for Brake Drum, Fly Wheel, Disc Brake, Hub, Parking Brake Drum, and Bracket Generator was obtained by PT Bakrie Autoparts (known at the time as PT Bakrie Tosanjaya) on July 9, 2018. This certificate is valid until July 8, 2021.



BAKRIE BUILDING INDUSTRIES

ISO 14001:2004

June 2015 – May 2018

Environmental Management Certificate; ISO 14001:2004 (BSI, ANAB, IAF) for design and manufacture of fibrecement product (Harflex and Versa) of building materials was obtained by PT Bakrie Building Industries on June 1, 2015 and is valid until May 31, 2018.



BAKRIE CONSTRUCTION

ISO 14001:2015

January 2017 – January 2020

Environmental Management System Certificate; ISO 14001:2015 (Bureau Veritas Certification) for fabrication and construction services for oil & gas onshore/offshore facilities, and mining that was obtained by PT Bakrie Construction since January 6, 2011. This certificate is recertified and is valid from January 30, 2017 until January 5, 2020.



BAKRIE METAL INDUSTRIES

Proper Certification

2017 – 2018

Ministry of Environment and Forestry Republic of Indonesia bestow the award for the company's performance rating program in environmental management Proper to PT Bakrie Metal Industries with the "Blue" rating that is valid for period 2017 -2018.



BAKRIE PIPE INDUSTRIES

ISO 14001:2015

May 2018 - May 2019

Environmental Management System Certificate; ISO 14001:2015 (TÜV Rheinland) for manufacture of Fabricated Steel Pipes, Steel Poles, Coated Steel Pipes, Galvanized Steel Pipes, Rectangular and Square Pipes was obtained by PT Bakrie Pipe Industries on May 31, 2018. This certificate is valid until May 2, 2019.



BINA USAHA MANDIRI MIZUSAWA**ISO 14001:2015**

March 2018 – March 2021

Environmental Management Certificate; ISO 14001:2015 (BSI, ANAB, IAF, KAN) for Manufacture of iron casting product for automotive and non-automotive by PT Bina Usaha Mandiri Mizusawa since March 1, 2013. This certificate is recertified and is valid from March 9, 2018 until March 8, 2021.

**BRAJA MUKTI CAKRA****ISO 14001:2015**

October 2018 – October 2021

Environmental Management Certificate; ISO 14001:2015 (BSI, ANAB, IAF, KAN) for Manufacture of Machining Part Used in Engine, Drive Axle, and Brake System by PT Braja Mukti Cakra since October 24, 2012. This certificate is recertified and is valid from October 24, 2018 until October 23, 2021.

**SOUTH EAST ASIA PIPE INDUSTRIES****ISO 14001:2015**

September 2017 – September 2020.

Environmental Management System Certificate; ISO 14001:2004 (TÜV Rheinland) for manufacture of Steel Pipes for Oil and Natural Gas, Chemical, and Construction was obtained by PT South East Asia Pipe Industries on September 25, 2017 and is valid until September 24, 2020.



Corporate Social Responsibility related to Labor and Occupational, Healthy and Safety

One of BNBR's main responsibilities realizations towards its employees is implemented through Occupational Health and Safety (OHS) programs based on the OHS Management Program. Company's policy concerning labor has been elaborated in this Annual Reports' Human Capital chapter.

BNBR's OHS policies are referred to the Company Health and Safety Policy, which was issued on January 25, 2013, and forms a guide to the creation of a safe and healthy workplace, as well as ensuring that Company activities caused the least negative effect on the environment. The implementation of this policy aims to allow the Company to reach ideal OHS indicators, as follows:

- Identification and evaluation of OHS aspects and threats, as well as control of risk and its effects in an acceptable level.
- Commitment to obey laws, regulations and other legal aspects.
- Prevention of workplace accidents, injuries, illnesses and pollution.
- Reduction of waste and the consumption of energy.
- Recording and socialization of OHS performance.
- Ensuring control of unsafe conditions and behavior, which may cause occupational accidents or injuries.
- Continued improvement of OHS implementation.

OCCUPATIONAL HEALTH AND SAFETY TRAINING & ENHANCEMENT

In addition to complying with the BNBR OHS Policy, the Company also complies to the ISO and OHSAS (Occupational, Health, and Safety Assessment Series) international standards, and schedules trainings in relation to the ISO and OHSAS criteria for both mitigating accidents at work and also to maintain each employees general well-being outside work. Such programs include:

- ISO 14001 workshops
- Disease or illness prevention and awareness
- Enhancing awareness and environmental control, hazardous material handling, application of MSDS & spill response
- Load safety
- Hazard identification and safe behavior
- Fire Extinguishing and prevention
- Electrical safety

EQUAL WORK OPPORTUNITY

One of BNBR's core philosophy focuses on "Togetherness" that aims to emphasize synergy in diversity. The Company applies the principle of equal opportunity in the recruitment process. Therefore recruitment of BNBR and its subsidiaries' employee is basically open for everyone. To obtain high quality and talented candidate employees to fill certain positions, BNBR applies the following recruitment method:

- Internal recruitment, to accelerate employee career paths.
- External recruitment.

EMPLOYEE TURNOVER RATE

During 2018 BNBR has employed 238 new employees. However a total of 464 people left the company, most of these people are outsourced employees.

Employee Turnover Based on Position

POSITION	2017	2018	Variance
Comissioner	0	0	N/A
Director	0	15	N/A
VP/ Senior Manager	7	13	86%
Manager	18	29	61%
Assistant Manager	4	6	50%
Staff	52	74	42%
Non Staff	53	326	515%
Management Trainee	24	1	-96%
TOTAL	158	464	194%

New Employee Based on Position

POSITION	2017	2018	Variance
Comissioner	0	0	N/A
Director	1	1	0%
VP/ Senior Manager	5	8	60%
Manager	3	7	133%
Assistant Manager	3	4	33%
Staff	53	67	26%
Non Staff	77	133	73%
Management Trainee	25	18	-28%
TOTAL	167	238	43%



ACCIDENT RATE

BNBR seeks to ensure that all of our facilities are well designed, well operated and well maintained to run safely. We have rigorous controls in place and monitor indicators that focus on the strength of these controls to prevent incidents. We follow industry standards for measuring our safety performance. It is our objectives to achieve Zero accident.

Although imperfect, we are fully committed on our safety performance and are devoted for continuous improvement in the implementation of our safety policy. As our procedures, we do a thorough evaluation after incident and accident. Moreover, we ensure our people aware and implement OHS-based operating procedures, according to the accredited standard.

Accident Rate 2018

SUBSIDIARIES	SEVERE INCIDENT 2018	MINOR INCIDENT 2018	LOST TIME INJURY (LTI) 2018
BBI	0	3	0
BMI (BFU, BCONs, Construction Site Projects)	0	6	0
BPI (including Seapi)	0	1	0
BA (BA, BUMM, BMC)	11	22	65
TOTAL	11	32	65

Accident Rate 2017

SUBSIDIARIES	SEVERE INCIDENT 2017	MINOR INCIDENT 2017	LOST TIME INJURY (LTI) 2017
BBI	0	8	8
BMI (BFU, BCONs, Construction Site Projects)	0	1	0
BPI (including Seapi)	0	0	0
BA (BA, BUMM, BMC)	0	14	19
TOTAL	0	23	27

OCCUPATIONAL, HEALTH AND SAFETY AWARDS & CERTIFICATES

BAKRIE AUTOPARTS

OHSAS 18001:2007

June 2015 – June 2018

Occupational Health and Safety Management System Certificate OHSAS 18001:2007 (TÜV SÜD PSB) for Manufacture of Casted and Machined Parts was obtained by PT Bakrie Autoparts (known at the time as PT Bakrie Tosanjaya) on June 18, 2015 and is valid until June 18, 2018.



BAKRIE BUILDING INDUSTRIES

OHSAS 18001:2007

June 2015 – May 2018

Occupational Health and Safety Management System Certificate OHSAS 18001:2007 (BSI, ANAB) for design and manufacture of fibrecement product (Harflex and Versa) of building materials was obtained by PT Bakrie Building Industries on June 1, 2015 and is valid until May 31, 2018.





BAKRIE CONSTRUCTION**OHSAS 18001:2007**

January 2017 – January 2020

Occupational, Health and Safety Management System Certificate; OHSAS 18001:2007 (Bureau Veritas Certification) for fabrication and construction services for oil & gas onshore/offshore facilities, and mining that was obtained by PT Bakrie Construction since January 6, 2011. This certificate is recertified and is valid from January 20, 2017 until January 5, 2020.

**BAKRIE METAL INDUSTRIES****OHSAS 18001:2007**

October 2018

Occupational Health and Safety Management System Certificate; OHSAS 18001:2007 (AJA Registrars) has been done by PT Bakrie Metal Industries on October 3-5, 2018.

**BAKRIE PIPE INDUSTRIES****OHSAS 18001:2007**

April 2016 – April 2019

Occupational, Health and Safety Management System Certificate; OHSAS 18001:2007 (ABS Quality Evaluations) for Manufacture of Fabricated Steel Pipe, Steel Poles, Coated Steel Pipes, Galvanized Steel Pipes, Rectangular and Square Pipes that was obtained by PT Bakrie Pipe Industries on April 2, 2007. This certificate is recertified and is valid from April 1, 2016 until April 1, 2019.

**BAKRIE PIPE INDUSTRIES****Certificate of Appreciation – Occupational Safety and Health Management System**

July 2017 – July 2020

Certificate of Appreciation for Occupational Safety and Health Management System was awarded by The Minister Of Employment Of The Republic Of Indonesia, M. Hanif Dhakiri. The certificate is based on the Decree Of The Minister Of Employment Of The Republic Of Indonesia no. 201, year 2017 to certify that PT Bakrie Pipe Industries has implemented an Occupational Safety and Health Management System with an audit result of 96.38% for advanced level category. Certificate was obtained on July 14, 2017 and is valid until July 14, 2020.

**BRAJA MUKTI CAKRA****OHSAS 18001:2007**

November 2016 – November 2018

Occupational Health and Safety Management System Certificate OHSAS 18001:2007 (BSI, ANAB) for the Manufacture of Machining Part used in Engine, Drive axle, and Brake System was obtained by PT Braja Mukti Cakra on November 30, 2016 and is valid until November 29, 2019.



SOUTH EAST ASIA PIPE INDUSTRIES**OHSAS 18001:2007**

September 2017 – September 2020

Occupational, Health and Safety Management System Certificate; OHSAS 18001:2007 (TÜV Rheinland) for manufacture of Steel Pipes for Oil and Natural Gas, Chemical, and Construction that was obtained by PT South East Asia Pipe Industries on April 2, 2007. This certificate is recertified on September 25, 2017 and is valid until September 24, 2020.



Corporate Social Responsibility related to Social and Community Development

The social and community development part of BNBR group's CSR activities is carried out through the "Cerdas Untuk Negeri" ("Education for the Nation"), "Sehat Untuk Negeri" ("Health for the Nation"), "Peduli Untuk Negeri" ("Care for the Nation") as well as "Kemitraan Untuk Negeri" ("Partnership for the Nation") programs. Through these programs, BNBR and its subsidiaries strive to enhance the quality of life of the community in terms of health, education and the economy.

RECRUITMENT OF LOCAL MANPOWER

The Company continuously supports people empowerment to reach independency through development of people economy. BNBR manufacturing subsidiaries hired local people around their factories as office boy, security, driver, cleaning service and employee canteen management to support their daily operational activities.

COMMUNITY DEVELOPMENT

Developing a community culture that within the Company and the area surrounding it is truly important. Such program is named "Kemitraan Untuk Negeri" which included activities such as gathering local food vendors to operate within the plant areas and provide for the employees, constructing and building sports facilities within the plant and opening them for the local community to use free of charge, providing buses for employees to return to their hometown during religious holidays, as well as consumption donations for the community during religious festivals such as lambs for Idul Adha.

"Kemitraan Untuk Negeri" totaled at Rp 221,121,332 for 2018.

BNBR and its subsidiaries consider human development and quality of life improvement of Indonesian people as a vital point. In the health sector, internally BNBR group supports healthy lifestyle of its employees by providing sports facility for employees in

the holding level, while BNBR subsidiaries carry out weekly sport session. For its surrounding community, BNBR group has implemented various activities such as health counseling in areas nearby BPI, blood donation and free medication for residents around PT Bina Usaha Mandiri Mizusawa also IVA-PAP SMEAR check-up to employee's wives and residential women around PT South East Asia Pipe Industries (SEAPI) factory.

Total disbursement for "Sehat Untuk Negeri" program along 2018 is Rp 84,100,000.

The Company believes education is an essential tool to empower Indonesian people in achieving its independency and Excellency. Some of the activities carried out in the education sector are provision of working experience through internship program at BPI, BA, BUMM, BMC for university and high school students, as well as scholarship for employee's children with high achievements by BA. Total disbursement for "Cerdas Untuk Negeri" program along 2018 is Rp 319,004,000.

IMPROVEMENT TO PUBLIC FACILITIES AND SOCIAL DONATIONS

As a manifestation of empathy, various activities have been carried out as a real form of concern and care for others, and also to maintain good relationship with surrounding community as well as improving public facilities around the Company area. BNBR group routinely participate in various activities such as supporting construction and improvement of places of worship, celebration of religious holy days, and providing administrative facilities and infrastructures for people around its manufacturing sites. Total disbursement for "Peduli Untuk Negeri" program along 2018 is Rp 874,645,747.



Image 1 Lapangan Basket SEAPI



Image 2. Kegiatan Donor Darah



Image 3. Pemanfaatan Lahan



Image 4. Penanaman pohon oleh Bakrie Pipe Industries

OTHER METHODS OF SOCIAL DONATIONS AND CHARITY

Following the philosophy, BNBR strives to improve the lives of others even outside the company by other means of charity.

Blood Donation

SEAPI, BMC and BUMM worked together with PMI (Indonesian Red Cross) in blood donor events in which employees were given the opportunity to donate.

Letting locals use the company's idle land for farming

The company strongly believes in giving back to the communities it operates around. Some of the BNBR group's factories possess large lands in the area, which some of the asset remaining idle. While the land remains unused, the company lets the community to utilize the land throughout the year of 2018, to farm their crops there, allowing them to use them as padi fields and taking part of the village's community development. This program is carried out by BPI's subsidiary; SEAPI.

COMMUNICATIONS OF ANTI-CORRUPTION METHODS AND PROCEDURES

BNBR has developed and implemented Whistleblowing System through the Policies and Procedures No. 258/BNBR/III/2012 concerning the Implementation of Whistleblowing System. The Whistleblowing System is intended to build loyalty to the Company and create conducive working environment, by supporting the whistleblowing towards matters that may cause financial or non-financial losses to the Company, including matters which may damage the Company's good name and image.

Whistleblowing System is a manifestation of good Corporate Governance principles enforcement, related with the business operations of transparent, accountable, and responsible. Whistleblowing System is expected to place the roles as prevention function and detections towards whistleblowing potentials. The Company provides this system as a facility to BNBR employees, subsidiaries, and or external parties, in disseminating feedbacks, complaints and reports on matters, events, or actions that are inappropriate towards the Company's conduct, community norms, prevailing laws and legislations. Whistleblowing System is considered as one of the most secure, effective and efficient in prevention, reporting, collective of evidence and following up actions on the violations by the Company's employees or management. This system protects the whistleblowers' identity and rights to support conducive follow up.

Corporate Social Responsibility related to Responsibility to Consumers

BNBR considers customer satisfaction to be a fundamental and important service. This is based on the belief that customers are one group of stakeholders that have a critical role in ensuring business sustainability through purchase of Company's products and services; as such customers are main partners in developing business in the future. Consumer protection policy within each business unit of the Company uses its own mechanism according to the types of consumer group served by the respective business unit; however responsibility towards customer manifestation in BNBR group can be broadly described as follows.

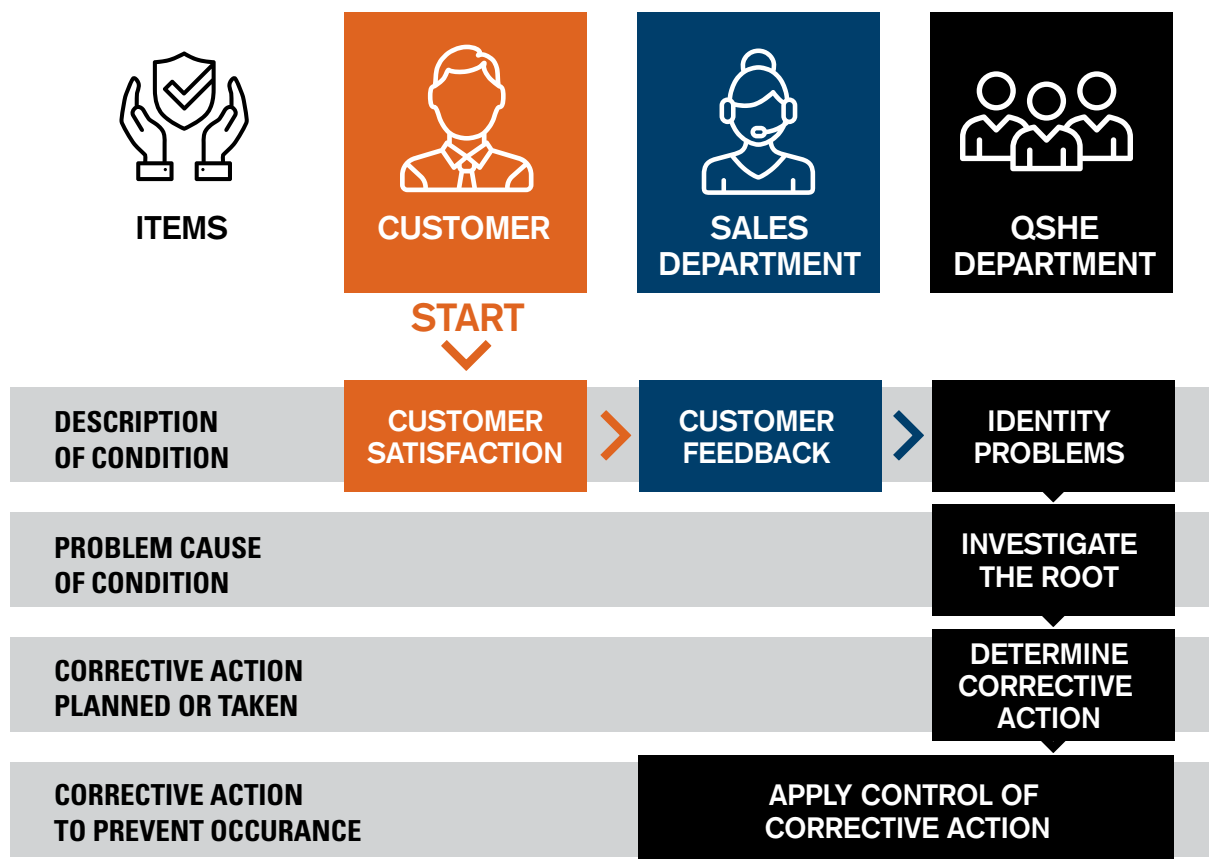
PRODUCT INFORMATION AND RESPONSIBILITY

Information of products and services provided by BNBR group can be accessed at any time on BNBR website and respective subsidiaries website. BNBR's manufacturing subsidiaries also provide brochure and/or company profile in printed version that briefly describe its business, and if deemed necessary the Company also participates in exhibitions of related industry in order to introduce products and services offered to potential customer.

BNBR and its subsidiaries provide dedicated email address and hotline as means of communication with customers, moreover the Commercial and Quality Control Team also carry out customers' visit to directly discuss their complaints or needs.

HANDLING CONSUMER CLAIMS

Customer complaint handling procedure is broadly illustrated below.



Additional Information

Address of Subsidiaries and Business Units

BAKRIE METAL INDUSTRIES

PT Bakrie Metal Industries

Head Office

Bakrie Tower 35th Floor, Jl HR Rasuna Said,
Jakarta Selatan, Jakarta 12940, Indonesia
Phone : (62 21) 2991 2120
Fax : (62 21) 2991 2211
www.bakrie-metal.com

Factory

Jl. Raya Kaliabang Bungur No. 86,
RT. 004 RW. 02, Kelurahan Harapan Jaya,
Kecamatan Bekasi Utara 17124, Indonesia
Phone : (62 21) 8895 8673
Fax : (62 21) 8895 8586

PT Bakrie Construction

Factory / Yard

Desa Sumuranja, Kec. Pulo Ampel,
Kab. Serang Banten 24256, Indonesia
Phone : (62 254) 575 0351
Fax : (62 254) 575 0350
www.bakrieconstruction.com

PT Bakrie Pipe Industries

Head Office

Bakrie Tower 7th Floor, Jl H.R Rasuna Said,
Jakarta Selatan 12940, Indonesia
Phone : (62 21) 2994 1270
Fax : (62 21) 2994 1267-68-69
www.bakrie-pipe.com

Factory

Jl. Raya Pejuang, Medan Satria,
Kota Bekasi 17131, Indonesia
Phone : (62 21) 887 1135
Fax : (62 21) 8898 6474

PT South East Asia Pipe Industries

Jl. Lintas Pantai Timur,
Bakau Kramat Desa Sumur, Kec. Ketapang, Bakauheni,
Lampung Selatan 35592, Indonesia
Phone : (62 727) 331 234 / 331 249
Fax : (62 727) 331 348 / 331 413
www.seapi.co.id

BAKRIE AUTOPARTS

PT Bakrie Autoparts

Head Office / Factory

Jl. Raya Bekasi KM.27 Pondok Ungu, Bekasi 17132, Indonesia
Phone : (62 21) 8897 6601
Fax : (62 21) 8897 6607
www.bakrie-autoparts.com

PT Braja Mukti Cakra

Jl. Desa Harapan Kita No. 4 Harapan Jaya,
Bekasi Utara 17124, Indonesia
Phone : (62 21) 887 1836
Fax : (62 21) 887 8949 / 887 1835
www.bmc.co.id

PT Bina Usaha Mandiri Mizusawa

Jl. EZ. Muttaqien Kelurahan Alam Jaya
Kecamatan Jatiuwung, Tangerang, Banten 15133, Indonesia
Phone : (62 21) 590 2488/89
Fax : (62 21) 590 4584
www.bumm.co.id

BAKRIE BUILDING INDUSTRIES

PT Bakrie Building Industries

Head Office / Factory

Jl. Daan Mogot Km 17,3 Jakarta 11850, Indonesia
Phone : (62 21) 619 0208
Fax : (62 21) 619 2950
www.bakrie-building.com

PT BAKRIE INDO INFRASTRUCTURE

PT Bakrie Indo Infrastructure

Head Office

Bakrie Tower 34th Floor, Jl HR Rasuna Said,
Jakarta Selatan, Jakarta 12940, Indonesia
Phone : (62 21) 299 12345
Fax : (62 21) 299 41955
[http://www.bakrie-brothers.com/#/
our_business/infrastructure_projects](http://www.bakrie-brothers.com/#/our_business/infrastructure_projects)



Capital Market Supporting Agency and Profession

SECURITIES ADMINISTRATION BUREAU

PT EDI INDONESIA

Divisi Biro Administrasi Efek
Wisma SMR, 10th Floor
Jl. Yos Sudarso Kav. 89, Jakarta 14350
Phone : (62 21) 650 5829; (62 21) 652 1010
Fax : (62 21) 650 5987

PUBLIC ACCOUNTANT

Y. SANTOSA DAN REKAN

Jl. Sisingamangaraja No. 26, 2nd Floor Jakarta 12120
Phone : (62 21) 720 2605
Fax : (62 21) 7278 8954

NOTARY

HUMBERG LIE, SH, SE, MKN

Jl. Raya Pluit Selatan 103, Jakarta 14450
Phone : (62 21) 6669 7171/7272/7315/7316
Fax : (62 21) 667 8527

LEGAL COUNSELLOR

NASOETION & ATYANTO

Equity Tower Building, 26th Floor
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KJPP

JENNYWATI, KUSNANTO DAN REKAN

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Senior Executive Profile

Roy Hendrajanto M. Sakti

CHIEF INVESTMENT OFFICER

Roy Hendrajanto M. Sakti, an Indonesian, born in Jakarta in 1972, domiciled in Jakarta, Indonesia. He earned a Master Degree in Business Administration from University of Missouri, United States of America. He joined PT Bakrie & Brothers Tbk (BNBR) in 2016 as Executive Vice President and currently he also holds the position of Commissioner of PT Bakrie Kalila Investment.

He holds over 20 years of experience in the finance and capital market industry. Prior to joining BNBR, he held the position as Director at PT Capitalinc Investment Tbk (2013-2015), and President Director at PT Madani Sekuritas (2008 – 2012). Previously Roy holds several position in other asset management and securities company, as well as institution such as Jakarta Initiative Task (JITF) – Finance Department.

Indra Ginting


CHIEF STRATEGIC BUSINESS DEVELOPMENT OFFICER

Indra Ginting was born in 1966. He earned a degree in Chemical Engineering from Bandung Institute of Technology in 1989 and then obtained a Master's degree in International Management from University of Indonesia in 1994.

He joined the Company since the beginning of 2011, initially as the Chief Investor Relations Officer. In January 2013, he was appointed as the Chief Strategic Business Development Officer until now. On top of that, he was appointed as the President Director of PT Bakrie Power (the Company's subsidiary) since February 2017.

Previously, he held the position of Director of Investor Relations and Corporate Secretary for PT International Nickel Indonesia Tbk (now PT Vale Indonesia Tbk) in 2003 to early 2011, as President Director and Principal Fund Manager of PT MLC Investment Indonesia, Jakarta in 1999 until 2003.

Prior to that role, Indra had experienced as an equity analyst for five years at two different securities companies. He started his career as Manufacturing Engineer as soon as he earned the Bachelor's degree in Chemical Engineering.



Christofer A Uktolseja
Head of Corporate Legal &
Corporate Secretary

Bimo Bayu Nimpuno
Head of Corporate
Communications

Ruddyar
Head of Group Accounting

Senior Management of PT Bakrie & Brothers Tbk



**V. Bimo
Kurniatmoko**
SVP Strategic
Business Development

Bachril Bachtarudin
Head of Corporate
Finance

Okder Pendrian
Head of Human Capital
& Office Support

Andri Kabul
Act. Head of
ERM Policy & Process

With full awareness in the importance of Good Corporate Governance (GCG), BNBR is committed to continue enhancing the quality of its GCG implementation consistently and continuously in line with the Corporate values. BNBR refers to the best practices in determining the Company's business process, control and standard operating procedures.

PT Bakrie Autoparts (BA) was established in 1975 under the name PT Bakrie Tubemakers which produced malleable pipe; the Company then changed its name to PT Bakrie Tosanjaya (BTJ). In 1983 BTJ expand its capacity by producing automotive component for vehicle and heavy duty equipment. The Company continuously enhance its production expertise and capacity, succeeding in achieving partnership with global player in automotive industry and started its export to several overseas market in 2003. In 2014 BTJ transformed to become an integrated manufacturer of auto component as PT Bakrie Autoparts.

Rida Jacobalis
Director

Bakrie Autoparts



Dino A. Ryandi
President Director & CEO


Bambang Indra Maryono
Chief Strategic Business Development Officer

M. Debiyanto Imran
Senior Manager Business Support


Established as a Joint Venture with an Australian company in 1976, PT Bakrie Building Industries (BBI) is currently one of the pioneers of building materials manufacturers in Indonesia which delivers "Total Building Solution" for domestic and international market. Today BBI is well known as producer of high quality building materials such as fiber cement roofing, ceiling and partition, as well as wood substitution products. Supported by experts in building material industry and a vast network of 80 loyal distributors, BBI is set to be a forefront solution company in innovation, energy efficiency and environmental protection.

Bakrie Building Industries

**Yayan Primayanto
Apandi**
General Manager Commercial



Erlangga Arfan
Senior Manager IT & SCM



Yogi Pratomo Widhiarto
Chief Executive Officer



Erti Sri Santi
General Manager Finance



Rahmat Subarkah
General Manager Operator

Bakrie Indo Infrastructure (BIIN), a wholly owned subsidiary of Bakrie & Brothers, was established in 2008 as the development of Infrastructure Division.

As a holding company with diverse infrastructure assets in Indonesia, BIIN capitalizes on its vast infrastructure experience and regional expertise. Its objective is to invest in lucrative, high-growth toll road, power, oil & gas, port, and telecommunication infrastructure projects. The current Government of Indonesia plans to spend up to USD408 billion in the next four years on infrastructure projects. As a result, BIIN presents a compelling and unique opportunity to invest in Indonesia's burgeoning economy across a diverse array of infrastructure projects.



AD Erlangga
Direktur Bakrie Indo Infrastructure

Chandra Devi Muharam
Direktur Bakrie Power

Bakrie Indo Infrastructure

A professional studio portrait of three men against a dark grey background. On the left, Andri Kabul stands wearing a dark navy blazer over a light blue shirt. In the center, Indra Ginting sits on a black metal stool, wearing a light grey blazer over a white shirt and blue jeans. On the right, Bambang Banyudoyo stands wearing a dark grey leather jacket over a light blue shirt and blue jeans. All three are looking towards the camera.

Andri Kabul
Direktur Bakrie Mina Bahari

Indra Ginting
Direktur Utama Bakrie Power

Bambang Banyudoyo
Director of Bakrie
Oil & Gas Infrastructure



Bambang Ismanto
Chief Operation Officer

Mila Wijaya Kusuma
Chief Financial Officer

Bakrie Metal Industries



R. Atok Hendrayanto
Chief Executive Officer



Rachmat Harimurti
Chief Commercial Officer



Sumitro
Chief Technical Officer

Bakrie Metal Industries (BMI) started its steel pipe manufacturing business in 1959 under the name "Talang Tirta", it originally produces conduit pipe for general use. In 1984 the company expand its business to fabrication service, which specialty is in corrugated steel and bridge. In 1985 BMI established its EPC business with the operation of its heavy industrial steel fabrication facility in Sumuranja, Banten. Today BMI is well known for its high quality steel pipes (oil & gas and general purposes) and nation wide acclaimed EPC and fabrication expertise.




Arief Djoko P
Chief Logistic Officer

R. Atok Hendrayanto
Chief Executive Officer

Esti Rochyati
General Manager
Human Resources
& Admissions

Bakrie Pipe Industries

**Ira Wibisono**

Chief Financial Officer

Iskandar I. Daulay

Chief Commercial Officer

Deddy Kurnia

Chief Operations Officer

As one of the subsidiary company of PT Bakrie & Brothers Tbk, which is established in 1981, PT Bakrie Pipe Industries (BPI) became the largest and most prominent steel pipe manufacturer in Indonesia.

BPI produces various steel pipes and has established a coating plant in 2013 to strengthen its position as the leader of steel pipe business in South East Asia. The application of the latest technology and highly motivated professionals are the strong points of this new facility.

Experienced in manufacturing process for more than 54 years, with efficient and effective management team along with creative, innovative, reliable professionals and full integrity; these qualities have earned BPI its customers confidence in doing repeat order and long term contracts.

**OJK Rule
No. 29 Year 2016
Reference**

I	General	Page
1	The Annual Report shall be written in good and correct Indonesian, and is recommended to be presented in English as well	✓
2	The Annual Report shall be printed with good quality using readable type and sized fonts	✓
3	The annual Report shall present clear identity of the Company The Company name and the annual report financial year shall be presented on; 1. Front Cover 2. Side Cover 3. Back Cover; and 4. Every Page	✓
4	The Annual Report shall be posted in the company's website Including the latest annual report as well as those for the last four years.	✓

II	Key Financial Highlights	Page
1	Income Statement in comparison for 3 (three) financial years or since the commencement of business if the company has been running its business activities for less than 3 (three) years. Information contains the following: 1. Income 2. Profit (loss): a. Attributable to equity holders of the parent entity; and b. Attributable to non controlling interest; 3. Total comprehensive profit (loss): a. Attributable to equity holders of the parent entity; and b. Attributable to non controlling interest 4. Earning (loss) per share Note: if the company does not have subsidiaries, the profit (loss) and other comprehensive income is presented in total.	25
2	Financial Position in comparison for 3 (three) financial years or since the commencement of business if the company has been running its business activities for less than 3 (three) years Information contains the following; 1. Total investment on associates; 2. Total assets; 3. Total liabilities; and 4. Total equity.	25 319 25 25 25
3	Financial ratio in comparison for 3 (three) financial years or since the commencement of business if the company has been running its business activities for less than 3 (three) years Information covers 5 (five) financial ratios, which are generally applied and relevant to the company's industry.	25
4	Share price information in tables and charts 1. Number of shares outstanding 2. The table forms contain the following information; a. Market capitalization based on share price on the stock exchange where the shares are listed; and b. Trading volume of shares on the Stock Exchange where the shares are listed. 3. The graph forms contain at least the following information; a. The closing price of shares based on share price on The Stock Exchange where the shares are listed; and b. Trading volume of shares on the Stock Exchange where the shares are listed. For each quarter in the latest 2 (two) financial years. Note: should be disclosed if the company does not have market capitalization, share price, and share trading volume.	26
5	Information regarding outstanding bonds, sukuk, or convertible bonds, in 2 (two) latest financial years Information contains: 1. Numbers of outstanding bonds, sukuk or convertible bonds; 2. Interest rate/yield; 3. Maturity date; and 4. Rating of bonds/sukuk in 2016 and 2017. Note: should be disclosed if the company does not have outstanding bonds, sukuk, or convertible bonds.	N/A

III	Board of Commissioner's and Board of Director's report	Page
1	Board of Commissioner's Report Contain the following: 1. Assessment on the performance of the Board of Directors in managing the company and the basis for such evaluation; 2. Views on the business prospects of the company as prepared by the Board of Directors and the basis for such consideration 3. Views on the implementation /management of the Company's whistleblowing system (WBS) and the role of the Board of Commissioners in the WBS; and 4. Changes in the composition of the Board of Commissioners (if any) and the reason for such changes.	52-57
2	Board of Directors Report Contain the following: 1. Analysis of the company's performance, covering among others; a. strategic policies b. comparison between targets and achievements; and c. challenges faced by the company and initiatives to deal with those challenges; 2. Analysis on business prospects; 3. Development in the implementation of GCG during the fiscal year; and 4. Changes in the composition of the Board of Directors (if any) and the reason for such changes.	64-69
3	Signatures of the members of the Board of Commissioners and Board of directors Contain the following; 1. Signatures on a separate page; 2. Statement of responsibility of the Board of Commissioners and the Board of Directors for the accuracy of the contents of the Annual Report; 3. Signed by all members of the Board of Commissioners and Board of Directors by stating their names and positions; and 4. Written explanation in separate letter from the person(s) concerned in the event that member(s) of Board of Commissioners of Board of Directors fail to sign the annual report; or written explanation from the person(s) concerned.	78-79

IV	Company Profile	Halaman
1	Name and complete address of the company information contains, among, others, name and address, postal code, telephone number, fax number, email, and website	6
2	Brief history of the company Contain among others; date/year of establishment, name of the company, change of name (if any), and effective date of the change of name Note: to be disclosed if the company never had a change of name.	7
3	Line of business Description of, among others: 1. The line of business as stated in the latest Articles of Association; 2. Business activities; and 3. Product and/or services offered.	6
4	Organization structure Diagram of organization structure, containing name and position of at least personnel up to one level below Director.	12-13
5	Vision, Mission and Corporate Culture covers; 1. Vision; 2. Mission; 3. Statement that the vision and mission have been reviewed and approved by the Board of Commissioners/Directors in the fiscal year; and 4. Statement on the corporate culture.	10-11
6	Profiles of members of the Board of Commissioners Contain information on: 1. Name; 2. Position and period in position (including position(s) held at other company/institution); 3. Age; 4. Domicile; 5. Education (study field and education institution); 6. Work experience (position, company and period in position); and 7. History of assignment (period and position) as member of the Board of Commissioners at the Company since the first appointment.	60-63

7	<p>Profiles of members of the Board of Directors contain information on:</p> <ol style="list-style-type: none"> 1. Name; 2. Position and period in position (including position(s) held at other company/institutions); 3. Age; 4. Domicile; 5. Education (study field and education institutions) 6. Work experience (position, company, and period in position); and 7. History of assignments (period and position) as member of the Board of Directors at the Company since the first appointment. 	72-77
8	<p>Total number of employees (comparative for 2 years) and data on employee competence development programs reflecting equal opportunities for each level of the organization</p> <p>Information contains among others:</p> <ol style="list-style-type: none"> 1. Number of employees at each level of the organization; 2. Number of employees by education; 3. Number of employees by employment status; 4. Date on employee competence development programs during the fiscal year concerning position of participants, type of training, and purpose of training; and 5. The cost of employee competence development programs in the fiscal year. 	<p>106</p> <p>106</p> <p>107</p> <p>108-109</p> <p>108-109</p>
9	<p>Shareholders composition</p> <p>Covering among others;</p> <ol style="list-style-type: none"> 1. Names of the 20 largest shareholders and their shareholding percentage; 2. Details of shareholders and shareholding percentage; <ol style="list-style-type: none"> a. with 5% or more shareholding, and b. Group of public shareholders with individual shareholding of less than 5% each. 3. Names of Director and Commissioner with direct or indirect share-ownership and the percentage of such shareholding. <p>Note: should be disclosed if the Director and Commissioner does not own shares, directly or indirectly.</p>	27
10	<p>List of subsidiaries and/pr associated entities</p> <p>In table form, containing:</p> <ol style="list-style-type: none"> 1. Name of subsidiary and/or associated entity; 2. Share-ownership percentage; 3. Line of business of subsidiary and/or associated entity; and 4. Operational status of subsidiary and/or associated entity (in commercial operation/not yet in commercial operation). 	17-19
11	<p>Corporate group structure</p> <p>Diagram of corporate group structure involving relationship of the parent company, subsidiary, associated entity, joint venture, and special purpose vehicle (SPV).</p>	14-15
12	<p>Chronology of share listing (including private placement) and /or share listing from the share issuance up to the end of the fiscal year</p> <p>Covers, among others;</p> <ol style="list-style-type: none"> 1. Year of share issuance, number of shares issued, par valued, and share offer price, for each separate corporate action; 2. Total number of shares outstanding following corporate action; and 3. The stock exchange where the shares are listed. <p>Note: should be disclosed if the company does not have a chronology of share listing.</p>	28
13	<p>Chronology of other securities issuance and/or listing from the time of issuance up until the end of the fiscal year</p> <p>Covers, among others;</p> <ol style="list-style-type: none"> 1. Name of security instrument, year of issuance, interest rate/yield of securities, and maturity date; 2. Offering price of other securities; 3. The stock exchange where the securities are listed; and 4. Rating of securities. <p>Note: should be disclosed if the company does not have chronology of other securities issuance/listing</p>	N / A
14	<p>Name and address of the supporting institutions and/or professionals</p> <p>Covers, among others;</p> <ol style="list-style-type: none"> 1. Name and address of the company's Share Registrar; 2. Name and address of Public Accountant Firm; and 3. Name and address of rating agencies. 	221

15	Awards received during the fiscal year, or valid certification in the fiscal year, at both national and international levels Covers, among others: 1. Name of award and/or certification; 2. Year received/issued 3. Name of institution that issued the award / certification; and 4. Validity period (certification).	29-47
16	Name and address of subsidiaries and/or branch offices or representative offices (if any) Covers information on: 1. Name and address of subsidiaries; and 2. Name and address of branch/representative office Note: should be disclosed if the company does not have a subsidiary, branch office or representative office.	17-19
17	Information in the corporate website Covers at the very least: 1. Information of shareholders up to the individual ultimate shareholder; 2. Contents of the code of conduct; 3. Information on the General Meeting of Shareholders (GMS), covering at least agenda of the GMS, summary of GMS resolutions, and information of pertinent dates, namely the dates of GMS announcement, GMS invitation, GMS event, and announcement of summary GMS resolutions; 4. Annual financial statements (last 5 years); 5. Profiles of the Board of Commissioners and Directors; and 6. Board manual/Charter of the BoC, BoD, Committees and Internal Audit Unit.	✓ ✓ ✓ ✓ ✓ ✓
18	Training and education for the Board of Commissioners, Board of Directors, Committees, Corporate Secretary, and Internal Audit Unit Cover at least information of the type of training and participant of: 1. Training and/or education for The Board Of Commissioners; 2. Training and /or education for The Board Of Directors 3. Training and/or education for Audit Committee; 4. Training and/or education for Nomination and Remuneration Committee; 5. Training and/or education for Other Committee(s); 6. Training and/or education for Corporate Secretary; and 7. Training and/or education for Internal Audit Units Note: should be disclosed if there are no training and/or education during the fiscal year.	130 138 147 149 151 155 165

V	Management Discussion and Analysis on the Company Performance	Page
1	Operation review per business segment Includes analysis on: 1. Elaboration on each business segment. 2. Performance of each business segment, among others; a. Production b. Increase/decrease of production capacity; c. Sales/income; and d. Profitability.	82-83 83-84
2	Description on the Company's financial performance An analysis comparing the performance of the current year and that of the previous year (in the form of narration and tables) and the reasons for the increase/decrease of the accounts, including: 1. Current assets, non-current assets, and total assets; 2. Short-term liabilities, long-term liabilities, and total liabilities; 3. Equity; 4. Sales/operating revenues, expenses, profit (loss), other comprehensive income, comprehensive income for the current year; and 5. Cash flows.	88-89 88-89 89 87-88 89-90
3	Discussion and analysis on solvability and level of the company receivables collectability, by presenting relevant ratio calculation in line with the company's type of industry Explanation on: 1. Solvability, both short term and long term; and 2. Level of receivables collectability.	90

4	Discussion on capital structure, and management policy on capital structure Explanation on: 1. Details of capital structure comprising of interest-bearing debts/sukuk and equity; 2. Capital structure policies; and 3. Basis for determination of capital structure policies.	91
5	Discussion on material commitments of capital investments (instead of funding commitments) in the last fiscal year Explanation on: 1. Parties in the commitments; 2. Objectives of the commitments; 3. Sources of funds to meet the commitments; 4. Denomination currency of commitments; and 5. Initiatives taken to mitigate exchange rate risk. Note: should be disclosed if the company does not have any material commitment for capital investments in the fiscal year.	91
6	Discussion on capital investment realized at the latest financial year Explanation on: 1. Type of capital investment; 2. Objectives of capital investment; and 3. Nominal value of capital investment realized in the last fiscal year. Note: should be disclosed if there are no capital investment.	92
7	Information on the comparison between initial target at the beginning of financial year and the realization and target or projection for the next year concerning income, profit, capital structure, and others considered as significant target for the company. Contain information on: 1. Comparison of targets at the beginning of fiscal year and achievements; and 2. Targets or projections set for the next 1 (one) year.	92
8	Information and material facts following the date of accounting report (Subsequent events) Description of significant events following the date of accounting report including its impact on business risk and performance in the future Note: should be disclosed if there are no subsequent events.	93
9	Business prospects Description on business prospects related to the general industry and economy including quantitative supporting data from reliable resources.	94-97
10	Marketing aspects Descriptions on marketing aspects of the company's products and/or services, among others are marketing strategy and market shares.	98
11	Description on dividend policy and total cash dividend per share and total dividend per year that are published or disbursed during last 2 (two) financial years Contain information on: 1. Dividend payout policy; 2. Total dividend disbursement; 3. Total cash dividend per share; 4. Payout ratio; and 5. Announcement date and cash dividend payout for each year. Note: to disclose it there are no dividend disbursement and its reasons	98
12	Employee/Management Share Ownership Program (ESOP/MSOP) still ongoing in the fiscal year Contain information on: 1. Number of ESOP/MSOP shares and its execution; 2. Period; 3. Eligible employee / management; and 4. Exercise price. Note: should be disclosed if there are no such programs	98

13	Realization of initial public offering proceeds (in the event of the company is obligated to submit the report) Covers the following: 1. Total proceeds; 2. Proceeds utilization plan; 3. Proceeds utilization details; 4. Proceeds balance; and 5. The date of GMS/GMB resolution on the change of proceeds utilization (if any) Note: should be disclosed if there are no such information of realization proceeds of public offering.	98
14	Material transaction information with conflict of interest and/or transaction with related parties Covers the following: 1. Name of transacting parties and the nature of related parties; 2. Description of the transaction fairness; 3. Transaction background 4. Transaction realization at the last financial year; 5. Company policy related with transaction review mechanism; and 6. Compliance to relevant regulations and provisions Note: to disclose if there are no transactions.	99
15	Description on changes in laws and regulations during the fiscal year that impacted on the company Covers information on: 1. Name of regulations and 2. The impact (quantitative or qualitative) on the company, or statement, of the insignificant impact Note: To disclose if there are no changes in the laws and regulations during the last fiscal year.	100
16	Description on the changes in the accounting policy implemented by the company at the last financial year Descriptions include among others; 1. Changes in the accounting policy; 2. Reasons for the change; and 3. Quantitative impact on the financial statements. Note: To disclose if there are no changes in the accounting policies during the fiscal year.	101
17	Information on business continuity Disclosures on: 1. Significant issues on the company business continuity at the last financial year; 2. Management assessment on point 1; and 3. Assumption implemented by the management in conducting the assessment. Note: if there are no issues that potentially have significant influences to the company's business continuity at the last fiscal year, to disclose the basis of management assumption in ensuring that there are no issues that potentially have significant influences to the company's business continuity at the last fiscal year.	94-97 386

VI	Good Corporate Governance	Page
1	Description on the Board of Commissioners Covers the following: 1. Board of Commissioners responsibilities; 2. Assessment of performance of committees under the Board and the basis for such assessment; and 3. Board Charter disclosures (Board of Commissioners work guidelines and procedures).	127-128 145-154 127
2	Independent Commissioners (at least 30% of the total personnel of the Board of Commissioners) Covers the following: 1. Assignment criteria of independent Commissioners; and 2. Independency statement of each Independent Commissioner.	128-129
3	Description on the Board of Directors Covers information on, among others; 1. Duties and responsibilities of each member of the Board of Directors; 2. Assessment of performance of committees under the Board (if any); and 3. Board Charter disclosures (Board of Directors work guidelines and procedures).	135-136 154-162 135

4	GCG Implementation assessment for 2017, at least for aspects of the Board of Commissioners and/or Board of Directors Covers the following: 1. Assessment criteria; 2. Assessor; 3. Assessment score on each criteria; 4. Recommendation on results of assessment; and 5. Reasons for the delay or non implementation of such recommendations. Note: should be disclosed if there are no GCG assessment for fiscal year 2016.	194-201
5	Description of the remuneration policy for the Board of Commissioners and the Board of Directors Covers the following: 1. Disclosure of procedure for the proposal and determination of remuneration for the Board of Commissioners; 2. Disclosure of procedure for the proposal and determination for the Board of Directors; 3. Remuneration structure showing the remuneration components and amounts per component for each member of the Board of Commissioners; 4. Remuneration structure showing the remuneration components and amounts per components for each member of the Board of Directors; 5. Disclosure of indicators for the remuneration of the Board of Directors; and 6. Disclosure of performance bonus, non-performance bonus, and/or share option received by each members of the Board of Commissioners and Directors (if any). Note: should be disclosed if there are no performance bonus, non-performance bonus, and/or share option received by each member of the Board of Commissioners and Directors.	134 141 132 142 141 142
6	Meeting frequency and attendance of Board of Commissioners (at least once in 2 months), Board of Directors (at least once a month), and joint meetings of BoC and BoD (at least once in 4 months) Covers among others 1. Date; 2. Attendance; and 3. Agenda. Of each of the meetings of BoC, BoD, and Joint Meetings of BoC and BoD	130-131
7	Information on majority and controlling shareholders, direct or indirect, up to the ultimate individual shareholder Diagram with separate illustration for majority shareholders and controlling shareholders. Note: majority shareholders are parties that own, directly or indirectly, at least 20% of the voting rights of the total share with voting rights issued by the company, but is not the controlling shareholder	14
8	Disclosure of affiliation between members of the Board of Directors, Board of Commissioners and Majority/Controlling Shareholders Covers among others: 1. Affiliation between a member of the Board of Directors with fellow members of the Board of Directors; 2. Affiliation between a member of the Board of Directors with members of the Board of Commissioners; 3. Affiliation between a member of the Board of Directors with Majority and/or Controlling Shareholder; 4. Affiliation between a member of the Commissioners with fellow members of the Board of Commissioners; and 5. Affiliation between a member of the Commissioners with Majority and/or Controlling Shareholder Note: should be disclosed if there is no affiliation relationship.	143
9	Audit Committee Includes the following: 1. Name, position, and tenure of audit committee members; 2. Education qualification (study field and institution) and work experience (position, company and tenure) of audit committee members; 3. Independency of audit committee members; 4. Duties and responsibilities; 5. Brief report of audit committee activity; and 6. Meeting frequency and attendance of audit committee.	145-147

10	Nomination and/or Remuneration Committee Includes the following: 1. Name, position and brief profiles of members of the Nomination and/or Remuneration Committee; 2. Independency of Nomination and/or Remuneration Committee; 3. Duties and responsibilities; 4. Brief report of committee activity in the fiscal year; 5. Meeting frequency and attendance; 6. Statement of committee charter; and 7. Policies on Director succession.	148-150
11	Other committees under the Board of Commissioners Includes the following: 1. Name, position, and brief profile of members of committee; 2. Independency of committee; 3. Duties and responsibilities; 4. Committee activity in the fiscal year; and 5. Committee meeting frequency and attendance.	150-154
12	Description of duties and functions of Corporate Secretary Information on, among others: 1. Name and brief work experience of corporate secretary; 2. Domicile; 3. Duties and responsibilities; and 4. Report of Activities of corporate secretary in the fiscal year.	154-161
13	Description on Internal Audit Unit Includes the following: 1. Name of internal audit unit head; 2. Total employees (internal Auditors) in internal audit unit; 3. Certification on internal audit profession; 4. Internal audit unit composition in the company's structure; 5. Brief Report on internal audit unit activity implementation; and 6. The parties responsible to appoint/terminate the internal audit unit head.	164-167
14	Public Accountant Includes the following: 1. Name and year of public accountant that audits the annual financial statements in the last 5 years; 2. Name and year of the Public Accounting Firm that audits the annual financial statements in the last 5 years; 3. The amount of fee for each service provided by Public Accounting Firm at the last financial year; and 4. Other services provided by the Public Accounting Firm and public accountant apart from the audit service of annual financial statements at the last financial year. Note: to disclose if there are no other services rendered.	167
15	Description on risk management of the company Includes the following: 1. Explanation on risk management system implemented by the company; 2. Explanation on risk management system effectiveness evaluation; 3. Explanation on risks faced by the company; and 4. Risk mitigation.	168-183
16	Description of internal control system Includes the following: 1. Brief explanation on internal control system, among others on financial and operational control; 2. Explanation on internal control system alignment with international standard framework (COSO – internal control framework); and 3. Explanation on internal control system effectiveness evaluation.	162-163
17	Description on corporate social responsibility related to environmental Covers information on, among others: 1. Activity target/plans by the Management for 2017; 2. Activities conducted and the quantitative impact of such activities, including environmental programs related to the company's operational activities such as utilization of environment-friendly materials and energy or recycled materials, waste management system, complaint handling of environmental issues, green lending, and others; and 3. Environmental certifications.	208-210

18	Description on corporate social responsibility related to occupational, health, and safety Covers information on, among others; 1. Activity target plans by the management for 2017; and 2. Activities conducted and quantitative impact of such activities related to occupational, health, and safety aspects, such as gender equality, equal work opportunity, work health and safety requirement, employee turnover rate, accident rate, remuneration, complaint handling of work-related issues, and others.	210-215
19	Description on corporate social responsibility related to social and community development Covers information on, among others; 1. Activity target/plans by the management for 2017; 2. Activities conducted and impact of such activities; and 3. Cost expended related to social and community development activities such as recruitment of local manpower, community development, donation in improvement to public facilities and infrastructure, other social donations, communications on anti-corruption policies and procedures, training on anti corruption, and others.	215-217
20	Description on corporate social responsibility related to responsibility to consumers Covers information on, among others: 1. Activity target/plans by the Management for 2017; and 2. Activities conducted and impact of such activities related to product responsibility, such as consumers health and safety, product information, facility, total and handling of consumers claims, and so forth.	217
21	Significant litigation currently faced by the company, subsidiaries, and members of the Board of Commissioners and Board of Directors that served the position at the annual report period Includes the following; 1. The principal litigation/claims; 2. Settlement status of litigation/claims; 3. Impact to the company's condition; and 4. Administration sanctions charged to the company, members of the Board of Commissioners and Board of Directors, by relevant authorities (capital market, banking and others) at the last fiscal year (or a statement of no administration sanction being charged) Note: To disclose in the event of no litigation.	183
22	Access to company information and data Description on the availability of company information and data for public access. Including dissemination through company website (in Bahasa and English), mass media, mailing list, bulletin, analyst gatherings, and others.	183
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24	Disclosure on whistleblowing system Includes the following mechanism of whistleblowing system: 1. Violations report submission; 2. Whistleblowers protection; 3. Claims handling; 4. Claims managers; 5. Total claims registered; and 6. Sanctions/report processed at the last fiscal year including its follow up measures. Note: should be disclosed if there is no report and follow up action in the last fiscal year.	186-190
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9	Disclosure related to taxes The disclosures shall include; 1. Fiscal reconciliation and current tax expense calculation; 2. Explanation of relationship between tax expenses (income) and accounting profit; 3. Statement that Taxable Income as a result of reconciliation use as the basis in completing the 2017 Annual Corporate Income tax return 4. The details of deferred tax assets and liabilities recognized in the financial position statements for every presentation period, and total deferred tax expenses (income) recognized in the income statements if the total are not visible from the total deferred tax assets or liabilities recognized in the financial position statements; and 5. Disclosure of availability or un-availability of tax disputes.	358-361
10	Disclosure related to fixed assets The disclosures shall include: 1. Used depreciation method; 2. Description on accounting policies selected between revaluation model and cost model; 3. Significant methods and assumptions used in estimation of fixed assets fair value (for revaluation model) or disclosure of fixed assets fair value (for cost model); and 4. Reconciliation of gross total recorded and accumulation of fixed assets depreciation at the beginning and end of period by presenting: addition, deduction and reclassification.	321-324

11	<p>Disclosure related to operations segments</p> <p>The disclosures shall include:</p> <ol style="list-style-type: none"> 1. General information covering factors used to identify reported segments; 2. Information on segments reported profit loss, assets, and liabilities; 3. Reconciliation of segment's total revenues, segment's reported profit loss, segment's assets, segment's liabilities, and segment's other material elements to related total in entity; and 4. Disclosure of entity level, which covers information on products and/or services, geographic areas and main customers. 	370-371
12	<p>Disclosure related to Financial Instruments</p> <p>The disclosure shall include:</p> <ol style="list-style-type: none"> 1. Details on financial instruments owned according to its classification; 2. Fair value and hierarchy of every financial instrument group; 3. Explanation of risks related with financial instrument; 4. Market risk, credit risk and liquidity risk; 5. Risk management policy; and 6. Quantitative analysis of risk related to financial instrument. 	374-377
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Financial Report



Bakrie Metal
Industries



Laporan Keuangan Konsolidasian
Beserta Laporan Auditor Independen
31 Desember 2018 dan 2017, dan
1 Januari 2017/31 Desember 2016, serta
Untuk Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2018 dan 2017

*Consolidated Financial Statements
With Independent Auditors' Report
December 31, 2018 and 2017, and
January 1, 2017/December 31, 2016, and
For the Years Ended
December 31, 2018 and 2017*

**PT BAKRIE & BROTHERS Tbk
DAN ENTITAS ANAK**

***PT BAKRIE & BROTHERS Tbk
AND SUBSIDIARIES***

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SURAT PERNYATAAN DIREKSI / STATEMENT LETTER OF DIRECTORS
TENTANG / CONCERNING
TANGGUNG JAWAB ATAS LAPORAN KEUANGAN KONSOLIDASIAN
RESPONSIBILITY UPON CONSOLIDATED FINANCIAL STATEMENTS
PERIODE 31 DESEMBER 2018
PERIOD 31 DECEMBER 2018
PT BAKRIE & BROTHERS TBK DAN ENTITAS ANAK
PT BAKRIE & BROTHERS Tbk AND SUBSIDIARIES

Kami yang bertanda tangan di bawah ini: / We the undersigned:

- | | |
|--|---|
| 1. Nama/Name | : Ir. Gafur Sulistyo Umar, MBA |
| Alamat Kantor/Office Address | : Bakrie Tower, Lt. 36,
Jl. H. R. Rasuna Said,
Jakarta 12940 |
| Alamat Domisili
Address of Domicile | : Jl. Brawijaya XII No. 3
RT/RW : 005/003,
Pulo, Kebayoran Baru,
Jakarta Selatan |
| Nomor Telepon/Telephone Number | : +62 21 2991 2222 |
| Jabatan/Position | : Direktur Utama / President Director |
| | |
| 2. Nama/Name | : Ir. A. Amri Aswono Putro |
| Alamat Kantor/Office Address | : Bakrie Tower, Lt. 36,
Jl. H. R. Rasuna Said,
Jakarta 12940 |
| Alamat Domisili
Address of Domicile | : Perum Lb. Bulus Riveria No. 12
RT/RW : 008/002,
Lebak Bulus, Cilandak,
Jakarta Selatan |
| Nomor Telepon/Telephone Number | : +62 21 2991 2222 |
| Jabatan/Position | : Direktur Keuangan/Finance Director |

menyatakan bahwa/state that :

- Bertanggung jawab atas penyusunan dan penyajian laporan keuangan konsolidasian PT Bakrie & Brothers Tbk ("Perusahaan") dan Entitas Anak; / to take responsibility upon the composing and presenting of the consolidated financial statements of PT Bakrie & Brother Tbk (the "Company") and Subsidiaries;

PT Bakrie & Brothers Tbk

Bakrie Tower 35, 36, 37 floor
 Rasuna Epicentrum
 Jl. H.R. Rasuna Said
 Jakarta 12940, Indonesia
 P.O. Box 660 JKTN
 Telephone : (62 21) 2991 2222
 Facsimile : (62 21) 2991 2333
 Web : www.bakrie-brothers.com



2. Laporan keuangan konsolidasian Perusahaan dan Entitas Anak telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia; */The consolidated financial statements of the Company and Subsidiaries has been composed and presented in accordance with Indonesian Financial Accounting Standard;*
3. a. Semua informasi dalam laporan keuangan konsolidasian Perusahaan dan Entitas Anak telah dimuat secara lengkap dan benar; */ all information in the consolidated financial statements of the Company and Subsidiaries has been composed completely and correctly;*
 b. Laporan keuangan konsolidasian Perusahaan dan Entitas Anak tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material; */ the consolidated financial statements of the Company and Subsidiaries does not contain of any misstatement and does not eliminate any material information;*
4. Bertanggung jawab atas sistem pengendalian intern dalam Perusahaan. */ to take responsibility upon internal control system in the Company.*

Demikian pernyataan ini dibuat dengan sebenarnya/*This statement has been made in good faith.*

Jakarta, 27 Maret 2019 / 27 March 2019
PT Bakrie & Brothers Tbk



Ir. Gafur Sulistyo Umar, MBA
Direktur Utama/ *President Director*

Ir. A. Amri Aswono Putro
Direktur Keuangan/
Finance Director

Y. SANTOSA DAN REKAN

Head Office:
Jl. Sisingamangaraja No. 26, 2nd Floor
Jakarta 12110, Indonesia
Tel: +62 21 720 2605 - Fax: +62 21 7278 8954

Laporan Auditor Independen

Laporan No.

00009/2.0902/AU.1/10/0384-3/1/III/2019

Pemegang Saham, Dewan Komisaris dan
Direksi
PT Bakrie & Brothers Tbk

Kami telah mengaudit laporan keuangan konsolidasian PT Bakrie & Brothers Tbk ("Perusahaan") dan Entitas Anaknya ("Kelompok Usaha") 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.

Tanggung jawab manajemen atas laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan konsolidasian tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan konsolidasian yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan konsolidasian tersebut berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan konsolidasian tersebut bebas dari kesalahan penyajian material.

Independent Auditors' Report

Report No.

00009/2.0902/AU.1/10/0384-3/1/III/2019

The Shareholders, Boards of Commissioners and
Directors
PT Bakrie & Brothers Tbk

We have audited the accompanying consolidated financial statements of PT Bakrie & Brothers Tbk (the "Company") and its Subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of December 31, 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.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on such consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such consolidated financial statements are free from material misstatement.

Y. SANTOSA DAN REKAN

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 PT Bakrie & Brothers Tbk 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.

Penekanan suatu hal

Kami membawa perhatian ke Catatan atas laporan keuangan konsolidasian berikut ini:

- Seperti yang diungkapkan dalam Catatan 47 atas laporan keuangan konsolidasian, pada tanggal 31 Desember 2018, Kelompok Usaha mengalami kerugian berulang dari kegiatan usahanya yang mengakibatkan defisit dan total liabilitas jangka pendek Kelompok Usaha telah melampaui total aset lancarnya. Kondisi tersebut, bersama dengan hal-hal lain sebagaimana dijelaskan dalam Catatan 47, mengindikasikan adanya suatu ketidakpastian material yang dapat menyebabkan keraguan signifikan atas kemampuan Kelompok Usaha untuk mempertahankan kelangsungan usahanya. Rencana manajemen untuk mengatasi kondisi tersebut juga diungkapkan dalam Catatan 47 atas laporan keuangan konsolidasian. Laporan keuangan konsolidasian tidak mencakup penyesuaian yang mungkin harus dilakukan yang berasal dari kondisi ketidakpastian tersebut.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Bakrie & Brothers Tbk and its Subsidiaries as of December 31, 2018, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Emphasis of matters

We draw attention to the following Notes to the consolidated financial statements:

- *As disclosed in Note 47 to the consolidated financial statements, as of December 31, 2018, the Group has incurred recurrent losses from its operations resulting in incurred deficits and the total current liabilities of the Group exceeded its total current assets. These conditions, along with other matters as set forth in Note 47, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Management's plans in regard to these matters are also disclosed in Note 47 to the consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.*

Y. Santosa dan Rekan
Registered Public Accountants
Licence Number: 430/KM.1/2012




Y. SANTOSA DAN REKAN

- Seperti yang diungkapkan dalam Catatan 50 atas laporan keuangan konsolidasian, Kelompok Usaha menyajikan kembali dan mereklasifikasi beberapa akun dalam laporan keuangan konsolidasian untuk tahun yang berakhir pada tanggal 31 Desember 2017. Oleh karena itu, laporan keuangan konsolidasian tanggal 31 Desember 2017 dan untuk tahun yang berakhir pada tanggal tersebut serta laporan posisi keuangan konsolidasian tanggal 1 Januari 2017/31 Desember 2016 telah disajikan kembali.

Opini kami tidak dimodifikasi sehubungan dengan hal tersebut.

- As disclosed in Note 50 to the consolidated financial statements, the Group restated and reclassified certain accounts in the consolidated financial statements for the year ended December 31, 2017. Accordingly, the consolidated financial statements as of December 31, 2017 and for the year then ended and the consolidated statement of financial position as of January 1, 2017/December 31, 2016 have been restated.

Our opinion is not qualified in respect of these matters.

Y. Santosa dan Rekan


Tjiendradjaja Yamin
Registrasi Akuntan Publik / Public Accountant Registration
No. AP.0384

27 Maret 2019 / March 27, 2019

NOTICE TO READERS

The accompanying consolidated financial statements are not intended to present the financial position, results of operations, and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Indonesia. The standards, procedures and practices utilized to audit such consolidated financial statements may differ from those generally accepted in countries and jurisdictions other than Indonesia. Accordingly, the accompanying consolidated financial statements and the auditors' report thereon are not intended for use by those who are not informed about Indonesian accounting principles and auditing standards, and their application in practice.

Y. Santosa dan Rekan
Registered Public Accountants
Licence Number: 430/KM.1/2012



**PT BAKRIE & BROTHERS Tbk
DAN ENTITAS ANAK
LAPORAN POSISI KEUANGAN
KONSOLIDASIAN
31 DESEMBER 2018 DAN 2017, DAN
1 JANUARI 2017/31 DESEMBER 2016
(Angka dalam tabel disajikan dalam jutaan Rupiah,
kecuali dinyatakan lain)**

**PT BAKRIE & BROTHERS Tbk
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017, AND
JANUARY 1, 2017/DECEMBER 31, 2016
(Amounts in tables are expressed in millions of Rupiah,
unless otherwise stated)**

			1 Januari/ January 1, 2017 *)/ 31 Desember/ December 31, 2016 *)	
	Catatan/ Notes	Desember/December 31, 2018	2017 *)	
ASET				ASSETS
ASET LANCAR				CURRENT ASSETS
Kas dan setara kas	3d,3e,5	118.877	124.348	145.763
Investasi jangka pendek - setelah dikurangi penyisihan kerugian atas penurunan nilai	3e,6			
Pihak ketiga		6.942.347	348.558	360.360
Pihak berelasi	3f,39b	10.980	161.187	196.285
Piutang usaha - setelah dikurangi penyisihan kerugian atas penurunan nilai	3e,7a			
Pihak ketiga		796.424	391.994	955.089
Pihak berelasi	3f,39a	11.837	305	8.050
Piutang lain-lain - setelah dikurangi penyisihan kerugian atas penurunan nilai				
Pihak ketiga	3e,8	1.284.926	639.247	445.498
Tagihan bruto kepada pelanggan	3s,9a	51.066	118.279	125.915
Persediaan - setelah dikurangi penyisihan persediaan usang	3g,10	825.956	558.791	680.133
Beban dibayar dimuka	3h,11	3.103	4.549	8.730
Pajak dibayar dimuka	3v, 36a	147.234	51.605	83.808
Kelompok lepasan yang diklasifikasikan sebagai dimiliki untuk dijual	3m,49	162	-	39.020
Aset lancar lainnya	3e,12	192.227	242.283	133.950
Total Aset Lancar		10.385.139	2.641.146	3.182.601

*) Direklasifikasi dan disajikan kembali (Catatan 50).

*) As reclassified and restated (Note 50).

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements.

**PT BAKRIE & BROTHERS Tbk
DAN ENTITAS ANAK
LAPORAN POSISI KEUANGAN
KONSOLIDASIAN
31 DESEMBER 2018 DAN 2017, DAN
1 JANUARI 2017/31 DESEMBER 2016
(Angka dalam tabel disajikan dalam jutaan Rupiah,
kecuali dinyatakan lain)**

**PT BAKRIE & BROTHERS Tbk
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017, AND
JANUARY 1, 2017/DECEMBER 31, 2016
(Amounts in tables are expressed in millions of Rupiah,
unless otherwise stated)**

		1 Januari/ January 1, 2017 *)/ 31 Desember/ December 31, 2016 *)			
	Catatan/ Notes	Desember/December 31, 2018	2017 *)	2016 *)	
ASET TIDAK LANCAR					NON-CURRENT ASSETS
Piutang pihak berelasi - setelah dikurangi penyisihan kerugian atas penurunan nilai	3e,3f,39c	280.803	259.267	224.062	Due from related parties - net of allowance for impairment losses
Piutang usaha jangka panjang - neto	3e,7b	442.523	468.014	-	Long-term trade receivables - net
Investasi pada entitas asosiasi dan entitas pengendalian bersama - setelah dikurangi penyisihan kerugian atas penurunan nilai	3i,13	389.948	201.187	37.568	Investments in associates and jointly controlled entities - net of allowance for impairment losses
Investasi jangka panjang lainnya	3e,3j,14	263.067	251.825	154.202	Other long-term investments
Aset tetap - setelah dikurangi dengan akumulasi penyusutan	3k,3l,3n,3o,15	2.328.449	3.164.300	3.140.214	Fixed assets - net of accumulated depreciation
Aset pajak tangguhan - neto	3v,36d	90.058	83.370	76.504	Deferred tax assets - net
Biaya pengembangan proyek - setelah dikurangi penyisihan kerugian atas penurunan nilai	3p,16	30.748	18.399	125.297	Project development costs - net of allowance for impairment losses
Aset tidak lancar lainnya	3d,3e,3f,17	124.373	185.656	295.131	Other non-current assets
Total Aset Tidak Lancar		3.949.969	4.632.018	4.052.978	Total Non-Current Assets
TOTAL ASET		14.335.108	7.273.164	7.235.579	TOTAL ASSETS

*) Direklasifikasi dan disajikan kembali (Catatan 50).

*) As reclassified and restated (Note 50).

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements.

**PT BAKRIE & BROTHERS Tbk
DAN ENTITAS ANAK
LAPORAN POSISI KEUANGAN
KONSOLIDASIAN
31 DESEMBER 2018 DAN 2017, DAN
1 JANUARI 2017/31 DESEMBER 2016
(Angka dalam tabel disajikan dalam jutaan Rupiah,
kecuali dinyatakan lain)**

**PT BAKRIE & BROTHERS Tbk
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017, AND
JANUARY 1, 2017/DECEMBER 31, 2016
(Amounts in tables are expressed in millions of Rupiah,
unless otherwise stated)**

			1 Januari/ January 1, 2017/ 31 Desember/ December 31, 2016 *)	
	Catatan/ Notes	31 Desember /December 31, 2018	2017 *)	
LIABILITAS DAN EKUITAS (DEFISIENSI MODAL)				LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)
LIABILITAS JANGKA PENDEK				CURRENT LIABILITIES
Pinjaman jangka pendek				Short-term loans
Pihak ketiga	3e,18	551.562	670.829	Third parties
Pembiayaan musyarakah jangka pendek	3r	-	-	Short-term musyarakah financing
Utang usaha	3e,19			Trade payables
Pihak ketiga		804.806	541.440	Third parties
Pihak berelasi	3f,39d	17.208	2.276	Related parties
Utang lain-lain	3e,20			Other payables
Pihak ketiga		163.367	213.155	Third parties
Pihak berelasi	3f,39e	27.134	21.468	Related parties
Utang bruto kepada pelanggan	3s,9b	8.535	34.635	Gross amounts due to customers
Beban masih harus dibayar	3e,3s,21	799.729	1.484.343	Accrued expenses
Uang muka pelanggan	3s,22	173.745	128.901	Customer deposits
Utang pajak	3v,36b	100.815	73.532	Taxes payable
Liabilitas derivatif	3e,43b	6.451.552	5.116.955	Derivative liabilities
Liabilitas jangka panjang yang jatuh tempo dalam satu tahun:	3e			Current maturities of long-term liabilities:
Pinjaman jangka panjang	23	1.534.015	3.412.438	Long-term loans
Utang sewa pembiayaan	3o,24	935	334	Finance lease payables
Pembiayaan murabahah	3q,26	11.304	9.863	Murabahah financing
Pembiayaan musyarakah	3r,25	22.865	19.146	Musyarakah financing
Liabilitas yang secara langsung berhubungan dengan aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual	3m	-	-	Liabilities directly associated with disposal group classified as held for sale
Total Liabilitas Jangka Pendek		10.667.572	11.729.315	Total Current Liabilities
LIABILITAS JANGKA PANJANG				NON-CURRENT LIABILITIES
Liabilitas pajak tangguhan - neto	3v,36d	171.540	176.737	Deferred tax liabilities - net
Liabilitas imbalan pascakerja	3t,37	361.671	412.104	Post-employment benefits liability
Utang pihak yang berelasi	3f,39f	198.495	199.112	Due to related parties
Liabilitas jangka panjang - setelah dikurangi bagian yang jatuh tempo dalam satu tahun:	3e			Long-term liabilities - net of current maturities:
Pinjaman jangka panjang	23	185.319	45.639	Long-term loans
Utang sewa pembiayaan	3o,24	1.798	823	Finance lease payables
Pembiayaan murabahah	3q,26	10.455	21.765	Murabahah financing
Pembiayaan musyarakah	3r,25	59.219	69.963	Musyarakah financing
Total Liabilitas Jangka Panjang		988.497	926.143	Total Non-Current Liabilities
Total Liabilitas		11.656.069	12.655.458	Total Liabilities

*) Direklasifikasi dan disajikan kembali (Catatan 50).

*) As reclassified and restated (Note 50).

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements.

**PT BAKRIE & BROTHERS Tbk
DAN ENTITAS ANAK
LAPORAN POSISI KEUANGAN
KONSOLIDASIAN
31 DESEMBER 2018 DAN 2017, DAN
1 JANUARI 2017/31 DESEMBER 2016
(Angka dalam tabel disajikan dalam jutaan Rupiah,
kecuali dinyatakan lain)**

**PT BAKRIE & BROTHERS Tbk
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017, AND
JANUARY 1, 2017/DECEMBER 31, 2016
(Amounts in tables are expressed in millions of Rupiah,
unless otherwise stated)**

			1 Januari/ January 1, 2017/ 31 Desember/ December 31, 2016 *)	
	Catatan/ Notes	31 Desember /December 31, 2018	2017 *)	
EKUITAS (DEFISIENSI MODAL)				EQUITY (CAPITAL DEFICIENCY)
Ekuitas yang dapat diatribusikan kepada pemilik entitas induk				Equity attributable to owners of the Parent
Modal saham - nilai nominal				Share capital - Rp28,500, Rp3,990 Rp1,140, Rp500 and Rp64 par value as of December 31, 2018 for each A Series, B Series, C Series, D Series and E Series shares and Rp2,850, Rp399, Rp114 and Rp50 par value as of December 31, 2017 and January 1, 2017/December 31, 2016 for each A Series, B Series, C Series and D Series shares
Rp28.500, Rp3.990, Rp1.140, Rp500 dan Rp64 pada tanggal 31 Desember 2018 untuk masing-masing saham Seri A, Seri B, Seri C, Seri D dan Seri E, serta nilai nominal Rp2.850, Rp399, Rp114 dan Rp50 pada tanggal 31 Desember 2017 dan 1 Januari 2017/31 Desember 2016 untuk masing-masing saham Seri A, Seri B, Seri C dan Seri D				Authorized capital
Modal dasar				293,715,580,156 shares as of December 31, 2018 and 807,155,801,560 shares as of December 31, 2017 and 451,451,975,120 shares as of January 1, 2017/ December 31, 2016
293.715.580.156 saham pada tanggal 31 Desember 2018 dan 807.155.801.560 saham pada tanggal 31 Desember 2017 dan 451.451.975.120 saham pada tanggal 1 Januari 2017/ 31 Desember 2016				Issued and fully paid capital
Modal ditempatkan dan disetor penuh				20,771,977,000 shares as of December 31, 2018, 113,535,564,308 shares as of December 31, 2017 and 97,021,717,528 shares as of January 1, 2017/ December 31, 2016
20.771.977.000 saham pada tanggal 31 Desember 2018, 113.535.564.308 saham pada tanggal 31 Desember 2017 dan 97.021.717.528 saham pada tanggal 1 Januari 2017/ 31 Desember 2016				Additional paid-in capital
Tambahan modal disetor	1b,27	14.189.464	13.254.241	12.428.548
Obligasi wajib konversi	3r,28	(1.395.308)	(1.395.308)	(1.625.951)
Cadangan modal lainnya	3e,29	9.486.524	1.037.497	822.905
Defisit	3e, 3t, 3u, 3v, 30	301.167	372.636	382.649
	3aa	(19.895.922)	(18.634.952)	(17.414.787)
Subtotal		2.685.925	(5.365.886)	(5.406.636)
Kepentingan nonpengendali	3b,31	(6.886)	(16.408)	(25.206)
Ekuitas (Defisiensi Modal) - Neto		2.679.039	(5.382.294)	(5.431.842)
TOTAL LIABILITAS DAN EKUITAS (DEFISIENSI MODAL)		14.335.108	7.273.164	7.235.579
				EQUITY (CAPITAL DEFICIENCY)

*) Direklasifikasi dan disajikan kembali (Catatan 50).

*) As reclassified and restated (Note 50).

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements.

**PT BAKRIE & BROTHERS Tbk
DAN ENTITAS ANAK
LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN KONSOLIDASIAN
UNTUK TAHUN YANG BERAKHIR PADA
TANGGAL-TANGGAL 31 DESEMBER 2018 DAN 2017
(Angka dalam tabel disajikan dalam jutaan Rupiah,
kecuali dinyatakan lain)**

**PT BAKRIE & BROTHERS Tbk
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF
PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Amounts in tables are expressed in millions of Rupiah,
unless otherwise stated)**

	Catatan/ Notes	2018	2017 *)	
PENDAPATAN NETO	3s,32	3.340.451	2.459.736	NET REVENUES
BEBAN POKOK PENDAPATAN	3s,33	2.664.887	2.047.736	COST OF REVENUES
LABA BRUTO		675.564	412.000	GROSS PROFIT
BEBAN USAHA	3s,34			OPERATING EXPENSES
Beban karyawan		262.837	253.125	Personnel expenses
Beban umum dan administrasi		220.796	164.991	General and administrative expenses
Beban penjualan		107.784	99.461	Selling expenses
Total Beban Usaha		591.417	517.577	Total Operating Expenses
LABA (RUGI) USAHA		84.147	(105.577)	OPERATING PROFIT (LOSS)
PENGHASILAN (BEBAN) LAIN-LAIN				OTHER INCOME (CHARGES)
Bagian laba atas neto entitas asosiasi dan entitas pengendalian bersama	3i,13	173.213	137.874	Share in net profit of associates and jointly controlled entities
Keuntungan (kerugian) atas pelepasan saham	1c,3b	121.174	(4.082)	Gain (loss) on sale of investment
Kerugian selisih kurs - neto	3u	(708.617)	(54.009)	Loss on foreign exchange - net
Perubahan nilai wajar instrumen keuangan - neto	3e,42	(524.027)	(594.970)	Fair value changes of financial instruments - net
Beban bunga dan keuangan	35a	(349.995)	(420.810)	Interest and financial expenses
Beban pajak		(31.572)	(60.764)	Tax expenses
Beban penghapusan dan penyisihan penurunan nilai aset	3e,7,8	(14.959)	(59.602)	Write-off and provision for impairment of assets
Beban bagi hasil musyarakah	3r,25	(7.403)	(5.554)	Musyarakah sharing expense
Beban murabahah	3q,26	(5.608)	(7.663)	Murabahah expense
Lain-lain - neto	35b	52.962	(19.422)	Others - net
Beban Lain-lain - Neto		(1.294.832)	(1.089.002)	Other Charges - Net
RUGI SEBELUM MANFAAT (BEBAN) PAJAK PENGHASILAN		(1.210.685)	(1.194.579)	LOSS BEFORE INCOME TAX BENEFIT (EXPENSE)
MANFAAT (BEBAN) PAJAK PENGHASILAN	3v,36			INCOME TAX BENEFIT (EXPENSE)
Kini		(55.869)	(33.374)	Current
Tangguhan		16.341	20.297	Deferred
Beban Pajak Penghasilan - Neto		(39.528)	(13.077)	Income Tax Expense - Net
RUGI NETO		(1.250.213)	(1.207.656)	NET LOSS

*) Direklasifikasi dan disajikan kembali (Catatan 50).

*) As reclassified and restated (Note 50).

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements.

**PT BAKRIE & BROTHERS Tbk
DAN ENTITAS ANAK
LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN KONSOLIDASIAN
UNTUK TAHUN YANG BERAKHIR PADA
TANGGAL-TANGGAL 31 DESEMBER 2018 DAN 2017
(Angka dalam tabel disajikan dalam jutaan Rupiah,
kecuali dinyatakan lain)**

**PT BAKRIE & BROTHERS Tbk
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF
PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Amounts in tables are expressed in millions of Rupiah,
unless otherwise stated)**

	Catatan/ Notes	2018	2017 *)	
PENGHASILAN (RUGI) KOMPREHENSIF LAIN				OTHER COMPREHENSIVE INCOME (LOSS)
Pos-pos yang akan direklasifikasi lebih lanjut ke laba rugi:				Items that will be subsequently reclassified to profit or loss:
Bagian atas penghasilan komprehensif lain dari entitas asosiasi dan entitas pengendalian bersama	3i,13	16.985	25.745	Share in other comprehensive income of associates and jointly controlled entities
Keuntungan yang direalisasi atas efek tersedia dijual	3e,30	(121.174)	-	Realized gain on available-for-sale securities
Selisih kurs karena penjabaran laporan keuangan	3u	(22.953)	(3.747)	Exchange differences due to financial statements translation
Perubahan neto atas nilai wajar aset keuangan tersedia untuk dijual	3e,6	(1.604)	(175)	Net changes in fair value of available-for-sale financial asset
Subtotal		(128.746)	21.823	Subtotal
Pos-pos yang tidak akan direklasifikasi lebih lanjut ke laba rugi:				Items that will not be subsequently reclassified to profit or loss:
Pengukuran kembali atas program pensiun imbalan pasti	3t,37	67.135	(37.665)	Remeasurement of defined benefit pension plan
Pajak penghasilan terkait	3v,36	(11.839)	7.737	Related income tax
Subtotal		55.296	(29.928)	Subtotal
RUGI KOMPREHENSIF LAIN - SETELAH DIKURANGI PAJAK		(73.450)	(8.105)	OTHER COMPREHENSIVE LOSS - NET OF TAX
RUGI KOMPREHENSIF NETO		(1.323.663)	(1.215.761)	NET COMPREHENSIVE LOSS
LABA (RUGI) NETO YANG DAPAT DIATRIBUSIKAN KEPADA:				NET PROFIT (LOSS) ATTRIBUTABLE TO:
Pemilik entitas induk		(1.260.970)	(1.220.165)	Owners of parent
Kepentingan nonpengendali	3b,31	10.757	12.509	Non-controlling interest
NETO		(1.250.213)	(1.207.656)	NET
PENGHASILAN (RUGI) KOMPREHENSIF NETO YANG DAPAT DIATRIBUSIKAN KEPADA:				NET COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:
Pemilik entitas induk		(1.332.439)	(1.230.178)	Owners of parent
Kepentingan nonpengendali	3b,31	8.776	14.417	Non-controlling interest
NETO		(1.323.663)	(1.215.761)	NET
RUGI NETO PER SAHAM DASAR/DILUSIAN DIATRIBUSIKAN KEPADA PEMILIK ENTITAS INDUK (Angka Penuh)	3x,38	(661,05)	(1.074,70)	BASIC/DILUTED LOSS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE PARENT (Full Amount)

*) Direklasifikasi dan disajikan kembali (Catatan 50).

*) As reclassified and restated (Note 50).

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements.

PT BAKRIE & BROTHERS Tbk
DAN ENTITAS ANAKLAPORAN PERUBAHAN EKUITAS (DEFISIENSI MODAL) KONSOLIDASIAN
UNTUK TAHUN YANG BERAKHIR PADA
TANGGAL-TANGGAL 31 DESEMBER 2018 DAN 2017
(Angka dalam tabel disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)PT BAKRIE & BROTHERS Tbk
AND SUBSIDIARIESCONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CAPITAL DEFICIENCY)
FOR THE YEARS ENDED
DECEMBER 31, 2018 AND 2017
(Amounts in tables are expressed in millions of Rupiah, unless otherwise stated)

	Defisiensi Modal Ekuitas yang Dapat Diatribusikan Kepada Pemilik Entitas Induk/ Capital Deficiency Attributable to Owners of the Parent										Kepentingan Non-pengendali/ Non-controlling Interest	Defisiensi Modal - Neto/ Capital Deficiency - Net	
	Tambahan Modal Disetor/ Additional Paid-in Capital			Other Capital Reserves Cadangan Modal Lainnya									
	Modal Saham/ Share Capital	Selisih Penerimaan dari Pemberitan Saham atas Nilai Nominal/ Paid-in Capital in Excess of Par Value	Tambahan Modal Disetor dari Pengampunan Pajak/ Paid-in Capital from Tax Amnesty	Selisih Nilai Transaksi Restrukturisasi Entitas		Obligasi Wajib Konversi/ Mandatory Convertible Bonds	Selisih Kurs Penjabaran Laporan Keuangan/ Exchange Differences due to Financial Statements Translation	Keuntungan Investasi Jangka Pendek yang Belum Terealisasi/ Unrealized Gain on Short-term Investments	Akumulasi Pengukuran Kembali atas Liabilitas Imbalan Pascakerja/ Cumulative Remeasurements on Post-Employment Benefits Liability	Defisit/ Deficit			Subtotal/ Subtotal
				Sepengendali/ Difference in Restructuring of Entities Under Common Control	Sepengendali/ Difference in Restructuring of Entities Under Common Control								
Saldo 1 Januari 2017, dilaporkan sebelumnya Penyalinan kembali (Catatan 50)	12.428.548	61.728	302.896	(2.621.572)	822.905	350.057	125.078	(90.747)	(17.405.708)	(6.026.815)	(25.206)	(6.052.021)	Balance as of January 1, 2017, as previously reported
	-	-	630.997	-	-	-	-	(1.739)	(9.079)	620.179	-	620.179	Restatements (Note 50)
Saldo 1 Januari 2017, disajikan kembali Laba (rugi) neto tahun berjalan	12.428.548	61.728	933.893	(2.621.572)	822.905	350.057	125.078	(92.486)	(17.414.787)	(5.406.636)	(25.206)	(5.431.842)	Balance as of January 1, 2017, as restated
Penerbitan saham melalui Obligasi Wajib Konversi (OWK) (Catatan 27 dan 29)	-	-	-	-	-	-	-	-	(1.220.165)	(1.220.165)	12.509	(1.207.656)	Net profit (loss) for the year
Penerbitan OWK (Catatan 29)	825.693	-	-	-	(822.905)	-	-	-	-	2.788	-	2.788	Issuance of shares through conversion of Mandatory Convertible Bonds (MCB) (Notes 27 and 29)
Penghasilan (rugi) komprehensif lain yang direklasifikasi ke laba rugi	-	-	-	-	-	-	-	-	-	1.037.497	-	1.037.497	Issuance of MCB (Note 29)
Rugi komprehensif lain yang tidak direklasifikasi ke laba rugi	-	-	-	-	-	18.712	(175)	-	-	18.537	3.286	21.823	Other comprehensive income (loss) to be reclassified to profit or loss
Dekonsolidasi entitas anak	-	-	-	-	-	-	-	(28.550)	-	(28.550)	(1.378)	(29.928)	Other comprehensive loss not to be reclassified to profit or loss
Tambahan modal disetor atas pengampunan pajak (Catatan 28)	-	-	230.643	-	-	-	-	-	-	-	(5.619)	(5.619)	Deconsolidation of subsidiary Additional paid-in capital from tax amnesty (Note 28)
Saldo 31 Desember 2017	13.254.241	61.728	1.164.536	(2.621.572)	1.037.497	368.769	124.903	(121.036)	(18.634.952)	(5.365.886)	(16.408)	(5.382.294)	December 31, 2017

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements.

PT BAKRIE & BROTHERS Tbk
DAN ENTITAS ANAKLAPORAN PERUBAHAN EKUITAS (DEFISIENSI MODAL) KONSOLIDASIAN
UNTUK TAHUN YANG BERAKHIR PADA

TANGGAL-TANGGAL 31 DESEMBER 2018 DAN 2017

(Angka dalam tabel disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BAKRIE & BROTHERS Tbk
AND SUBSIDIARIESCONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CAPITAL DEFICIENCY)
FOR THE YEARS ENDED

DECEMBER 31, 2018 AND 2017

(Amounts in tables are expressed in millions of Rupiah, unless otherwise stated)

	Ekuitas (Defisiensi Modal) yang Dapat Diatribusikan Kepada Pemilik Entitas Induk/ Equity (Capital Deficiency) Attributable to Owners of the Parent									
	Tambahan Modal Disetor/ Additional Paid-In Capital					Selisih Nilai Transaksi Restrukturisasi Entitas				
	Cadangan Modal Lainnya					Other Capital Reserves				
	Modal Saham/ Share Capital	Selisih Penerimaan dari Penerbitan Saham atas Paid-In Capital in Excess of Par Value	Tambahan Modal Disetor dari Pengampunan Pajak/ Paid-In Capital from Tax Amnesty	Selisih Kurs Penjabaran Laporan Keuangan/ Exchange Differences due to Financial Statements Translation	Obligasi Wajib Konversi/ Mandatory Convertible Bonds	Selisih Kurs Penjabaran Laporan Keuangan/ Exchange Differences due to Financial Statements Translation	Keuntungan Investasi Jangka Pendek yang Belum Terealisasi/ Unrealized Gain on Short-term Investments	Akumulasi Pengukuran Kembali atas Liabilitas Imbalan Pascakerja/ Cumulative Remeasurements on Post-Employment Benefits Liability	Defisit/ Deficit	Subtotal/ Subtotal
Saldo 1 Januari 2018, dilaporkan sebelumnya Penyajian kembali (Catatan 50)	13.254.241	61.728	533.539	(2.621.572)	1.037.497	368.769	124.903	(118.474)	(18.611.142)	(5.970.511)
	-	-	630.997	-	-	-	-	(2.562)	(23.810)	604.625
Saldo 1 Januari 2018, disajikan kembali Penerbitan saham melalui OWK (Catatan 27 dan 29)	13.254.241	61.728	1.164.536	(2.621.572)	1.037.497	368.769	124.903	(121.036)	(18.634.952)	(5.365.886)
Penerbitan OWK (Catatan 29)	381.243	-	-	-	(381.243)	-	-	-	-	-
Penerbitan saham Akuisisi Entitas Anak baru (Catatan 4)	553.980	-	-	-	8.830.270	-	-	-	-	8.830.270
Laba (rugi) neto tahun berjalan	-	-	-	-	-	-	-	-	-	553.980
Rugi komprehensif lain yang direklasifikasi ke laba rugi	-	-	-	-	-	(3.161)	(122.778)	-	-	(125.939)
Penghasilan komprehensif lain yang tidak direklasifikasi ke laba rugi	-	-	-	-	-	-	-	-	-	826
Saldo 31 Desember 2018	14.189.464	61.728	1.164.536	(2.621.572)	9.486.524	365.608	2.125	(66.566)	(19.895.922)	2.685.925
	-	-	-	-	-	-	-	54.470	-	55.296
	-	-	-	-	-	-	-	-	-	(6.886)
	-	-	-	-	-	-	-	-	-	2.679.039

Balance as of
January 1, 2018,
as previously reported

Restatements (Note 50)

Balance as of January 1,
2018, as restated
Issuance of shares through
conversion of MCB
(Notes 27 and 29)Issuance of MCB
(Note 29)

Issuance of shares

Acquisition of new
Subsidiary (Note 4)Net profit (loss)
for the yearOther comprehensive
loss to be reclassified
to profit or lossOther comprehensive income
not to be reclassified
to profit or lossBalance as of
December 31, 2018Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari
laporan keuangan konsolidasian secara keseluruhan.The accompanying notes to the consolidated financial statements are an integral part of these
consolidated financial statements.

**PT BAKRIE & BROTHERS Tbk
DAN ENTITAS ANAK
LAPORAN ARUS KAS KONSOLIDASIAN
UNTUK TAHUN YANG BERAKHIR PADA
TANGGAL-TANGGAL 31 DESEMBER 2018 DAN 2017
(Angka dalam tabel disajikan dalam jutaan Rupiah,
kecuali dinyatakan lain)**

**PT BAKRIE & BROTHERS Tbk
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED
DECEMBER 31, 2018 AND 2017
(Amounts in tables are expressed in millions of Rupiah,
unless otherwise stated)**

	2018	2017 *)	
ARUS KAS DARI AKTIVITAS OPERASI			CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan kas dari pelanggan	2.859.706	2.573.964	Cash receipt from customers
Pembayaran kas untuk pemasok dan karyawan	(2.632.892)	(2.366.599)	Cash payments to suppliers and employees
Kas neto yang diperoleh dari aktivitas operasi	226.814	207.365	Net cash provided by operating activities
Penerimaan dari:			Cash received from:
Pajak	67.829	50.868	Taxes
Bunga	5.610	2.780	Interest income
Pembayaran untuk:			Cash paid for:
Pajak	(112.878)	(87.336)	Taxes
Beban bunga	(50.559)	(37.450)	Interest expense
Beban bagi hasil musyarakah	(7.403)	(5.554)	Musyarakah sharing expense
Beban murabahah	(5.608)	(7.663)	Murabahah expense
Penerimaan dari aktivitas operasi lainnya	77	33	Receipts from other operating activities
Arus Kas Neto Diperoleh dari Aktivitas Operasi	123.882	123.043	Net Cash Flows Provided by Operating Activities
ARUS KAS DARI AKTIVITAS INVESTASI			CASH FLOWS FROM INVESTING ACTIVITIES
Penurunan (kenaikan) neto piutang pihak berelasi	6.057	(24.768)	Net decrease (increase) in due from related parties
Penerimaan dari:			Receipts from:
Penjualan aset tetap	401	1.071	Sale of fixed assets
Penjualan investasi jangka pendek	-	35.352	Sale of short-term investments
Pembayaran untuk:			Payments for:
Penambahan aset tetap	(95.732)	(78.601)	Acquisition of fixed assets
Penambahan investasi jangka panjang lainnya	(9.442)	-	Acquisition of other long-term investments
Penambahan investasi jangka pendek	(5.000)	-	Acquisition of short-term investments
Biaya pengembangan proyek	(535)	(8.808)	Project development costs
Kas neto dari akuisisi entitas anak	4.344	-	Net cash of acquired subsidiaries
Arus Kas Neto Digunakan untuk Aktivitas Investasi	(99.907)	(75.754)	Net Cash Flows Used in Investing Activities

Lihat Catatan 49 atas laporan keuangan konsolidasian untuk informasi tambahan arus kas

See Note 49 to the consolidated financial statements for the supplementary cash flows information

*) Direklasifikasi (Catatan 50).

As reclassified (Note 50).

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements.

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	2018	2017 *)	
ARUS KAS DARI AKTIVITAS PENDANAAN			CASH FLOWS FROM FINANCING ACTIVITIES
Penerimaan dari:			Proceeds from:
Utang jangka pendek	399.944	373.231	Short-term loans
Utang jangka panjang	24.721	23.760	Long-term loans
Pembiayaan musyarakah	24.000	17.810	Musyarakah financing
Penarikan kas di bank yang dibatasi penggunaannya - neto	39.366	64.705	Withdrawals of restricted cash in banks - net
Pembayaran untuk:			Payments for:
Utang jangka pendek	(406.509)	(466.367)	Short-term loans
Utang jangka panjang	(69.689)	(50.993)	Long-term loans
Pembiayaan musyarakah	(31.026)	(18.038)	Musyarakah financing
Pembiayaan murabahah	(9.868)	(11.856)	Murabahah financing
Utang sewa pembiayaan	(226)	(2.362)	Finance lease payables
Penurunan neto utang pihak berelasi	(411)	(2.191)	Net decrease in due to related parties
Arus Kas Neto Digunakan untuk Aktivitas Pendanaan	(29.698)	(72.301)	Net Cash Flows Used in Financing Activities
PENURUNAN NETO KAS DAN SETARA KAS	(5.723)	(25.012)	NET DECREASE IN CASH AND CASH EQUIVALENTS
PENGARUH PERUBAHAN KURS MATA UANG ASING ATAS KAS DAN SETARA KAS	252	3.597	EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS
KAS DAN SETARA KAS AWAL TAHUN	124.348	145.763	CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR
KAS DAN SETARA KAS AKHIR TAHUN	118.877	124.348	CASH AND CASH EQUIVALENTS AT END OF YEAR

Lihat Catatan 49 atas laporan keuangan konsolidasian untuk informasi tambahan arus kas

See Note 49 to the consolidated financial statements for the supplementary cash flows information

*) Direklasifikasi (Catatan 50).

As reclassified (Note 50).

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements.

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1. UMUM

a. Pendirian Perusahaan

PT Bakrie & Brothers Tbk ("Perusahaan") didirikan di Republik Indonesia berdasarkan Akta Notaris No. 55 tanggal 13 Maret 1951 dari Notaris Sie Khwan Djioe dengan nama "N.V. Bakrie & Brothers". Akta Pendirian tersebut telah mendapatkan persetujuan dari Menteri Kehakiman Republik Indonesia melalui Surat Keputusan No. J.A.8/81/6 tanggal 25 Agustus 1951 dan diumumkan dalam Berita Negara No. 94 Tambahan No. 550 tanggal 23 November 1951. Anggaran Dasar Perusahaan telah mengalami beberapa kali perubahan, terakhir berdasarkan Akta Notaris No. 39 tanggal 17 Januari 2019 oleh Humbert Lie, S.H., S.E., M.Kn., mengenai penyelesaian pinjaman dari Fountain City Investment Ltd, Daley Capital Ltd dan Levoca Enterprise Ltd dengan menerbitkan saham Perusahaan melalui penerbitan modal tambahan melalui Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu (PHMTHMETD) yang mengakibatkan perubahan struktur modal Perusahaan. Perubahan ini telah disetujui oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan Surat No. AHU-AH.01.03-0045691 tanggal 24 Januari 2019 dan menunggu pengumuman dalam Berita Negara Republik Indonesia.

Sesuai dengan Pasal 3 Anggaran Dasar Perusahaan, ruang lingkup kegiatan Perusahaan antara lain meliputi perdagangan umum, jasa konstruksi, pertanian, pertambangan, industri, terutama produksi pipa baja, bahan bangunan dan bahan konstruksi lainnya, sistem telekomunikasi, barang elektronik dan elektrik serta investasi termasuk penyertaan modal pada perusahaan lain.

Perusahaan berdomisili di Jakarta Selatan, dengan kantor pusat berlokasi di Bakrie Tower, Lantai 35-37, Komplek Rasuna Epicentrum, Jalan H.R. Rasuna Said, Jakarta Selatan. Perusahaan beroperasi secara komersial mulai tahun 1951.

Perusahaan tergabung dalam Kelompok Usaha Bakrie.

b. Penawaran Umum dan Pencatatan Saham dan Obligasi Perusahaan di Bursa Efek

Sifat Aksi Korporasi	Jumlah Saham/ Number of Shares
Penawaran Umum Perdana di Bursa Efek Indonesia (BEI) (dahulu Bursa Efek Jakarta)	2.850.000

1. GENERAL

a. Company's Establishment

PT Bakrie & Brothers Tbk (the "Company") was established in the Republic of Indonesia on March 13, 1951 based on Notarial Deed No. 55 of Sie Khwan Djioe under the name of "N.V. Bakrie & Brothers". The Deed of Establishment was approved by the Ministry of Justice of the Republic of Indonesia per its Decision Letter No. J.A.8/81/6 dated August 25, 1951 and was published in the State Gazette No. 94, Supplement No. 550 dated November 23, 1951. The Articles of Association have been amended several times, the most recent being based on Notarial Deed No. 39 dated January 17, 2019 by Humbert Lie, S.H., S.E., M.Kn. regarding the settlement of loans from Fountain City Investment Ltd, Daley Capital Ltd and Levoca Enterprise Ltd by issuance of the Company's shares through the issuance of additional capital through Non-Preemptive Right (NPR) resulting to changes in the Company's capital structure. This amendment was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-AH.01.03-0045691 dated January 24, 2019 and is awaiting publication in the State Gazette of the Republic of Indonesia.

According to Article 3 of the Articles of Association, the scope of the Company's activities comprises general trading, construction, agriculture, mining, industry, especially steel pipe manufacturing, building materials and other construction products, telecommunication systems, electronic and electrical goods and investment including equity investment in other companies.

The Company is domiciled in South Jakarta, with the head office is located at Bakrie Tower, 35th-37th Floor, Rasuna Epicentrum Complex, Jalan H.R. Rasuna Said, South Jakarta. The Company started its commercial operations in 1951.

The Company is part of the Bakrie Group.

b. Public Offering and Company's Listing of Shares and Bonds at the Stock Exchange

Tanggal Efektif/ Effective Date	Nature of Corporate Action
28 Agustus 1989/ August 28, 1989	Initial Public Offering on the Indonesia Stock Exchange (IDX) (formerly Jakarta Stock Exchange)

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1. UMUM (Lanjutan)

1. GENERAL (Continued)

Sifat Aksi Korporasi	Jumlah Saham/ Number of Shares	Tanggal Efektif/ Effective Date	Nature of Corporate Action
Pencatatan atas saham para pendiri Perusahaan dalam bentuk <i>Company Listing</i>	16.150.000	9 Maret 1990/ March 9, 1990	Listed founders' shares in the form of Company Listing
<i>Private Placement I</i>	978.969	27 November 1991/ November 27, 1991	<i>Private Placement I</i>
<i>Private Placement II</i>	1.031	10 Januari 1992/ January 10, 1992	<i>Private Placement II</i>
Penawaran Umum Terbatas I dengan Hak Memesan Efek Terlebih Dahulu	1.080.000	4 Juni 1993/ June 4, 1993	Rights Issue I with Pre-emptive Rights
Saham Bonus I	31.590.000	22 Juni 1994/ June 22, 1994	Bonus Shares I
Penawaran Umum Terbatas II dengan Hak Memesan Efek Terlebih Dahulu	189.540.000	14 Juli 1994/ July 14, 1994	Rights Issue II with Pre-emptive Rights
Pemecahan Saham	242.190.000	7 Agustus 1995/ August 7, 1995	Stock Split
Saham Bonus II	1.453.140.000	7 Januari 1997/ January 17, 1997	Bonus Shares II
Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu	36.812.880.000	31 Oktober 2001/ October 31, 2001	Additional Capital through Non-preemptive Rights
Penggabungan Saham I	(31.000.320.000)	17 Maret 2005/ March 17, 2005	Reverse Stock Split I
Penawaran Umum Terbatas III dengan Hak Memesan Efek Terlebih Dahulu	19.220.198.400	6 Mei 2005/ May 6, 2005	Rights Issue III with Pre-emptive Rights
Penggabungan Saham II	(13.485.139.200)	6 Maret 2008/ March 6, 2008	Reverse Stock Split II
Penawaran Umum Terbatas IV dengan Hak Memesan Efek Terlebih Dahulu dan Waran Seri I	84.956.376.960	24 Maret 2008/ March 24, 2008	Rights Issue IV with Pre-emptive Rights and Warrant Series I
Akhir Periode Pelaksanaan Waran	(4.719.798.632)	1 April 2011/ April 1, 2011	Expiry of Warrant Exercise Period
Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu	3.300.000.000	30 November 2016/ November 30, 2016	Additional Capital through Non-preemptive Rights

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Sifat Aksi Korporasi	Jumlah Saham/ Number of Shares	Tanggal Efektif/ Effective Date	Nature of Corporate Action
Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu	16.458.094.820	31 Maret 2017/ March 31, 2017	Additional Capital through Non-preemptive Rights
Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu	55.751.960	11 September 2017/ September 11, 2017	Additional Capital through Non-preemptive Rights
Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu	7.624.865.069	3 April 2018/ April 3, 2018	Additional Capital through Non-preemptive Rights
Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu	623	21 Mei 2018/ May 21, 2018	Additional Capital through Non-preemptive Rights
Penggabungan Saham III	(109.044.387.000)	31 Mei 2018/ May 31, 2018	Reverse Stock Split III
Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu	8.655.934.000	12 Desember 2018/ December 12, 2018	Additional Capital through Non-preemptive Rights

1. GENERAL (Continued)

c. Struktur Entitas Anak, Ventura Bersama dan Entitas Asosiasi

Pada tanggal 31 Desember 2018 dan 2017, Perusahaan mempunyai kepemilikan saham secara langsung maupun tidak langsung pada Entitas Anak (selanjutnya secara bersama-sama disebut sebagai "Kelompok Usaha"), entitas pengendalian bersama dan entitas asosiasi:

c. Structure of the Subsidiaries, Joint Venture and Associates

As of December 31, 2018 and 2017, the Company has direct and indirect share ownership in the following Subsidiaries (together with the Company hereinafter referred to as the "Group"), jointly controlled entities and associates:

Nama Entitas/ <i>Name of Entity</i>	Domisili/ <i>Domicile</i>	Bidang Usaha/ <i>Scope of Activities</i>	Tahun Pendirian/ Kegiatan Usaha/ Year of <i>Establishment/ Commercial Operations</i>	Persentase Kepemilikan/ Percentage of Ownership		Total Aset Sebelum Eliminasi/ Total Assets Before Elimination	
				2018 (%)	2017 (%)	2018	2017
Entitas Anak/ <i>Subsidiaries</i> Kepemilikan secara langsung/ <i>Direct Ownership</i>							
PT Bakrie Building Industries (BBI)	Jakarta	Industri produk dari fiber semen/ <i>Fiber cement building</i>	1974	99,99	99,99	1.192.545	1.391.521
PT Bakrie Metal Industries (BMI)	Bekasi	Pabrikasi baja bergelombang dan " <i>multiplate</i> "/ <i>Corrugated metal products and multiplate</i>	1982	99,99	99,99	3.986.027	3.496.344

*) Didekonsolidasi pada tanggal 31 Maret 2018
**) Didekonsolidasi pada tanggal 31 Desember 2018

*) Deconsolidated as of March 31, 2018
**) Deconsolidated as of December 31, 2018

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1. UMUM (Lanjutan)

1. GENERAL (Continued)

Nama Entitas/ <i>Name of Entity</i>	Domisili/ <i>Domicile</i>	Bidang Usaha/ <i>Scope of Activities</i>	Tahun Pendirian/ Kegiatan Usaha - Year of Establishment/ Commercial Operations	Persentase Kepemilikan/ Percentage of Ownership		Total Aset Sebelum Eliminasi/ Total Assets Before Elimination	
				2018 (%)	2017 (%)	2018	2017
PT Bakrie Harper (BHP)	Jakarta	Konstruksi baja/ <i>Steel construction</i>	1996	70,00	70,00	37.738	37.728
PT Bakrie Indo Infrastructure (BIIN)	Jakarta	Pembangunan dan jasa/ <i>Development and services</i>	2008	99,99	99,99	681.223	379.414
Sebastopol Inc. (SI)	Cayman Islands	Investasi/ <i>Investment</i>	2008	100,00	100,00	482.975	351.156
Bakrie Energy International Pte. Ltd.	Singapura/ <i>Singapore</i>	Perdagangan/ <i>Trading</i>	2009	100,00	100,00	425.484	231.318
PT Bakrie Solusi Strategis (BSS)	Jakarta	Perdagangan, jasa, industri/ <i>Trading, services, industry</i>	2010	99,99	99,99	4.978	4.186
PT Kreasindo Jaya Utama (KJU)	Jakarta	Perdagangan/ <i>Trading</i>	2009	99,99	99,99	-	-
<u>Kepemilikan secara tidak langsung/ Indirect Ownership</u>							
<u>Melalui BBI/Through BBI</u>							
PT Bangun Bantala Indonesia (Bantala)	Jakarta	Perdagangan umum/ <i>General trading</i>	2013	99,02	99,02	70.327	37.003
PT Pilar Agra Unggul (PAU) *)	Jakarta	Perdagangan umum/ <i>General trading</i>	2015	-	99,04	-	911.409
<u>Melalui BMI/Through BMI</u>							
PT Bakrie Pipe Industries (BPI)	Jakarta	Pabrikasi pipa baja/ <i>Steel pipe manufacturer</i>	1979	99,99	99,99	2.490.772	2.217.711
PT Bakrie Construction (BCons)	Jakarta	Konstruksi baja/ <i>Steel construction</i>	1986	97,57	97,57	427.613	401.076
PT Bina Inspeksi Ujiprima (BIU **)	Jakarta	Laboratorium/ <i>Laboratory service</i>	2014	-	60,00	-	-
PT Bina Proteksi Prima Pipabaja (BPP) **)	Jakarta	Jasa pelapisan/ <i>Coating plant</i>	2014	-	60,00	-	-
PT Bakrie Autoparts (BA)	Bekasi	Pabrikasi besi cor dan komponen otomotif/ <i>Foundry and automotive component</i>	1976	99,99	99,99	803.036	803.535
<u>Melalui BIIN/Through BIIN</u>							
PT Bakrie Gas (BG)	Jakarta	Perdagangan minyak dan gas bumi/ <i>Oil and gas trading</i>	2006	99,50	99,50	19.998	19.998
PT Bakrie Gasindo Utama (BGU)	Jakarta	Perdagangan minyak dan gas bumi/ <i>Oil and gas trading</i>	2006	99,50	99,50	19.998	19.998
PT Bakrie Java Energy (BJE)	Jakarta	Perdagangan minyak dan gas bumi/ <i>Oil and gas trading</i>	2006	99,99	99,99	498	498
PT Energas Daya Pratama (EDP)	Jakarta	Perdagangan minyak dan gas bumi/ <i>Oil and gas trading</i>	2006	99,50	99,50	9.998	9.998

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1. UMUM (Lanjutan)

1. GENERAL (Continued)

Nama Entitas/ Name of Entity	Domisili/ Domicile	Bidang Usaha/ Scope of Activities	Tahun Pendirian/ Kegiatan Usaha - Year of Establishment/ Commercial Operations	Persentase Kepemilikan/ Percentage of Ownership		Total Aset Sebelum Eliminasi/ Total Assets Before Elimination	
				2018 (%)	2017 (%)	2018	2017
PT Bakrie Power (BP)	Jakarta	Pembangkit tenaga Listrik/ Energy and electrical power	1994	99,99	99,99	411.529	364.026
PT Bangun Infrastruktur Nusantara (BIN)	Jakarta	Pembangunan dan jasa/ Development and services	2008	99,99	99,99	20.267	20.267
PT Bakrie Oil & Gas Infrastructure	Jakarta	Pembangunan dan jasa/ Development and services	2008	99,99	99,99	1	1
PT Bakrie Telco Infrastructure (BTelco)	Jakarta	Pembangunan dan jasa/ Development and services	2008	99,50	99,50	10.000	10.000
PT Bakrie Toll Indonesia (BTI)	Jakarta	Pembangunan dan jasa/ Development and services	2008	99,99	99,99	4.679	4.679
PT Bakrie Port Indonesia (BPort)	Jakarta	Pembangunan dan jasa/ Development and services	2008	99,50	99,50	10.100	10.100
PT Bakrie Mina Bahari	Jakarta	Perdagangan umum/ General trading	2017	70,00	70,00	10.249	10.145
PT Multi Kontrol Nusantara (MKN)	Jakarta	Jasa informasi teknologi, telekomunikasi, sistem integrasi, multimedia dan jaringan/ Information technology, telecommunication, integration system, multimedia and network	1984	99,90	-	253.276	-
<u>Melalui BEI/Through BEI</u>							
PT Bakrie Kimia Investama (BKIV)	Jakarta	Konsultasi manajemen/ Management consultation	2009	99,00	99,00	34.540	38.622
Bakrie AN International Pte. Ltd.	Singapura/ Singapore	Perdagangan amonium nitrat/ Trading in ammonium nitrate	2009	100,00	100,00	-	-
Bakrie Agro Commodity International Pte. Ltd.	Singapura/ Singapore	Perdagangan Olein/ Trading in Olein	2009	100,00	100,00	-	-
<u>Melalui KJU/Through KJU</u>							
PT Batuta Kimia Perdana (BKP)	Jakarta	Industri kimia dasar chlororganik/Chemical industries-organic chlor	2009	55,00	55,00	5	-
<u>Melalui BPI/Through BPI</u>							
PT South East Asia Pipe Industries	Jakarta	Pabrikasi pipa baja/ Steel pipe manufacturer	2001	99,85	99,85	580.544	590.323
<u>Melalui BA/Through BA</u>							
PT Bakrie Steel Industries (BSI)	Jakarta	Industri dan perdagangan/ Industries and trading	2007	99,99	99,99	5.600	6.146
PT Braja Mukti Cakra (BMC)	Bekasi	Industri suku cadang kendaraan bermotor/ Automotive components	1986	50,00	50,00	238.169	229.461
PT Bina Usaha Mandiri Mizusawa (BUMM)	Tangerang	Industri suku cadang kendaraan bermotor/ Automotive components	1986	99,90	99,90	128.693	108.517

*) Didekonsolidasi pada tanggal 31 Maret 2018
 **) Didekonsolidasi pada tanggal 31 Desember 2018

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1. UMUM (Lanjutan)

1. GENERAL (Continued)

Nama Entitas/ <i>Name of Entity</i>	Domisili/ <i>Domicile</i>	Bidang Usaha/ <i>Scope of Activities</i>	Tahun Pendirian/ Kegiatan Usaha - Year of <i>Establishment/</i>	Persentase Kepemilikan/ Percentage of Ownership		Total Aset Sebelum Eliminasi/ <i>Total Assets Before</i>	
			<i>Commercial</i> <i>Operations</i>	2018	2017	<i>Elimination</i>	
				(%)	(%)	2018	2017
<u>Melalui BP/Through BP</u>							
PT Bakrie Darmakarya Energi (BDE)	Jakarta	Pembangkit tenaga Listrik/ <i>Energy and electrical power</i>	2011	98,00	98,00	438.799	431.112
PT Kuala Tanjung Power (KTP)	Jakarta	Pembangkit tenaga Listrik/ <i>Energy and electrical power</i>	2010	99,00	99,00	2.866	2.865
<u>Melalui BIN/Through BIN</u>							
PT Bakrie Mina Bahari	Jakarta	Perdagangan Umum/ <i>General trading</i>	2017	30,00	30,00	10.249	10.145
<u>Melalui MKN/Through MKN</u>							
PT Graha Multimedia Nusantara	Jakarta	Jasa internet dan TV kabel/ <i>Internet services and TV cable</i>	2007	99,96	-	30.998	-
PT Cipta Wisesa (CTW)	Jakarta	Perdagangan/ <i>Trading</i>	2013	99,00	-	61.451	-
PT Starbit Technology Nusantara	Jakarta	Informasi teknologi, infrastruktur dan jasa/ <i>Information technology, infrastructure and services</i>	2007	75,00	-	2.375	-
<u>Melalui BKIV/Through BKIV</u>							
PT Batuta Kimia Utama (BKU)	Jakarta	Industri pupuk buatan/ <i>Non-organic fertilizer industry</i>	2009	95,00	95,00	-	-
PT Batuta Kimia Perdana (BKP)	Jakarta	Industri kimia dasar chlororganik/ <i>Chemical industries-organic chlor</i>	2009	45,00	45,00	-	-
<u>Melalui CTW/Through CTW</u>							
PT System Energi Nusantara (SEN)	Jakarta	Perdagangan umum/ <i>General trading</i>	2008	99,00	-	59.951	-
<u>Entitas Asosiasi/Associates</u>							
<u>Kepemilikan secara tidak langsung/ Indirect Ownership</u>							
<u>Melalui BEI/Through BEI</u>							
Bakrie Petroleum International Pte. Ltd.	Singapore	Perdagangan/ <i>Trading</i>	2009	40,00	40,00		1.124.948
PT Bakrie Investa Eco Industri	Jakarta	Perdagangan, jasa, industri/ <i>Trading, services, industry</i>	2012	40,00	40,00		-
<u>Entitas Pengendalian Bersama/Jointly Controlled Entities</u>							
<u>Kepemilikan secara tidak langsung/ Indirect Ownership</u>							
<u>Melalui BP/Through BP</u>							
PT Kalimantan Prima Power (KPP)	Jakarta	Pembangkit tenaga Listrik/ <i>Energy and electrical power</i>	2010	70,00	70,00		2.823.746
PT Guruh Agung	Jakarta	Pembangkit tenaga Listrik/ <i>Energy and electrical power</i>	2010	7,00	7,00		1.304.708
PT Citra Prima Buana	Jakarta	Pembangkit tenaga Listrik/ <i>Energy and electrical power</i>	2010	7,00	7,00		16.057

*) Didekonsolidasi pada tanggal 31 Maret 2018
 **) Didekonsolidasi pada tanggal 31 Desember 2018

*) Deconsolidated as of March 31, 2018
 **) Deconsolidated as of December 31, 2018

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1. UMUM (Lanjutan)

PT Pilar Agra Unggul (PAU)

Berdasarkan Akta Notaris No. 93 oleh Muchlis Patahna, S.H., tanggal 19 April 2018, PT Bakrie Building Industries (BBI) mengalihkan seluruh kepemilikan saham di PAU kepada PT Cakra Agra Abadi dan PT Galang Tata Kreasi. BBI mengakui keuntungan atas pelepasan entitas anak sebesar Rp4,4 miliar dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian dari transaksi ini.

Restrukturisasi Entitas Sepengendali

Pada tanggal 23 November 2018, BMI melakukan penempatan saham melalui penerbitan saham baru BA sejumlah 241.030.854 lembar saham (angka penuh) yang mewakili 61,431232% kepemilikan dengan nilai sebesar Rp100,0 miliar.

Pada tanggal 21 Desember 2018, BA menandatangani Perjanjian Jual Beli Saham dengan Perusahaan untuk membeli 151.327.951 lembar saham (angka penuh) BA yang mewakili 38,568765% kepemilikan dengan nilai akuisisi sebesar Rp115,0 miliar.

Pada tanggal 31 Desember 2018, persentase kepemilikan BMI di BA adalah 99,999997%.

Perubahan struktur kepemilikan BA dicatat dengan menggunakan PSAK 38 "Kombinasi Bisnis Entitas Sepengendali". Tidak ada pengaruh yang diakui dalam laporan keuangan konsolidasian ini karena transaksi ini telah tereliminasi di laporan keuangan konsolidasian.

PT Multi Kontrol Nusantara (MKN)

Pada tanggal 26 Desember 2018, BIIN menandatangani Perjanjian Jual Beli Saham dengan PT Bahana Cahaya Cakrawala untuk membeli 118.090 lembar saham (angka penuh) MKN yang mewakili 99,93% kepemilikan dengan nilai akuisisi sebesar Rp36,0 miliar.

Tabel berikut ini merupakan rekonsiliasi arus kas yang dibayarkan dan diperoleh dari akuisisi MKN:

	31 Desember/ December 31, 2018
Total perolehan	36.000
Pengalihan piutang dari PPC	(36.000)
Saldo kas yang diperoleh	4.344
Arus kas masuk - aktivitas investasi	4.344

1. GENERAL (Continued)

PT Pilar Agra Unggul (PAU)

Based on Notarial Deed No. 93 of Muchlis Patahna, S.H., April 19, 2018, PT Bakrie Building Industries (BBI) transferred all of its share ownership in PAU to PT Cakra Agra Abadi and PT Galang Tata Kreasi. BBI recognized gain on disposal of subsidiary amounting to Rp4.4 billion in the consolidated statement of profit or loss and other comprehensive income arising from this transaction.

Restructuring of Entities Under Common Control

On November 23, 2018, BMI subscribed new shares in BA totaling 241,030,854 shares (full amount) representing 61.431232% ownership with amount of Rp100.0 billion.

On December 21, 2018, BMI entered into a Sale and Purchase of Shares Agreement with the Company to purchase 151,327,951 shares (full amount) of BA representing 38.568765% ownership at acquisition price amounting to Rp115.0 billion.

As of December 31, 2018, the percentage ownership of BMI in BA was 99.999997%.

The change in ownership structure of BA was accounted for using PSAK 38 "Business Combination Entities under Common Control". No effect was recognized in the consolidated financial statements since this transaction was eliminated in the consolidated financial statements.

PT Multi Kontrol Nusantara (MKN)

On December 26, 2018, BIIN entered into a Sale and Purchase of Shares Agreement with PT Bahana Cahaya Cakrawala to purchase 118,090 shares (full amount) of MKN representing 99.93% ownership at acquisition price amounting to Rp36.0 billion.

The following table presents the reconciliation of cash flow payments and receipts from the acquisition of MKN:

Total acquisition price
Transfer of receivables from PPC
Balance of cash acquired
Cash inflow - investing activities

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1. UMUM (Lanjutan)

Jumlah yang diakui atas aset teridentifikasi yang diperoleh dan liabilitas yang diambil alih sebagai berikut:

	Nilai Wajar/ Fair Values	
Kas	4.344	Cash
Kas di bank yang dibatasi penggunaannya	6.036	Restricted cash in banks
Piutang usaha - neto	131.331	Trade receivables - net
Piutang lain-lain	1.618	Other receivables
Piutang pihak berelasi	6.041	Due from related parties
Persediaan - neto	6.757	Inventories - net
Aset lancar lainnya	18.157	Other current assets
Investasi pada entitas asosiasi - neto	525	Investment in associates
Aset tetap - neto	50.324	Fixed assets - net
Aset pajak tangguhan - neto	7.384	Deferred tax assets - net
Aset tidak lancar lainnya	20.759	Other non-current assets
Pinjaman bank jangka pendek	(71.507)	Short-term bank loan
Utang usaha	(20.072)	Trade payables
Utang lain-lain	(8.508)	Other payables
Beban masih harus dibayar	(5.167)	Accrued expenses
Utang pajak	(4.468)	Taxes payable
Uang muka pelanggan	(2.056)	Advances from customers
Utang pihak berelasi	(13.363)	Due to related parties
Pinjaman bank jangka panjang	(81.982)	Long-term bank loans
Utang sewa pembiayaan	(813)	Finance lease payables
Liabilitas imbalan pascakerja	(12.328)	Post-employment benefits liability
Aset teridentifikasi neto	33.012	Net identifiable assets
Kepentingan nonpengendali	(746)	Non-controlling interest
Goodwill	3.734	Goodwill
Total perolehan	36.000	Total acquisition price

Transaksi ini dibukukan dengan metode akuisisi yang menimbulkan *goodwill* sebesar Rp3,7 miliar. Namun demikian, BIIN mengakui kerugian penurunan nilai *goodwill* tersebut pada tahun 2018.

PT Bina Inspeksi Ujiprima (BIU)

Pada tanggal 31 Desember 2018, BMI menandatangani Perjanjian Jual Beli Saham dengan PT Cakrawala Baru untuk menjual 24.000 lembar saham (angka penuh) BIU yang mewakili 60% kepemilikan.

PT Bina Proteksi Prima Pipabaja (BPP)

Pada tanggal 31 Desember 2018, BMI menandatangani Perjanjian Jual Beli Saham dengan PT Cakrawala Baru untuk menjual 112.434 lembar saham (angka penuh) BPP yang mewakili 60% kepemilikan.

Recognized amounts of identifiable assets and acquired and liabilities assumed are as follows:

1. GENERAL (Continued)

The transaction was accounted for using the acquisition method which resulted to goodwill amounting to Rp3.7 billion. However, BIIN recognized impairment loss of goodwill in 2018.

PT Bina Inspeksi Ujiprima (BIU)

On December 31, 2018, BMI entered into a Sale and Purchase of Shares Agreement with PT Cakrawala Baru to sell 24,000 shares (full amount) of BIU representing 60% ownership.

PT Bina Proteksi Prima Pipabaja (BPP)

On December 31, 2018, BMI entered into a Sale and Purchase of Shares Agreement with PT Cakrawala Baru to sell 112,434 shares (full amount) of BPP representing 60% ownership.

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1. UMUM (Lanjutan)

d. Dewan Komisaris dan Direksi, Komite Audit dan Karyawan

Susunan Dewan Komisaris dan Direksi Perusahaan pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

	2018
Dewan Komisaris	
Komisaris Utama	Anindya Novyan Bakrie
Komisaris	Armansyah Yamin
Komisaris	Firmanzah *)
Direksi	
Direktur Utama	Gafur Sulistyo Umar
Wakil Direktur Utama	Anindra Ardiansyah Bakrie
Direktur	A. Amri Aswono Putro
Direktur	R.A. Sri Dharmayanti
Direktur Independen	Dody Taufiq Wijaya

*) Komisaris Independen

Selain Dewan Komisaris dan Direksi, personil manajemen kunci Perusahaan terdiri dari pimpinan dari masing-masing departemen seperti investasi, pengembangan strategis dan komunikasi perusahaan.

Pembentukan Komite Audit Perusahaan mengacu pada Peraturan Bapepam No. IX.1.5, dimana susunan anggota Komite Audit pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

	2018
Ketua	Firmanzah
Anggota	Irwan Sjarkawi
Anggota	Arief A. Dhani
Anggota	-

Pada tanggal 31 Desember 2018 dan 2017, Kelompok Usaha mempekerjakan masing-masing 2.704 karyawan dan 3.129 karyawan (tidak diaudit).

e. Penyelesaian Laporan Keuangan Konsolidasian

Manajemen Perusahaan bertanggung jawab atas penyusunan laporan keuangan konsolidasian ini yang telah disetujui oleh Direksi untuk diterbitkan pada tanggal 27 Maret 2019.

1. GENERAL (Continued)

d. Boards of Commissioners and Directors, Audit Committee and Employees

As of December 31, 2018 and 2017, the members of the Company's Boards of Commissioners and Directors were as follows:

	2017	
		Board of Commissioners
Irwan Sjarkawi *)		President Commissioner
Armansyah Yamin		Commissioner
Nugroho I. Purbowinoto		Commissioner
		Board of Directors
Gafur Sulistyo Umar		President Director
-		Vice-President Director
A. Amri Aswono Putro		Director
R.A. Sri Dharmayanti		Director
Dody Taufiq Wijaya		Independent Director

*) Independent Commissioner

Aside from Boards of Commissioners and Directors, the Company's key personnel consist of chief officers in each department such as investment, strategic development and corporate communications.

The Company's Audit Committee is set to conform with Bapepam Regulation No. IX.1.5, whereas the members of the Audit Committee as of December 31, 2018 and 2017, were as follows:

	2017	
Irwan Sjarkawi		Chairman
Nugroho I. Purbowinoto		Member
Lifransyah Gumay		Member
Arief A. Dhani		Member

As of December 31, 2018 and 2017, the Group employed 2,704 staffs and 3,129 staffs, respectively (unaudited).

e. Completion of the Consolidated Financial Statements

The management of the Company is responsible of the preparation of these consolidated financial statements that have been authorized for issue by the Board of Directors on March 27, 2019.

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2. PERNYATAAN KEPATUHAN

Laporan keuangan konsolidasian telah disusun sesuai dengan Standar Akuntansi Keuangan ("SAK"), yang mencakup Pernyataan dan Interpretasi yang diterbitkan oleh Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia, dan Keputusan Ketua Bapepam-LK No. KEP-347/BL/2012 tertanggal 25 Juni 2012 tentang Penyajian dan Pengungkapan Laporan Keuangan Emiten atau Perusahaan Publik yang diterbitkan oleh Otoritas Jasa Keuangan (OJK) (dahulu Bapepam-LK).

**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG
DITERAPKAN**

**a. Dasar Penyusunan Laporan Keuangan
Konsolidasian**

Kebijakan akuntansi yang diterapkan dalam penyusunan laporan keuangan konsolidasian ini adalah selaras dengan kebijakan akuntansi yang diterapkan dalam penyusunan laporan keuangan konsolidasian Kelompok Usaha untuk tahun yang berakhir pada tanggal 31 Desember 2017, kecuali untuk penerapan amandemen dan penyesuaian pernyataan yang berlaku efektif tanggal 1 Januari 2018 seperti yang diungkapkan dalam kebijakan akuntansi terkait.

Efektif tanggal 1 Januari 2018, Kelompok Usaha menerapkan Amandemen PSAK No. 2, "Laporan Arus Kas", tentang Prakarsa Pengungkapan. Amandemen ini mensyaratkan entitas untuk menyediakan pengungkapan yang memungkinkan pengguna laporan keuangan untuk mengevaluasi perubahan pada liabilitas yang timbul dari aktivitas pendanaan, termasuk perubahan yang timbul dari arus kas maupun perubahan nonkas.

Pengungkapan tambahan terkait dengan mutasi liabilitas yang diklasifikasikan dibawah aktivitas pendanaan dalam laporan arus kas konsolidasian diungkapkan dalam Catatan 48 atas laporan keuangan konsolidasian.

Laporan keuangan konsolidasian, kecuali laporan arus kas konsolidasian, telah disusun secara akrual dengan menggunakan konsep biaya perolehan (*historical cost*), kecuali untuk akun-akun tertentu yang diukur berdasarkan basis lain seperti yang dijelaskan dalam kebijakan akuntansi terkait.

Laporan arus kas konsolidasian disusun dengan menggunakan metode langsung, dan dikelompokkan ke dalam aktivitas operasi, investasi dan pendanaan.

Mata uang penyajian yang digunakan dalam penyusunan laporan keuangan konsolidasian adalah mata uang Rupiah atau Rp, yang juga merupakan mata uang fungsional Perusahaan dan Entitas Anak tertentu.

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2. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with Financial Accounting Standards ("SAK"), which comprise the Statements and Interpretations issued by the Board of Financial Accounting Standards of the Indonesian Institute of Accountants, and the Decree of the Chairman of Bapepam-LK No. KEP-347/BL/2012 dated June 25, 2012 regarding the Presentation and Disclosure of Financial Statement of Issuers of Public Companies issued by the Financial Services Authority (OJK) (formerly Bapepam-LK).

3. SIGNIFICANT ACCOUNTING POLICIES APPLIED

**a. Basis of Preparation of the Consolidated
Financial Statements**

The accounting policies applied in the preparation of these consolidated financial statements are consistent with the accounting policies applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2017, except for the adoption of amendments and improvements to statements effective January 1, 2018 as described in the related accounting policies.

Effective January 1, 2018, the Group applied Amendment to PSAK No. 2, "Statement of Cash Flows," on Disclosure Initiatives. This amendment requires an entity to provide disclosures that enable users of financial statements to evaluate changes to liabilities arising from financing activities, including the changes arising from cash flows or non-cash changes.

Additional disclosure related to movement of liabilities classified under financing activities in the consolidated statements of cash flows was disclosed in Note 48 to the consolidated financial statements.

The consolidated financial statements, except for the consolidated statements of cash flows, have been prepared on an accrual basis of accounting using the historical cost concept, except for certain accounts that are measured on the other bases as described in the related accounting policies.

The consolidated statements of cash flows are prepared using the direct method, and classified into operating, investing and financing activities.

The presentation currency used in the preparation of the consolidated financial statements is Indonesian Rupiah or Rp, which is also the functional currency of the Company and its certain Subsidiaries.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG
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b. Prinsip-prinsip Konsolidasi

Efektif tanggal 1 Januari 2018, Kelompok Usaha menerapkan PSAK No. 67 (Penyesuaian 2017), "Pengungkapan Kepentingan dalam Entitas Lain", yang mengklarifikasi bahwa persyaratan pengungkapan dalam PSAK ini juga diterapkan pada setiap kepentingan dalam entitas yang diklasifikasikan sesuai dengan PSAK 58: Aset Tidak Lancar yang Dikuasai untuk Dijual dan Operasi yang Dihentikan. Penerapan penyesuaian ini tidak berdampak terhadap laporan keuangan konsolidasian Kelompok Usaha.

Entitas (entitas induk) yang mengendalikan satu atau lebih entitas lain (entitas anak) menyajikan laporan keuangan konsolidasian. *Investor*, terlepas dari sifat keterlibatannya dengan entitas (*investee*), menentukan apakah *investor* merupakan entitas induk dengan menilai apakah *investor* tersebut mengendalikan *investee*.

Investor mengendalikan *investee* ketika *investor* terekspos atau memiliki hak atas imbal hasil variabel dari keterlibatannya dengan *investee* dan memiliki kemampuan untuk memengaruhi imbal hasil tersebut melalui kekuasaannya atas *investee*. Dengan demikian, *investor* mengendalikan *investee* jika, dan hanya jika, *investor* memiliki seluruh hal berikut ini:

- kekuasaan atas *investee*;
- eksposur atau hak atas imbal hasil variabel dari keterlibatannya dengan *investee*; dan
- kemampuan untuk menggunakan kekuasaannya atas *investee* untuk memengaruhi jumlah imbal hasil *investor*.

Investor menilai kembali apakah *investor* mengendalikan *investee* jika fakta dan keadaan mengindikasikan adanya perubahan terhadap satu atau lebih dari tiga (3) elemen pengendalian.

Konsolidasi atas *investee* dimulai sejak tanggal *investor* memperoleh pengendalian atas *investee* dan berakhir ketika *investor* kehilangan pengendalian atas *investee*.

Entitas induk menentukan apakah entitas induk adalah entitas investasi. Entitas investasi adalah entitas yang:

- memperoleh dana dari satu atau lebih *investor* dengan tujuan memberikan *investor* tersebut jasa manajemen investasi;
- menyatakan komitmen kepada *investor* bahwa tujuan bisnisnya adalah untuk menginvestasikan dana yang semata-mata untuk memperoleh imbal hasil dari kenaikan nilai modal, penghasilan investasi, atau keduanya; dan
- mengukur dan mengevaluasi kinerja dan seluruh investasinya berdasarkan nilai wajar.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED
(Continued)**

b. Principles of Consolidation

Effective January 1, 2018, the Group applied PSAK No. 67 (Improvement 2017), "Disclosure of Interests in Other Entities," which clarifies that the disclosures requirements of this PSAK are also applied to any interest in an entity classified in accordance with PSAK 58: Non-Current Assets Held for Sale and Discontinued Operations. The adoption of this improvement had no impact on the Group's consolidated financial statements.

An entity (the parent) that controls one or more other entities (subsidiaries) present consolidated financial statements. Investors, apart from the nature of their involvement with an entity (investee), determine whether they are a parent by assessing whether they control the investee.

An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Therefore, the investor controls the investee if, and only if, it has all of the following:

- power over the investee;
- exposure or rights to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

An investor reassess whether it controls an investee if facts and circumstances indicate that one or more of the three (3) control elements have changed.

Investee is consolidated from the date the investor obtains control of investee and continues to be consolidated until the date that such control ceases.

A parent determines whether it is an investment entity. An investment entity is an entity that:

- obtains funds from one or more investors for the purpose of providing investment management services;
- provides commitment to investors that the business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measures and evaluates the performance of its investments on a fair value basis.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG
DITERAPKAN (Lanjutan)**

Entitas induk yang adalah entitas investasi mengukur investasi dalam entitas anak pada nilai wajar melalui laba rugi.

Kepentingan nonpengendali mencerminkan bagian atas laba rugi dan aset neto yang tidak diatribusikan kepada entitas induk dan disajikan secara terpisah dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian dan ekuitas pada laporan posisi keuangan konsolidasian, dipisahkan dari ekuitas yang dapat diatribusikan kepada entitas induk.

Total penghasilan komprehensif lain diatribusikan kepada pemilik entitas induk dan pada kepentingan nonpengendali bahkan jika hal ini mengakibatkan kepentingan nonpengendali mempunyai saldo defisit.

Seluruh saldo akun dan transaksi yang material antar entitas yang dikonsolidasi telah dieliminasi.

Perubahan bagian kepemilikan

Perubahan dalam bagian kepemilikan entitas induk pada entitas anak yang tidak mengakibatkan hilangnya pengendalian dicatat sebagai transaksi ekuitas, dimana jumlah tercatat kepentingan pengendali dan nonpengendali disesuaikan untuk mencerminkan perubahan bagian relatifnya atas entitas anak. Perbedaan antara jumlah kepentingan nonpengendali disesuaikan dan nilai wajar imbalan yang diberikan atau diterima diakui secara langsung dalam ekuitas dan diatribusikan pada pemilik entitas induk.

Jika entitas induk kehilangan pengendalian pada entitas anak, maka entitas induk:

- menghentikan pengakuan aset (termasuk setiap goodwill) dan liabilitas entitas anak terdahulu dari laporan posisi keuangan konsolidasian;
- mengakui sisa investasi pada entitas anak terdahulu pada nilai wajarnya pada tanggal hilangnya pengendalian, dan selanjutnya mencatat sisa investasi tersebut dan setiap jumlah terutang oleh atau kepada entitas anak terdahulu. Nilai wajar tersebut dianggap sebagai nilai wajar pada saat pengakuan awal aset keuangan atau, jika sesuai, biaya perolehan pada saat pengakuan awal investasi pada entitas asosiasi atau ventura bersama.
- mengakui keuntungan atau kerugian terkait dengan hilangnya pengendalian yang dapat diatribusikan pada kepentingan pengendali terdahulu.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED
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A parent that is an investment entity measures its investments in particular subsidiaries at fair value through profit or loss.

Non-controlling interest represents a portion of the profit or loss and net assets not attributable to the parent and is presented separately in the consolidated statement of profit or loss and other comprehensive income, and within equity in the consolidated statement of financial position, separate from equity attributable to the parent.

Total other comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All significant intercompany transactions and balances have been eliminated.

Changes in the ownership interests

Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions, in which the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognized directly in equity and attributed to the owners of the parent.

If a parent loses control of a subsidiary, the parent:

- derecognizes the assets (including goodwill) and liabilities of the former subsidiary from the consolidated statement of financial position.
- recognizes any investment retained in the former subsidiary at its fair value at the date when control is lost, and subsequently accounts for it and for any amounts owed by or to the former subsidiary. That fair value shall be regarded as the fair value on initial recognition of a financial asset or, if appropriate, the cost on initial recognition of an investment in an associate or joint venture.
- recognizes the gain or loss associated with the loss of control attributable to the former controlling interest.

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c. Kombinasi Bisnis

Kombinasi bisnis dicatat dengan metode akuisisi. Jika aset yang diperoleh bukan suatu bisnis, maka Kelompok Usaha mencatatnya sebagai akuisisi aset. Biaya perolehan dari sebuah akuisisi diukur berdasarkan nilai agregat imbalan yang dialihkan yang diukur pada nilai wajar tanggal akuisisi dan jumlah setiap kepentingan nonpengendali pada pihak yang diakuisisi. Untuk setiap kombinasi bisnis, Kelompok Usaha memilih mengukur kepentingan nonpengendali pada pihak yang diakuisisi baik pada nilai wajar atau pada bagian proporsional dari aset neto yang teridentifikasi dari pihak diakuisisi. Biaya terkait akuisisi dibebankan pada saat terjadi dan diakui dalam laba rugi.

Jika kombinasi bisnis dilakukan secara bertahap, setiap kepentingan ekuitas yang dimiliki sebelumnya diukur kembali pada nilai wajar tanggal akuisisi dan setiap keuntungan atau kerugian yang dihasilkan diakui dalam laba rugi.

Setiap imbalan kontinjensi yang dialihkan oleh pihak pengakuisisi diakui pada nilai wajar pada tanggal akuisisi. Imbalan kontinjensi diklasifikasi sebagai aset atau liabilitas yang merupakan instrumen keuangan dan termasuk dalam ruang lingkup PSAK No. 55, diukur pada nilai wajar dengan perubahan pada nilai wajar diakui baik dalam laba rugi atau penghasilan komprehensif lain. Jika imbalan kontinjensi tidak termasuk dalam ruang lingkup PSAK No. 55 diukur dengan PSAK yang sesuai. Imbalan kontinjensi yang diklasifikasikan sebagai ekuitas tidak diukur kembali dan penyelesaian selanjutnya dicatat dalam ekuitas.

Goodwill pada awalnya diakui sebesar biaya perolehan, menjadi selisih lebih nilai gabungan dari imbalan yang dialihkan dan jumlah yang diakui untuk kepentingan nonpengendali, dan setiap kepentingan yang dimiliki sebelumnya, atas jumlah neto aset teridentifikasi yang diperoleh dan liabilitas yang diambil-alih. Dalam kasus pembelian dengan diskon, jika nilai wajar atas aset neto yang diakuisisi melebihi nilai gabungan imbalan yang dialihkan, maka selisih tersebut diakui langsung dalam laba rugi.

Setelah pengakuan awal, *goodwill* diukur pada biaya perolehan dikurangi akumulasi rugi penurunan nilai. Untuk tujuan pengujian penurunan nilai, *goodwill* yang diperoleh dari suatu kombinasi bisnis, sejak tanggal akuisisi, dialokasikan ke setiap unit penghasil kas dari Kelompok Usaha yang diharapkan bermanfaat untuk kombinasi tersebut, terlepas dari apakah aset atau liabilitas lain dari pihak yang diakuisisi ditetapkan ke unit-unit tersebut.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED
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c. Business Combinations

Business combinations are accounted for using the acquisition method. If the asset acquired is not a business, the Group accounts for it as asset acquisition. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition-date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and recognized in profit or loss.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition-date fair value and any resulting gain or loss is recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PSAK No. 55, is measured at fair value with changes in fair value recognized either in profit or loss or in other comprehensive income. If the contingent consideration is not within the scope of PSAK No. 55, it is measured in accordance with the appropriate PSAK. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred in the case of a bargain purchase, the difference is recognized directly in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination, from the acquisition date, is allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG
DITERAPKAN (Lanjutan)**

Jika *goodwill* yang telah dialokasikan pada suatu unit penghasil kas dan bagian operasi atas unit tersebut dilepas, maka *goodwill* yang terkait dengan operasi yang dilepas tersebut dimasukkan ke dalam jumlah tercatat operasi ketika menentukan keuntungan atau kerugian dari pelepasan. *Goodwill* yang dilepas dalam keadaan tersebut diukur berdasarkan nilai relatif operasi yang dilepas dan porsi unit penghasil kas yang ditahan.

d. Kas dan Setara Kas

Kas dan setara kas terdiri dari saldo kas dan bank, serta deposito berjangka yang jatuh tempo dalam waktu tiga (3) bulan atau kurang sejak tanggal penempatan dan tidak digunakan sebagai jaminan atau dibatasi penggunaannya.

Kas di bank dan deposito berjangka yang dibatasi penggunaannya disajikan sebagai "Kas di Bank yang Dibatasi Penggunaannya." Kas di bank yang dibatasi penggunaannya yang akan digunakan untuk membayar kewajiban jatuh tempo dalam satu (1) tahun, disajikan sebagai bagian dari aset lancar. Rekening bank dan deposito berjangka lainnya yang dibatasi penggunaannya disajikan sebagai aset tidak lancar.

e. Instrumen Keuangan

1. Aset Keuangan

Pengakuan Awal

Aset keuangan pada awalnya diakui sebesar nilai wajarnya ditambah biaya transaksi, kecuali untuk aset keuangan yang diklasifikasikan pada nilai wajar melalui laba rugi yang pada awalnya diukur dengan nilai wajar. Klasifikasi aset keuangan antara lain sebagai aset keuangan yang ditetapkan untuk diukur pada nilai wajar melalui laba rugi (*FVTPL*), investasi dimiliki hingga jatuh tempo (*HTM*), pinjaman yang diberikan dan piutang atau aset keuangan tersedia untuk dijual (*AFS*). Kelompok Usaha menetapkan klasifikasi aset keuangannya pada saat pengakuan awal dan, sepanjang diperbolehkan dan diperlukan, ditelaah kembali pengklasifikasian aset tersebut pada setiap akhir periode pelaporan.

Pengukuran Selanjutnya

• Aset keuangan *FVTPL*

Aset keuangan diklasifikasikan sebagai *FVTPL* jika aset keuangan diperoleh untuk diperdagangkan atau ditetapkan sebagai *FVTPL* pada saat pengakuan awal. Aset keuangan diklasifikasikan sebagai kelompok diperdagangkan jika diperoleh untuk tujuan dijual atau dibeli kembali dalam waktu dekat. Aset derivatif juga diklasifikasikan sebagai kelompok diperdagangkan kecuali aset derivatif tersebut ditetapkan sebagai instrumen lindung nilai efektif.

**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED
(Continued)**

If *goodwill* has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the *goodwill* associated with the disposed of operation is included in the carrying amount of the operation when determining the gain or loss on disposal. *Goodwill* disposed of in these circumstances is measured based on the relative values of the disposed of operation and the portion of the cash-generating unit retained.

d. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and in banks, and time deposits with original maturities within three (3) months or less and not pledged as collateral or restricted in use.

Cash in banks and time deposits, which are restricted in use, are presented as "Restricted Cash in Banks." Restricted cash in banks to be used to pay currently maturing obligations due within one (1) year is presented under current assets. Other bank accounts and time deposits that are restricted in use are presented under non-current assets.

e. Financial Instruments

1. Financial Assets

Initial Recognition

Financial assets are recognized initially at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value. Financial assets are classified as financial assets at fair value through profit or loss (*FVTPL*), held-to-maturity investments (*HTM*), loans and receivables or available-for-sale financial assets (*AFS*). The Group determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates the designation of such assets at each end of reporting period.

Subsequent Measurement

• Financial assets at *FVTPL*

Financial assets are classified as at *FVTPL* where the financial assets are either held for trading or they are designated as *FVTPL* at initial recognition. Financial assets are classified as held for trading if they are acquired for the purpose of sale or repurchase in the near term. Derivative assets are also classified as held for trading unless they are designated as effective hedging instruments.

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3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG DITERAPKAN *(Lanjutan)*

Aset keuangan yang ditetapkan sebagai FVTPL disajikan dalam laporan posisi keuangan konsolidasian pada nilai wajar dengan keuntungan atau kerugian dari perubahan nilai wajar diakui dalam laba rugi. Keuntungan atau kerugian yang diakui dalam laba rugi termasuk dividen atau bunga yang diperoleh dari aset keuangan.

- Pinjaman yang diberikan dan piutang

Pinjaman yang diberikan dan piutang adalah aset keuangan nonderivatif dengan pembayaran tetap atau telah ditentukan, yang tidak mempunyai kuotasi di pasar aktif. Aset keuangan tersebut diukur sebesar biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif, dikurangi dengan penurunan nilai. Keuntungan atau kerugian diakui dalam laba rugi pada saat pinjaman yang diberikan dan piutang dihentikan pengakuannya atau mengalami penurunan nilai, serta melalui proses amortisasi.

- Aset keuangan AFS

Aset keuangan AFS adalah aset keuangan nonderivatif yang ditetapkan sebagai tersedia untuk dijual atau yang tidak diklasifikasikan dalam tiga (3) kategori sebelumnya. Setelah pengakuan awal, aset keuangan AFS diukur dengan nilai wajar dengan keuntungan atau kerugian yang belum terealisasi diakui dalam penghasilan komprehensif lain, kecuali untuk kerugian penurunan nilai dan keuntungan atau kerugian akibat perubahan kurs, sampai aset keuangan tersebut dihentikan pengakuannya. Pada saat itu, keuntungan atau kerugian kumulatif yang sebelumnya diakui dalam penghasilan komprehensif lain direklasifikasi dari ekuitas ke laba rugi sebagai penyesuaian reklasifikasi. Akan tetapi, bunga yang dihitung menggunakan metode suku bunga efektif diakui dalam laba rugi. Aset keuangan ini diklasifikasikan sebagai aset tidak lancar kecuali aset keuangan tersebut ditujukan untuk dilepaskan dalam waktu dua belas (12) bulan dari tanggal pelaporan.

Penurunan Nilai Aset Keuangan

Pada setiap tanggal pelaporan, Kelompok Usaha mengevaluasi apakah aset keuangannya mengalami penurunan nilai.

3. SIGNIFICANT ACCOUNTING POLICIES APPLIED *(Continued)*

Financial assets at FVTPL are carried on the consolidated statement of financial position at fair value with gains or losses recognized in profit or loss. The gains or losses recognized in profit or loss include any dividend or interest earned from the financial assets.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Such financial assets are carried at amortized cost using the effective interest method, less any impairment. Gains or losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

- AFS financial assets

AFS financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three (3) preceding categories. After initial recognition, AFS financial assets are measured at fair value with unrealized gains or losses being recognized in other comprehensive income, except for impairment losses and gains or losses due to changes in exchange rates, until the financial assets are derecognized. At that time, the cumulative gains or losses previously reported in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustments. However, interest calculated using the effective interest method is recognized in profit or loss. These financial assets are classified as non-current assets unless the intention is to dispose of them within twelve (12) months from the reporting date.

Impairment of Financial Assets

The Group evaluates at each reporting date, whether any of its financial asset is impaired.

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3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG DITERAPKAN *(Lanjutan)*

- Aset keuangan yang diukur pada biaya perolehan diamortisasi

Jika terdapat bukti objektif penurunan nilai, maka jumlah kerugian tersebut, yang diukur sebagai selisih antara jumlah tercatat aset dengan nilai kini estimasi arus kas masa datang (tidak termasuk kerugian kredit dimasa datang yang belum terjadi) yang didiskonto menggunakan suku bunga efektif yang dihitung saat pengakuan awal aset tersebut, diakui pada laba rugi.

- Aset keuangan AFS

Jika terdapat bukti objektif bahwa aset AFS mengalami penurunan nilai, maka kerugian kumulatif yang sebelumnya diakui secara langsung dalam ekuitas harus dikeluarkan dari ekuitas dan diakui pada laba rugi.

Penghentian Pengakuan Aset Keuangan

Kelompok Usaha menghentikan pengakuan aset keuangan jika, dan hanya jika: hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut berakhir; atau Kelompok Usaha mentransfer hak kontraktual untuk menerima arus kas yang berasal dari aset keuangan atau tetap memiliki hak kontraktual untuk menerima arus kas yang berasal dari aset keuangan namun juga menanggung kewajiban kontraktual untuk membayar arus kas yang diterima tersebut kepada satu atau lebih pihak penerima melalui suatu kesepakatan yang memenuhi persyaratan tertentu. Ketika Kelompok Usaha mentransfer aset keuangan, maka Kelompok Usaha mengevaluasi sejauh mana Kelompok Usaha tetap memiliki risiko dan manfaat atas kepemilikan aset keuangan tersebut.

(2) Liabilitas Keuangan dan Instrumen Ekuitas

Pengakuan Awal

Kelompok Usaha menetapkan klasifikasi liabilitas keuangannya pada saat pengakuan awal. Instrumen utang dan ekuitas dikelompokkan sebagai liabilitas keuangan atau sebagai ekuitas sesuai dengan substansi pengaturan kontraktual.

3. SIGNIFICANT ACCOUNTING POLICIES APPLIED *(Continued)*

- Financial assets measured at amortized cost

If there is objective evidence of impairment, the amount of loss, which is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the effective interest rate computed at initial recognition of the asset, shall be recognized in profit or loss.

- AFS financial assets

If there is objective evidence that an AFS asset is impaired, the cumulative loss previously recognized directly in equity is transferred from equity to profit or loss.

Derecognition of Financial Assets

The Group derecognizes financial assets if, and only if: the contractual rights to the cash flows from the financial asset expire; the contractual rights to receive the cash flows of the financial asset are transferred to another entity or the contractual rights to receive the cash flows of the financial asset are retained but a contractual obligation is assumed to pay the cash flows to one or more recipients in an arrangement that meets certain conditions. When the Group transfers a financial asset, it evaluates the extent to which it retains the risks and rewards of ownership of the financial asset.

(2) Financial Liabilities and Equity Instruments

Initial Recognition

The Group determines the classification of its financial liabilities at initial recognition. Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

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Liabilitas keuangan diklasifikasikan sebagai liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi, liabilitas keuangan yang diukur pada biaya perolehan diamortisasi, atau sebagai derivatif yang ditentukan sebagai instrumen lindung nilai dalam lindung nilai yang efektif, mana yang sesuai. Liabilitas keuangan diakui pada awalnya sebesar nilai wajar dan, dalam hal pinjaman dan utang, termasuk biaya transaksi yang dapat diatribusikan secara langsung.

Instrumen ekuitas adalah setiap kontrak yang memberikan hak residual atas aset suatu entitas setelah dikurangi seluruh liabilitasnya. Instrumen ekuitas yang diterbitkan oleh Kelompok Usaha dicatat sebesar hasil yang diperoleh, dikurangi biaya penerbitan instrumen ekuitas.

Instrumen keuangan majemuk, seperti obligasi atau instrumen sejenis yang dapat dikonversi oleh pemegangnya menjadi saham biasa dengan jumlah yang telah ditetapkan, dipisahkan antara liabilitas keuangan dan ekuitas sesuai dengan substansi pengaturan kontraktual. Pada tanggal penerbitan instrumen keuangan majemuk, nilai wajar dari komponen liabilitas diestimasi dengan menggunakan suku bunga yang berlaku di pasar untuk instrumen *non-convertible* yang serupa. Jumlah ini dicatat sebagai liabilitas dengan dasar biaya perolehan diamortisasi menggunakan metode suku bunga efektif sampai dengan liabilitas tersebut berakhir melalui konversi atau pada tanggal instrumen jatuh tempo. Komponen ekuitas ditentukan dengan cara mengurangi jumlah komponen liabilitas dari keseluruhan nilai wajar instrumen keuangan majemuk. Jumlah tersebut diakui dan dicatat dalam ekuitas, dikurangi dengan pajak penghasilan, dan tidak ada pengukuran setelah pengakuan awal.

Pengukuran Selanjutnya

- Liabilitas keuangan

Liabilitas keuangan yang diukur pada FVTPL termasuk liabilitas keuangan untuk diperdagangkan dan liabilitas keuangan yang ditetapkan pada saat pengakuan awal untuk diukur pada FVTPL. Liabilitas keuangan diklasifikasikan sebagai kelompok diperdagangkan jika liabilitas keuangan tersebut diperoleh untuk tujuan dijual atau dibeli kembali dalam waktu dekat. Liabilitas derivatif juga diklasifikasikan sebagai kelompok diperdagangkan kecuali liabilitas derivatif tersebut ditetapkan sebagai instrumen lindung nilai efektif.

**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED
(Continued)**

Financial liabilities are classified as financial liabilities at fair value through profit or loss, financial liabilities measured at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, inclusive of directly attributable transaction costs.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issuance costs.

Compound financial instruments, a bond or similar instrument convertible by the holder into a fixed number of ordinary shares, are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issuance of compound financial instruments, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound financial instruments as a whole. This amount is recognized and included in equity, net of income tax effects, and is not subsequently remeasured.

Subsequent Measurement

- Financial liabilities

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition at FVTPL. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivative liabilities are also classified as held for trading unless they are designated as effective hedging instruments.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG
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Liabilitas keuangan yang diukur pada FVTPL dinyatakan sebesar nilai wajar dengan keuntungan atau kerugian diakui dalam laba rugi. Keuntungan atau kerugian yang diakui dalam laba rugi termasuk bunga yang dibayar atas liabilitas keuangan.

- Liabilitas keuangan yang diukur pada biaya perolehan diamortisasi

Setelah pengakuan awal, liabilitas keuangan dalam kategori ini selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif. Keuntungan atau kerugian diakui dalam laba rugi pada saat liabilitas tersebut dihentikan pengakuannya serta melalui proses amortisasi.

Penghentian Pengakuan Liabilitas Keuangan

Kelompok Usaha menghentikan pengakuan liabilitas keuangan jika, dan hanya jika, kewajiban Kelompok Usaha dihentikan, dibatalkan atau kedaluwarsa.

(3) Fasilitas Repo

Fasilitas repo diakui pada awalnya sebesar nilai wajar dan termasuk biaya transaksi yang dapat diatribusikan secara langsung, dan selanjutnya diukur pada biaya perolehan diamortisasi. Selisih antara harga pembelian kembali dengan nilai nominal pinjaman diakui sebagai beban keuangan menggunakan metode suku bunga efektif.

(4) Instrumen Derivatif

Instrumen derivatif dicatat pada pengakuan awal sebesar nilai wajar pada tanggal perjanjian derivatif ditandatangani dan diukur kembali setiap akhir periode laporan. Derivatif dicatat sebagai aset keuangan saat nilai wajar positif dan liabilitas keuangan saat nilai wajar negatif.

Derivatif melekat disajikan dengan kontrak utamanya pada laporan posisi keuangan konsolidasian yang mencerminkan penyajian yang memadai atas seluruh arus kas pada masa datang dari instrumen tersebut secara keseluruhan. Derivatif yang melekat pada instrumen keuangan atau kontrak awal diperlakukan sebagai derivatif yang berbeda saat risiko dan karakteristiknya tidak saling berhubungan dengan kontrak utamanya dan kontrak utama tersebut tidak diukur dengan nilai wajar serta perubahan pada nilai wajar diakui dalam laba rugi.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED
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Financial liabilities at FVTPL are stated at fair value with gains or losses recognized in profit or loss. The gains or losses recognized in profit or loss incorporate any interest paid on the financial liabilities.

- Financial liabilities measured at amortized cost

After initial recognition, financial liabilities in this category are subsequently measured at amortized cost using the effective interest method. Gains or losses are recognized in profit or loss when the liabilities are derecognized, as well as through the amortization process.

Derecognition of Financial Liabilities

The Group derecognizes financial liabilities if, and only if, the Group obligations are discharged, cancelled or expire.

(3) Repo Facility

Repo facility is recognized initially at fair value and inclusive of directly attributable transaction costs, and subsequently measured at amortized cost. The difference between the repurchase price and the loan nominal value is recognized as financial charges using the effective interest method.

(4) Derivative Instruments

Derivative instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each end of reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Embedded derivative is presented with the host contract on the consolidated statement of financial position which represents an appropriate presentation of overall future cash flows for the instrument taken as a whole. Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value, with changes in fair value recognized in profit or loss.

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3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG DITERAPKAN *(Lanjutan)*

Derivatif disajikan sebagai aset tidak lancar atau liabilitas jangka panjang jika sisa periode jatuh tempo dari instrumen tersebut lebih dari dua belas (12) bulan dan tidak diharapkan untuk direalisasi atau diselesaikan dalam jangka waktu dua belas (12) bulan.

Keuntungan atau kerugian yang timbul dari perubahan nilai wajar instrumen derivatif diakui sebagai laba tahun berjalan, kecuali seluruh persyaratan khusus terpenuhi (contoh, dokumen formal, penetapan dan pengukuran keefektifan transaksi) untuk diakui sebagai "Penghasilan Komprehensif Lainnya" sesuai dengan tipe akuntansi lindung nilai tertentu.

Seluruh instrumen derivatif Kelompok Usaha tidak memenuhi kriteria khusus untuk akuntansi lindung nilai, dan oleh karenanya, tidak ditentukan sebagai transaksi lindung nilai untuk tujuan akuntansi.

(5) Saling Hapus Instrumen Keuangan

Aset keuangan dan liabilitas keuangan saling hapus dan jumlah netonya dilaporkan dalam laporan posisi keuangan konsolidasian jika, dan hanya jika, saat ini memiliki hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui dan terdapat niat untuk menyelesaikannya secara neto, atau untuk merealisasikan aset dan menyelesaikan liabilitasnya secara simultan.

(6) Nilai Wajar dari Instrumen Keuangan

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur antara pelaku pasar di pasar utama (atau pasar yang paling menguntungkan) pada tanggal pengukuran dalam kondisi pasar saat ini (yaitu harga keluar) terlepas apakah harga tersebut dapat diobservasi secara langsung atau diestimasi dengan menggunakan teknik penilaian lain pada tanggal pengukuran.

Pengukuran nilai wajar mengasumsikan bahwa transaksi untuk menjual aset atau mengalihkan liabilitas terjadi:

- di pasar utama (*principal market*) untuk aset atau liabilitas tersebut; atau
- jika tidak terdapat pasar utama, di pasar yang paling menguntungkan (*most advantageous market*) untuk aset atau liabilitas tersebut.

Kelompok Usaha mengukur nilai wajar suatu aset atau liabilitas menggunakan asumsi yang akan digunakan pelaku pasar ketika menentukan harga aset atau liabilitas tersebut, dengan asumsi bahwa pelaku pasar bertindak dalam kepentingan ekonomis terbaiknya.

3. SIGNIFICANT ACCOUNTING POLICIES APPLIED *(Continued)*

A derivative is presented as a non-current asset or a long-term liability if the remaining maturity of the instrument is more than twelve (12) months and it is not expected to be realized or settled within twelve (12) months.

Gains or losses arising from changes in the fair value of the derivative instrument are recognized currently in earnings, unless meeting all the specific requirements (i.e., formal documentation, designation and assessment of the effectiveness of the transaction) to allow deferral as "Other Comprehensive Income" under certain types of hedge accounting.

None of the derivative instruments of the Group qualifies the specific criteria for hedge accounting, and therefore, are not designated as hedges for accounting purposes.

(5) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(6) Fair Value of Financial Instruments

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 in the principal (or most advantageous market) at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique at the measurement date.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The Group measures the fair value of an asset or a liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG
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Pengukuran nilai wajar aset nonkeuangan memperhitungkan kemampuan pelaku pasar untuk menghasilkan manfaat ekonomis dengan menggunakan aset dalam penggunaan tertinggi dan terbaiknya atau dengan menjualnya kepada pelaku pasar lain yang akan menggunakan aset tersebut dalam penggunaan tertinggi dan terbaiknya.

Kelompok Usaha menggunakan teknik penilaian yang sesuai dalam keadaan dan dimana data yang memadai tersedia untuk mengukur nilai wajar, memaksimalkan penggunaan *input* yang dapat diobservasi yang relevan dan meminimalkan penggunaan *input* yang tidak dapat diobservasi.

Hirarki nilai wajar dikategorikan dalam tiga (3) level *input* untuk teknik penilaian yang digunakan dalam pengukuran nilai wajar, sebagai berikut:

- Input* Level 1 - harga kuotasian (tanpa penyesuaian) di pasar aktif untuk aset atau liabilitas yang identik yang dapat diakses entitas pada tanggal pengukuran.
- Input* Level 2 - *input* selain harga kuotasian yang termasuk dalam Level 1 yang dapat diobservasi untuk aset atau liabilitas, baik secara langsung atau tidak langsung.
- Input* Level 3 - *input* yang tidak dapat diobservasi untuk aset atau liabilitas.

Untuk aset dan liabilitas yang diakui pada laporan keuangan konsolidasian secara berulang, Kelompok Usaha menentukan apakah terjadi transfer antara Level di dalam hirarki dengan cara mengevaluasi kategori (berdasarkan *input* level terendah yang signifikan dalam pengukuran nilai wajar) setiap akhir periode pelaporan.

Kelompok Usaha menentukan kelas aset dan liabilitas yang sesuai dengan sifat, karakteristik, dan risiko aset dan liabilitas, dan level hirarki nilai wajar dimana pengukuran nilai wajar tersebut dikategorikan.

f. Transaksi Pihak-pihak Berelasi

Kelompok Usaha mengungkapkan transaksi dengan pihak-pihak berelasi. Transaksi ini dilakukan berdasarkan persyaratan yang disetujui oleh kedua belah pihak, dimana persyaratan tersebut mungkin tidak sama dengan transaksi lain yang dilakukan dengan pihak-pihak yang tidak berelasi.

Semua transaksi yang signifikan dengan pihak-pihak berelasi, baik yang dilakukan dengan syarat dan kondisi yang sama dengan pihak ketiga ataupun tidak diungkapkan dalam catatan atas laporan keuangan konsolidasian.

**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED
(Continued)**

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair value hierarchy is categorized into three (3) levels of inputs to valuation techniques used to measure fair value, as follows:

- Level 1 inputs - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs - unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines appropriate classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability, and the level of the fair value hierarchy within which the fair value measurement is categorized.

f. Transactions with Related Parties

The Group discloses transactions with related parties. The transactions are made based on terms agreed by the parties, whereas such terms may not be the same as those for transactions with unrelated parties.

All significant transactions with related parties, whether or not conducted under the same terms and conditions as those with third parties, are disclosed in the notes to the consolidated financial statements.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG
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g. Persediaan

Persediaan dinyatakan sebesar nilai yang lebih rendah antara biaya perolehan atau nilai realisasi neto (the lower of cost or net realizable value). Biaya perolehan ditentukan dengan metode rata-rata tertimbang. Nilai realisasi neto adalah estimasi harga jual dalam kegiatan usaha biasa dikurangi estimasi biaya penyelesaian dan estimasi biaya yang diperlukan untuk membuat penjualan.

Biaya perolehan barang jadi dan barang dalam penyelesaian terdiri dari biaya bahan baku, tenaga kerja langsung, biaya langsung lainnya dan biaya overhead produksi (berdasarkan kapasitas normal operasi).

Penyisihan persediaan usang ditentukan berdasarkan hasil penelaahan atas keadaan persediaan pada akhir periode pelaporan.

h. Beban Dibayar Dimuka

Beban dibayar dimuka diamortisasi sesuai masa manfaat masing-masing biaya dengan menggunakan metode garis lurus.

i. Investasi pada Entitas Asosiasi dan Pengaturan Bersama

Efektif tanggal 1 Januari 2018, Kelompok Usaha menerapkan PSAK No. 15 (Penyesuaian 2017), "Investasi pada Entitas Asosiasi dan Ventura Bersama", yang mengklarifikasi bahwa pada saat pengakuan awal, entitas dapat memilih untuk mengukur investee-nya pada nilai wajar atas dasar investasi-per-investasi. Penerapan penyesuaian ini tidak berdampak terhadap laporan keuangan konsolidasian Kelompok Usaha.

Entitas asosiasi adalah entitas yang mana Kelompok Usaha memiliki pengaruh signifikan dan bukan merupakan entitas anak maupun bagian partisipasi dalam ventura bersama. Pemilikan, secara langsung maupun tidak langsung, 20% atau lebih hak suara *investee* dianggap pemilikan pengaruh signifikan, kecuali dapat dibuktikan dengan jelas hal yang sebaliknya.

Operasi bersama adalah pengaturan bersama yang mengatur bahwa para pihak yang memiliki pengendalian bersama atas pengaturan memiliki hak atas aset, dan kewajiban terhadap liabilitas, terkait dengan pengaturan tersebut. Para pihak tersebut disebut operator bersama.

Ventura bersama adalah pengaturan bersama yang mengatur bahwa para pihak yang memiliki pengendalian bersama atas pengaturan memiliki hak atas aset neto pengaturan tersebut. Para pihak tersebut disebut venturer bersama.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED
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g. Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is determined using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business less applicable estimated costs of completion and estimated costs necessary to make the sale.

The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity).

Allowance for inventory obsolescence is provided based on a review of the condition of inventories at the end of the reporting period.

h. Prepaid Expenses

Prepaid expenses are amortized over the periods benefited using the straight-line method.

i. Investments in Associates and Joint Arrangements

Effective January 1, 2018, the Group applied PSAK No. 15 (Improvement 2017), "Investments in Associates and Joint Ventures," which clarifies that at initial recognition, an entity may choose to measure its investee at fair value on an investment-per-investment basis. The adoption of this improvement had no impact on the Group's consolidated financial statements.

An associate is an entity, over which the Group has significant influence but is neither a subsidiary nor an interest in a joint venture. Direct or indirect ownership of 20% or more of the voting power of an investee is presumed to be an ownership of significant influence, unless it can be clearly demonstrated that this is not the case.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG
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Entitas dengan investasinya pada entitas asosiasi atau ventura bersama mencatat investasinya dengan menggunakan metode ekuitas. Dalam metode ekuitas, investasi pada entitas asosiasi atau ventura bersama pada awalnya diakui sebesar biaya perolehan dan jumlah tercatat tersebut ditambah atau dikurang untuk mengakui bagian investor atas laba rugi *investee* setelah tanggal perolehan.

Selanjutnya, bagian Kelompok Usaha atas laba rugi entitas asosiasi atau ventura bersama, setelah penyesuaian yang diperlukan terhadap dampak penyeragaman kebijakan akuntansi dan eliminasi laba atau rugi yang dihasilkan dari transaksi antara Kelompok Usaha dan entitas asosiasi atau ventura bersama, akan menambah atau mengurangi jumlah tercatat investasi tersebut dan diakui sebagai laba rugi Kelompok Usaha.

Penerimaan distribusi dari entitas asosiasi atau ventura bersama mengurangi jumlah tercatat investasi. Penyesuaian terhadap jumlah tercatat tersebut juga diperlukan jika terdapat perubahan dalam proporsi bagian Kelompok Usaha atas entitas asosiasi atau ventura bersama yang timbul dari penghasilan komprehensif lain dari entitas asosiasi atau ventura bersama. Bagian Kelompok Usaha atas perubahan tersebut diakui dalam penghasilan komprehensif lain dari Kelompok Usaha.

Goodwill yang terkait dengan akuisisi entitas asosiasi atau ventura bersama termasuk dalam jumlah tercatat investasi. *Goodwill* tidak diamortisasi dan dilakukan uji penurunan nilai setiap tahun.

Apabila nilai tercatat investasi telah mencapai nilai nol, kerugian selanjutnya akan diakui hanya jika Kelompok Usaha mempunyai komitmen untuk menyediakan bantuan pendanaan atau menjamin kewajiban entitas asosiasi atau ventura bersama yang bersangkutan.

Jika investasi pada entitas asosiasi menjadi investasi pada ventura bersama atau sebaliknya, maka entitas melanjutkan penerapan metode ekuitas dan tidak mengukur kembali kepentingan yang tersisa.

Perubahan bagian kepemilikan

Jika bagian pemilikan Kelompok Usaha pada entitas asosiasi berkurang, namun investasi tersebut tetap sebagai investasi pada entitas asosiasi, maka Kelompok Usaha mereklasifikasi ke dalam laba rugi hanya suatu jumlah proporsional dari keuntungan atau kerugian yang sebelumnya diakui dalam penghasilan komprehensif lain.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED
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An entity with investment in an associate or a joint venture accounts for its investment using the equity method. Under the equity method, investment in an associate or joint venture is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of profit or loss of the investee after the date of acquisition.

Subsequently, the Group's share of the profit or loss of the associate or joint venture, after any adjustments necessary to give effect to uniform accounting policies and elimination of profits or losses resulting from transactions between the Group and the associate or joint venture, increases or decreases its carrying amount and is recognized in the Group's profit or loss.

Distributions received from the associate or joint venture reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the associate or joint venture arising from changes in the associate's or joint venture's other comprehensive income. The Group's share of those changes is recognized in other comprehensive income of the Group.

Goodwill on acquisition of associate or joint venture is included in the carrying amount of the investment. *Goodwill* is no longer amortized but annually assessed for impairment.

Once an investment's carrying value has been reduced to zero, further losses are taken up only if the Group has committed to provide financial support to, or has guaranteed the obligations of the associate or joint venture.

If an investment in an associate becomes an investment in a joint venture or vice versa, the entity continues to apply the equity method and does not remeasure the retained interest.

Changes in the ownership interests

If the Group's ownership interest in an associate is reduced, but the investment continues to be an associate, the Group reclassifies to profit or loss only a proportionate amount of the gain or loss previously recognized in other comprehensive income.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG
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j. Investasi Jangka Panjang Lain-lain

Investasi dalam bentuk saham dengan kepemilikan kurang dari 20% yang tidak memiliki kuotasi harga di pasar aktif dan nilai wajarnya tidak dapat diukur secara andal, diukur pada biaya perolehan. Jumlah tercatat investasi diturunkan nilainya untuk mengakui penurunan nilai yang bersifat permanen. Setiap penurunan nilai investasi dibebankan langsung pada laba rugi.

k. Aset Tetap

Efektif tanggal 1 Januari 2018, Kelompok Usaha menerapkan Amandemen PSAK No. 16, "Aset Tetap", tentang Agrikultur: Tanaman Produktif, yang mengklarifikasi bahwa aset biologis yang memenuhi definisi tanaman produktif (bearer plants) masuk dalam ruang lingkup PSAK 16. Definisi, pengakuan dan pengukuran tanaman produktif mengikuti persyaratan yang ada dalam PSAK 16. Penerapan amandemen ini tidak berdampak terhadap laporan keuangan konsolidasian Kelompok Usaha.

Kelompok Usaha telah memilih untuk menggunakan model biaya sebagai kebijakan akuntansi pengukuran aset tetapnya.

Penyusutan dihitung dengan menggunakan metode garis lurus selama masa manfaat aset. Taksiran masa manfaat aset tetap adalah sebagai berikut:

	Tahun/Years
Prasarana tanah	5 - 30
Bangunan dan prasarana	4 - 20
Mesin dan peralatan	5 - 20
Peralatan telekomunikasi	10 - 15
Alat-alat pengangkutan	3 - 20
Perabotan dan peralatan kantor	3 - 10

Masa manfaat aset tetap dan metode penyusutan aset ditelaah dan disesuaikan secara prospektif, pada setiap akhir periode pelaporan.

Tanah dinyatakan sebesar biaya perolehan dan tidak disusutkan.

ISAK No. 25, "Hak Atas Tanah", menetapkan bahwa biaya pengurusan legal hak atas tanah dalam bentuk Hak Guna Usaha ("HGU"), Hak Guna Bangunan ("HGB") dan Hak Pakai ("HP") ketika tanah diperoleh pertama kali diakui sebagai bagian dari biaya perolehan tanah pada akun "Aset Tetap" dan tidak diamortisasi. Sementara biaya pengurusan atas perpanjangan atau pembaruan legal hak atas tanah dalam bentuk HGU, HGB dan HP diakui sebagai bagian dari akun "Beban Ditangguhkan - Neto" pada laporan posisi keuangan konsolidasian dan diamortisasi sepanjang mana yang lebih pendek antara umur hukum dan umur ekonomis tanah.

**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED
(Continued)**

j. Other Long-Term Investments

Investments in shares of stock with ownership interest of less than 20% that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are stated at cost. The carrying amount of the investment is written down to recognize a permanent decline in value of the individual investment. Any write-down of investment is charged directly to profit or loss.

k. Fixed Assets

Effective January 1, 2018, the Group applied Amendment to PSAK No. 16, "Fixed Assets," on Agriculture: Bearer Plants, which clarifies that biological assets meet the definition of bearer plants included in the scope of PSAK 16. The definition, recognition and measurement of bearer plants follow the requirements of PSAK 16. The adoption of this amendment had no impact on the Group's consolidated financial statements.

The Group had chosen the cost model as the accounting policy for its fixed assets measurement.

Depreciation is computed using the straight-line basis over the useful lives of the assets. Estimated useful lives of the assets are as follows:

	Tahun/Years
Land improvements	5 - 30
Buildings and improvements	4 - 20
Machinery and equipment	5 - 20
Telecommunication equipment	10 - 15
Transportation equipment	3 - 20
Office equipment	3 - 10

The fixed assets' useful lives and methods of depreciation are reviewed, and adjusted prospectively if appropriated, at each end of reporting period.

Land is stated at acquisition cost and is not depreciated.

ISAK No. 25, "Land Rights," prescribes that the legal cost of land right in the form of Business Usage Rights ("Hak Guna Usaha" or "HGU"), Building Usage Rights (Hak Guna Bangunan or "HGB") and Usage Rights ("Hak Pakai" or "HP") when the land was initially acquired is recognized as part of the cost of the land under the "Fixed Assets" account and not amortized. Meanwhile the extension or the legal renewal costs of land rights in the form of HGU, HGB and HP are recognized as part of "Deferred Charges - Net" account in the consolidated statements of financial position and are amortized over the shorter of the rights' legal life and land's economic life.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG
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Aset dalam pengerjaan dinyatakan sebesar biaya perolehan yang mencakup biaya pinjaman dari kredit untuk membiayai konstruksi aset selama periode pembangunan didistribusikan ke aset dalam penyelesaian tersebut. Akumulasi biaya perolehan akan dipindahkan ke masing-masing aset tetap yang bersangkutan dan kapitalisasi biaya pinjaman dihentikan pada saat aset selesai dan siap digunakan.

Beban perbaikan dan pemeliharaan dibebankan pada laba rugi pada saat terjadinya; biaya penggantian atau inspeksi yang signifikan dikapitalisasi pada saat terjadinya dan jika besar kemungkinan manfaat ekonomis di masa depan berkenaan dengan aset tersebut akan mengalir ke Kelompok Usaha, dan biaya perolehan aset dapat diukur secara andal. Aset tetap dihentikan pengakuannya pada saat dilepaskan atau ketika tidak ada manfaat ekonomis masa depan yang diharapkan dari penggunaan atau pelepasannya. Keuntungan atau kerugian yang timbul dari penghentian pengakuan aset dimasukkan dalam laba rugi pada tahun aset tersebut dihentikan pengakuannya.

I. Penurunan Nilai Aset Nonkeuangan

Pada setiap tanggal pelaporan, Kelompok Usaha menilai apakah terdapat indikasi aset mengalami penurunan nilai. Jika terdapat indikasi tersebut, maka Kelompok Usaha mengestimasi jumlah terpulihkan aset tersebut.

Jumlah terpulihkan suatu aset atau unit penghasil kas adalah jumlah yang lebih tinggi antara nilai wajar dikurangi biaya pelepasan dan nilai pakainya. Jika jumlah terpulihkan suatu aset lebih kecil dari jumlah tercatatnya, jumlah tercatat aset harus diturunkan menjadi sebesar jumlah terpulihkan. Kerugian penurunan nilai diakui segera dalam laba rugi.

Pembalikan rugi penurunan nilai untuk aset nonkeuangan selain *goodwill*, diakui jika, dan hanya jika, terdapat perubahan estimasi yang digunakan dalam menentukan jumlah terpulihkan aset sejak pengujian penurunan nilai terakhir kali. Pembalikan rugi penurunan nilai tersebut diakui segera dalam laba rugi, kecuali aset yang disajikan pada jumlah revaluasi sesuai dengan PSAK lain. Rugi penurunan nilai yang diakui atas *goodwill* tidak dibalik lagi.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED
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Assets under construction are stated at acquisition cost, which includes borrowing cost from loans incurred to finance the construction of the assets during the period of development that attributable to the asset. The accumulated cost will be reclassified to the appropriate fixed asset accounts and capitalization of these borrowing costs ceases when projects are completed and assets are ready for their intended use.

The cost of repairs and maintenance is charged to profit or loss as incurred; replacement or major inspection costs are capitalized when incurred if it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be reliably measured. An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year in which the asset is derecognized.

I. Impairment of NonFinancial Assets

The Group evaluates at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. Whenever the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized immediately in profit or loss.

Reversal on impairment loss for non-financial assets other than goodwill would be recognized if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment test was carried out. Reversal on impairment losses will be immediately recognized on profit or loss, except for assets that presented using the revaluation model in accordance with other PSAK. Impairment losses relating to goodwill would not be reversed.

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3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG DITERAPKAN *(Lanjutan)*

m. Aset Tidak Lancar yang Dimiliki untuk Dijual

Aset tidak lancar dan kelompok lepasan diklasifikasikan sebagai aset dimiliki untuk dijual jika jumlah tercatatnya akan dipulihkan terutama melalui transaksi penjualan daripada melalui pemakaian berlanjut. Kondisi ini dipenuhi jika penjualannya sangat mungkin terjadi dan aset tidak lancar (atau kelompok lepasan) tersebut tersedia untuk segera dijual dalam kondisi kininya. Manajemen harus berkomitmen terhadap rencana penjualan tersebut, yang diharapkan akan diselesaikan dalam satu (1) tahun setelah tanggal klasifikasi.

Jika Kelompok Usaha berkomitmen terhadap rencana penjualan yang mengakibatkan kehilangan pengendalian atas entitas anak, seluruh aset dan liabilitas entitas anak tersebut diklasifikasikan sebagai dimiliki untuk dijual ketika kriteria yang dijelaskan di atas terpenuhi, meskipun setelah penjualan tersebut Kelompok Usaha masih memiliki kepentingan nonpengendali entitas anak terdahulu.

Aset tidak lancar (atau kelompok lepasan) yang diklasifikasikan sebagai dimiliki untuk dijual diukur pada nilai yang lebih rendah antara jumlah tercatat sebelumnya dan nilai wajar setelah dikurangi biaya untuk menjual.

n. Biaya Pinjaman

Biaya pinjaman, baik yang secara langsung maupun tidak langsung digunakan untuk mendanai suatu proses pembangunan aset tertentu yang memenuhi syarat ("aset kualifikasian"), dikapitalisasi hingga saat proses pembangunannya selesai. Untuk pinjaman yang secara khusus digunakan untuk perolehan aset kualifikasian, jumlah yang dikapitalisasi adalah sebesar biaya pinjaman yang terjadi selama periode berjalan, dikurangi dengan penghasilan investasi jangka pendek dari pinjaman tersebut.

Untuk pinjaman yang tidak secara khusus digunakan untuk perolehan aset kualifikasian, jumlah biaya pinjaman yang dikapitalisasi ditentukan dengan mengalikan tingkat kapitalisasi tertentu terhadap pengeluaran untuk aset kualifikasian tersebut.

3. SIGNIFICANT ACCOUNTING POLICIES APPLIED *(Continued)*

m. Non-Current Assets Held for Sale

Non-current assets and disposal groups are classified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale plan, which should be expected to qualify for recognition as a completed sale within one (1) year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

n. Borrowing Costs

Borrowing costs, either directly or indirectly used in financing the construction of a qualifying asset, are capitalized up to the date when construction is complete. For borrowings that are specific to the acquisition of a qualifying asset, the amount to be capitalized is determined as the actual borrowing costs incurred during the period, less any income earned from the temporary investment of such borrowings.

For borrowings that are not specific to the acquisition of a qualifying asset, the amount to be capitalized is determined by applying a capitalization rate to the amount expensed on the qualifying asset.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG
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o. Sewa

Sewa yang mengalihkan secara substansial semua risiko dan manfaat yang terkait dengan kepemilikan aset kepada *lessee* diklasifikasikan sebagai sewa pembiayaan. Pada awal masa sewa, sewa pembiayaan dikapitalisasi sebesar nilai wajar aset sewaan atau sebesar nilai kini dari pembayaran sewa minimum, jika nilai kini lebih rendah dari nilai wajar. Pembayaran sewa minimum dipisahkan antara bagian yang merupakan beban keuangan dan bagian yang merupakan pelunasan liabilitas sehingga menghasilkan suatu tingkat bunga periodik yang konstan atas saldo liabilitas. Beban keuangan dibebankan pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian. Aset sewaan yang dimiliki oleh *lessee* dengan dasar sewa pembiayaan dicatat pada akun aset tetap dan disusutkan sepanjang masa manfaat dari aset sewaan tersebut atau periode masa sewa, mana yang lebih pendek, jika tidak ada kepastian yang memadai bahwa *lessee* akan mendapatkan hak kepemilikan pada akhir masa sewa.

Dalam hal transaksi jual dan sewa-balik merupakan sewa pembiayaan maka transaksi tersebut harus diperlakukan sebagai dua transaksi yang terpisah yaitu transaksi penjualan dan transaksi sewa. Selisih lebih hasil penjualan dari jumlah tercatat ditangguhkan dan diamortisasi selama masa sewa.

Sewa yang tidak mengalihkan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset diklasifikasikan sebagai sewa operasi.

p. Biaya Pengembangan Proyek

Biaya yang terjadi sehubungan dengan pengembangan proyek ditangguhkan sampai proyek tersebut beroperasi. Biaya pengembangan proyek yang gagal akan dibebankan pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian pada saat proyek tersebut dinyatakan gagal.

q. Murabahah

Murabahah adalah transaksi penjualan barang dengan menyatakan harga perolehan dan keuntungan (margin) yang disepakati oleh penjual dan pembeli.

Murabahah pada awalnya diukur pada nilai neto yang dapat direalisasi. Setelah pengakuan, murabahah diukur pada biaya perolehan diamortisasi menggunakan metode tingkat imbal hasil efektif.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED
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o. Leases

Leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the lessee are classified as finance leases. Finance leases are capitalized at the inception of the lease at the fair value of the leased assets or at the present value of the minimum lease payments if the present value is lower than the fair value. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recorded in the consolidated statement of profit or loss and other comprehensive income. Leased assets held by the lessee under finance leases are included in fixed assets and depreciated over the estimated useful life of the assets or the lease term, whichever is shorter, if there is no reasonable certainty that lessee will obtain ownership by the end of the lease term.

In the case of sale and leaseback that results in a finance lease, this is to be treated as two separated transactions, i.e. sale and lease. The excess of sales proceeds over the carrying amount is deferred and amortized over the lease term.

Leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item are classified as operating leases.

p. Project Development Costs

Costs incurred regarding the development of certain projects are deferred until these projects operate. Costs related to unsuccessful projects will be charged to the consolidated statement of profit or loss and other comprehensive income at the time the projects declare failed.

q. Murabahah

Murabahah is sales transaction for goods that provides the purchase price and margin agreed by both buyer and seller.

Murabahah are initially measured at net realizable value. After initial recognition, murabahah are measured at amortized cost based on effective rate of return method.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG
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r. Musyarakah

Musyarakah adalah akad kerjasama antara dua pihak atau lebih untuk suatu usaha tertentu, dimana masing-masing pihak memberikan kontribusi dana dengan ketentuan bahwa keuntungan dibagi berdasarkan kesepakatan, sedangkan kerugian berdasarkan porsi kontribusi dana.

Musyarakah dinyatakan sebesar saldo pembiayaan.

s. Pengakuan Pendapatan dan Beban

Penjualan barang dan jasa

Pendapatan diakui bila besar kemungkinan manfaat ekonomi akan diperoleh oleh Kelompok Usaha dan jumlahnya dapat diukur secara andal. Pendapatan diukur pada nilai wajar imbalan yang diterima, tidak termasuk diskon, rabat dan pajak penjualan (PPN).

Pendapatan dari penjualan ekspor diakui pada saat penyerahan barang di atas kapal di pelabuhan pengiriman. Pendapatan dari penjualan domestik diakui pada saat penyerahan barang kepada pelanggan.

Pendapatan jasa diakui pada saat jasa diberikan sesuai kontrak dimana jumlah tersebut dapat diukur dengan andal. Pendapatan dari kontrak konstruksi jangka panjang diakui berdasarkan metode akuntansi persentase penyelesaian dan diukur pada umumnya berdasarkan estimasi penyelesaian dari pekerjaan fisik atas kontrak konstruksi. Bila besar kemungkinan terjadi bahwa total biaya kontrak akan melebihi total pendapatan kontrak, taksiran rugi segera diakui sebagai beban tahun berjalan.

Biaya, Estimasi Laba dan Tagihan atas Kontrak yang Belum Selesai

Akun "Tagihan bruto kepada pemberi kerja atas kontrak yang belum selesai", yang merupakan jumlah kewajiban dari pelanggan untuk kontrak pekerjaan, merupakan total biaya kontrak yang terjadi dan taksiran laba diakui lebih dari jumlah yang ditagih, yang disajikan sebagai aset dalam laporan posisi keuangan konsolidasian.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED
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r. Musyarakah

Musyarakah financing is an agreement between two or more parties for a particular business, in which each party contributes funds provided that the profits are divided according to the agreement, while losses are based on the portion of fund contributions.

Musyarakah financing is stated at outstanding balance.

s. Revenues and Expenses Recognition

Sale of goods and services

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and sales taxes (VAT).

Revenues from export sales are recognized when the goods are shipped. Revenues from domestic sales are recognized when the goods are delivered to the customers.

Revenues from services are recognized when the service is rendered in accordance to the terms of the contracts provided that the amount can be measured reliably. Revenues from long-term construction contracts are recognized based on the percentage of completion method of accounting and measured principally on the basis of the estimated completion of physical proportion of contract works. When it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately recognized as current year expense.

Cost, Estimated Earnings and Billings on Uncompleted Contracts

"Costs and estimated earnings in excess of billings on uncompleted contracts" account, which is the amount due from customers for contract work, represents total contract costs incurred and estimated earnings recognized in excess of amounts billed, which is presented as asset in the consolidated statements of financial position.

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Pendapatan diterima dimuka

Pendapatan sewa dan jasa ditagihkan dimuka berdasarkan kontrak. Tagihan yang belum diakui sebagai pendapatan pada tanggal pelaporan dicatat sebagai "Pendapatan Ditangguhkan" dalam komponen liabilitas jangka pendek pada laporan posisi keuangan konsolidasian.

Pendapatan lain-lain

Pendapatan jasa lainnya diakui pada saat penyerahan jasa tersebut.

Pengakuan beban

Beban diakui pada saat terjadinya (basis akrual).

t. Imbalan Kerja

Imbalan Kerja Jangka Pendek

Imbalan kerja jangka pendek merupakan kompensasi yang diberikan oleh Kelompok Usaha seperti gaji, tunjangan, bonus dan pembayaran manfaat pensiun yang diakui pada saat terutang kepada karyawan.

Imbalan Pascakerja

Kelompok Usaha menentukan liabilitas imbalan pascakerja sesuai dengan Undang-undang Ketenagakerjaan No.13/2003 ("Undang-Undang") tanggal 25 Maret 2003. PSAK No. 24 mensyaratkan entitas menggunakan metode "Projected Unit Credit" untuk menentukan nilai kini kewajiban imbalan pasti, biaya jasa kini terkait, dan biaya jasa lalu.

Perusahaan dan Entitas Anak tertentu yang berdomisili di Indonesia menyelenggarakan program pensiun manfaat pasti untuk seluruh karyawan tetap yang memenuhi syarat.

Kewajiban menurut Undang-undang dihitung dengan membandingkan imbalan yang akan diterima oleh karyawan pada usia pensiun normal melalui program pensiun dengan imbalan yang dihitung berdasarkan Undang-undang setelah dikurangi akumulasi iuran karyawan dan hasil pengembangannya. Jika bagian iuran yang didanai Perusahaan dan Entitas Anak melalui program pensiun kurang dari imbalan yang diwajibkan menurut Undang-undang, Kelompok Usaha akan melakukan penyesuaian atas kekurangannya.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED
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Unearned revenue

Revenue from rent and services are invoiced in advance based on agreements. Unrecognized revenue as of the reporting date is recorded as "Unearned Revenue" in the short-term liabilities section in the consolidated statements of financial position.

Other revenue

Revenues from other services are recognized when the services are rendered.

Expenses recognition

Expenses are recognized when incurred (accrual basis).

t. Employee Benefits

Short-term Employee Benefits

Short-term employee benefits represent compensation provided by the Group such as salaries, allowance, bonus and pension contribution paid which are recognized when they accrue to the employees.

Post-employment Benefits

The Group determines its post-employment benefits liability under the Labor Law No. 13/2003 dated March 25, 2003 (the "Law"). PSAK No. 24 requires the present value of the defined benefits obligation, the related current service cost, and past service cost to be determined using the "Projected Unit Credit" method.

The Company and certain domestic Subsidiaries domiciled in Indonesia have defined retirement benefit plans, covering substantially all of their eligible permanent employees.

The obligation for the Law has been calculated by comparing the benefit that will be received by an employee at normal pension age from the pension plan with the benefit as stipulated under the Law after deduction of accumulation of employee contribution and the related investment results. If the employer funded portion of the pension plan benefit is less than the benefit as required by the Law, the Group will provide for such shortage.

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Ketika entitas memiliki surplus dalam program imbalan pasti, maka entitas mengukur aset imbalan pasti pada jumlah yang lebih rendah antara surplus program imbalan pasti dan batas atas aset yang ditentukan dengan menggunakan tingkat diskonto.

Entitas mengakui komponen biaya imbalan pasti, kecuali SAK mensyaratkan atau mengizinkan biaya tersebut sebagai biaya perolehan aset, sebagai berikut:

- biaya jasa dalam laba rugi;
- bunga neto atas liabilitas (aset) imbalan pasti neto dalam laba rugi; dan
- pengukuran kembali liabilitas (aset) imbalan pasti neto dalam penghasilan komprehensif lain.

Pengukuran kembali atas liabilitas (aset) imbalan pasti neto yang diakui dalam penghasilan komprehensif lain tidak direklasifikasi ke laba rugi pada periode berikutnya. Akan tetapi, entitas dapat mengalihkan jumlah yang diakui sebagai penghasilan komprehensif lain tersebut pada pos lain dalam ekuitas.

Pengukuran kembali liabilitas (aset) imbalan pasti neto terdiri atas:

- keuntungan dan kerugian aktuarial;
- imbal hasil atas aset program, tidak termasuk jumlah yang dimasukkan dalam bunga neto atas liabilitas (aset) imbalan pasti neto; dan
- setiap perubahan dampak batas atas aset, tidak termasuk jumlah yang dimasukkan dalam bunga neto atas liabilitas (aset) imbalan pasti neto.

Entitas mengakui biaya jasa lalu sebagai beban pada tanggal yang lebih awal antara ketika amandemen atau kurtailmen program terjadi dan ketika entitas mengakui biaya restrukturisasi terkait atau pesangon.

Kelompok Usaha mengakui keuntungan atau kerugian atas penyelesaian program imbalan pasti pada saat penyelesaian terjadi.

Kurtailmen terjadi ketika entitas mengurangi secara signifikan jumlah pekerja yang ditanggung oleh program; atau mengubah ketentuan program imbalan pasti sehingga unsur yang signifikan dari jasa masa depan karyawan saat ini tidak lagi memenuhi syarat atas imbalan, atau akan memenuhi syarat hanya untuk imbalan yang dikurangi.

Kurtailmen dapat terjadi karena suatu peristiwa yang berdiri sendiri, seperti penutupan pabrik, penghentian operasi, atau terminasi atau penghentian program.

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When an entity has a surplus in a defined benefit plan, an entity measures the defined benefit asset at the lower amount between the surplus of defined benefit plan and the upper limit on assets that determined using a discount rate.

An entity recognizes the components of defined benefit cost, except SAK requires or permits such costs as the acquisition cost of the asset, as follows:

- service cost in profit or loss;
- net interest on net liability (asset) of defined benefits in profit or loss; and
- remeasurement of the net liability (asset) of defined benefit in other comprehensive income.

Remeasurement on net liability (asset) of defined benefit that is recognized in other comprehensive income is not reclassified to profit or loss in subsequent periods. However, the entity may transfer the amounts recognized as other comprehensive income in another account in equity.

Remeasurement the net liability (asset) of defined benefit consists of:

- actuarial gains and losses;
- return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

The entity recognizes past service cost as an expense in an earlier of when the amendment or curtailment of program occurs and when the entity recognizes related restructuring costs or severances.

The Group recognizes gains or losses on the settlement of defined benefit plan when it occurs.

A curtailment occurs when an entity make a material reduction in the number of employees covered by a plan; or amending the terms of a defined benefit plan so a significant element of future service by current employees will no longer qualify for benefits, or will qualify only for reduced benefits.

A curtailment may arise from an isolated event, such as the closing of a plant, discontinuance of an operation or termination or suspension of a plan.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG
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Sebelum menentukan biaya jasa lalu, atau keuntungan dan kerugian atas penyelesaian, Kelompok Usaha mengukur kembali liabilitas (aset) imbalan pasti neto menggunakan nilai wajar kini dari aset program dan asumsi aktuarial kini (termasuk suku bunga pasar dan harga pasar kini yang lain) yang mencerminkan imbalan yang ditawarkan dalam program sebelum amandemen, kurtailmen, atau penyelesaian program.

Imbalan Kerja Jangka Panjang Lainnya

Perhitungan imbalan kerja jangka panjang lainnya ditentukan dengan menggunakan metode *Projected Unit Credit*. Jumlah diakui sebagai liabilitas untuk imbalan kerja jangka panjang lainnya di laporan posisi keuangan konsolidasian adalah nilai kini kewajiban imbalan pasti.

u. Transaksi dan Saldo dalam Mata Uang Asing

Transaksi dalam mata uang asing dijabarkan ke dalam mata uang fungsional dengan kurs yang berlaku pada saat transaksi dilakukan. Pada akhir periode pelaporan, aset dan liabilitas moneter dalam mata uang asing disesuaikan ke dalam mata uang fungsional menggunakan kurs tengah yang ditetapkan oleh Bank Indonesia pada tanggal terakhir transaksi perbankan pada periode tersebut. Keuntungan atau kerugian yang timbul dari penyesuaian kurs maupun penyelesaian aset dan liabilitas moneter dalam mata uang asing tersebut dikreditkan atau dibebankan sebagai laba rugi periode berjalan.

Untuk tujuan penyajian laporan keuangan konsolidasian dari Entitas Anak dan Entitas Asosiasi yang mata uang fungsionalnya bukan Rupiah pada tanggal pelaporan, aset dan liabilitas dijabarkan ke dalam mata uang Rupiah dengan menggunakan kurs pada tanggal pelaporan, sedangkan pendapatan dan beban dijabarkan dengan menggunakan kurs rata-rata pada periode yang bersangkutan. Penyesuaian selisih kurs karena penjabaran tersebut disajikan sebagai bagian dari penghasilan komprehensif lain.

Kurs penutup yang digunakan pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut (angka penuh):

	2018	2017	
Euro	16.560	16.174	Euro
Dolar Amerika Serikat	14.481	13.548	US Dollar
Dolar Australia	10.211	10.557	Australian Dollar
Dolar Singapura	10.603	10.134	Singapore Dollar
Rupiah India	207	212	Indian Rupee
Yen Jepang	131	120	Japanese Yen

**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED
(Continued)**

Before determining the past service cost, or gains and losses on the settlement, the Group shall remeasure the net liability (asset) of defined benefit using current fair value of plan assets and current actuarial assumptions (including current market interest rates and other current market prices) which reflects the rewards offered in the program prior to amendment, curtailment or settlement program.

Other Long-term Employee Benefits

The costs of providing other long-term benefits is determined using the Projected Unit Credit method. The provision for long-term employee benefits recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation.

u. Foreign Currency Transactions and Translation

Transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing at the time the transactions are made. At the end of reporting period, monetary assets and liabilities denominated in foreign currencies are adjusted to functional currency to reflect the middle exchange rate published by Bank Indonesia at the last banking transaction date of the period. Gains or losses resulting from such adjustment or settlement of each monetary asset and liability denominated in foreign currencies are credited or charged as current period profit or loss.

For consolidation purposes of Subsidiaries and Associates for which Rupiah is not their functional currency, assets and liabilities at the reporting date are translated into Rupiah using the exchange rates at reporting date, while revenues and expenses are translated at the average rates of exchange for the period. The resulting translation adjustments are presented as part of other comprehensive income.

The closing exchange rates used as of December 31, 2018 and 2017 were as follows (full amount):

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v. Perpajakan

(1) Pajak Penghasilan

Efektif tanggal 1 Januari 2018, Kelompok Usaha menerapkan Amandemen PSAK No. 46, "Pajak Penghasilan", tentang Pengakuan Aset Pajak Tangguhan untuk Rugi yang Belum Direalisasi. Amandemen ini:

- a. menambahkan contoh ilustrasi untuk mengklarifikasi bahwa perbedaan temporer dapat dikurangkan timbul ketika jumlah tercatat aset instrumen utang yang diukur pada nilai wajar dan nilai wajar tersebut lebih kecil dari dasar pengenaan pajaknya, tanpa mempertimbangkan apakah entitas memperkirakan untuk memulihkan jumlah tercatat instrumen utang melalui penjualan atau penggunaan, misalnya dengan memiliki dan menerima arus kas kontraktual, atau gabungan keduanya.
- b. mengklarifikasi bahwa untuk menentukan apakah laba kena pajak akan tersedia sehingga perbedaan temporer yang dapat dikurangkan dapat dimanfaatkan, maka penilaian perbedaan temporer yang dapat dikurangkan tersebut dilakukan sesuai dengan peraturan pajak.
- c. menambahkan bahwa pengurangan pajak yang berasal dari pembalikan aset pajak tangguhan dikecualikan dari estimasi laba kena pajak masa depan. Lalu entitas membandingkan perbedaan temporer yang dapat dikurangkan dengan estimasi laba kena pajak masa depan yang tidak mencakup pengurangan pajak yang dihasilkan dari pembalikan aset pajak tangguhan tersebut untuk menilai apakah entitas memiliki laba kena pajak masa depan yang memadai.
- d. menambahkan bahwa estimasi atas kemungkinan besar laba kena pajak masa depan dapat mencakup pemulihan beberapa aset entitas melebihi jumlah tercatatnya jika terdapat bukti yang memadai bahwa kemungkinan besar entitas akan mencapai hal tersebut.

Penerapan amendemen ini tidak berdampak terhadap laporan keuangan konsolidasian Kelompok Usaha.

Beban pajak kini ditetapkan berdasarkan taksiran laba kena pajak tahun berjalan.

Pajak penghasilan dalam laba rugi periode berjalan terdiri dari pajak kini dan tangguhan. Pajak penghasilan diakui dalam laba rugi, kecuali untuk transaksi yang berhubungan dengan transaksi yang diakui langsung dalam ekuitas atau penghasilan komprehensif lain, dalam hal ini diakui dalam ekuitas atau penghasilan komprehensif lain.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED
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v. Taxation

(1) Income Taxes

Effective January 1, 2018, the Group applied Amendment to PSAK No. 46, "Income Taxes," on Recognition of Deferred Tax Assets for Unrealized Losses. This amendment:

- a. adds an illustrative example to clarify that temporary differences can be deducted arising when the carrying amount of the debt instrument assets measured at fair value and such fair value is less than its tax base, regardless of whether the entity expects to recover the carrying amount of the debt instrument through sales or use, for example by owning and receiving a contractual cash flow, or a combination of both.
- b. clarifies that to determine if the taxable profit will be available, the deductible temporary differences can be utilized, therefore the valuation of such deductible temporary differences is made in accordance with the tax regulations.
- c. adds that tax deductions arising from the reversal of deferred tax assets are exempt from future estimated taxable profit. The entity then compares the temporary differences that can be deducted by the estimated future taxable profit that does not include tax deductions resulting from the reversal of the deferred tax assets to assess whether the entity has sufficient future taxable profit.
- d. adds that the estimate of the likelihood of future taxable profits may include the recovery of some of the entity's assets beyond their carrying amount if there is sufficient evidence that the entity will likely achieve this.

The adoption of this amendment had no impact on the Group's consolidated financial statements.

Current tax expense is provided based on the estimated taxable profit for the year.

Income tax in profit or loss for the period comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income in which case it is recognized in equity or other comprehensive income.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG
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Aset pajak kini dan liabilitas pajak kini dilakukan saling hapus jika, dan hanya jika, entitas memiliki hak yang dapat dipaksakan secara hukum untuk melakukan saling hapus jumlah yang diakui; dan bermaksud untuk menyelesaikan dengan dasar neto, atau merealisasikan aset dan menyelesaikan liabilitas secara bersamaan.

Aset dan liabilitas pajak tangguhan diakui atas perbedaan temporer antara aset dan liabilitas untuk tujuan komersial dan untuk tujuan perpajakan setiap tanggal pelaporan. Aset pajak tangguhan diakui untuk seluruh perbedaan temporer yang boleh dikurangkan sepanjang besar kemungkinan perbedaan temporer yang boleh dikurangkan tersebut dapat dimanfaatkan untuk mengurangi laba fiskal pada masa yang akan datang. Manfaat pajak di masa mendatang, seperti saldo rugi fiskal yang belum digunakan, diakui sejauh besar kemungkinan realisasi atas manfaat pajak tersebut.

Aset dan liabilitas pajak tangguhan diukur pada tarif pajak yang diharapkan akan digunakan pada periode ketika aset direalisasi atau ketika liabilitas dilunasi berdasarkan tarif pajak (dan peraturan perpajakan) yang berlaku atau secara substansial telah diberlakukan pada akhir periode pelaporan.

Aset pajak tangguhan dan liabilitas pajak tangguhan dilakukan saling hapus jika, dan hanya jika, entitas memiliki hak secara hukum untuk saling hapus aset pajak kini terhadap liabilitas pajak kini, dan aset pajak tangguhan dan liabilitas pajak tangguhan terkait dengan pajak penghasilan yang dikenakan oleh otoritas perpajakan atas entitas kena pajak, yang sama atau entitas kena pajak berbeda yang bermaksud untuk memulihkan aset dan liabilitas pajak kini dengan dasar neto, atau merealisasikan aset dan menyelesaikan liabilitas secara bersamaan, pada setiap periode masa depan yang mana jumlah signifikan atas aset atau liabilitas pajak tangguhan diharapkan diselesaikan atau dipulihkan.

Perubahan terhadap kewajiban perpajakan diakui pada saat penetapan pajak diterima dan/atau, jika Kelompok Usaha mengajukan keberatan dan/atau banding, pada saat keputusan atas keberatan dan/atau banding telah ditetapkan.

(2) Aset dan Liabilitas Pengampunan Pajak

Kelompok Usaha menerapkan PSAK No. 70, "Akuntansi Aset dan Liabilitas Pengampunan Pajak", secara prospektif. Standar ini mengatur perlakuan akuntansi atas aset dan liabilitas pengampunan pajak sesuai dengan Undang-Undang No. 11 Tahun 2016 tentang Pengampunan Pajak (UU Pengampunan Pajak).

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED
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Current tax assets and current tax liabilities are offset if, and only if, the entity has a legally enforceable right to set off the recognized amounts; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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 recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary difference can be utilized. Future tax benefits, such as the carry-forward of unused tax losses, are also recognized to the extent that realization of such benefits is probable.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of reporting period.

Deferred tax assets and deferred tax liabilities are offset if, and only if, the entity has a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity, or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Amendments to tax obligations are recorded when an assessment is received and/or, if objected to and/or appealed against by the Group, when the result of the objection and/or appeal is determined.

(2) Assets and Liabilities under Tax Amnesty

The Group applied PSAK No. 70, "Accounting for Assets and Liabilities Under Tax Amnesty," prospectively. This standard regulates the accounting treatment of the Tax Amnesty assets and liabilities in accordance with the Law No. 11 Year 2016 on Tax Amnesty (Tax Amnesty Law).

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG
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Kelompok Usaha telah memilih pendekatan opsional terkait dengan pengukuran, penyajian dan pengungkapan aset dan liabilitas Pengampunan Pajak.

Pengukuran saat Pengakuan Awal

Aset Pengampunan Pajak diukur sebesar biaya perolehan atas aset yang timbul dari Pengampunan Pajak berdasarkan Surat Keterangan Pengampunan Pajak ("Surat Keterangan"). Liabilitas Pengampunan Pajak diukur sebesar kewajiban kontraktual untuk menyerahkan kas atau setara kas untuk menyelesaikan kewajiban yang berkaitan langsung dengan perolehan aset Pengampunan Pajak.

Entitas mengakui selisih antara aset Pengampunan Pajak dan liabilitas Pengampunan Pajak di ekuitas dalam akun "Tambahan Modal Disetor". Jumlah tersebut tidak dapat diakui sebagai laba rugi direalisasi maupun direklasifikasi ke saldo laba. Uang tebusan yang dibayarkan diakui dalam laba rugi pada periode Surat Keterangan disampaikan.

Pengukuran setelah Pengakuan Awal

Setelah pengakuan awal, Kelompok Usaha mengukur aset dan liabilitas Pengampunan Pajaknya mengacu pada SAK yang relevan. Selanjutnya, entitas diperkenankan, namun tidak disyaratkan untuk mengukur kembali aset dan liabilitas Pengampunan Pajak berdasarkan nilai wajar sesuai dengan SAK yang relevan pada tanggal Surat Keterangan.

Selisih pengukuran kembali antara nilai wajar pada tanggal Surat Keterangan dengan biaya perolehan aset dan liabilitas pengampunan pajak yang telah diakui sebelumnya disesuaikan dalam saldo tambahan modal disetor.

Entitas mereklasifikasi aset dan liabilitas Pengampunan Pajak ke dalam pos aset dan liabilitas serupa, ketika:

- entitas mengukur kembali aset dan liabilitas Pengampunan Pajak; atau
- entitas memperoleh pengendalian atas investee.

Entitas tidak melakukan saling hapus aset dan liabilitas Pengampunan Pajak.

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The Group had chosen the optional approach in relation to the measurement, presentation and disclosure of Tax Amnesty assets and liabilities.

Measurement at Initial Recognition

The Tax Amnesty assets are measured at cost of the assets arising from Tax Amnesty in accordance with the Tax Amnesty Certificate (the "Certificate"). The Tax Amnesty liabilities are measured at the contractual obligation to deliver cash or cash equivalents to settle the obligations relating directly to the acquisition of the Tax Amnesty assets.

An entity recognizes the difference between the Tax Amnesty assets and Tax Amnesty liabilities in equity under "Additional Paid-in Capital" account. Such amount cannot be recognized as the realized profit or loss nor reclassified to retained earnings. The payment of redemption money is recognized in profit or loss in the period the Certificate is delivered.

Measurement after Initial Recognition

After initial recognition, the Group measures its Tax Amnesty assets and liabilities in reference to the relevant SAK. Furthermore, an entity is allowed, but not required, to remeasure the assets and liabilities under Tax Amnesty at fair value in accordance with the relevant SAK at the date of the Certificate.

The difference of remeasurement between the fair value on the date of the Certificate and the costs of the assets and liabilities under Tax Amnesty that were recognized previously is adjusted in the balance of additional paid-in capital.

An entity reclassifies the assets and liabilities under Tax Amnesty to the item of similar assets and liabilities, when:

- the entity remeasures the assets and liabilities under Tax Amnesty; and*
- the entity obtains control over the investee.*

An entity does not offset Tax Amnesty assets and liabilities to each other.

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w. Kombinasi Bisnis Entitas Sepengendali

Kombinasi bisnis entitas sepengendali dicatat berdasarkan PSAK No. 38, "Kombinasi Bisnis Entitas Sepengendali", dengan menggunakan metode penyatuan kepemilikan. Selisih antara harga pengalihan dengan nilai buku dicatat dalam akun "Selisih Nilai Transaksi dengan Entitas Sepengendali" dan disajikan sebagai bagian dari akun "Tambahan Modal Disetor" dalam laporan posisi keuangan konsolidasian.

x. Laba atau Rugi per Saham

Laba atau rugi per saham dasar dihitung dengan membagi laba atau rugi yang dapat diatribusikan kepada pemegang saham biasa entitas induk, dengan jumlah rata-rata tertimbang saham biasa yang beredar, dalam suatu periode.

Laba atau rugi per saham dasar dilusian dihitung dengan membagi laba atau rugi yang dapat diatribusikan kepada pemegang saham biasa entitas induk, dengan jumlah rata-rata tertimbang saham biasa yang sifatnya disesuaikan dengan efek yang berpotensi untuk dilusi, dalam suatu periode.

y. Provisi dan Kontinjensi

Provisi diakui jika Kelompok Usaha memiliki kewajiban kini (baik bersifat hukum maupun bersifat konstruktif) yang akibat peristiwa masa lalu besar kemungkinannya penyelesaian kewajiban tersebut mengakibatkan arus keluar sumber daya yang mengandung manfaat ekonomi dan estimasi yang andal mengenai jumlah kewajiban tersebut dapat dibuat.

Provisi ditelaah pada setiap tanggal pelaporan dan disesuaikan untuk mencerminkan estimasi kini terbaik. Jika tidak terdapat kemungkinan arus keluar sumber daya yang mengandung manfaat ekonomi untuk menyelesaikan kewajiban tersebut, provisi tidak diakui.

Liabilitas kontinjensi tidak diakui dalam laporan keuangan konsolidasian tetapi diungkapkan, kecuali arus keluar sumber daya yang mengandung manfaat ekonomi kemungkinannya kecil. Aset kontinjensi tidak diakui dalam laporan keuangan konsolidasian tetapi diungkapkan apabila terdapat kemungkinan besar arus masuk manfaat ekonomis akan diperoleh.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED
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w. Business Combination Under Common Control

Business combination under common control is recorded in accordance with PSAK No. 38, "Business Combination Under Common Control," by using the pooling of interest method. The difference between the transfer price and the book value is recorded as "Difference in Value from Transaction with Entities Under Common Control" and presented under "Additional Paid-in Capital" account in the consolidated statement of financial position.

x. Earning or Loss per Share

Basic earning or loss per share are calculated by dividing profits or losses attributable to ordinary equity holders of the parent entity, by the weighted average number of ordinary shares outstanding, during the period.

Diluted earning or loss per share are calculated by dividing profits or losses attributable to ordinary equity holders of the parent entity, by the weighted average number of ordinary shares as adjusted for effects of all potential dilution, during the period.

y. Provisions and Contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Contingent liabilities are not recognized in the consolidated financial statements, but are disclosed unless the possibility of an outflow of resources is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

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z. Dividen

Pembagian dividen final diakui sebagai liabilitas ketika dividen tersebut disetujui Rapat Umum Pemegang Saham Perusahaan. Pembagian dividen diakui sebagai liabilitas ketika dividen disetujui berdasarkan keputusan rapat Direksi sesuai dengan Anggaran Dasar Perusahaan.

aa. Informasi Segmen

Entitas mengungkapkan informasi yang memungkinkan pengguna laporan keuangan untuk mengevaluasi sifat dan dampak keuangan dari aktivitas bisnis dan menggunakan "pendekatan manajemen" dalam menyajikan informasi segmen menggunakan dasar yang sama seperti halnya pelaporan internal. Segmen operasi dilaporkan dengan cara yang konsisten dengan pelaporan internal yang disampaikan kepada pengambil keputusan operasional. Dalam hal ini pengambil keputusan operasional yang mengambil keputusan strategis adalah Direksi.

bb. Kuasi-Reorganisasi

Sesuai dengan PSAK No. 51 (Revisi 2003), kuasi-reorganisasi merupakan prosedur akuntansi yang mengatur entitas merestrukturisasi ekuitasnya dengan mengeliminasi defisit dan menilai kembali seluruh aset dan liabilitas pada nilai wajar. Dengan melakukan prosedur ini, entitas diharapkan dapat melanjutkan usahanya seperti baru, dengan laporan posisi keuangan yang menunjukkan posisi keuangan yang lebih baik tanpa defisit dari masa lampau.

Nilai wajar aset dan liabilitas ditentukan berdasarkan nilai pasar. Bila nilai pasar tidak tersedia, estimasi nilai wajar didasarkan pada informasi terbaik yang tersedia. Estimasi nilai wajar dilakukan dengan mempertimbangkan harga aset sejenis dan teknik penilaian yang paling sesuai dengan karakteristik aset dan liabilitas yang bersangkutan, antara lain, metode nilai kini dan arus kas diskonto.

Sesuai dengan PSAK tersebut, eliminasi atas saldo defisit terhadap akun-akun ekuitas dilakukan melalui urutan prioritas sebagai berikut:

- cadangan umum;
- cadangan khusus;
- selisih penilaian aset dan liabilitas dan selisih penilaian yang sejenisnya;
- tambahan modal disetor dan sejenisnya; dan
- modal saham.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED
(Continued)**

z. Dividends

Final dividend distributions are recognized as a liability when the dividends are approved in the General Meeting of the Company's Shareholders. Dividend distributions are recognized 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. Segment Information

Entities disclose information that enable users of the financial statements to evaluate the nature and financial effects of the business activities and use "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board of Directors that makes strategic decisions.

bb. Quasi-Reorganization

Pursuant to PSAK No. 51 (Revised 2003), a quasi-reorganization is an accounting procedure that enables an entity to restructure its equity by eliminating its deficit and reappraising all of its assets and liabilities. By this procedure, the entity is expected to continue its business as if it was a fresh start, with a statement of financial position showing a better financial position with no past deficit.

The fair values of assets and liabilities are determined based on market values. If the market value is unavailable, the estimated fair value is determined using the best information available. The estimates of the fair values put into consideration prices of the similar type of assets and a valuation technique most suitable to the characteristics of the related assets and liabilities, among others, present value method and discounted cash flows method.

According to PSAK, the elimination of deficit is applied against equity accounts in the order of priority as follows:

- legal reserve;
- special reserve;
- revaluation increment on assets and liabilities; and other revaluation increments
- additional paid-in capital and the similar accounts, and
- share capital.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG
DITERAPKAN (Lanjutan)**

Selain itu, berdasarkan PSAK No. 38 (Revisi 2012), saldo akun Selisih Nilai Transaksi Restrukturisasi Entitas Sepengendali dapat berubah pada saat adanya peristiwa kuasi-reorganisasi dan dapat digunakan untuk mengeliminasi atau menambah saldo laba negatif.

Seperti yang dijelaskan pada Catatan 46, Perusahaan melakukan kuasi-reorganisasi pada tanggal 30 Juni 2011 mengikuti persyaratan dari PSAK di atas.

**4. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG
PENTING**

Penyusunan laporan keuangan konsolidasian sesuai, dengan Standar Akuntansi Keuangan di Indonesia, mewajibkan manajemen untuk membuat pertimbangan dan estimasi yang memengaruhi jumlah-jumlah yang dilaporkan dalam laporan keuangan. Sehubungan dengan adanya ketidakpastian yang melekat dalam membuat estimasi, hasil sebenarnya yang dilaporkan di masa mendatang dapat berbeda dengan jumlah estimasi yang dibuat.

Kelompok Usaha mendasarkan pertimbangan dan estimasinya pada parameter yang tersedia pada saat laporan keuangan disusun. Situasi mengenai perkembangan masa depan mungkin berubah akibat perubahan pasar atau situasi diluar kendali Kelompok Usaha. Perubahan tersebut dicerminkan dalam pertimbangan terkait pada saat terjadinya.

Pertimbangan dan estimasi berikut ini dibuat oleh manajemen dalam rangka penerapan kebijakan akuntansi Kelompok Usaha yang memiliki pengaruh paling signifikan atas jumlah yang diakui dalam laporan keuangan konsolidasian:

Menentukan mata uang fungsional

Faktor-faktor yang dipertimbangkan dalam menentukan mata uang fungsional Perusahaan dan masing-masing Entitas Anak termasuk, antara lain, mata uang:

- yang paling memengaruhi harga jual barang dan jasa; dari negara yang kekuatan persaingan dan peraturannya sebagian besar menentukan harga jual barang dan jasa entitas;
- yang paling memengaruhi biaya tenaga kerja, bahan baku, dan biaya lain dari pengadaan barang atau jasa;
- yang mana dana dari aktivitas pendanaan dihasilkan; dan
- yang mana penerimaan dari aktivitas operasi pada umumnya ditahan.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED
(Continued)**

In addition, under PSAK No. 38 (Revised 2012), the account balance of Difference in Restructuring Transactions of Entities under Common Control is subject to change at the time of quasi-reorganization and can be used to eliminate or increase deficit.

As discussed in Note 46, the Company conducted quasi-reorganization as of June 30, 2011 following the provisions of the above PSAK.

**4. CRITICAL ACCOUNTING ESTIMATES AND
JUDGMENTS**

The preparation of consolidated financial statements, in conformity with Indonesian Financial Accounting Standards, required management to make judgments and estimates that affect amounts reported therein. Due to the inherent uncertainty in making estimates, actual results reported in future periods may differ from those estimates.

The Group based its judgments and estimates on parameters available when the financial statements were prepared. Existing circumstances about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes were reflected in the judgments as they occur.

The following judgments and estimates made by management in the process of applying the Group's accounting policies have the most significant effects on the amounts recognized in the consolidated financial statements:

Determining functional currency

The factors considered in determining the functional currency of the Company and each of its Subsidiary include, among others, the currency:

- that mainly influences sales prices for goods and services; of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services;
- that mainly influences labor, material and other costs of providing goods or services;
- in which funds from financing activities are generated; and
- in which receipts from operating activities are usually retained.

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**4. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG
PENTING (Lanjutan)**

Berdasarkan substansi ekonomis dari kondisi yang sesuai dengan Kelompok Usaha, mata uang fungsional telah ditentukan berupa Rp, karena hal ini berkaitan dengan fakta bahwa mayoritas bisnis Kelompok Usaha dipengaruhi oleh lingkungan ekonomi utama dimana Kelompok Usaha beroperasi dan harga jual barang dalam mata uang Rp.

Menentukan klasifikasi aset dan liabilitas keuangan

Kelompok Usaha menetapkan klasifikasi atas aset dan liabilitas tertentu sebagai aset keuangan dan liabilitas keuangan dengan mempertimbangkan apakah definisi yang ditetapkan PSAK No. 55 dipenuhi. Dengan demikian, aset keuangan dan liabilitas keuangan diakui sesuai dengan kebijakan akuntansi Kelompok Usaha seperti diungkapkan pada Catatan 3.

Menentukan nilai wajar dan perhitungan biaya perolehan
diamortisasi dari instrumen keuangan

Kelompok Usaha mencatat aset dan liabilitas keuangan tertentu pada nilai wajar dan pada biaya perolehan diamortisasi, yang mengharuskan penggunaan estimasi akuntansi. Sementara komponen signifikan atas pengukuran nilai wajar dan asumsi yang digunakan dalam perhitungan biaya perolehan diamortisasi ditentukan menggunakan bukti objektif yang dapat diverifikasi, jumlah nilai wajar atau amortisasi dapat berbeda bila Kelompok Usaha menggunakan metodologi penilaian atau asumsi yang berbeda. Perubahan tersebut dapat memengaruhi secara langsung laba rugi Kelompok Usaha. Penjelasan lebih rinci diungkapkan dalam Catatan 44.

Menilai jumlah terpulihkan dari aset keuangan

Kelompok Usaha mengevaluasi akun piutang tertentu yang diketahui bahwa pelanggan tertentu tidak dapat memenuhi kewajiban keuangannya. Dalam hal tersebut, Kelompok Usaha menggunakan pertimbangan, berdasarkan fakta dan situasi yang tersedia, termasuk namun tidak terbatas pada, jangka waktu hubungan dengan pelanggan dan status kredit dari pelanggan berdasarkan catatan kredit dari pihak ketiga yang tersedia dan faktor pasar yang telah diketahui, untuk mencatat penyisihan spesifik atas pelanggan terhadap jumlah terutang guna mengurangi jumlah piutang yang diharapkan dapat diterima oleh Kelompok Usaha. Penyisihan spesifik ini dievaluasi kembali dan disesuaikan jika tambahan informasi yang diterima memengaruhi jumlah penyisihan atas penurunan nilai piutang. Penjelasan lebih rinci diungkapkan dalam Catatan 7 and 8.

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**4. CRITICAL ACCOUNTING ESTIMATES AND
JUDGMENTS (Continued)**

Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency has been determined to be Rp, as this reflected the fact that majority of the Group's businesses were influenced by primary economic environment in which the Group operates and sales prices for goods in Rp currency.

Determining classification of financial assets and
financial liabilities

The Group determined the classification of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK No. 55. Accordingly, the financial assets and financial liabilities were accounted for in accordance with the Group's accounting policies disclosed in Note 3.

Determining fair value and calculation of cost
amortization of financial instruments

The Group recorded certain financial assets and liabilities at fair values and at amortized costs which required the use of accounting estimates. While significant components of fair value measurement and assumptions used in the calculation of cost amortization were determined using verifiable objective evidence, the fair value or amortization amount would differ if the Group utilized different valuation methodology or assumptions. Such changes would directly affect the Group's profit or loss. Further details were disclosed in Note 44.

Assessing recoverable amounts of financial assets

The Group evaluated specific accounts receivable where it has information that certain customers were unable to meet their financial obligations. In these cases, the Group used judgment, based on available facts and circumstances, including but not limited to, the length of its relationship with the customer and the customer's current credit status based on any available third party credit reports and known market factors, to record specific provisions for customers against amounts due to collect. These specific provisions were re-evaluated and adjusted as additional information received affects the provision for impairment. Further details were disclosed in Notes 7 and 8.

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**4. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG
PENTING (Lanjutan)**

Menilai jumlah terpulihkan dari aset nonkeuangan

Penyisihan penurunan nilai pasar dan keusangan persediaan diestimasi berdasarkan fakta dan situasi yang tersedia, termasuk namun tidak terbatas kepada, kondisi fisik persediaan yang dimiliki, harga jual pasar, estimasi biaya penyelesaian dan estimasi biaya yang timbul untuk penjualan. Provisi dievaluasi kembali dan disesuaikan jika terdapat tambahan informasi yang memengaruhi jumlah yang diestimasi. Penjelasan lebih rinci diungkapkan dalam Catatan 10.

Jumlah terpulihkan atas investasi pada entitas asosiasi dan pengendalian bersama, aset tetap dan biaya pengembangan proyek didasarkan pada estimasi dan asumsi khususnya mengenai prospek pasar dan arus kas terkait dengan aset. Estimasi arus kas masa depan mencakup perkiraan mengenai pendapatan masa depan. Setiap perubahan dalam asumsi-asumsi ini mungkin memiliki dampak material terhadap pengukuran jumlah terpulihkan dan bisa mengakibatkan penyesuaian penyisihan penurunan nilai yang sudah dibukukan. Penjelasan lebih rinci diungkapkan dalam Catatan 13, 15 dan 16.

Menentukan metode penyusutan dan estimasi umur manfaat aset tetap

Biaya perolehan aset tetap disusutkan dengan menggunakan metode garis lurus berdasarkan taksiran masa manfaat ekonomisnya dan jenis industri masing-masing Entitas Anak. Manajemen mengestimasi masa manfaat ekonomis aset tetap selama 3 tahun sampai dengan 30 tahun. Ini adalah umur yang secara umum diharapkan dalam industri dimana Kelompok Usaha menjalankan bisnisnya. Perubahan tingkat pemakaian dan perkembangan teknologi dapat memengaruhi masa manfaat ekonomis dan nilai sisa aset, dan karenanya biaya penyusutan masa depan mungkin direvisi. Penjelasan lebih rinci diungkapkan dalam Catatan 15.

Menentukan klasifikasi pengaturan bersama

Pertimbangan diperlukan untuk menentukan apakah Kelompok Usaha memiliki pengendalian bersama, yang membutuhkan penilaian mengenai aktivitas yang relevan dan ketika keputusan yang berkaitan dengan aktivitas tersebut membutuhkan persetujuan dengan suara bulat. Kelompok Usaha menentukan bahwa aktivitas yang relevan untuk pengaturan bersama adalah aktivitas yang berkaitan dengan operasi dan pengambilan keputusan dalam pengaturan tersebut.

Kelompok Usaha menilai apakah Kelompok Usaha memiliki pengendalian atau pengaruh signifikan pada entitas lain melalui:

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**4. CRITICAL ACCOUNTING ESTIMATES AND
JUDGMENTS (Continued)**

Assessing recoverable amounts of non-financial assets

Allowance for decline in market value and obsolescence of inventories was estimated based on available facts and circumstances, including but not limited to, the inventories own physical condition, their market selling prices, estimated costs of completion and estimated costs to be incurred for their sales. The provisions were re-evaluated and adjusted as additional information received affects the amount estimated. Further details were disclosed in Note 10.

The recoverable amounts of investment in associates and jointly controlled entities, fixed assets and project development costs were based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the assets. Estimated future cash flows include estimates of future revenues. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in adjustments to the provision of impairment already booked. Further details were disclosed in Notes 13, 15 and 16.

Determining depreciation method and estimated useful lives of fixed assets

The costs of fixed assets were depreciated on a straight-line basis over their estimated useful lives and the industry of each Subsidiary. Management estimated the useful lives of these fixed assets to be within 3 years to 30 years. These were common life expectancies applied in the industries in which the Group conducted its business. Changes in the expected level of usage and technological development could impact on the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised. Further details are disclosed in Note 15.

Determining classification of joint arrangements

Judgment was required to determine whether the Group has joint control, which required an assessment of the relevant activities and when the decisions in relation to those activities required unanimous consent. The Group has determined that the relevant activities for their joint arrangements were those relating to the operating and capital decisions of the arrangement.

The Group has assessed the significant influence of the Group in other entities through:

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**4. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG
PENTING (Lanjutan)**

- Struktur dari pengaturan bersama - apakah dibentuk melalui kendaraan terpisah.
- Ketika pengaturan tersebut terstruktur melalui kendaraan terpisah, Kelompok Usaha juga mempertimbangkan hak dan kewajiban yang timbul dari:
 - Bentuk legal dari kendaraan terpisah;
 - Persyaratan dari perjanjian kontraktual; dan
 - Fakta dan ketentuan lain (ketika relevan).

Penilaian ini sering membutuhkan pertimbangan yang signifikan, dan kesimpulan yang berbeda mengenai pengendalian bersama dan apakah pengaturan tersebut merupakan operasi bersama atau ventura bersama, dapat memiliki dampak material terhadap akuntansi.

Kelompok Usaha memiliki pengaturan bersama yang terstruktur melalui ventura bersama, KPP, GA dan CPB. Struktur persyaratan dari perjanjian kontraktual mengindikasikan bahwa Kelompok Usaha memiliki hak atas aset neto dari pengaturan bersama tersebut. Kelompok Usaha menilai fakta dan kondisi lain yang berkaitan dengan pengaturan ini dan kesimpulan final dari penilaian yang dilakukan adalah pengaturan tersebut merupakan ventura bersama. Penjelasan lebih rinci diungkapkan dalam Catatan 13.

Menilai pengendalian atau pengaruh signifikan pada entitas lain

Kelompok Usaha menilai apakah Kelompok Usaha memiliki pengendalian atau pengaruh signifikan pada entitas lain melalui:

- adanya dewan perwakilan Kelompok Usaha pada entitas lain dan pernyataan kontraktual.
- Kelompok Usaha merupakan pemegang saham mayoritas dengan kepentingan ekuitas yang lebih besar dari pemegang saham lainnya.
- memiliki kekuatan untuk berpartisipasi dalam pengambilan keputusan keuangan dan operasi.

Penjelasan lebih rinci diungkapkan dalam Catatan 13 dan 14.

Estimasi beban dan liabilitas imbalan pascakerja

Penentuan liabilitas dan beban imbalan pascakerja Kelompok Usaha bergantung pada pemilihan asumsi yang digunakan dalam menghitung jumlah-jumlah tersebut. Asumsi tersebut termasuk antara lain, tingkat diskonto, tingkat kenaikan gaji, tingkat pengunduran diri, tingkat cacat, umur pensiun normal dan tingkat mortalitas. Sementara Kelompok Usaha berkeyakinan bahwa asumsi tersebut adalah wajar dan sesuai, perbedaan signifikan pada hasil aktual atau perubahan signifikan dalam asumsi yang ditetapkan Kelompok Usaha dapat memengaruhi secara material liabilitas dan beban imbalan kerja. Penjelasan lebih rinci diungkapkan dalam Catatan 37.

**4. CRITICAL ACCOUNTING ESTIMATES AND
JUDGMENTS (Continued)**

- The structure of the joint arrangement - whether it was structured through a separate vehicle.
- When the arrangement was structured through a separate vehicle, the Group also considered the rights and obligations arising from:
 - The legal form of the separate vehicle;
 - The terms of the contractual arrangement; and;
 - Other facts and circumstances (when relevant).

This assessment often required significant judgment, and a different conclusion on joint control and also whether the arrangement was a joint operation or a joint venture, may materially impact the accounting.

The Group has a joint arrangement which is structured through joint ventures, KPP, GA and CPB. This structure and the terms of the contractual arrangement indicated that the Group has rights to the net assets of the arrangement. The Group also assessed the other facts and circumstances relating to this arrangement and the final conclusion from the assessment made was that the arrangement was a joint venture. Further details are disclosed in Note 13.

Assessing control or significant influence on other entities

The Group has assessed the significant influence of the Group in other entities through:

- the presence of the board representative of the Group and the contractual term.
- the Group was the majority shareholder with greater interest than other shareholders.
- has the power to participate in the financial and operating policy decisions.

Further details are disclosed in Notes 13 and 14.

Estimate of post-employment benefits expense and liability

The determination of the Group's liability and expense for post-employment benefits was dependent on its selection of certain assumptions used in calculating such amounts. These assumptions include among others, discount rates, salary increase rate, turn-over rate, disability rate, normal pension age and mortality rate. While the Group believed that its assumptions were reasonable and appropriate, significant differences in the Group's actual results or significant changes in the Group's assumptions may materially affect its post-employment liability and expense. Further details were disclosed in Note 37.

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**4. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG
PENTING (Lanjutan)**

Menentukan 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. Kelompok Usaha mengakui liabilitas atas pajak penghasilan badan yang diharapkan berdasarkan estimasi apakah akan terdapat tambahan pajak penghasilan badan yang akan jatuh tempo. Penjelasan lebih rinci diungkapkan dalam Catatan 36.

Kelompok Usaha menelaah aset pajak tangguhan pada setiap tanggal pelaporan dan mengurangi jumlah tercatat sepanjang tidak ada kemungkinan bahwa laba kena pajak memadai untuk mengkompensasi sebagian atau seluruh aset pajak tangguhan. Kelompok Usaha juga menelaah waktu yang diharapkan dan tarif pajak atas pemulihan perbedaan temporer dan menyesuaikan pengaruh atas pajak tangguhan yang sesuai. Penjelasan lebih rinci diungkapkan dalam Catatan 36.

Mengevaluasi provisi dan kontinjensi

Kelompok Usaha melakukan pertimbangan untuk membedakan antara provisi dan kontinjensi serta mempersiapkan provisi yang sesuai untuk proses hukum atau kewajiban konstruktif, jika ada, sesuai dengan kebijakan provisinya dan mempertimbangkan risiko dan ketidakpastian yang relevan.

Menentukan nilai wajar dan biaya untuk menjual serta
klasifikasi dari aset tidak lancar yang dimiliki untuk dijual

Nilai wajar dan biaya untuk menjual dari aset tidak lancar dan kelompok lepasan yang diklasifikasikan sebagai dimiliki untuk dijual didasarkan pada estimasi dan asumsi khususnya mengenai prospek pasar terkait dengan aset dalam kondisi kininya. Setiap perubahan dalam prospek pasar mungkin memiliki dampak material terhadap pengukuran nilai wajar dan biaya untuk menjual dari aset tersebut dan bias mengakibatkan penyesuaian pada jumlah yang dibukukan dalam laporan keuangan konsolidasian.

Penentuan aset tidak lancar dan kelompok lepasan yang diklasifikasikan sebagai dimiliki untuk dijual adalah berdasarkan pertimbangan manajemen yang mungkin berubah akibat perubahan situasi di masa mendatang yang di luar kendali Kelompok Usaha. Penjelasan lebih rinci diungkapkan dalam Catatan 49.

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**4. CRITICAL ACCOUNTING ESTIMATES AND
JUDGMENTS (Continued)**

Determining income taxes

Significant judgment was involved in determining provision for corporate income tax. There were certain transactions and computation for which the ultimate tax determination was uncertain during the ordinary course of business. The Group recognized liabilities for expected corporate income tax based on estimates as to whether additional corporate income tax will be due. Further details were disclosed in Note 36.

The Group reviewed its deferred tax assets at each reporting date and reduced the carrying amount to the extent that it was no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. The Group also reviewed the expected timing and tax rates upon reversal of temporary differences and adjusted the impact of deferred tax accordingly. Further details were disclosed in Note 36.

Evaluating provisions and contingencies

The Group exercised its judgment to distinguish between provisions and contingencies and sets up appropriate provisions for its legal or constructive obligations, if any, in accordance with its policies on provisions and takes the relevant risks and uncertainty into account.

Determining fair value and costs to sell, and the
classification of non-current assets held for sale

Fair value and costs to sell of non-current assets and disposal groups classified as held for sale were based on estimates and assumptions regarding in particular the expected market outlook associated with the asset in its present condition. Any changes in the expected market outlook may have a material impact on the measurement of the fair value and costs to sell and could result in adjustments to the amount booked in the consolidated financial statements.

The determination of non-current assets and disposal groups classified as held for sale were based on management's judgment that may change due to changes of circumstances in the future arising beyond the control of the Group. Further details were disclosed in Note 49.

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5. KAS DAN SETARA KAS**5. CASH AND CASH EQUIVALENTS**

	2018	2017	
Kas			Cash on hand
Rupiah	937	1.052	Rupiah
Yen Jepang	168	161	Japanese Yen
Dolar AS	49	27	US Dollar
Rupiah India	39	39	Indian Rupee
Dolar Singapura	2	2	Singapore Dollar
Total kas	1.195	1.281	Total cash on hand
Kas di bank			Cash in banks
Rupiah			Rupiah
PT Bank Rakyat Indonesia (Persero) Tbk	24.916	59.357	PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank Mandiri (Persero) Tbk	17.092	16.864	PT Bank Mandiri (Persero) Tbk
PT Bank Negara Indonesia (Persero) Tbk	13.646	7.378	PT Bank Negara Indonesia (Persero) Tbk
PT Bank Central Asia Tbk	10.533	9.089	PT Bank Central Asia Tbk
PT Bank Negara Indonesia Syariah	2.446	4.775	PT Bank Negara Indonesia Syariah
PT Bank Muamalat Indonesia Tbk	1.634	2.226	PT Bank Muamalat Indonesia Tbk
PT Bank Kesejahteraan Ekonomi	1.542	-	PT Bank Kesejahteraan Ekonomi
PT Bank Permata Tbk	1.176	214	PT Bank Permata Tbk
Lain-lain (dibawah Rp1 miliar)	3.089	3.389	Others (below Rp1 billion)
Subtotal	76.074	103.292	Subtotal
Mata uang asing			Foreign currencies
PT Bank Maybank Indonesia Tbk	7.842	393	PT Bank Maybank Indonesia Tbk
PT Bank MNC Internasional Tbk	4.150	83	PT Bank MNC Internasional Tbk
PT Bank Negara Indonesia (Persero) Tbk	2.227	1.035	PT Bank Negara Indonesia (Persero) Tbk
PT Bank Mandiri (Persero) Tbk	1.720	2.422	PT Bank Mandiri (Persero) Tbk
PT Bank Central Asia Tbk	1.060	1.748	PT Bank Central Asia Tbk
PT Bank Mega Tbk	134	3.649	PT Bank Mega Tbk
PT Bank Pembangunan Daerah Jawa Timur	-	6.937	PT Bank Pembangunan Daerah Jawa Timur
Lain-lain (dibawah Rp1 miliar)	3.258	2.813	Others (below Rp1 billion)
Subtotal	20.391	19.080	Subtotal
Total kas di bank	96.465	122.372	Total cash in banks
Setara kas			Cash equivalents
Deposito berjangka (Rupiah)			Time deposits (Rupiah)
PT Bank Negara Indonesia (Persero) Tbk	12.979	194	PT Bank Negara Indonesia (Persero) Tbk
PT Bank Rakyat Indonesia (Persero) Tbk	8.000	-	PT Bank Rakyat Indonesia (Persero) Tbk
Lain-lain (dibawah Rp1 miliar)	238	501	Others (below Rp1 billion)
Total setara kas	21.217	695	Total cash equivalents
Total	118.877	124.348	Total

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5. KAS DAN SETARA KAS (Lanjutan)

Kisaran suku bunga tahunan untuk deposito berjangka dari 5,00% sampai dengan 7,00% dan 4,00% sampai dengan 5,25% untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2018 dan 2017.

Seluruh kas dan setara kas ditempatkan pada pihak ketiga.

Rincian kas dan setara kas berdasarkan mata uang adalah sebagai berikut:

Mata uang	2018	2017	Currencies
Rupiah	98.228	105.039	Rupiah
Dolar AS	20.318	19.107	US Dollar
Yen Jepang	200	161	Japanese Yen
Euro	90	-	Euro
Rupiah Indian	39	39	Rupiah Indian
Dolar Singapura	2	2	Singaporean Dollar
Total	118.877	124.348	Total

5. CASH AND CASH EQUIVALENTS (Continued)

The annual interest rates of time deposits ranged from 5.00% to 7.00% and 4.00% to 5.25% for the years ended December 31, 2018 and 2017, respectively.

All placements in cash and cash equivalents were with third parties.

Details of cash and cash equivalents based on currencies were as follows:

6. INVESTASI JANGKA PENDEK

	2018	2017	
Pihak ketiga			Third parties
Diukur pada nilai wajar melalui laba rugi			Fair value through profit or loss
Dana investasi (USD)			Investment funds (USD)
Fitzroy Offshore Ltd.	6.457.300	-	Fitzroy Offshore Ltd.
Purple Rain Resources Ltd.	477.847	346.358	Purple Rain Resources Ltd.
Dana investasi (Rp)			Investment funds (Rp)
Purple Rain Resources Ltd.	5.000	-	Purple Rain Resources Ltd.
Subtotal	6.940.147	346.358	Subtotal
Pinjaman dan piutang			Loan and receivables
Deposito berjangka			Time deposits
PT Bank Mandiri (Persero) Tbk	2.200	2.200	PT Bank Mandiri (Persero) Tbk
Total pihak ketiga	6.942.347	348.558	Total third parties
Pihak berelasi (Catatan 39b)			Related parties (Note 39b)
Efek tersedia untuk dijual			Available-for-sale securities
Efek ekuitas tercatat			Quoted equity securities
PT Bakrie Sumatera Plantation Tbk (UNSP)	3.990	6.078	PT Bakrie Sumatera Plantation Tbk (UNSP)
PT Bakrieland Development Tbk (ELTY)	3.597	3.597	PT Bakrieland Development Tbk (ELTY)
PT Bakrie Telecom Tbk (BTEL)	2.152	2.152	PT Bakrie Telecom Tbk (BTEL)
PT Darma Henwa Tbk (DEWA)	1.240	1.240	PT Darma Henwa Tbk (DEWA)
PT Energi Mega Persada Tbk (ENRG)	1	1	PT Energi Mega Persada Tbk (ENRG)
PT Bumi Resources Tbk (BUMI)	-	148.119	PT Bumi Resources Tbk (BUMI)
Total pihak berelasi	10.980	161.187	Total related parties
Total	6.953.327	509.745	Total

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6. INVESTASI JANGKA PENDEK (Lanjutan)

Aset keuangan yang diukur pada nilai wajar melalui laba rugi

Pada tahun 2015, Sebastopol, Entitas Anak, mengadakan perjanjian jasa pengelolaan investasi dengan Purple Rain Resources Ltd. ("Purple Rain"), perusahaan yang didirikan di British Virgin Island, untuk mengelola dan melaksanakan strategi investasi yang telah disetujui oleh kedua belah pihak untuk total investasi sebesar USD24,7 juta.

Pada tahun 2016, Perusahaan juga mengadakan perjanjian jasa pengelolaan investasi dengan Purple Rain sebesar USD0,9 juta.

Pada tanggal 23 Mei 2018, Perusahaan menandatangani perjanjian Mutual Investment Agreement dengan Fitzroy Offshore Ltd (Fitzroy), perusahaan yang didirikan di Kepulauan Marshall dengan nilai investasi sebesar USD416 juta. Perusahaan mengikatkan diri dengan Fitzroy dalam bentuk opsi untuk menjual aset berupa 806.595.000 saham PT Bumi Resources Tbk ("Saham BUMI") yang dimiliki oleh Perusahaan sehingga apabila kondisi yang disyaratkan dalam perjanjian telah terpenuhi maka Perusahaan dapat memperoleh kembali sejumlah nilai investasi awal ditambah keuntungan hasil investasi dan Perusahaan wajib menyerahkan Saham BUMI kepada Fitzroy.

Pada tanggal 31 Desember 2018 dan 2017, nilai buku neto aset keuangan yang diukur pada nilai wajar melalui laba rugi masing-masing sebesar Rp5,0 miliar dan USD478,9 juta (setara dengan Rp6,9 triliun) dan USD25,6 juta (setara dengan Rp346,4 miliar).

Pinjaman dan piutang

Deposito berjangka merupakan penempatan dana dengan jangka waktu empat (4) sampai dengan enam (6) bulan dan memperoleh suku bunga tahunan berkisar antara 5,5% sampai dengan 6,25%.

Manajemen berkeyakinan bahwa tidak terdapat kejadian-kejadian atau perubahan-perubahan keadaan yang mengindikasikan adanya penurunan nilai investasi jangka pendek pada tanggal 31 Desember 2018.

Efek Tersedia untuk Dijual

Kepemilikan saham Perusahaan atas pihak berelasi adalah sebagai berikut:

Jumlah saham (dalam ribuan)	2018	2017	Number of shares (in thousands)
UNSP	37.286	37.286	UNSP
ELTY	71.943	71.943	ELTY
BTEL	43.043	43.043	BTEL
DEWA	24.800	24.800	DEWA
ENRG	13	13	ENRG
BUMI	-	548.588	BUMI

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6. SHORT-TERM INVESTMENTS (Continued)

Financial assets measured at fair value through profit or loss

In 2015, Sebastopol, Subsidiary, entered into an investment management service agreement with Purple Rain Resources Ltd. ("Purple Rain"), company incorporated in British Virgin Islands, to manage and implement the investment strategy agreed by both parties for total investment amounting to USD24.7 million.

In 2016, the Company also entered into an investment management service agreement with Purple Rain amounting to USD0.9 million.

On May 23, 2018, the Company entered into an Mutual Investment Agreement with Fitzroy Offshore Ltd (Fitzroy), company incorporated in Marshall Islands with the value of USD416 million. The Company binded itself with the Fitzroy in the form of an option to sell an asset, which is 806,595,000 shares of PT Bumi Resources Tbk ("BUMI Shares") owned by the Company until all conditions will be fulfilled under the agreement, the Company has the rights to receive the same amount of initial investment and in return, the Company has to transfer BUMI Shares to Fitzroy.

As of December 31, 2018 and 2017, net book value of financial assets at fair value through profit or loss amounted to Rp5.0 billion and USD478.9 million (equivalent to Rp6.9 trillion) and USD25.6 million (equivalent to Rp346.4 billion), respectively.

Loan and receivables

Time deposits represented placements with terms of four (4) to six (6) months and earned interest at annual rates ranging from 5.5% to 6.25%.

The management believed that there were no events or changes in circumstances that indicated any impairment in the value of short-term investments as of December 31, 2018.

Available-for-Sale Securities

The Company's share ownership in related parties were as follows:

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6. INVESTASI JANGKA PENDEK (Lanjutan)

Keuntungan yang belum terealisasi atas perubahan nilai investasi jangka pendek yang disajikan sebagai bagian dari ekuitas pada tanggal 31 Desember 2018 dan 2017 masing-masing sebesar Rp2,1 miliar dan Rp124,9 miliar.

Rincian investasi jangka pendek berdasarkan mata uang adalah sebagai berikut:

Mata uang	2018	2017	Currencies
Dolar AS	6.935.147	346.358	US Dollar
Rupiah	18.180	163.387	Rupiah
Total	6.953.327	509.745	Total

6. SHORT-TERM INVESTMENTS (Continued)

Unrealized gain for changes in the value of short-term investments presented as part of equity as of December 31, 2018 and 2017 amounted to Rp2.1 billion and Rp124.9 billion, respectively.

Details of short-term investments based on currencies were as follows:

7. PIUTANG USAHA

a. Aset lancar

	2018	2017	
Pendapatan sudah ditagih			Billed revenues
Pihak ketiga			Third parties
Husky CNOOC Madura Ltd	107.403	17.671	Husky CNOOC Madura Ltd
PT Pertamina (Persero) Tbk	98.836	16.186	PT Pertamina (Persero) Tbk
PT Waskita Karya Tbk	76.022	-	PT Waskita Karya Tbk
PT Pertamina EP	41.337	18.656	PT Pertamina EP
PT Perusahaan Listrik Negara (Persero)	32.945	39.356	PT Perusahaan Listrik Negara (Persero)
PT Mitsubishi Motor Kramayudha Indonesia	29.264	8.039	PT Mitsubishi Motor Kramayudha Indonesia
John Holland Pte. Ltd.	17.856	16.705	John Holland Pte. Ltd.
PT Hino Motors Manufacturing Indonesia	15.307	11.104	PT Hino Motors Manufacturing Indonesia
Premier Oil Natuna B.V.	14.827	-	Premier Oil Natuna B.V.
PT Alisan Catur Perkasa	13.215	23.445	PT Alisan Catur Perkasa
PT Punj Lloyd Indonesia	12.138	11.356	PT Punj Lloyd Indonesia
PT Waskita Karya Tbk - Acset KSO	11.449	-	PT Waskita Karya Tbk - Acset KSO
Lihir Gold Ltd.	10.223	9.565	Lihir Gold Ltd.
PT Krama Yudha Tiga Berlian	9.594	13.095	PT Krama Yudha Tiga Berlian
PT Inerco Global International	2.339	54.128	PT Inerco Global International
Lain-lain (dibawah Rp10 miliar)	209.920	224.725	Others (below Rp10 billion)
Subtotal	702.675	464.031	Subtotal
Pihak berelasi (Catatan 39b)	17.921	305	Related parties (Note 39b)
Total pendapatan sudah ditagih	720.596	464.336	Total billed revenues
Pendapatan belum ditagih			Unbilled revenues
Pihak ketiga	209.006	29.894	Third parties
Total	929.602	494.230	Total
Dikurangi penyisihan kerugian atas penurunan nilai	(121.341)	(101.931)	Less allowance for impairment losses
Neto	808.261	392.299	Net

7. TRADE RECEIVABLES

a. Current assets

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7. PIUTANG USAHA (Lanjutan)

Mutasi penyisihan kerugian atas penurunan nilai piutang usaha adalah sebagai berikut:

	2018	2017
Saldo awal tahun	101.931	55.471
Perubahan selama tahun berjalan:		
Akuisisi entitas anak baru	13.650	-
Selisih kurs	4.363	704
Penyisihan kerugian penurunan nilai	1.825	45.756
Pemulihan penyisihan	(428)	-
Saldo Akhir Tahun	121.341	101.931

b. Aset tidak lancar

	2018	2017
Pihak ketiga		
Piper Price & Company Limited	481.264	517.263
Diskonto yang belum diamortisasi	(38.741)	(49.249)
Neto	442.523	468.014

Piper Price & Company Limited

Pada tanggal 30 Desember 2010, Perusahaan menjual saham BUMI, ENRG, UNSP, ELTY dan BTEL miliknya sejumlah masing-masing 1,2 miliar, 2,4 miliar, 304,2 juta, 346,9 juta dan 1,3 miliar lembar saham kepada Piper Price & Company Limited (PPC) dengan harga jual keseluruhan sebesar Rp3,4 triliun yang akan dibayarkan pada tanggal 30 Juni 2011, dengan opsi perpanjangan. Berdasarkan perjanjian antara Perusahaan dan PPC, tanggal pembayaran telah diubah beberapa kali, terakhir pada tanggal 30 September 2020.

Rincian umur piutang usaha adalah sebagai berikut:

	2018	2017
Belum jatuh tempo		
sampai dengan 1 bulan	558.763	527.711
1 bulan - 3 bulan	284.704	120.012
3 bulan - 6 bulan	262.846	148.089
6 bulan - 1 tahun	64.482	62.856
Lebih dari 1 tahun	201.330	103.576
Total	1.372.125	962.244
Dikurangi penyisihan kerugian atas penurunan nilai	(121.341)	(101.931)
Neto	1.250.784	860.313

7. TRADE RECEIVABLES (Continued)

The movements in the allowance for impairment losses on trade receivables were as follows:

Balance at beginning of year
Changes during the year:
Acquisition of new subsidiary
Foreign exchange translation
Provision for impairment losses
Reversal of provision

Balance at End of Year

b. Non-current assets

Third party
Piper Price & Company Limited
Unamortized discount
Net

Piper Price & Company Limited

On December 30, 2010, the Company sold its shares in BUMI, ENRG, UNSP, ELTY and BTEL amounting to 1.2 billion, 2.4 billion, 304.2 million, 346.9 million and 1.3 billion, respectively, to Piper Price & Company Limited (PPC) for a total selling price of Rp3.4 trillion, which will be paid on June 30, 2011 and subject to extension. Based on agreement between the Company and PPC, payment date has been amended several times, the latest on September 30, 2020.

Details of aging schedule of trade receivables were as follows:

Not yet past due until
up to 1 month
1 month - 3 months
3 months - 6 months
6 months - 1 year
Over 1 year
Total
Less allowance for
impairment losses
Net

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7. PIUTANG USAHA (Lanjutan)

Rincian piutang usaha berdasarkan mata uang adalah sebagai berikut:

Mata uang	2018	2017	Currencies
Rupiah	1.127.642	815.561	Rupiah
Dolar AS	123.142	44.752	US Dollar
Total	1.250.784	860.313	Total

Manajemen berkeyakinan bahwa penyisihan kerugian atas penurunan nilai piutang usaha adalah cukup untuk menutup penurunan nilai kerugian atas tidak tertagihnya piutang usaha.

Pada tanggal 31 Desember 2018 dan 2017, beberapa Entitas Anak menggunakan piutang usaha sebagai jaminan atas pinjaman jangka pendek dan jangka panjang (Catatan 18 dan 23).

7. TRADE RECEIVABLES (Continued)

Details of trade receivables based on currencies were as follows:

The management believed that allowance for impairment losses on trade receivables was adequate to cover any impairment losses on uncollectible trade receivables.

As of December 31, 2018 and 2017, several Subsidiaries used trade receivables, as collateral for short-term and long-term loans (Notes 18 and 23).

8. PIUTANG LAIN-LAIN

	2018	2017	
Pihak ketiga			Third parties
PT Pilar Agra Unggul	701.671	-	PT Pilar Agra Unggul
PT Southeast Asia Capital Investment	240.000	240.000	PT Southeast Asia Capital Investment
TJA Power Corporation (Asia) Ltd.	194.264	181.748	TJA Power Corporation (Asia) Ltd.
CV Inti Mandiri Sadaya	196.457	237.457	CV Inti Mandiri Sadaya
PT Suplindo Sejahtera	14.345	15.035	PT Suplindo Sejahtera
Lain-lain (dibawah Rp10 miliar)	17.024	37.682	Others (below Rp10 billion)
Total	1.363.761	711.922	Total
Dikurangi penyisihan kerugian atas penurunan nilai	(78.835)	(72.675)	Less allowance for impairment losses
Neto	1.284.926	639.247	Net

Mutasi penyisihan kerugian atas penurunan nilai piutang lain-lain adalah sebagai berikut:

The movements in the allowance for impairment losses on other receivables were as follows:

	2018	2017	
Saldo awal	72.675	71.854	Beginning balance
Perubahan selama tahun berjalan:			Changes during the year:
Penyisihan penurunan nilai	6.463	298	Provision for impairment losses
Selisih kurs	(303)	523	Foreign exchange translation
Saldo Akhir	78.835	72.675	Ending Balance

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8. PIUTANG LAIN-LAIN (Lanjutan)

PT Pilar Agra Unggul (PAU)

Pada tanggal 23 Februari 2018, PT Barie Building Industries (BBI), entitas anak, menandatangani perjanjian jual beli dengan PAU untuk penjualan tanah Hak Guna Bangunan (HGB) yang dimiliki BBI seluas 135.495 m2 yang berlokasi di Kalideres, Jakarta Barat, dengan total harga jual sebesar Rp880,7 miliar.

PT Southeast Asia Capital Investment (SECI)

Pada tanggal 15 November 2015, PT Bakrie Pipe Industries (BPI), entitas anak, mengadakan perjanjian dengan SECI untuk memberikan pinjaman kepada SECI sebesar Rp240 miliar untuk tujuan operasional SECI. Pinjaman ini dijamin dengan saham PT Diva Perdana Pesona, Perusahaan yang didirikan berdasarkan hukum negara Republik Indonesia yang berkedudukan di Jakarta Selatan dan dimiliki oleh PT North Auto Mega dan PT Gemilang Indo Raya. Pinjaman akan jatuh tempo pada tanggal 15 November 2019.

TJA Power Corporation (Asia) Ltd. (TJA)

Pada tanggal 28 Maret 2012, PT Bakrie Power (BP), entitas anak, memberikan fasilitas pinjaman kepada TJA sebesar USD5 juta yang dikenakan bunga sebesar LIBOR ditambah 6% per tahun dan jatuh tempo pada tanggal 29 Maret 2014.

Pada tanggal 27 Desember 2013, perjanjian atas pemberian fasilitas pinjaman kepada TJA telah diubah sebagai berikut:

- perpanjangan periode utang untuk dua tahun dan akan jatuh tempo pada tanggal 28 Maret 2016; dan
- bunga pinjaman menjadi 5,5% pada tahun kedua, 6,0% pada tahun ketiga dan 6,5% pada tahun keempat.

Pada tanggal 20 Agustus 2015, TJA mengalihkan uang mukanya di PT Tanjung Jati Power Company (TJPC) kepada BP untuk mengurangi saldo fasilitas pinjaman sebesar USD2,8 juta. Kemudian, TJA menjual seluruh kepemilikan di TJPC dan penerimaan sebesar USD1,3 juta digunakan untuk penyelesaian utang ke BP.

Pada tanggal 31 Desember 2018 dan 2017, saldo pinjaman adalah sebesar USD13,4 juta (masing-masing setara dengan Rp194,3 miliar dan Rp181,7 miliar).

CV Inti Mandiri Sadaya (IMS)

Pada tanggal 28 Oktober 2016, Perusahaan mengakui hak tagih dari IMS sehubungan dengan layanan teknis yang disediakan oleh BP kepada IMS.

Rincian piutang lain-lain berdasarkan mata uang adalah sebagai berikut:

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8. OTHER RECEIVABLES (Continued)

PT Pilar Agra Unggul (PAU)

On February 23, 2018, PT Bakrie Building Industries (BBI), subsidiary, entered into a sale and purchase agreement with PAU for the sale of BBI's building usage rights (HGB) covering total land area of 135,495 m2 located at Kalideres, Jakarta Barat, with total selling price of Rp880.7 billion.

PT Southeast Asia Capital Investment (SECI)

On November 15, 2015, PT Bakrie Pipe Industries (BPI), a subsidiary, entered into an agreement with SECI to grant loan to SECI amounting to Rp240 billion for SECI's operational purposes. The loan was secured by shares of PT Diva Perdana Pesona, a Company established under the law of the Republic of Indonesia domiciled in South Jakarta and owned by PT North Auto Mega and PT Gemilang Indo Raya. The loan will mature on November 15, 2019.

TJA Power Corporation (Asia) Ltd. (TJA)

On March 28, 2012, PT Bakrie Power (BP), subsidiary, provided a loan facility to TJA amounting to USD5 million that bears annual interest of LIBOR plus 6% and due on March 29, 2014.

On December 27, 2013, the loan facility agreement to TJA was amended as follows:

- extension of the loan period for another two years and was due on March 28, 2016; and
- annual interest on the loan shall be 5.5% for the second year, 6.0% for the third year and 6.5% for the fourth year.

On August 20, 2015, TJA assigned to BP TJA's advances in PT Tanjung Jati Power Company (TJPC) which reduced the outstanding balance of the loan facility by USD2.8 million. Furthermore, TJA sold all of its shares in TJPC and the proceeds amounting to USD1.3 million was applied to the loan payable to BP.

As of December 31, 2018 and 2017, outstanding balance of the loan facility amounted to USD13.4 million (equivalent to Rp194.3 billion and Rp181.7 billion, respectively).

CV Inti Mandiri Sadaya (IMS)

On October 28, 2016, the Company recognized receivables from IMS in relation to technical services provided by BP to IMS.

Details of other receivables based on currencies were as follows:

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8. PIUTANG LAIN-LAIN (Lanjutan)

Mata uang	2018	2017	Currencies
Rupiah	1.157.668	520.186	Rupiah
Dolar AS	127.258	119.061	US Dollar
Total	1.284.926	639.247	Total

Manajemen berkeyakinan bahwa penyisihan kerugian atas penurunan nilai piutang lain-lain adalah cukup untuk menutup kemungkinan kerugian atas tidak tertagihnya piutang lain-lain.

8. OTHER RECEIVABLES (Continued)

The management believed that the allowance for impairment losses on other receivables was adequate to cover any possible losses on uncollectible other receivables.

9. TAGIHAN (UTANG) BRUTO KEPADA PELANGGAN

a. Tagihan bruto kepada pelanggan

	2018	2017	
Akumulasi biaya sampai dengan tanggal pelaporan	561.511	668.376	Accumulated costs up to reporting date
Estimasi rugi	(235.973)	(2.937)	Estimated losses
Total	325.538	665.439	Total
Tagihan sampai dengan tanggal pelaporan	(274.472)	(547.160)	Progress billings up to reporting date
Neto	51.066	118.279	Net

b. Utang bruto kepada pelanggan

	2018	2017	
Akumulasi biaya sampai dengan tanggal pelaporan	60.384	218.366	Accumulated costs up to reporting date
Estimasi laba (rugi)	(42.986)	26.580	Estimated earnings (loss)
Total	17.398	244.946	Total
Tagihan sampai dengan tanggal pelaporan	(25.933)	(279.581)	Progress billings up to reporting date
Neto	(8.535)	(34.635)	Net

Kontrak perjanjian konstruksi BCons yang signifikan adalah sebagai berikut:

1. Kontrak konstruksi dengan Husky-CNOOC Madura Limited – Engineering, Procurement, Construction and Installation (EPCI) untuk Pengembangan Bidang MDA dan MBH dimulai pada bulan November 2015 untuk jangka waktu dua puluh enam (26) bulan. Pada tanggal 31 Desember 2018, total nilai kontrak asli dan variasi sebesar USD41,4 juta, tidak termasuk PPN, dan total biaya yang dikeluarkan sebesar USD38,4 juta.

9. GROSS AMOUNTS DUE FROM (TO) CUSTOMERS

a. Gross amounts due from customers

b. Gross amounts due to customers

Significant construction contract agreements of BCons were as follows:

1. Construction contract with Husky-CNOOC Madura Limited - Engineering, Procurement, Construction and Installation (EPCI) for the MDA and MBH Fields Development commenced in November 2015 for a period of twenty six (26) months. As of December 31, 2018, the total original contract and variation amounted to USD41.4 million, excluding VAT, and total costs incurred amounted to USD38.4 million.

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**9. TAGIHAN (UTANG) BRUTO KEPADA PELANGGAN
(Lanjutan)**

- Kontrak konstruksi dengan Black & Veatch untuk Proyek Pembangkit Listrik Tenaga Uap Batu Bara Lontar, Baja Struktural dan Logam Lain-lain dimulai pada tanggal 15 Desember 2016 untuk jangka waktu dua belas (12) bulan. Pada tanggal 31 Desember, total nilai kontrak asli dan variasi pesanan adalah sebesar USD10,0 juta, tidak termasuk PPN, dan total biaya yang dikeluarkan sebesar USD4,2 juta.
- Kontrak konstruksi dengan PT Rekayasa Industri untuk Proyek Fabrication Package of Mooring Tower Offshore Pipeline Banyu Urip EPC - 3 dimulai pada bulan November 2015 untuk jangka waktu sepuluh (10) bulan. Total nilai kontrak asli dan variasi adalah sebesar USD17,8 juta, tidak termasuk PPN, dan total biaya yang dikeluarkan sebesar USD14,7 juta. Pada tanggal 31 Desember 2018, proyek ini telah selesai.
- Kontrak konstruksi dengan CNOOC untuk Yard Construction/Offshore platform dan instalasi pipa dari Mila Asti-Cnooc SES, LTD dimulai pada bulan Februari 2013 untuk jangka waktu tiga puluh lima (35) bulan. Pada tanggal 31 Desember 2018, total nilai kontrak asli dan variasi sebesar USD17,7 juta, tidak termasuk PPN, dan total biaya yang dikeluarkan sebesar USD15,6 juta. Pada tanggal 31 Desember 2018, proyek ini telah selesai.
- Kontrak konstruksi dengan Energy Equity Epic (Sengkang) Pty. Ltd. untuk EPCI untuk Pengembangan Flowline 6" dan 8" Wasambo dimulai pada tanggal 16 November 2015 untuk jangka waktu seratus sepuluh (110) hari. Pada tanggal 31 Desember 2018, total nilai kontrak asli dan variasi pesanan adalah sebesar USD1,5 juta, tidak termasuk PPN, dan total biaya yang dikeluarkan sebesar USD2,1 juta. Pada tanggal 31 Desember 2018, proyek ini telah selesai.

Jaminan yang diberikan atas proyek ini adalah dalam bentuk bank garansi, *performance bond*, jaminan pemeliharaan (*warranty bond*) (Catatan 17).

**9. GROSS AMOUNTS DUE FROM (TO) CUSTOMERS
(Continued)**

- Construction contract with Black & Veatch for the Lontar Extension Coal Fired Steam Power Plant Project, Structural Steel and Miscellaneous Metals commenced on December 15, 2016 for a period of twelve (12) months. As of December 31, 2018, the total original contract price and variation orders amounted to USD10.2 million, excluding VAT, and total costs incurred amounted to USD4.2 million.
- Construction contract with PT Rekayasa Industri for Fabrication Package of Mooring Tower Offshore Pipeline Banyu Urip EPC - 3 Project commenced in November 2015 for a period of ten (10) months. The total original contract and variation amounted to USD17.8 million, excluding VAT, and total costs incurred amounted to USD14.7 million. As of December 31, 2018, the project was complete.
- Construction contract with CNOOC for the Yard Construction/Offshore platform and pipelines installation of Mila Asti-Cnooc SES, LTD was commenced in February 2013 for a period of thirty five (35) months. As of December 31, 2018, the total original contract and variation amounted to USD17.7 million, excluding VAT, and total costs incurred amounted to USD15.6 million. As of December 31, 2018, the project was complete.
- Construction contract with Energy Equity Epic (Sengkang) Pty. Ltd. for EPCI for the development of Wasambo flowline 6" and 8" commenced on November 16, 2015 for a period of one hundred ten (110) days. As of December 31, 2018, the total original contract and variation amounted to USD1.5 million, excluding VAT, and total costs incurred amounted to USD2.1 million. As of December 31, 2018, the project was complete.

Collateral given for several projects were in the form of bank guarantee, performance bond and warranty bond (Note 17).

10. PERSEDIAAN

10. INVENTORIES

	2018	2017	
Barang jadi	497.046	302.733	Finished goods
Bahan baku	148.104	139.293	Raw materials
Bahan pembantu dan suku cadang	73.841	73.851	Indirect materials and spare-parts
Barang dalam proses	120.125	64.491	Work-in-process
Lain-lain (dibawah Rp1 miliar)	6.855	103	Others (below Rp1 billion)
Total	845.971	580.471	Total
Dikurangi penyisihan persediaan usang	(20.015)	(21.680)	Less allowance for inventory obsolescence
Neto	825.956	558.791	Net

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10. PERSEDIAAN (Lanjutan)

Mutasi penyisihan persediaan usang adalah sebagai berikut:

	2018	2017
Saldo awal	21.680	7.378
Perubahan selama tahun berjalan		
Penyisihan penurunan nilai	5.423	21.636
Selisih kurs	149	26
Penghapusan atas cadangan	(7.237)	(7.360)
Saldo Akhir	20.015	21.680

Berdasarkan hasil penelaahan atas kondisi persediaan, manajemen berkeyakinan bahwa penyisihan persediaan usang cukup untuk menutup kemungkinan kerugian atas penurunan nilai persediaan.

Manajemen mengasuransikan persediaan terhadap risiko kebakaran dan risiko lainnya melalui suatu paket polis. Jumlah nilai pertanggungan asuransi persediaan adalah masing-masing sebesar Rp212,0 miliar dan Rp169,1 miliar pada tanggal 31 Desember 2018 dan 2017. Nilai pertanggungan asuransi atas persediaan milik BA, BUMM, BMC, BMI, BPI, SEAPI dan BBI ditanggung melalui suatu paket polis gabungan dengan asuransi aset tetap (Catatan 15). Manajemen berkeyakinan bahwa nilai pertanggungan tersebut cukup untuk menutup kemungkinan kerugian dari risiko kebakaran dan risiko tertentu lainnya atas persediaan yang dipertanggungan.

Pada tanggal 31 Desember 2018 dan 2017, persediaan bahan baku dan barang jadi yang dimiliki oleh BMI dan BA masing-masing sebesar Rp614,4 miliar dan Rp409,0 miliar digunakan sebagai jaminan atas pinjaman jangka pendek dan jangka panjang (Catatan 18 dan 23).

10. INVENTORIES (Continued)

Movements in the allowance for inventory obsolescence were as follows:

Beginning balance
Changes during the year
Provision for inventory obsolescence
Translation adjustments
Write-off of allowance
Ending Balance

Based on review of the condition of inventories, the management believed that the allowance for inventory obsolescence was adequate to cover possible losses due to the decline in the value of inventories.

The management insured inventories against losses from fire and other risks under blanket policies. Total sum insured for inventories amounted to Rp212.0 billion and Rp169.1 billion as of December 31, 2018 and 2017, respectively. The insurance coverage for inventories of BA, BUMM, BMC, BMI, BPI, SEAPI and BBI are included in the blanket policies of insurance with fixed assets (Note 15). The management believed that the total sum insured was adequate to cover possible losses from fire and certain other risks of the inventories insured.

As of December 31, 2018 and 2017, raw materials and finished goods owned by BMI and BA totaling Rp614.4 billion and Rp409.0 billion, respectively, were pledged as collateral for short-term and long-term loans (Notes 18 and 23).

11. BEBAN DIBAYAR DIMUKA

	2018	2017
Asuransi	676	1.947
Lain-lain (dibawah Rp1 miliar)	2.427	2.602
Total	3.103	4.549

11. PREPAID EXPENSES

Insurance
Others (below Rp1 billion)
Total

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12. ASET LANCAR LAINNYA**12. OTHER CURRENT ASSETS**

	2018	2017	
Uang muka			Advances
Pembelian	95.747	174.593	Purchases
Investasi	51.700	50.000	Investments
Operasional	11.751	13.117	Advances
Proyek	7.664	2.545	Projects
Lain-lain (dibawah Rp10 miliar)	11.251	2.028	Others (below Rp10 billion)
Kas di bank yang dibatasi penggunaannya	14.114	-	Restricted cash in banks
Total	192.227	242.283	Total

Uang muka pembelian merupakan uang muka yang berkaitan dengan pembelian bahan baku.

Advances for purchases consisted of advances for the purchases of raw materials.

Uang muka investasi merupakan pembayaran uang muka untuk pembelian saham pada perusahaan yang diperdagangkan di bursa yang masih menunggu pengalihan saham pada tanggal penyelesaian laporan keuangan konsolidasian.

Advances for investments consisted of advances paid to acquire shares in listed companies that are still awaiting transfer of shares as of the completion date of the consolidated financial statements.

13. INVESTASI PADA ENTITAS ASOSIASI DAN ENTITAS PENGENDALIAN BERSAMA**13. INVESTMENTS IN ASSOCIATES AND JOINTLY CONTROLLED ENTITIES**

Jumlah tercatat dan mutasi investasi pada entitas asosiasi dan entitas pengendalian bersama adalah sebagai berikut:

Carrying amounts and changes of investment in associates and jointly controlled entities were as follows:

	2018				
	Jumlah Tercatat Awal Tahun/ Carrying Amounts at the Beginning of the Year	Bagian atas Laba Rugi Neto/ Share in Net Profit (Loss)	Bagian atas Penghasilan Komprehensif Lain/ Share in Other Comprehensive Income	Reklasifikasi/ Reclassification	Jumlah Tercatat Akhir Tahun/ Carrying Amounts at the End of the Year
Asosiasi					Associates
Bakrie Petroleum International Pte Ltd	189.801	173.247	16.900	-	379.948
PT Bakrie Investa					
Eco Industri	10.000	-	-	-	10.000
PT Petro Storindo Energi	1.275	-	-	(1.275)	-
Entitas Pengendalian Bersama					Jointly Controlled Entities
PT Kalimantan Prima Power	-	-	-	-	-
PT Guruh Agung	-	-	-	-	-
PT Citra Prima Buana	111	(34)	85	(162)	-
Total	201.187	173.213	16.985	(1.437)	389.948

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**13. INVESTASI PADA ENTITAS ASOSIASI DAN ENTITAS
PENGENDALIAN BERSAMA (Lanjutan)**

**13. INVESTMENTS IN ASSOCIATES AND JOINTLY
CONTROLLED ENTITIES (Continued)**

2017					
Jumlah Tercatat Awal Tahun/ Carrying Amounts at the Beginning of the Year	Bagian atas Laba Rugi Neto/ Share in Net Profit (Loss)	Bagian atas Penghasilan Komprehensif Lain/ Share in Other Comprehensive Income	Reklasifikasi/ Reclassification	Jumlah Tercatat Akhir Tahun/ Carrying Amounts at the End of the Year	
Asosiasi					Associates
Bakrie Petroleum International Pte. Ltd.	5.972	158.084	25.745	-	189.801
PT Bakrie Investa Eco Industri	10.000	-	-	-	10.000
PT Petro Storindo Energi	1.275	-	-	-	1.275
Entitas Pengendalian Bersama					Jointly Controlled Entities
PT Kalimantan Prima Power	17.720	(17.720)	-	-	-
PT Guruh Agung	2.377	(2.377)	-	-	-
PT Citra Prima Buana	224	(113)	-	-	111
Total	37.568	137.874	25.745	-	201.187

Informasi keuangan entitas asosiasi dan entitas
pengendalian bersama adalah sebagai berikut:

Financial information of associates and joint control
entities were as follows:

2018					
Aset/ Assets	Liabilitas/ Liabilities	Pendapatan/ Revenue	Laba (rugi)/ Profit (loss)		
Asosiasi					Associate
Bakrie Petroleum International Pte. Ltd.	2.610.520	997.376	-	423.890	Bakrie Petroleum International Pte. Ltd.
Entitas Pengendalian Bersama					Jointly Controlled Entities
PT Kalimantan Prima Power	2.789.413	1.421.354	287.866	(53.915)	PT Kalimantan Prima Power
PT Guruh Agung	22.442	-	-	(12)	PT Guruh Agung
PT Citra Prima Buana	3.293	-	-	(8)	PT Citra Prima Buana
2017					
Aset/ Assets	Liabilitas/ Liabilities	Pendapatan/ Revenue	Laba (rugi)/ Profit (loss)		
Asosiasi					Associate
Bakrie Petroleum In International Pte. Ltd.	1.124.948	925.983	-	385.572	Bakrie Petroleum International Pte. Ltd.
Entitas Pengendalian Bersama					Jointly Controlled Entities
PT Kalimantan Prima Power	2.823.746	1.502.495	312.692	(149.515)	PT Kalimantan Prima Power
PT Guruh Agung	1.304.708	-	-	(164.036)	PT Guruh Agung
PT Citra Prima Buana	16.057	-	-	(1.658)	PT Citra Prima Buana

Pada tanggal 31 Desember 2018, jumlah tercatat
investasi pada entitas pengendalian bersama sebesar
Rp162 juta direklasifikasi kepada aset tidak lancar yang
diklasifikasikan sebagai kelompok lepasan dimiliki untuk
dijual (Catatan 49).

As of December 31, 2018, investment in jointly controlled
entities (PT Kalimantan Prima Power, PT Guruh Agung
and PT Citra Prima Buana) amounting to Rp162 million
was reclassified to disposal group classified as held for
sale (Note 49).

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14. INVESTASI JANGKA PANJANG LAINNYA**14. OTHER LONG-TERM INVESTMENTS****a. Penyertaan saham****a. Investments in shares of stocks**

2018			
Penyertaan Saham	Persentase Kepemilikan/ Percentage of Ownership (%)	Jumlah/ Amount	Investment in Shares of Stock
PT Seamless Pipe Indonesia Jaya	4.80	128.908	PT Seamless Pipe Indonesia Jaya
PT Kalimantan Jawa Gas	20.00	110.045	PT Kalimantan Jawa Gas
PT Sokoria Geothermal Indonesia	3.00	10.342	PT Sokoria Geothermal Indonesia
PT Cimanggis Cibitung Tollways	10.00	9.343	PT Cimanggis Cibitung Tollways
PT Tanjung Jati Power Company	20.00	1.714	PT Tanjung Jati Power Company
PT Petro Storindo Energi	0.45	1.275	PT Petro Storindo Energi
PT Sarana Lampung Ventura	3.07	585	PT Sarana Lampung Ventura
PT Global Komunikasi Dewata	35.00	525	PT Global Komunikasi Dewata
PT Sarana Papua Ventura	5.63	330	PT Sarana Papua Ventura
Total		263.067	Total

2017			
Penyertaan Saham	Persentase Kepemilikan/ Percentage of Ownership (%)	Jumlah/ Amount	Investment in Shares of Stock
PT Seamless Pipe Indonesia Jaya	4.80	128.908	PT Seamless Pipe Indonesia Jaya
PT Kalimantan Jawa Gas	20.00	110.045	PT Kalimantan Jawa Gas
PT Cimanggis Cibitung Tollways	10.00	9.343	PT Cimanggis Cibitung Tollways
PT Tanjung Jati Power Company	20.00	1.714	PT Tanjung Jati Power Company
PT Sokoria Geothermal Indonesia	3.00	900	PT Sokoria Geothermal Indonesia
PT Sarana Lampung Ventura	3.07	585	PT Sarana Lampung Ventura
PT Sarana Papua Ventura	5.63	330	PT Sarana Papua Ventura
Total		251.825	Total

b. Mutasi investasi jangka panjang lainnya**b. Changes in other long-term investments**

	2018	2017	
Jumlah tercatat awal tahun	251.825	154.201	Carrying amounts at beginning of year
Penambahan	9.442	97.624	Additions
Reklasifikasi	1.275	-	Reclassification
Akuisisi entitas anak baru	525	-	Acquisition of new subsidiary
Jumlah Tercatat Akhir Tahun	263.067	251.825	Carrying Amounts at End of Year

Kelompok Usaha melakukan investasi penyertaan saham pada perusahaan lain yang sahamnya tidak diperdagangkan di bursa dengan tujuan untuk memperoleh hasil dari potensi pertumbuhan jangka panjang dari perusahaan-perusahaan tersebut.

The Group made certain investments in shares of stock of nonlisted companies in order to gain from the potential long-term growth of these companies.

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14. INVESTASI JANGKA PANJANG LAINNYA (Lanjutan)

Pada tanggal 31 Desember 2018 dan 2017, manajemen berkeyakinan bahwa tidak terdapat penurunan nilai atas investasi jangka panjang lainnya.

14. OTHER LONG-TERM INVESTMENTS (Continued)

As of December 31, 2018 and 2017, the management believed that there was no impairment in value of other long-term investments.

15. ASET TETAP

15. FIXED ASSETS

	Saldo 1 Januari/ Balance as of January 1, 2018	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	Selisih Kurs Penjabaran/ Translation Adjustment	Akuisisi Entitas Anak Baru Acquisition of New Subsidiary	Saldo 31 Desember/ Balance as of December 31, 2018	
Biaya Perolehan								Acquisition Costs
<u>Pemilikan langsung</u>								<u>Direct ownership</u>
Tanah	697.955	-	-	(26.093)	1.066	(246.355)	426.573	Land
Hak atas tanah	664.987	7.748	-	-	-	(628.296)	44.439	Landrights
Prasarana tanah	40.207	420	-	-	-	-	40.627	Land improvements
Bangunan dan prasarana	519.599	6.139	-	26.093	5.986	27.771	585.588	Buildings and improvements
Mesin dan peralatan	2.562.166	61.361	-	516	8.382	-	2.632.425	Machinery and equipment
Alat telekomunikasi	-	-	-	-	-	118.581	118.581	Telecommunication equipment
Alat pengangkutan	42.140	4.996	(1.175)	2.357	414	4.537	53.269	Transportation equipment
Perabotan dan peralatan kantor	163.876	2.439	-	-	3.706	20.499	190.520	Office equipment furniture and fixtures
Subtotal	4.690.930	83.103	(1.175)	2.873	19.554	(703.263)	4.092.022	Subtotal
<u>Pemilikan tidak langsung</u>								<u>Indirect ownership</u>
<u>Aset sewaan</u>								<u>Leased assets</u>
Mesin dan peralatan	-	295	-	-	-	-	295	
Alat telekomunikasi	8.198	172	-	(2.357)	-	-	6.013	Telecommunication equipment
Subtotal	8.198	467	-	(2.357)	-	-	6.308	Subtotal
<u>Aset dalam Pengerjaan</u>								<u>Assets under Construction</u>
Bangunan dan prasarana	520	835	-	-	142	-	1.497	Buildings and improvements
Mesin dan peralatan	4.878	11.327	-	(516)	(559)	-	15.130	Machinery and equipment
Alat telekomunikasi	-	-	-	-	-	788	788	Telecommunication equipment
Subtotal	5.398	12.162	-	(516)	(417)	788	17.415	Subtotal
Total Biaya Perolehan	4.704.526	95.732	(1.175)	-	19.137	(702.475)	4.115.745	Total Acquisition Costs
Akumulasi Penyusutan								Accumulated Depreciation
<u>Pemilikan langsung</u>								<u>Direct ownership</u>
Hak atas tanah	23.965	-	-	-	-	2.700	26.665	Landrights
Prasarana tanah	12.206	13.790	-	(100)	1.990	-	27.886	Land improvements
Bangunan dan prasarana	324.975	6.902	-	100	4.118	11.568	347.663	Buildings and improvements
Mesin dan peralatan	991.712	43.395	-	(4.444)	7.870	-	1.038.533	Machinery and equipment
Alat telekomunikasi	-	-	-	-	-	90.992	90.992	Telecommunication equipment
Alat pengangkutan	34.004	3.866	(1.175)	293	410	3.884	41.282	Transportation equipment
Perabotan dan peralatan kantor	133.469	10.474	-	4.675	3.619	18.560	170.797	Office equipment furniture and fixtures
Subtotal	1.520.331	78.427	(1.175)	524	18.007	127.704	1.743.818	Subtotal
<u>Pemilikan tidak langsung</u>								<u>Indirect ownership</u>
<u>Aset sewaan</u>								<u>Leased assets</u>
Alat telekomunikasi	2.728	989	-	(524)	-	-	3.193	Telecommunication equipment
Total Akumulasi Penyusutan	1.523.059	79.416	(1.175)	-	18.007	127.704	1.747.011	Total Accumulated Depreciation
Penyisihan kerugian penurunan nilai								Allowance for impairment loss
Mesin dan peralatan	17.167	-	23.118	-	-	-	40.285	Machinery and equipment
Jumlah Tercatat	3.164.300						2.328.449	Carrying Amounts

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15. ASET TETAP (Lanjutan)**15. FIXED ASSETS (Continued)**

	Saldo 1 Januari/ <i>Balance as of January 1, 2017</i>	Penambahan/ <i>Additions</i>	Pengurangan/ <i>Deductions</i>	Reklasifikasi/ <i>Reclassifications</i>	Selisih Kurs Penjabaran/ <i>Translation Adjustment</i>	Akuisisi Entitas Anak Baru <i>Acquisition of New Subsidiary</i>	Saldo 31 Desember/ <i>Balance as of December 31, 2017</i>	
Biaya Perolehan								Acquisition Costs
<u>Pemilikan langsung</u>								<u>Direct ownership</u>
Tanah	707.464	-	(9.378)	(475)	344	-	697.955	Land
Hak atas tanah	664.987	-	-	-	-	-	664.987	Landrights
Prasarana tanah	41.643	218	-	(1.654)	-	-	40.207	Land improvements
Bangunan dan prasarana	509.745	977	-	8.375	502	-	519.599	Buildings and improvements
Mesin dan peralatan	2.498.495	64.066	(10.850)	9.436	1.019	-	2.562.166	Machinery and equipment
Alat pengangkutan	39.458	4.732	(3.578)	1.479	49	-	42.140	Transportation equipment
Perabotan dan peralatan kantor	149.321	2.311	(145)	12.025	364	-	163.876	Office equipment furniture and fixtures
Subtotal	4.611.113	72.304	(23.951)	29.186	2.278	-	4.690.930	Subtotal
<u>Pemilikan tidak langsung</u>								<u>Indirect ownership</u>
<u>Aset sewaan</u>								<u>Leased assets</u>
Alat telekomunikasi dan pengangkutan	8.548	1.003	-	(1.353)	-	-	8.198	Telecommunication and transportation equipment
<u>Aset dalam Pengerjaan</u>								<u>Assets under Construction</u>
Bangunan dan prasarana	9.419	-	(197)	(8.702)	-	-	520	Buildings and improvements
Mesin dan peralatan	20.206	3.803	-	(19.131)	-	-	4.878	Machinery and equipment
Subtotal	29.625	3.803	(197)	(27.833)	-	-	5.398	Subtotal
Total Biaya Perolehan	4.649.286	77.110	(24.148)	-	2.278	-	4.704.526	Total Acquisition Costs
Akumulasi Penyusutan								Accumulated Depreciation
<u>Pemilikan langsung</u>								<u>Direct ownership</u>
Hak atas tanah	24.052	367	-	(454)	-	-	23.965	Landrights
Prasarana tanah	9.995	1.857	(100)	454	-	-	12.206	Land improvements
Bangunan dan prasarana	313.298	11.182	-	-	495	-	324.975	Buildings and improvements
Mesin dan peralatan	994.663	45.919	(3.752)	7.013	(52.131)	-	991.712	Machinery and equipment
Alat pengangkutan	34.883	2.441	(3.998)	629	49	-	34.004	Transportation equipment
Perabotan dan peralatan kantor	129.458	10.676	-	(7.013)	348	-	133.469	Office equipment furniture and fixtures
Subtotal	1.506.349	72.442	(7.850)	629	(51.239)	-	1.520.331	Subtotal
<u>Pemilikan tidak langsung</u>								<u>Indirect ownership</u>
<u>Aset sewaan</u>								<u>Leased assets</u>
Alat telekomunikasi	2.723	634	-	(629)	-	-	2.728	Telecommunication equipment
Total Akumulasi Penyusutan	1.509.072	73.076	(7.850)	-	(51.239)	-	1.523.059	Total Accumulated Depreciation
Penyisihan kerugian penurunan nilai								Allowance for impairment loss
Mesin dan peralatan	-	17.167	-	-	-	-	17.167	Machinery and equipment
Jumlah Tercatat	3.140.214						3.164.300	Carrying Amounts

Alokasi beban penyusutan adalah sebagai berikut:

Allocation of depreciation expense was as follows:

	2018	2017	
Beban pokok pendapatan	57.708	56.537	Cost of revenues
Beban umum dan administrasi (Catatan 34)	21.708	16.539	General and administrative expenses (Note 34)
Total	79.416	73.076	Total

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15. ASET TETAP (Lanjutan)

Rincian aset dalam pengerjaan adalah sebagai berikut:

	Persentase Penyelesaian/ Percentage of Completion (%)	Nilai Tercatat/ Carrying Value (Rp)
2018		
Mesin dan peralatan	51-95	15.130
Bangunan dan prasarana	51-95	1.497
Alat telekomunikasi	35	788
Total		17.415
2017		
Bangunan dan prasarana	51-95	520
Mesin dan peralatan	51-95	4.878
Total		5.398

Manajemen berkeyakinan bahwa tidak ada hambatan yang dapat mengganggu penyelesaian atas aset-aset tersebut.

Pada tanggal 31 Desember 2018 dan 2017, tidak terdapat aset tetap yang tidak dipakai sementara dan aset tetap yang dihentikan dari penggunaan aktif.

Pada tanggal 31 Desember 2018 dan 2017, jumlah tercatat aset tetap bruto yang telah disusutkan penuh dan masih digunakan masing-masing adalah sebesar Rp707,6 miliar dan Rp629,8 miliar.

Aset tetap dengan kepemilikan langsung diasuransikan terhadap risiko kebakaran, risiko gempa bumi dan risiko lainnya berdasarkan suatu paket polis. Jumlah nilai pertanggungan asuransi aset tetap masing-masing sebesar Rp2,0 triliun dan USD5.0 juta pada tanggal 31 Desember 2018 serta Rp2,0 triliun dan USD22,6 juta pada tanggal 31 Desember 2017. Nilai pertanggungan asuransi atas aset tetap BMI, BCONS, BPI, SEAPI, BBI, BA, BUMM, BMC, BIIN dan MKN termasuk nilai pertanggungan asuransi atas persediaan (Catatan 10).

Manajemen berkeyakinan bahwa nilai pertanggungan tersebut telah memadai untuk menutup kemungkinan kerugian atas aset tetap yang dipertanggungkan.

Pada tanggal 31 Desember 2018 dan 2017, tanah, bangunan dan mesin milik BPI dan BA, tanah dan bangunan pabrik milik BBI digunakan sebagai jaminan atas pinjaman jangka pendek dan pinjaman jangka panjang (Catatan 18 dan 23).

15. FIXED ASSETS (Continued)

Details of assets under construction were as follows:

	Estimasi Tahun Penyelesaian/ Estimated Year of Completion	
2018		
Machinery and equipment	2019	
Building and improvements	2019	
Telecommunication equipment	2019	
Total		Total
2017		
Building and improvements	2018	
Machinery and equipment	2018	
Total		Total

The management believed that there were no obstacles that can interfere with the completion of these assets.

As of December 31, 2018 and 2017, there were no temporarily idle fixed assets and fixed assets retired from active use.

As of December 31, 2018 and 2017, the gross carrying amount of fully depreciated fixed assets that were still used amounting to Rp707.6 billion and Rp629.8 billion, respectively.

Direct ownership of fixed assets was covered by insurance against losses from fire, earthquake and other risk under blanket policies. Total sum insured for fixed assets amounted to Rp2.0 trillion and USD5.0 million as of December 31, 2018 and Rp2.0 trillion and USD22.6 million as of December 31, 2017. The insurance coverage for fixed assets of BMI, BCONS, BPI, SEAPI, BBI, BA, BUMM, BMC, BIIN and MKN includes sum insured for inventories (Note 10).

The management believed that the sum insured was adequate to cover the possible losses from these insured risks.

As of December 31, 2018 and 2017, land, buildings and machinery of BPI and BA, land and factory buildings of BBI were pledged as collateral for short-term loans and long-term loans (Notes 18 and 23).

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15. ASET TETAP (Lanjutan)

Tidak ada perbedaan signifikan antara jumlah terpulihkan dan jumlah tercatat aset tetap selain mesin dan peralatan. Kelebihan dari jumlah tercatat terhadap jumlah terpulihkan yang diakui sebagai penyisihan kerugian penurunan nilai pada tanggal 31 Desember 2018 dan 2017 masing-masing sebesar Rp40,2 miliar dan Rp17,2 miliar.

Berdasarkan penelaahan terhadap jumlah tercatat aset tetap, manajemen Kelompok Usaha berkeyakinan bahwa penyisihan kerugian penurunan nilai telah memadai.

16. BIAYA PENGEMBANGAN PROYEK

Akun ini terutama merupakan akumulasi biaya-biaya yang terjadi sehubungan dengan proyek-proyek sebagai berikut:

	2018	2017
Pipa dan besi baja - Kertapati	200.792	200.792
Lain-lain	122.068	105.021
Total	322.860	305.813
Dikurang penyisihan kerugian atas penurunan nilai	(292.112)	(287.414)
Neto	30.748	18.399

Pipa dan besi baja - Kertapati

Proyek pipa dan besi baja (Kertapati) merupakan proyek jaringan pipanisasi distribusi bahan bakar minyak (BBM) dari Kertapati ke Jambi sepanjang 300 km oleh PT Bakrie Harper (BHP), Entitas Anak, yang telah dimulai sejak tanggal 19 Mei 1997. Proyek tersebut berbentuk "Build and Rent" (B&R), dimana BHP merencanakan akan membangun dan mengoperasikan jaringan tersebut sedangkan PT Pertamina (Persero) akan menyewa jaringan tersebut dari BHP.

Akibat kondisi ekonomi yang memburuk, proyek tersebut untuk sementara dihentikan dan Pertamina bermaksud untuk menegosiasikan kembali proyek tersebut. Pada tahun 2001, BHP dan Pertamina telah menilai kewajiban Pertamina kepada BHP (Catatan 41b).

Pada tahun 2009, manajemen memutuskan untuk melakukan penyisihan penuh sejumlah Rp200,8 miliar atas nilai proyek tersebut, karena belum ada kejelasan tentang kelanjutan proyek tersebut dan adanya ketidakpastian kapan dana yang telah dikeluarkan untuk membiayai proyek tersebut dapat tertagih.

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15. FIXED ASSETS (Continued)

There is no significant difference between the recoverable amount and carrying amount of fixed assets other than machinery and equipment. The excess of the carrying amount against the recoverable amount recognized as allowance for impairment loss as of December 31, 2018 and 2017 amounted to Rp40.2 billion and Rp17.2 billion.

Based on a review of the carrying amounts of fixed assets, the management of the Group believed that allowance for impairment loss was adequate.

16. PROJECT DEVELOPMENT COSTS

This account represents accumulated costs incurred in relation to the projects as follows:

Pipe and steel - Kertapati
Others
Total
Less allowance for impairment losses
Net

Pipe and steel - Kertapati

Pipe and steel project (Kertapati) is a pipeline project which distributes fuel oil from Kertapati to Jambi with a distance of 300 kilometers and was started on May 19, 1997. The project is a "Build and Rent" (B&R), whereby PT Bakrie Harper (BHP), a Subsidiary, planned to build and operate the network, which has been rented by PT Pertamina (Persero).

Due to the adverse economic condition, the project has been temporarily halted and PT Pertamina (Persero) intends to renegotiate the project. In 2001, BHP and Pertamina have evaluated Pertamina's obligation to BHP (Note 41b).

In 2009, the management decided to provide full allowance amounting to Rp200.8 billion due to the uncertainty as to whether the project will be continued and when the utilized funds to finance such project will be collectible.

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16. BIAYA PENGEMBANGAN PROYEK (Lanjutan)

Pada tanggal 21 Februari 2018, Badan Arbitrasi Nasional Indonesia (BANI) telah memutuskan perkara antara PT Bakrie Harper selaku "Pemohon" dan PT Pertamina (Persero) selaku "Termohon", adapun putusan tersebut berdasarkan adanya permohonan dari Pemohon untuk menyelesaikan pengakhiran perjanjian dan kewajiban Termohon terhadap Pemohon berdasarkan Perjanjian Pembangunan, Pengoperasian, Penyewaan dan Pemeliharaan Pipanisasi Kertapati-Jambi No. SPB-1474A/C000/96 tertanggal 20 November 1996 ("Perjanjian"), dimana Pemohon telah melaksanakan proyek sesuai Perjanjian namun terhenti karena adanya permintaan dari Termohon untuk melakukan negosiasi dan menilai ulang nilai Perjanjian. Pada putusnya, BANI menetapkan antara lain bahwa Perjanjian dinyatakan berakhir dan Termohon wajib melakukan pembayaran atas pekerjaan yang telah dilakukan oleh Pemohon sesuai dengan permintaan dari Pemohon.

16. PROJECT DEVELOPMENT COSTS (Continued)

On February 21, 2018, Badan Arbitrasi Nasional Indonesia (BANI) has decided that the lawsuit between PT Bakrie Harper as "Plaintiff" and PT Pertamina (Persero) as "Defendant", while the decision is based on appeal from the Plaintiff to complete termination of agreement and obligations of the Defendant against the Plaintiff based on Agreement of Development, Operation, Leasing and Maintenance of Kertapati-Jambi Pipeline No. SPB-1474 A/C000/96 dated November 20, 1996 ("Agreement"), whereby the Plaintiff has carried out the project under the Agreement but was suspended due to appeal from the Defendant to negotiate and reassess the Agreement. In its decision, BANI stipulates, among others, that the Agreement is expired and the Defendant should make payment for the work which has been done by the Plaintiff in accordance with appeal from the Plaintiff.

17. ASET TIDAK LANCAR LAINNYA

	2018	2017
Kas di bank yang dibatasi penggunaannya		
<u>Rupiah</u>		
PT Bank Rakyat Indonesia (Persero) Tbk	36.702	60.810
PT Bank Negara Indonesia Tbk	3.973	2.224
PT Bank Central Asia Tbk	371	1.313
Lain-lain (dibawah Rp1 miliar)	788	864
Subtotal	41.834	65.211
<u>Mata uang asing</u>		
PT Bank Rakyat Indonesia (Persero) Tbk	484	15.937
PT Bank Negara Indonesia Tbk	-	8.253
Lain-lain (dibawah Rp1 miliar)	-	362
Subtotal	484	24.552
Total kas di bank yang dibatasi penggunaannya	42.318	89.763
Bank garansi	42.430	9.480
Biaya riset dan pengembangan	12.042	2.887
Taksiran restitusi pajak	3.495	78.042
Jaminan	1.273	1.328
Piutang dari komisaris, direktur dan karyawan (Catatan 39d)	216	273
Lain-lain (dibawah Rp1 miliar)	22.599	3.883
Total	124.373	185.656

17. OTHER NON-CURRENT ASSETS

<i>Restricted cash in banks</i>
<u><i>Rupiah</i></u>
<i>PT Bank Rakyat Indonesia (Persero) Tbk</i>
<i>PT Bank Negara Indonesia Tbk</i>
<i>PT Bank Central Asia Tbk</i>
<i>Others (below Rp1 billion)</i>
<i>Subtotal</i>
<u><i>Foreign currencies</i></u>
<i>PT Bank Rakyat Indonesia (Persero) Tbk</i>
<i>PT Bank Negara Indonesia Tbk</i>
<i>Others (below Rp1 billion)</i>
<i>Subtotal</i>
<i>Total restricted cash in banks</i>
<i>Bank guarantee</i>
<i>Research and development costs</i>
<i>Estimated claims for tax refund</i>
<i>Security deposits</i>
<i>Receivable from commissioners, directors and employees (Note 39d)</i>
<i>Others (below Rp1 billion)</i>
Total

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17. ASET TIDAK LANCAR LAINNYA (Lanjutan)

Kas di bank yang dibatasi penggunaannya digunakan sebagai jaminan untuk pembayaran pokok atas pinjaman bank jangka panjang dan sebagai jaminan atas kontrak konstruksi (Catatan 9) dan kontrak jangka panjang dengan pemasok yang diterima Kelompok Usaha (Catatan 23). Seluruh kas di bank yang dibatasi penggunaannya ditempatkan pada pihak ketiga.

17. OTHER NON-CURRENT ASSETS (Continued)

Restricted cash in banks were used as collateral for payment of principal for long-term bank loans and guarantee for construction contracts (Note 9) and other long-term contracts with suppliers obtained by the Group (Note 23). All placements of restricted cash in banks were with third parties.

18. PINJAMAN JANGKA PENDEK

18. SHORT-TERM LOANS

	2018	2017	
Pinjaman Bank dan Bukan Bank Rupiah			Bank and Non-Bank Loans Rupiah
Surat Sanggup Seri II, Indonesia	148.875	148.875	Promissory Note II, Indonesia
PT Bank Artha Graha			PT Bank Artha Graha
Internasional Tbk, Indonesia	50.927	64.147	Internasional Tbk, Indonesia
Surat Sanggup Seri I, Indonesia	39.662	39.662	Promissory Note I, Indonesia
Winn Metals Corporation, Indonesia	31.056	33.461	Winn Metals Corporation, Indonesia
PT Bank Bukopin Tbk, Indonesia	25.057	-	PT Bank Bukopin Tbk, Indonesia
PT Indo Surya Inti Finance, Indonesia	25.000	-	PT Indo Surya Inti Finance, Indonesia
PT Timas Suplindo, Indonesia	13.989	20.190	PT Timas Suplindo, Indonesia
PT Bank MNC Internasional Tbk, Indonesia	11.539	-	PT Bank MNC Internasional Tbk, Indonesia
PT Bank J Trust Indonesia Tbk, Indonesia	-	20.634	PT Bank J Trust Indonesia Tbk, Indonesia
Lain-lain (dibawah Rp10 miliar)	25.676	19.626	Others (below Rp10 billion)
Subtotal	371.781	346.595	Subtotal
Mata uang asing (USD)			Foreign currency (USD)
PT Bank Rakyat Indonesia Tbk, Indonesia	110.536	79.483	PT Bank Rakyat Indonesia Tbk, Indonesia
Daley Capital Ltd, Kepulauan Cayman	28.947	118.202	Daley Capital Ltd, Cayman Island
PT Bank MNC Internasional Tbk, Indonesia	-	60.840	PT Bank MNC Internasional Tbk, Indonesia
Fountain City Investment Ltd, Marshall Islands	-	30.483	Fountain City Investment Ltd, Marshall Islands
Lain-lain (dibawah Rp10 miliar)	13.298	8.226	Others (below Rp10 billion)
Subtotal	152.781	297.234	Subtotal
Repo - Rupiah			Repo - Rupiah
PT Recapital Aset Indonesia, Indonesia	27.000	27.000	PT Recapital Aset Indonesia, Indonesia
Total	551.562	670.829	Total

Pinjaman jangka pendek dikenakan bunga tahunan sebagai berikut:

Short-term loans bear annual interest rates as follows:

	2018 dan/and 2017	
Rupiah	7,5 % - 20,5 %	Rupiah
Dolar AS	3 % - 20 %	US Dollar

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18. PINJAMAN JANGKA PENDEK (Lanjutan)

a. Surat Sanggup (PN) Seri II

Pada tanggal 9 Februari 2012, Perusahaan bersama-sama dengan beberapa pihak, menandatangani Perjanjian Penerbitan Surat Sanggup Seri II dengan jumlah nominal sebesar Rp2,6 triliun yang jatuh tempo 90 hari sejak tanggal penerbitan.

Surat Sanggup Seri II ini diterbitkan bersamaan dengan Surat Sanggup Seri I yang digunakan untuk menyelesaikan kewajiban Surat Utang Jangka Menengah dengan kewajiban keseluruhan sebesar Rp3,2 triliun. Rincian pemberi pinjaman sebagai berikut:

Surat Sanggup Seri II/Promissory Notes Series II				
Pemberi pinjaman	2018	2017	Nilai Penerbitan PN/ Nominal PN Issued	Lenders
PT Prima Elok Makmur	73.258	73.258	-	PT Prima Elok Makmur
PT Danpac Futures	47.007	47.007	-	PT Danpac Futures
PT Batasa Capital	-	-	289.537	PT Batasa Capital
PT Ciptadana Securities	-	-	130.236	PT Ciptadana Securities
HPAM Maestro Flexi 1	-	-	1.589.324	HPAM Maestro Flexi 1
HPAM Maestro Flexi 2	-	-	314.801	HPAM Maestro Flexi 2
MSN Tara Ltd	-	-	111.284	MSN Tara Ltd
Lain-lain	28.610	28.610	150.508	Others
Total	148.875	148.875	2.585.690	Total

Pada tanggal 11 September 2013, PT Ciptadana Securities mengalihkan Surat Sanggup Nomor BNBR-PN003-II/2012 senilai Rp73,3 miliar kepada PT Ciptadana Capital dan Surat Sanggup Nomor BNBR-PN004-II/2012 sebesar Rp47,0 miliar kepada PT Danpac Futures.

Pada tanggal 8 Desember 2016, PT Ciptadana Capital mengalihkan Surat Sanggup Nomor BNBR-PN003-II/2012 sebesar Rp73,3 miliar.

Pada tahun 2016, Perusahaan melakukan penyelesaian beberapa pemegang PN II melalui penerbitan OWK.

Saldo surat sanggup ini pada tanggal 31 Desember 2018 dan 2017 adalah sebesar Rp148,9 miliar.

b. PT Bank Rakyat Indonesia (Persero) Tbk

1. Berdasarkan Akta Notaris Dewantari Handayani S.H., MPA. No. 14, 15, 16 dan 17 pada tanggal 5 Juli 2018, BPI menandatangani perjanjian pinjaman dengan PT Bank Rakyat Indonesia (Persero) Tbk ("BRI") untuk menyediakan fasilitas kredit yang digunakan untuk kegiatan operasional BPI. Fasilitas ini terdiri dari:

18. SHORT-TERM LOANS (Continued)

a. Promissory Notes (PN) Series II

On February 9, 2012, the Company, together with certain parties, signed an agreement for Promissory Notes Series II amounting to Rp2.6 trillion, which is due within 90 days from the date of issuance.

The Promissory Notes Series II were issued at the same time with Promissory Notes Series I which were used to settle the Company's Medium Term Notes amounting to Rp3.2 trillion. Details of lenders were as follows:

On September 11, 2013, PT Ciptadana Securities transferred Promissory Notes No. BNBR-PN003-II/2012 amounting to Rp73.3 billion to PT Ciptadana Capital and Promissory Notes No. BNBR-PN004-II/2012 amounting to Rp47.0 billion to PT Danpac Futures.

On December 8, 2016, PT Ciptadana Capital transferred Promissory Notes No. BNBR-PN003-II/2012 amounting to Rp73.3 billion to PT Prima Elok Makmur.

In 2016, the Company has settled outstanding balance from several PN II holders through the issuance of MCB.

Outstanding balance as of December 31, 2018 and 2017 amounted to Rp148.9 billion.

b. PT Bank Rakyat Indonesia (Persero) Tbk

1. Based on Notarial Deed Nos. 14, 15, 16 and 17 of Dewantari Handayani S.H., MPA. dated July 5, 2018, BPI entered into a loan agreement with PT Bank Rakyat Indonesia (Persero) Tbk ("BRI") to provide credit facilities used for operating activities of BPI. The facilities consisted of:

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18. PINJAMAN JANGKA PENDEK (Lanjutan)

- i. Fasilitas Kredit Modal Kerja Impor (KMKI)/ Penangguhan Jaminan Impor (PJI) valuta asing dalam bentuk *Pseudo R/C* dengan plafon maksimal sebesar USD13,0 juta yang bersifat interchangeable dengan fasilitas PJI, baik *Sight* maupun *Usance Letter of Credit (L/C)*/Surat Kredit Berdokumen Dalam Negeri (SKBDN) dengan jangka waktu maksimal seratus delapan puluh (180) hari;
- ii. Fasilitas Kredit Modal Kerja *Withdrawal with Approval (W/A)* dalam bentuk *pseudo Rekening Koran (R/K)* sesuai dengan kontrak proyek, dengan plafon maksimal sebesar Rp140,0 miliar untuk tambahan modal kerja;
- iii. Fasilitas Bank Garansi sebesar USD16,0 juta; dan
- iv. Fasilitas *Forex Line* dengan maksimum plafon sebesar USD20,0 juta yang digunakan untuk transaksi jual beli valuta asing dengan penyelesaian valuta dalam periode tertentu (*value today, tomorrow, spot dan forward*).

Fasilitas tersebut dijamin dengan:

- i. Agunan pokok terdiri dari persediaan barang bahan baku (HRC), barang jadi (pipa) dan piutang usaha BPI atas proyek yang dibiayai dari fasilitas kredit BRI.
- ii. Agunan tambahan ruang kantor BPI yang berada di Bakrie Tower Lt. 7 dengan luas 533,10 m², tanah, bangunan dan mesin di Jl. Raya Perjuangan, Medan Satria, Bekasi Barat dengan luas 122.745 m² dan agunan kredit atas nama BMI

Berdasarkan Akta Notaris No. 14, 15, 16 dan 17 oleh Dewantari Handayani S.H., MPA. tanggal 5 Juli 2018, fasilitas tersebut telah diperpanjang sampai dengan tanggal 10 Juni 2019.

Berdasarkan perjanjian, BPI tidak diperkenankan melakukan kegiatan-kegiatan berikut tanpa persetujuan tertulis terlebih dahulu dari BRI, antara lain:

- i. Menyatakan kebangkrutan atau mengajukan surat permohonan pailit ke Pengadilan.
- ii. Mendapatkan fasilitas kredit dari bank atau lembaga keuangan lainnya.
- iii. Melakukan perubahan anggaran dasar, perubahan atau pengalihan kepemilikan saham dan perubahan struktur permodalan.
- iv. Menjual aset jaminan kepada pihak lain.
- v. Menjaga *Current Ratio* minimal 1:1, *Debt to Equity Ratio* maksimal 2:1 dan *Debt Service Coverage Ratio* minimal 1:1.

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18. SHORT-TERM LOANS (Continued)

- i. *Import Working Capital Credit Facility (KMKI)/ Import Suspension (PJI) of foreign currency in the form of Pseudo R/C with maximum plafond amounting to USD13.0 million which is interchangeable with PJI facility, either Sight or Usance Letter of Credit (L/C)/Surat Kredit Berdokumen Dalam Negeri (SKBDN) with maximum term of one hundred and eighty (180) days;*
- ii. *Working Capital Withdrawal with Approval (W/A) Credit Facility in the form of pseudo Bank Account (R/K) in accordance with project contract with maximum plafond amounting to Rp140.0 billion for additional working capital;*
- iii. *Bank Guarantee facility with maximum plafond amounting to USD16.0 million; and*
- iv. *Forex Line facility with maximum plafond amounting to USD20.0 million used for foreign exchange sale and purchase transactions with the settlement of currencies within a certain period (value today, tomorrow, spot and forward).*

The facilities were secured by:

- i. *Principal collateral consisted of the BPI's raw materials (HRC), finished goods (pipe) inventories and trade receivables on projects financed from the credit facilities with BRI.*
- ii. *Additional collateral consisted of the BPI's office space at Bakrie Tower Lt. 7 with area of 533.10 m², land, building and machinery at Jl. Raya Perjuangan, Medan Satria, Bekasi Barat with area of 122,745 m² and credit collateral under name of BMI.*

Based on Notarial Deed Nos 14, 15, 16 and 17 of Dewantari Handayani S.H., MPA. dated July 5, 2018, the facilities have been extended until June 10, 2019.

Based on the agreement, BPI shall not perform transactions to carryout the following activities without the prior written approval from the BRI, among others:

- i. *Declare bankruptcy or submit letter of bankruptcy petition to the Courts.*
- ii. *Obtain credit facility from a bank or other financial institution.*
- iii. *Change the article of association, changes or transfers the shares ownership and structure of capital.*
- iv. *Sell the collateral assets to another party.*
- v. *Maintained the Current Ration at minimum 1:1, Debt to Equity Ratio at maximum 2:1 and Debt Service Coverage Ratio at minimum 1:1.*

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18. PINJAMAN JANGKA PENDEK (Lanjutan)

2. Berdasarkan Akta Perjanjian Kredit No. 89 pada tanggal 27 November 2017, PT Bangun Bantala Indonesia (Bantala) memperoleh fasilitas Kredit Modal Kerja dalam bentuk Rekening Koran (R/K Maksimum Co. Tetap), *interchangeable* dengan fasilitas Surat Kredit Berdokumen Dalam Negeri (SKBDN) dan/atau bank garansi dari BRI dengan batas pinjaman maksimum sebesar Rp5,0 miliar dan fasilitas SKBDN dan/atau bank garansi dengan batas pinjaman maksimum sebesar Rp3,0 miliar. Fasilitas ini telah diperpanjang beberapa kali, berdasarkan perjanjian terakhir akan jatuh tempo pada tanggal 27 November 2019.

Fasilitas pinjaman ini dijamin dengan piutang usaha dan persediaan milik Bantala, serta dua (2) bidang tanah dan bangunan dengan SHGB No. 175 dan SHGB No. 176 atas nama BBI yang berlokasi di Jl. Jenderal Gatot Subroto No. 30 RT 01/01 Kelurahan Pahoman, Kecamatan Enggal, Kota Bandar Lampung, Propinsi Lampung.

Pada tanggal 28 Desember 2018, Bantala memperoleh fasilitas Kredit Modal Kerja dalam bentuk R/K *Maximum Co. Fixed* dengan batas maksimum kredit sebesar Rp4,95 miliar. Fasilitas ini akan jatuh tempo dalam 12 bulan.

Berdasarkan perjanjian, Bantala tidak diperkenankan melakukan kegiatan-kegiatan berikut tanpa persetujuan tertulis terlebih dahulu dari BRI, antara lain:

- Menyatakan kebangkrutan atau mengajukan surat permohonan pailit ke Pengadilan.
- Mendapatkan fasilitas kredit dari bank atau lembaga keuangan lainnya.
- Melakukan perubahan anggaran dasar, perubahan atau pengalihan kepemilikan saham dan perubahan struktur permodalan.

Pada tahun 2018, BPI telah membayar sebesar Rp256,3 miliar atas fasilitas pinjaman ini.

Pada tanggal 31 Desember 2018 dan 2017, saldo pinjaman masing-masing adalah sebesar Rp110,5 miliar dan Rp79,5 miliar.

c. PT Bank Artha Graha Internasional Tbk

1. Pada tanggal 7 Januari 2011, MKN memperoleh fasilitas kredit dari PT Bank Artha Graha Internasional Tbk (BAG) dengan plafon sebesar Rp84 miliar yang dipergunakan untuk pembiayaan proyek MKN. Fasilitas kredit ini memiliki jangka waktu kredit dua belas (12) bulan. Pinjaman ini dijamin dengan tanah, bangunan (termasuk sarana pelengkap) serta mesin dan peralatan atas nama SEAPI di Desa Sumur, Jl. Lintas Timur Sumatera, Penengahan, South Lampung.

Perjanjian pinjaman ini telah diperpanjang beberapa kali, terakhir pada tanggal 8 Mei 2018 dan memperpanjang tanggal jatuh tempo pinjaman pada tanggal 18 April 2019.

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18. SHORT-TERM LOANS (Continued)

2. Based on Credit Agreement Deed No. 89 on November 27, 2017, PT Bangun Bantala Indonesia (Bantala) obtain a Working Capital Loan with R/K *Maximum Co. Fixed, interchangeable* with the Local Letter of Credit Facility (SKBDN) and/or bank guarantee from BRI with maximum credit facility amounting to Rp5.0 billion and SKBDN facility and/or bank guarantee with maximum credit facility amounting to Rp3.0 billion. This facility has been extended several times, based on the latest agreement will be due on November 27, 2019.

This loan facility is secured with Bantala's trade receivables and inventories, and two (2) units of land and building with SHGB No. 175 and SHGB No. 176 on behalf of BBI located at Jl. Jenderal Gatot Subroto No. 30 RT 01/01, Pahoman Sub-district, Enggal District, Bandar Lampung City, Lampung Province.

On December 28, 2018, Bantala obtained a Working Capital Loan with R/K *Maximum Co. Fixed* with maximum credit amounting to Rp4.95 billion. This facility will be due in twelve (12) months.

Based on the agreement, Bantala shall not perform transactions to carryout the following activities without the prior written approval from the BRI, among others:

- Declare bankruptcy or submit letter of bankruptcy petition to the Courts.
- Obtain credit facility from a bank or other financial institution.
- Change the article of association, changes or transfers the shares ownership and structure of capital.

In 2018, BPI paid a total amount of Rp256.3 billion for these loan facilities.

As of December 31, 2018 and 2017, the outstanding balance of these loans amounted to Rp110.5 billion and Rp79.5 billion, respectively.

c. PT Bank Artha Graha Internasional Tbk

1. On January 7, 2011, MKN obtained credit facilities from PT Bank Artha Graha Internasional Tbk (BAG) with *plafond* amounting to Rp84 billion which was used to finance MKN's projects. These credit facilities have a credit period of twelve (12) months. The loan is collateralized by SEAPI's land, factory building (including improvements) and machinery and equipment located at Desa Sumur, Jl. Lintas South Sumatera, Penengahan, South Lampung.

The loan agreement has been amended several times, the latest being on May 8, 2018 and extended the maturity date of the loan to April 18, 2019.

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18. PINJAMAN JANGKA PENDEK (Lanjutan)

Berdasarkan perjanjian, MKN tidak diperkenankan melakukan kegiatan-kegiatan berikut tanpa persetujuan tertulis terlebih dahulu dari BAG, antara lain:

- i. Melakukan merger atau konsolidasi dengan badan usaha lain.
- ii. Melakukan perubahan anggaran dasar, perubahan atau pengalihan kepemilikan saham dan perubahan struktur permodalan.
- iii. Bertindak sebagai penjamin dan menjaminkan harta kekayaan yang telah dijamin kepada BAG kepada pihak lain.
- iv. Memperoleh pinjaman baru dari bank atau lembaga keuangan lainnya.
- v. Menjual atau mengalihkan aset-aset MKN yang dijaminkan kepada BAG dan yang bisa mengakibatkan terganggunya operasional MKN.

2. Pada bulan April 2017, Bantala memperoleh fasilitas kredit SKBDN dari BAG dengan total pinjaman sebesar Rp7,5 miliar. Fasilitas SKBDN ini digunakan untuk membiayai pembelian barang material Bantala dan jatuh tempo pada bulan Agustus 2017.

Pada tanggal penyelesaian laporan keuangan konsolidasian, BAG telah menyetujui perpanjangan tanggal jatuh tempo dengan mengubah fasilitas SKBDN menjadi fasilitas kredit.

3. Pada tanggal 23 April 2014, BBI memperoleh perpanjangan atas fasilitas pinjaman promes berulang dengan *sublimit* bank garansi dari PT Bank Artha Graha Internasional Tbk (BAG) dengan batas atas kredit sebesar Rp60 miliar dan jatuh tempo pada tanggal 21 April 2015. Pinjaman ini dijamin dengan tanah, bangunan dan fasilitas milik BBI di Kalideres, Jakarta.

Fasilitas pinjaman promes berulang ini telah diperpanjang beberapa kali, terakhir pada tanggal 27 April 2016 dan akan jatuh tempo pada tanggal 21 Februari 2017. Pada tahun 2018, BBI telah membayar penuh saldo pinjaman sebesar Rp59,7 miliar.

Pada tahun 2018, Bantala dan BBI telah membayar sebesar Rp64,1 miliar atas fasilitas pinjaman ini.

Pada tanggal 31 Desember 2018 dan 2017, saldo pinjaman masing-masing adalah sebesar Rp50,9 miliar dan Rp64,1 miliar.

d. Surat Sanggup (PN) Seri I

Pada tanggal 9 Februari 2012, Perusahaan bersama-sama dengan beberapa pihak, menandatangani Perjanjian Penerbitan Surat Sanggup Seri I tanpa bunga dengan jumlah nominal sebesar Rp642,2 miliar yang jatuh tempo dalam 45 hari sejak tanggal penerbitan.

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18. SHORT-TERM LOANS (Continued)

Based on the agreement, MKN shall not perform transactions to carryout the following activities without the prior written approval from the BAG, among others:

- i. Merge or consolidate with other business entities.
- ii. Change the articles of association, changes or transfers the shares ownership and structure of capital.
- iii. Act as a guarantor and pledge the assets that have been designated as collateral by BAG to third parties;
- iv. Obtain credit facility from a bank or other financial institution.
- v. Sell or transfer MKN's assets used as collateral to BAG and which can result to disrupt MKN's operational activities.

2. On April 2017, Bantala has obtained SKBDN credit facility from BAG with total loan amounting to Rp7.5 billion. This SKBDN facility was used to finance the purchase of Bantala's raw material inventories and was due on August 2017.

As of completion date of the consolidated financial statements, BAG has agreed to extend the maturity date with changes in the SKBDN facility to become credit facility.

3. On April 23, 2014, BBI obtained an extension on the existing revolving loan facility with *sublimit* bank guarantee from BAG having maximum amount of Rp60 billion and matured on April 21, 2015. The loan is collateralized by BBI's land, building and facilities located at Kalideres, Jakarta.

This revolving loan facility has been extended several times, the latest being on April 27, 2016 and was due on February 21, 2017. In 2018, BBI fully paid the outstanding loan balance amounting to Rp59.7 billion.

In 2018, Bantala and BBI paid a total amount of Rp64.1 billion for these loan facilities.

As of December 31, 2018 and 2017, the outstanding balance of this loan amounted to Rp50.9 billion and Rp64.1 billion, respectively.

d. Promissory Notes (PN) Series I

On February 9, 2012, the Company, together with certain parties, signed non-interest bearing Promissory Notes Series I agreement amounting to Rp642.2 billion which is due within 45 days since the date of issuance.

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Rincian pemberi pinjaman adalah sebagai berikut:

Surat Sanggup Seri I/Promissory Notes Series I				
Pemberi pinjaman	2018	2017	Nilai Penerbitan PN/ Nominal PN Issued	Lenders
PT Prima Elok Makmur	32.559	32.559	-	PT Prima Elok Makmur
PT Ciptadana Securities	-	-	32.559	PT Ciptadana Securities
PT Batasa Capital	-	-	71.885	PT Batasa Capital
HPAM Maestro Flexi 1	-	-	394.592	HPAM Maestro Flexi 1
HPAM Maestro Flexi 2	-	-	78.158	HPAM Maestro Flexi 2
MSN Tara Ltd	-	-	27.629	MSN Tara Ltd
Lain-lain	7.103	7.103	37.368	Others
Total	39.662	39.662	642.191	Total

Pada tanggal 11 September 2013, PT Ciptadana Securities mengalihkan Surat Sanggup No. BNBR-PN003-I/2012 senilai Rp32,6 miliar kepada PT Ciptadana Capital.

Pada tanggal 8 Desember 2016, PT Ciptadana Capital mengalihkan Surat Sanggup No. BNBR-PN003-I/2012 senilai Rp32,6 miliar kepada PT Prima Elok Makmur.

Surat Sanggup ini digunakan untuk menyelesaikan Surat Utang Jangka Menengah Perusahaan.

Pada tahun 2016, Perusahaan melakukan penyelesaian saldo terutang kepada beberapa pemegang PN I melalui penerbitan OWK.

Saldo Surat Sanggup pada tanggal 31 Desember 2018 dan 2017 adalah sebesar Rp39,7 miliar.

e. Winn Metals Corporation

Pada tanggal 21 Maret 2016, BCons memperoleh fasilitas pinjaman dari Winn Metals Corporation dengan nilai maksimum sebesar USD2,0 juta. Pinjaman tersebut digunakan oleh BCons untuk membiayai progres pelaksanaan pekerjaan berdasarkan kontrak konstruksi dengan Husky CNOOC Madura Limited. Fasilitas pinjaman ini tanpa jaminan kecuali pembayaran setelah penerimaan atas tagihan penyelesaian.

Tidak ada pembatasan terkait perjanjian pinjaman ini.

Pada tanggal 31 Desember 2018 dan 2017, saldo pinjaman ini masing-masing sebesar Rp31,1 miliar dan Rp33,5 miliar (setara dengan USD2,5 juta).

18. SHORT-TERM LOANS (Continued)

Details of lenders were as follows:

On September 11, 2013, PT Ciptadana Securities transferred Promissory Notes No. BNBR-PN003-I/2012 amounting to Rp32.6 billion to PT Ciptadana Capital.

On December 8, 2016, PT Ciptadana Capital transferred Promissory Notes No. BNBR-PN003-I/2012 amounting to Rp32.6 billion to PT Prima Elok Makmur.

These Promissory Notes were issued to settle the Company's Medium Term Notes.

In 2016, the Company has settled outstanding balance from several PN I holders through issuance of MCB.

Outstanding balance of these Promissory Notes as of December 31, 2018 and 2017 amounted to Rp39.7 million.

e. Winn Metals Corporation

On March 21, 2016, BCons obtained loan facility from Winn Metals Corporation with a maximum amount of USD2.0 million. The loan will be used by BCons to fund the performance of work progress under its construction contract with Husky CNOOC Madura Limited. This loan facility has no collateral except for repayment upon collection of progress billing.

There were no covenants related to this loan agreement.

As of December 31, 2018 and 2017, the outstanding balances of this loan amounted to Rp31.1 billion and Rp33.5 billion (equivalent to USD2.5 million), respectively.

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f. PT Indo Surya Inti Finance

Pada tanggal 8 Maret 2018, Perusahaan menandatangani perjanjian pinjaman dengan PT Indo Surya Inti Finance untuk pembiayaan modal kerja dan akan jatuh tempo di dalam satu tahun.

Fasilitas ini dijamin dengan unit bangunan kantor yang berlokasi di Gedung Bakrie Tower lantai 36, nomor BT.36-A di Jalan Taman Rasuna Said, Jakarta Selatan.

Pada tanggal 31 Desember 2018 dan 2017, saldo pinjaman adalah masing-masing sebesar Rp25,0 miliar dan nihil.

g. PT Bank Bukopin Tbk

1. Pada tanggal 12 April 2018, BA memperoleh fasilitas pinjaman dari PT Bank Bukopin Tbk ("Bukopin") dengan plafon maksimal sebesar Rp15,0 miliar dalam bentuk *Letter of Credit Usance Payable at Sight* (L/C UPAS) dengan jangka waktu maksimal tiga (3) bulan. Pinjaman tersebut digunakan oleh BA sebagai talangan pembayaran tagihan listrik PLN.

Fasilitas tersebut dijamin dengan:

- i. Dana dalam bentuk Giro di Bukopin sebesar 20% dari plafon.
- ii. Satu (1) unit ruang kantor di Bakrie Tower Lantai 37 Nomor dengan luas 1.427,3 m2

Berdasarkan perjanjian, BA tidak diperkenankan memberikan pinjaman kepada pihak berelasi lain atau kepada pihak lain yang tidak berkaitan dengan bidang usaha BA.

2. Pada tanggal 11 Desember 2017, BUMM memperoleh fasilitas pinjaman dari Bukopin dengan plafon maksimal sebesar Rp15,5 miliar dan jangka waktu maksimal dua belas (12) bulan. Pinjaman tersebut digunakan oleh BUMM untuk keperluan modal kerja dan *take over*.

Fasilitas tersebut dijamin dengan:

- i. Tanah berikut bangunan beserta peralatan dan sarana pelengkap yang berada di atasnya, terletak di Jalan K.H. E.Z. Muttaqien, Gembor, Periuk, Tangerang, Banten tercatat atas nama BUMM.
- ii. Satu (1) unit ruang kantor di Bakrie Tower Lantai 37 Nomor dengan luas 1.427,3 m2 yang digunakan sebagai *cross collateral* dengan fasilitas kredit antara BUMM dan Bukopin.

Berdasarkan perjanjian, BUMM tidak diperkenankan melakukan pembagian dividen dan pelunasan utang kepada pemegang saham atau pihak berelasi atau pihak ketiga lainnya.

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18. SHORT-TERM LOANS (Continued)

f. PT Indo Surya Inti Finance

On March 8, 2017, the Company entered into a loan agreement with PT Indo Surya Inti Finance for working capital financing and will mature within one year.

This facility is secured by unit of office building located at 36th floor, number BT.36-A, Bakrie Tower, Jalan Taman Rasuna Said, Jakarta Selatan.

The outstanding balance of this loan as of December 31, 2018 and 2017 amounted to Rp25.0 billion and nil, respectively.

g. PT Bank Bukopin Tbk

1. On April 12, 2018, BA obtained a loan facility from PT Bank Bukopin Tbk ("Bukopin") with maximum plafond amounting to Rp15.0 billion in the form of *Letter of Credit Usance Payable at Sight* (L/C UPAS) with maximum term of three (3) months. The loan was used by BA for electricity bill payments to PLN.

The facility was secured by:

- i. Funds in the form of Giro with Bukopin equivalent to 20% from plafond.
- ii. One (1) unit of office space located at Bakrie Tower, 37th Floor with land area of 1,427.3 m2.

Based on the loan agreement, BA was not permitted to provide loans to other related parties or to other parties which was not related to BA's business.

2. On December 11, 2017, BUMM obtained a loan facility from Bukopin with maximum plafond amounting to Rp15.5 billion and maximum term of twelve (12) months. The loan was used by BUMM for working capital purposes and *take over*.

The facility was secured by:

- i. Land and building with equipment and facilities located at Jalan K.H. E.Z. Muttaqien, Gembor, Periuk, Tangerang, Banten registered under BUMM.
- ii. One (1) unit of office space located at Bakrie Tower, 37th Floor with land area of 1,427.3 m2 which was also used as *cross collateral* with existing credit facilities between BUMM and Bukopin.

Based on the loan agreement, BUMM is not permitted to distribute dividends and repay loans to shareholders or related parties or other third parties.

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18. PINJAMAN JANGKA PENDEK (Lanjutan)

3. Pada tanggal 6 Maret 2018, Bantala memperoleh fasilitas modal kerja dan *Letter of Credit Usance Payable At Sight (UPAS)* dari Bukopin. Fasilitas ini digunakan untuk modal kerja dan biaya operasional. Fasilitas ini dijamin dengan unit bangunan kantor yang berlokasi di Gedung Bakrie Tower Lantai 34 nomor BT.34-A di Jl. Taman Rasuna Said, Jakarta Selatan dan akan jatuh tempo dalam dua belas (12) bulan.

Saldo fasilitas pinjaman pada tanggal 31 Desember 2018 dan 2017 adalah masing-masing sebesar Rp25,1 miliar dan nihil.

h. PT Timas Suplindo

Pada tanggal 8 Maret 2017, BCons menandatangani perjanjian pinjaman dengan PT Timas Suplindo untuk mendanai konsorsium PT Timas-PT Bakrie Construction untuk *MDA and MBH Fields Development Project*. Pinjaman ini tanpa jaminan.

Tidak ada pembatasan terkait perjanjian pinjaman ini.

Pada tanggal 31 Desember 2018 dan 2017, saldo pinjaman adalah masing-masing sebesar Rp14,0 miliar dan Rp20,2 miliar.

i. PT Bank J Trust Indonesia Tbk

Pada tanggal 22 April 2013, BA memperoleh fasilitas pinjaman dari PT Bank J Trust Indonesia Tbk dalam bentuk fasilitas pinjaman kredit rekening koran dengan batas kredit sebesar Rp5,0 miliar. Fasilitas ini dijamin dengan persediaan, piutang usaha, tanah, bangunan dan mesin-mesin dan telah jatuh tempo pada tanggal 31 Desember 2014.

Fasilitas kredit telah diperpanjang beberapa kali, terakhir pada tanggal 22 Maret 2017 dimana batas kredit ditingkatkan dari Rp5,0 miliar menjadi Rp25,0 miliar dan jatuh tempo pada tanggal 22 Maret 2018. Fasilitas kredit terbaru dijamin dengan setoran jaminan (*margin deposit*) setara hingga 25% dari saldo pinjaman.

Berdasarkan perjanjian, BA tidak diperkenankan melakukan kegiatan-kegiatan berikut tanpa persetujuan tertulis terlebih dahulu dari BRI, antara lain:

- Mengalihkan aset yang digunakan sebagai jaminan.
- Mendapatkan fasilitas kredit dari bank atau lembaga keuangan lainnya.
- Mengambil bagian dari dividen/modal untuk kepentingan di luar usaha atau kepentingan pribadi.
- Tidak meminjam dari atau meminjamkan uang kepada pihak ketiga selain daripada yang timbul dalam usahanya.
- Mengurangi utang kepada pemegang saham.

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18. SHORT-TERM LOANS (Continued)

3. On March 6, 2018, Bantala obtained working capital facility and *Letter of Credit Usance Payable at Sight (UPAS)* from Bukopin. The facility was used for working capital and operational expenses. These facilities were secured by office building unit located at 34th floor number BT.34-A, Bakrie Tower, Jl. Taman Rasuna Said, South Jakarta and due in 12 months.

Outstanding balance of these loan facilities as of December 31, 2018 and 2017 amounted to Rp25.1 million and nil, respectively.

h. PT Timas Suplindo

On March 8, 2017, BCons entered into a loan agreement with PT Timas Suplindo to fund the PT Timas-PT Bakrie Construction consortium work for MDA and MBH Fields Development Project. This loan facility has no collateral.

There were no covenants related to this loan agreement.

As of December 31, 2018 and 2017, the outstanding balance of this loan amounted to Rp14.0 billion and Rp20.2 billion, respectively.

i. PT Bank J Trust Indonesia Tbk

On April 22, 2013, BA obtained a loan facility from PT Bank J Trust Indonesia Tbk in the form of bank overdraft facility with a credit limit of Rp5.0 billion. This facility was secured with inventories, trade receivables, land, building and machinery and was due on December 31, 2014.

The credit facility has been extended several times, the latest being on March 22, 2017 whereby the credit limit was increased from Rp5.0 billion to Rp25.0 billion and was due on March 22, 2018. The latest credit facility was secured by cash collateral (*margin deposit*) equivalent to 25% of outstanding loan balance.

Based on the agreement, BA shall not perform transactions to carryout the following activities without the prior written approval from the BRI, among others:

- Transfer of assets used as collateral.
- Obtain credit facility from a bank or other financial institution.
- Take part in dividends/capital distribution for interests outside of business or personal interests.
- Do not borrow from or lend money to third parties other than those that arise from the business.
- Reduction of loans from shareholders.

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18. PINJAMAN JANGKA PENDEK (Lanjutan)

Pada tahun 2018, BA telah melunasi pinjaman ini dan membayar sebesar Rp20,6 miliar.

Pada tanggal 31 Desember 2018 dan 2017, saldo pinjaman ini masing-masing sebesar nihil dan Rp20,6 miliar.

j. PT Bank MNC Internasional Tbk

Rupiah dan Dolar AS

1. Pada tanggal 3 Desember 2009, Perusahaan, BPI, SEAPI, BCons, BMI, BBI, BA dan MKN ("Kelompok Usaha") mengadakan perjanjian fasilitas pinjaman dengan PT Bank MNC Internasional Tbk (Bank MNC) untuk kebutuhan modal kerja Kelompok Usaha dengan nilai maksimum sebesar Rp200,0 miliar atau USD20,0 juta. Fasilitas ini terdiri dari:
 - i. Pinjaman tetap yang digunakan oleh Kelompok Usaha untuk membiayai modal kerja atau untuk membayar *Sight Letter of Credit* yang akan jatuh tempo. Tingkat suku bunga untuk pinjaman dalam mata uang Rupiah adalah 1% di atas bunga deposito Rupiah yang dijamin dan 1,25% di atas bunga deposito USD untuk pinjaman mata uang USD. *Sight Letter of Credit* dan/atau *Usance Letter of Credit* akan digunakan oleh Kelompok Usaha untuk membiayai modal kerja.
 - ii. *Bank guarantee* yang akan digunakan oleh Kelompok Usaha untuk menjamin pembayaran kepada pihak ketiga baik dalam bentuk *tender/bid bond*, *performance bond*, *advance payment bond*, *retention bond*, dan lainnya.
 - iii. *Contra guarantee* dan/atau *Standby Letter of Credit* yang akan digunakan oleh Kelompok Usaha untuk menjamin pembayaran kepada pihak ketiga, baik bank maupun bukan bank, dalam bentuk *tender/bid bond*, *performance bond*, *advance payment bond*, *retention bond*, dan lainnya.

Pada tanggal 3 Desember 2012, Kelompok Usaha menandatangani perjanjian perubahan terhadap perjanjian kredit dimana nilai batas kredit diubah menjadi sebesar Rp136,4 miliar.

Fasilitas pinjaman ini telah mengalami beberapa kali perubahan, terakhir dengan perjanjian tanggal 3 April 2018, dimana perjanjian ini diperpanjang dan akan jatuh tempo bulan Desember 2024. Pada tahun 2018, pinjaman ini direklasifikasi sebagai pinjaman jangka panjang (Catatan 23).

2. Pada tanggal 5 Februari 2013, Perusahaan, BA dan MKN mendapat penambahan fasilitas pinjaman masing-masing sebesar Rp33,2 miliar, Rp29,1 miliar dan Rp12,4 miliar dari Bank MNC. Pinjaman tersebut merupakan bagian dari fasilitas Bank MNC untuk Kelompok Usaha dengan nilai maksimum sebesar Rp50,0 miliar dan USD15,0 juta (setara dengan Rp230,0 miliar).

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18. SHORT-TERM LOANS (Continued)

In 2018, BA has fully paid this loan in total amount of Rp20.6 billion.

As of December 31, 2018 and 2017, the outstanding balance of this loan amounted to nil and Rp20.6 billion, respectively.

j. PT Bank MNC Internasional Tbk

Rupiah and US Dollar

1. On December 3, 2009, the Company, BPI, SEAPI, BCons, BMI, BBI, BA and MKN (the "Group") entered into a loan facility agreement with PT Bank MNC Internasional Tbk (MNC Bank) for its working capital requirements with a maximum amount of Rp200.0 billion or USD20.0 million. This facility consisted of:
 - i. Fixed loan that will be used by the Group to finance its working capital or to pay maturing *Sight Letter of Credit*. The interest rate for Rupiah facility is 1% above the secured Rupiah time deposit rate and 1.25% above the secured USD time deposit rate for USD facility. *Sight Letter of Credit* and/or *Usance Letter of Credit* will be used by the Group for working capital.
 - ii. Bank guarantee that will be used by the Group to guarantee payment to third parties is either in the form of tender/bid bond, performance bond, advance payment bond, retention bond, and others.
 - iii. Contra guarantee and/or Standby Letter of Credit that will be used by the Group to guarantee payment to third parties, either bank or non-bank, is in the form of tender/bid bond, performance bond, advance payment bond, retention bond, and others.

On December 3, 2012, the Group entered into an amendment to the loan agreement with a total credit limit amounting to Rp136.4 billion.

These credit facilities has been amended several times, the latest being on April 3, 2018, wherein the agreement was extended and will be due on December 2024. In 2018, this loan was reclassified as long-term loan (Note 23).

2. On February 5, 2013, the Company, BA and MKN received additional loan facility from Bank MNC amounting to Rp33.2 billion, Rp29.1 billion and Rp12.4 billion, respectively. This facility is a part of Bank MNC facility to the Group with a maximum amount of Rp50.0 billion and USD15.0 million (equivalent to Rp230.0 billion).

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18. PINJAMAN JANGKA PENDEK (Lanjutan)

Saldo pinjaman dalam Rupiah pada tanggal 31 Desember 2018 dan 2017, masing-masing sebesar Rp11,5 miliar dan nihil. Saldo pinjaman dalam USD pada tanggal 31 Desember 2018 dan 2017 sebesar nihil dan USD4,5 juta (setara dengan Rp60,8 miliar).

k. Daley Capital Limited

Pada tanggal 15 Maret 2017, Perusahaan memperoleh fasilitas pinjaman dari Daley Capital Limited (Daley) yang terdiri dari:

- i. USD4,5 juta yang diselesaikan melalui konversi pinjaman menjadi saham Perusahaan dengan harga saham Rp50,0 per lembar saham.
- ii. USD0,8 juta yang diselesaikan melalui pembayaran tunai dalam satu tahun.

Pada tanggal 12 Juli 2017, Perusahaan telah mendapatkan persetujuan dari Rapat Umum Pemegang Saham Luar Biasa untuk menerbitkan OWK untuk konversi pinjaman menjadi saham Perusahaan seri D.

Pada tanggal 15 Desember 2017, Perusahaan memperoleh fasilitas pinjaman dari Daley Capital Limited (Daley) yang terdiri dari:

- i. USD6,7 juta yang diselesaikan melalui konversi pinjaman menjadi saham Perusahaan dengan harga saham Rp50,0 per lembar saham.
- ii. USD1,2 juta yang diselesaikan melalui pembayaran tunai dalam satu tahun.

Pada tanggal 15 Desember 2017, Perusahaan memperoleh fasilitas pinjaman tambahan dari Daley senilai USD7,9 juta yang digunakan untuk penyelesaian pinjaman kepada Credit Suisse. Fasilitas ini jatuh tempo di dalam satu tahun. Fasilitas tersebut USD6,7 juta akan dibayar dengan saham dan sisanya akan dibayar tunai.

Pada tanggal 21 November 2018, Perusahaan telah mendapatkan persetujuan dari Rapat Umum Pemegang Saham Luar Biasa untuk menerbitkan saham untuk konversi pinjaman menjadi saham Perusahaan seri C.

Pada tanggal 31 Desember 2018 dan 2017, saldo pinjaman ini masing-masing sebesar USD2,0 juta (setara dengan Rp28,9 miliar) dan USD8,7 juta (setara dengan Rp118,2 miliar).

I. Fountain City Investment Ltd

Pada bulan Agustus 2017, Perusahaan mendapatkan beberapa fasilitas pinjaman dari Fountain City Investment Ltd (FCIL) sejumlah USD2,3 juta yang jatuh tempo dalam satu tahun.

18. SHORT-TERM LOANS (Continued)

The outstanding loan balance in Rupiah as of December 31, 2018 and 2017 amounted to Rp11.5 billion and nil, respectively. The outstanding loan balance in USD as of December 31, 2018 and 2017 amounted to nil and USD4.5 million (equivalent to Rp60.8 billion), respectively.

k. Daley Capital Limited

On March 15, 2017, the Company obtained a loan facility from Daley Capital Limited (Daley) consisting of:

- i. USD4.5 million settled through conversion into Company's shares.
- ii. USD0.8 million settled through cash payment within one year.

On July 12, 2017, the Company has received approval from Extra Ordinary Shareholders General Meeting in order to issue MCB for the conversion of loan to Company's share series D.

On December 15, 2017, the Company obtained a loan facility from Daley Capital Limited (Daley) consisting of:

- i. USD6.7 million settled through conversion into Company's shares.
- ii. USD1.2 million settled through cash payment within one year.

On December 15, 2017, the Company obtained an additional loan facility from Daley amounting to USD7.9 million that was used for the repayment of loan to Credit Suisse. The facility will be due in one year. The loan facility amounting to USD6.7 million will be settled through issuance of shares and the remaining balance will be repaid through cash.

On November 21, 2018, the Company has received approval from Extra Ordinary Shareholders General Meeting in order to issue shares for the conversion of loan to Company's share series C.

As of December 31, 2018 and 2017, the outstanding balance of this loan amounted to USD2.0 million (equivalent to Rp28.9 billion) and USD8.7 million (equivalent to Rp118.2 billion), respectively.

I. Fountain City Investment Ltd

In August 2017, the Company obtained several loan facilities from Fountain City Investment Ltd (FCIL) totaling USD2.3 million that matured within one year.

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18. PINJAMAN JANGKA PENDEK (Lanjutan)

Pada tanggal 26 April 2018, Perusahaan memperoleh fasilitas pinjaman tambahan melalui Perjanjian Pengalihan Utang Perusahaan dari Mitsubishi Corporation Rtm Japan Ltd (Mitsubishi) kepada FCIL sebesar USD218,1 juta. Penyelesaian pinjaman adalah dengan cara sebagai berikut:

- Penyerahan aset Perusahaan berupa saham PT Bumi Resources Tbk yang sebelumnya dijadikan jaminan pada fasilitas kredit yang diberikan oleh Mitsubishi.
- Menerbitkan OWK kepada FCIL senilai Rp2,5 triliun.
- Menerbitkan saham baru Perusahaan kepada FCIL senilai Rp420 miliar.

Pada tanggal 26 April 2018, Perusahaan menandatangani Perjanjian Penerbitan OWK dengan FCIL sebesar jumlah keseluruhan pinjaman Perusahaan yaitu sebesar Rp2,5 triliun. Perusahaan harus mendapatkan persetujuan pemegang saham terlebih dahulu untuk penerbitan sertifikat OWK dengan jangka waktu lima (5) tahun. Sisa pinjaman sebesar Rp0,4 triliun diselesaikan dengan penerbitan saham Perusahaan. Perjanjian ini efektif setelah mendapatkan persetujuan pemegang saham.

Pada tanggal 31 Desember 2018 dan 2017, saldo pinjaman ini adalah masing-masing sebesar nihil dan USD2,3 juta (setara dengan Rp30,5 miliar).

m. PT Recapital Aset Indonesia

Pada tanggal 17 Juni 2013, Perusahaan memperoleh fasilitas repo dari PT Rekapital Sekuritas Indonesia (Rekapital) sebesar Rp35,0 miliar. Pada tahun 2013, Perusahaan menilai kembali fasilitas ini menggunakan harga pembelian kembali dalam perjanjian sebesar Rp36,9 miliar. Fasilitas ini telah jatuh tempo pada tanggal 30 November 2013 dan dijamin dengan 322,8 juta saham UNSP (Catatan 6) dan telah diperpanjang sampai dengan tanggal 3 September 2014.

Pada tanggal 3 September 2014, Perusahaan telah melakukan pembayaran sebagian fasilitas repo kepada Rekapital sebesar Rp9,9 miliar.

Pada tanggal 4 September 2017, Rekapital mengalihkan fasilitas repo Perusahaan kepada PT Recapital Aset Indonesia.

Fasilitas pinjaman ini dengan nilai sisa sebesar Rp27,0 miliar telah diperpanjang beberapa kali, perpanjangan terakhir sampai dengan tanggal 5 Desember 2018.

Pada tanggal 31 Desember 2018 dan 2017, saldo fasilitas ini sebesar Rp27,0 miliar.

Manajemen berkeyakinan bahwa seluruh pinjaman jangka pendek Kelompok Usaha telah memenuhi persyaratan dan kondisi sebagaimana diatur dalam perjanjian pinjaman.

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18. SHORT-TERM LOANS (Continued)

On April 26, 2018, the Company obtained additional loan facilities through Debt Transfer Agreement from Mitsubishi Corporation Rtm Japan Ltd (Mitsubishi) to FCIL amounting to USD218.1 million. Settlement of the loan was done as follows:

- Transfer of the Company's assets in the form of shares in PT Bumi Resources Tbk previously used as collateral to the credit facility from Mitsubishi.
- Issuance of MCB to FCIL amounting to Rp2.5 trillion.
- Issuance of the Company's new shares to FCIL amounting to Rp420 billion.

On April 26, 2018, the Company signed MCB Issuance Agreement with FCIL amounting to the total loaned amount of Rp2.5 trillion. The issuance of MCB is subject to the shareholders' approval on Shareholders General Meeting and will be due within five (5) years. The remaining loan balance amounting to Rp0.4 trillion was settled through issuance of the Company's shares. This agreement became effective after the approval from shareholders.

As of December 31, 2018 and 2017, the outstanding balance of this loan amounted to nil and USD2.3 million (equivalent to Rp30.5 billion), respectively.

m. PT Recapital Aset Indonesia

On June 17, 2013, the Company obtained repo facility from PT Rekapital Sekuritas Indonesia (Rekapital) amounting to Rp35.0 billion. In 2013, the Company revalued the facility using the repurchase price in the agreement amounting to Rp36.9 billion. This facility matured on November 30, 2013 and is secured by 322.8 million UNSP shares (Note 6) and has been extended until September 3, 2014.

On September 3, 2014, the Company has partially settled the repo facility to Rekapital amounting to Rp9.9 billion.

On September 4, 2017, Rekapital transferred the Company's repo facility to PT Recapital Aset Indonesia.

This loan facility with remaining balance amounting to Rp27.0 billion has been extended several times, the latest being until December 5, 2018.

As of December 31, 2018 and 2017, the outstanding balance of this facility amounted to Rp27.0 billion.

The management believed that all short-term loans of the Group has complied with the terms and conditions stipulated in the agreements.

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19. UTANG USAHA

19. TRADE PAYABLES

	2018	2017	
Pihak ketiga			Third parties
PT Krakatau Steel	133.819	-	PT Krakatau Steel
PT Sentra Karya Mandiri	119.010	12.903	PT Sentra Karya Mandiri
PT Indal Steel	43.699	5.228	PT Indal Steel
Ural Chrysotile, JSC	35.337	19.235	Ural Chrysotile, JSC
Winn Metals Corporation	35.189	6.355	Winn Metals Corporation
PT Fedsin Rekayasa Pratama	33.059	27.343	PT Fedsin Rekayasa Pratama
PT Gunung Raja Paksi	14.960	-	PT Gunung Raja Paksi
PT Mammoet Indonesia	12.698	-	PT Mammoet Indonesia
PT Subur Buana Raya	12.338	14.194	PT Subur Buana Raya
PT Intisumber Bajasakti	12.118	14.475	PT Intisumber Bajasakti
PT Bhakti Buana Makmur Distributor	11.975	19.088	PT Bhakti Buana Makmur Distributor
PT Raja Besi	10.721	-	PT Raja Besi
PT Java Pacific	10.534	-	PT Java Pacific
PT Graha Sarana Metal	10.369	6.041	PT Graha Sarana Metal
PT Krakatau Posco	10.146	-	PT Krakatau Posco
PT Semen Indonesia Logistik	8.259	12.331	PT Semen Indonesia Logistik
PT BMP Mandiri Sejahtera	7.479	10.672	PT BMP Mandiri Sejahtera
PT Bumi Kaya Steel	41	51.586	PT Bumi Kaya Steel
Samsung C&T Corporation	-	34.832	Samsung C&T Corporation
SK Network Co Ltd	-	22.194	SK Network Co Ltd
Lain-lain (dibawah Rp10 miliar)	283.055	284.963	Others (below Rp10 billion)
Subtotal	804.806	541.440	Subtotal
Pihak berelasi (Catatan 39d)	17.208	2.276	Related parties (Note 39d)
Total	822.014	543.716	Total

Rincian umur utang usaha adalah sebagai berikut:

Details of aging schedule of trade payables were as follows:

	2018	2017	
Sampai dengan 1 bulan	417.104	132.250	Up to 1 month
1 bulan - 3 bulan	173.363	70.921	1 month - 3 months
3 bulan - 6 bulan	37.049	84.022	3 months - 6 months
6 bulan - 1 tahun	84.242	135.527	6 months - 1 year
Lebih dari 1 tahun	110.256	120.996	Over 1 year
Total	822.014	543.716	Total

Rincian utang usaha berdasarkan mata uang adalah sebagai berikut:

Details of trade payable based on currencies were as follows:

Mata uang	2018	2017	Currencies
Rupiah	709.506	364.906	Rupiah
Dolar AS	112.298	178.705	US Dollar
Dolar Australia	210	-	Australian Dollar
Dolar Singapura	-	96	Singapore Dollar
Euro	-	9	Euro
Total	822.014	543.716	Total

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20. UTANG LAIN-LAIN

	2018	2017
Pihak ketiga	163.367	213.155
Pihak berelasi (Catatan 39e)		
Dana Pensiun Bakrie	21.372	18.739
Lain-lain (dibawah Rp10 miliar)	5.762	2.729
Subtotal	27.134	21.468
Total	190.501	234.623

Pada tanggal 7 Agustus 2017, BA menerima surat dari Kepala Kejaksaan Negeri Bekasi yang menginformasikan iuran BA yang belum dibayar kepada BPJS sebesar Rp7,94 miliar. Pada tahun 2017 dan 2018, BA membayar kepada BPJS sebesar Rp5,59 miliar. Iuran yang belum dibayarkan kepada BPJS sebesar Rp2,35 miliar pada tanggal 31 Desember 2018 disajikan sebagai bagian dari akun "Utang Lain-lain - Pihak Ketiga" dalam laporan posisi keuangan konsolidasian.

20. OTHER PAYABLES

Third parties
Related parties (Note 39e)
Dana Pensiun Bakrie
Others (below Rp10 billion)
Subtotal
Total

On August 7, 2017, BA received a letter from Head of the State Prosecutor Bekasi to inform on the unpaid contribution of BA to BPJS amounting to Rp7.94 billion. In 2017 and 2018, BA paid to BPJS amounting to Rp5.59 billion. The unpaid contribution to BPJS amounting to Rp2.35 billion as of December 31, 2018 was presented as part of "Other Payables - Third Parties" account in the consolidated statements of financial position.

21. BEBAN MASIH HARUS DIBAYAR

	2018	2017
Denda	550.120	678.629
Biaya produksi	74.074	6.705
Gaji, upah dan tunjangan	57.644	51.888
Proyek	41.077	1.363
Bunga	15.601	704.220
Jasa <i>outsourcing</i>	6.973	4.441
Jasa profesional	5.106	3.262
Pesangon	4.927	-
Pengangkutan	2.461	2.044
Listrik, air dan telepon	2.303	2.900
Sewa	1.132	1.048
Lain-lain (dibawah Rp1 miliar)	38.311	27.843
Total	799.729	1.484.343

21. ACCRUED EXPENSES

Penalty
Production costs
Salaries, wages and allowances
Projects
Interest
Outsourcing services
Professional fees
Severance payment
Transportation
Electricity, water and telephone
Rental
Others (below Rp1 billion)

Total**22. UANG MUKA PELANGGAN**

Pada tanggal 31 Desember 2018 dan 2017, uang muka pelanggan masing-masing sebesar Rp173,7 miliar dan Rp128,9 miliar, semua dari pihak ketiga.

22. CUSTOMER DEPOSITS

As of December 31, 2018 and 2017, customer deposits amounting to Rp173.7 billion and Rp128.9 billion, respectively, were all from third parties.

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23. PINJAMAN JANGKA PANJANG

	2018	2017
Rupiah		
PT Bank Bukopin Tbk, Indonesia	31.338	30.022
PT Bank Kesejahteraan Ekonomi, Indonesia	24.196	-
PT Timur Properti Investindo, Indonesia	18.338	19.238
PT Bank J Trust Indonesia, Indonesia	17.342	20.468
PT Bank Rakyat Indonesia, Indonesia	-	28.774
PT Bank Artha Graha Internasional Tbk, Indonesia	-	13.452
Lain-lain (dibawah Rp10 miliar)	17.881	-
Subtotal	109.095	111.954
Mata uang asing (USD)		
Eurofa Capital Investment Inc, Singapura	1.491.543	1.395.444
PT Bank MNC Internasional Tbk, Indonesia	118.696	-
Mitsubishi Corporation, Jepang	-	1.950.679
Subtotal	1.610.239	3.346.123
Total	1.719.334	3.458.077
Dikurangi bagian yang jatuh tempo dalam satu tahun	(1.534.015)	(3.412.438)
Bagian Jangka Panjang pada Biaya Perolehan Diamortisasi	185.319	45.639

23. LONG-TERM LOANS

Rupiah	
PT Bank Bukopin Tbk, Indonesia	
PT Bank Kesejahteraan Ekonomi, Indonesia	
PT Timur Properti Investindo, Indonesia	
PT Bank J Trust Indonesia, Indonesia	
PT Bank Rakyat Indonesia, Indonesia	
PT Bank Artha Graha Internasional Tbk, Indonesia	
Others (each below Rp10 billion)	
Subtotal	
Foreign currency (USD)	
Eurofa Capital Investment Inc, Singapore	
PT Bank MNC Internasional Tbk, Indonesia	
Mitsubishi Corporation, Japan	
Subtotal	
Total	
Less current portion	
Non-current Portion at Amortized Cost	

Pinjaman jangka panjang dikenakan bunga per tahun
sebagai berikut:

Long-term loans bear annual interest rates as follows:

	2018 dan/and 2017
Rupiah	12 % - 15 %
Dolar AS	2,5 % - 7%

Rupiah
US Dollar

a. PT Bank MNC Internasional Tbk

1. Fasilitas kredit Kelompok Usaha dengan Bank MNC telah beberapa kali diubah, terakhir pada tanggal 3 April 2018, dimana perjanjian diperpanjang dan akan jatuh tempo pada bulan Desember 2024. Pada tahun 2018, saldo pinjaman yang jatuh tempo dari BCONS direklasifikasi sebagai pinjaman jangka panjang (Catatan 18).
2. Berdasarkan Surat Persetujuan Penambahan Fasilitas Kredit No. 329/CCBG-MKN/XI/12, tanggal 26 November 2012 menyatakan bahwa MKN telah memperoleh penambahan fasilitas pinjaman kredit dari Bank MNC sebagai berikut:
 - i. Fasilitas Pinjaman Transaksi Khusus (PTK) dengan plafon sebesar Rp18,0 miliar untuk pembiayaan investasi untuk proyek multi-year termasuk pembiayaan Letter of Credit (L/C) yang digunakan untuk pembelian "bahan baku" atas proyek yang dibiayai.

a. PT Bank MNC Internasional Tbk

1. Existing credit facilities of the Group with Bank MNC has been amended several times, the latest being on April 3, 2018, wherein the agreement was extended and will be due on December 2024. In 2018, outstanding loan balances due from BCONS was reclassified as long-term loan (Note 18).
2. Based on the additional Letter of Credit Agreement No. 329/CCBG-MKN/XI/12 dated November 26, 2012, MKN received additional credit facility from Bank MNC as follows:
 - i. Special Transaction Loan (PTK) Facility with ceiling amounting to Rp18.0 billion used for investment financing of multi-year projects including a Letter of Credit (L/C) facility to buy "raw materials" for the funded projects.

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23. PINJAMAN JANGKA PANJANG (Lanjutan)

- ii. Fasilitas Pinjaman Tetap (PT1) dan/atau L/C Impor dengan limit sebesar USD4,0 juta atau setara dengan Rp36,0 miliar dan dengan sublimit Fasilitas Bank Garansi dengan plafon sebesar USD2,5 juta atau setara dengan Rp22,5 miliar dengan rincian sebagai berikut:
 - Pinjaman Tetap dapat digunakan oleh MKN untuk pembelian bahan baku/pelunasan Sight LC;
 - LC Impor digunakan untuk pembelian bahan baku; dan
 - Sublimit Fasilitas ini digunakan untuk jaminan pembayaran kepada pihak ketiga baik berupa *Tender/Bid Bond*, *Performance Bond*, *Advance Payment Bond* dan *Retention Bond*.
- iii. Fasilitas Pinjaman Tetap (PT 2) dan/atau Surat Kredit Berdokumen Dalam Negeri (SKBDN) dan/atau bank garansi dengan batas pinjaman sebesar Rp4 miliar.
- iv. Fasilitas Pinjaman Rekening Koran (PRK) dengan plafon sebesar Rp1,0 miliar untuk pembiayaan modal kerja operasional.
- v. Fasilitas *Forex Exchange* sebesar USD2,5 juta untuk transaksi jual beli valuta asing.

Fasilitas tersebut dijamin dengan:

- i. Rekening deposito berjangka sebesar Rp5,0 miliar yang ditempatkan pada Bank MNC.
- ii. Akta jaminan fidusia atas piutang dagang milik MKN sebesar Rp20,0 miliar.
- iii. Hak Tanggungan atas tanah di Jl. Daan Mogot, KM 17,3, Semanan Raya, Kalideres, Jakarta dimiliki oleh BBI.
- iv. Hak Tanggungan atas tanah di Jl. Mekar Raya No. 56, Mekar Mulya, Rancasari, Gedebage, Bandung dimiliki oleh MKN.
- v. Fidusia piutang dagang atas proyek yang dibiayai minimum 200% dari kredit limit.
- vi. Unit peralatan yang dibiayai minimum 125% dari nilai pinjaman yang dicairkan.

Fasilitas-fasilitas tersebut diperpanjang beberapa kali, yang terakhir pada tanggal 27 November 2018 dimana jangka waktu fasilitas diperpanjang sebagai berikut:

Fasilitas	Tanggal Jatuh Tempo/ Maturity Date
PRK	27 Februari/February 27, 2019
PTK 1	23 Desember/December 23, 2023
PT 2	27 Februari/February 27, 2019
PTK 2	23 April/April 23, 2022

23. LONG-TERM LOANS (Continued)

- ii. *Fixed Loan Facility (PT1) and/or Import LC with limit amounting to USD4.0 million or equivalent to Rp36.0 billion and with sublimit facility Bank Guarantee with plafond of USD2.5 million or Rp22.5 billion with details as follows:*
 - *Fixed Loan can be used by MKN to purchase raw materials/to pay Sight LC*
 - *Import LC used to buy raw materials; and*
 - *Sublimit Facility used as guarantee for payments to third parties in the form of Tender/Bid Bond, Performance Bond, Advance Payment Bond and Retention Bond.*
- iii. *Fixed Loan Facility (PT 2) and/or Letter of Credit with Domestic Document (SKBDN) and or Bank Guarantee up to Rp4 billion.*
- iv. *Bank Loan (PRK) Facility with ceiling amounting to Rp1.0 billion to finance operational working capital.*
- v. *Forex Exchange Facility amounting to USD2.5 million for buying and selling foreign currency.*

The facility was secured by:

- i. *Time deposits amounting to Rp5.0 billion placed in MNC Bank.*
- ii. *Fiduciary deed for MKN's trade receivables amounting to Rp20.0 billion.*
- iii. *Landrights located at Jl. Daan Mogot, KM 17.3, Semanan Raya, Kalideres, West Jakarta, owned by BBI.*
- iv. *Landrights located at Jl. Mekar Raya No. 56, Mekar Mulya, Rancasari, Gedebage, Bandung, owned by MKN.*
- v. *Fiduciary trade receivables from projects financed at minimum of 200% from the credit limit.*
- vi. *Equipment units that were financed by minimum of 125% of the value of loans disbursed.*

The above-mentioned facilities have been amended several times, the latest being on November 27, 2018 wherein the term of the facility was extended as follows:

Jumlah/Amount (Angka Penuh/Full Amount)	Facility
Rp1.000.000.000	PRK
USD3.955.953,45	PTK 1
Rp4.000.000.000	PT 2
Rp8.437.204.605	PTK 1

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23. PINJAMAN JANGKA PANJANG (Lanjutan)

Saldo pinjaman ini pada tanggal 31 Desember 2018 sebesar Rp31,3 miliar untuk fasilitas dalam denominasi Rupiah dan USD3.955.953 (setara dengan Rp57,3 miliar) untuk fasilitas dalam denominasi USD.

b. PT Bank Bukopin Tbk

1. Pada tanggal 26 April 2013, Perusahaan dan PT Bakrie Building Industries (BBI) menandatangani Perjanjian Fasilitas Kredit Investasi dengan PT Bank Bukopin Tbk ("Bukopin") dengan batas kredit masing-masing sebesar Rp20,0 miliar dan Rp22,0 miliar dan jatuh tempo dalam waktu 5 tahun. Fasilitas ini digunakan untuk pembelian 2 unit bangunan kantor.

Pada tanggal 10 September 2015, Perusahaan memperoleh fasilitas pinjaman cicilan, dengan fasilitas kredit maksimum sebesar Rp25,0 miliar dan akan jatuh tempo pada tanggal 29 September 2020.

Pada bulan Maret 2018, Perusahaan telah membayar penuh saldo pinjaman sebesar Rp4,5 miliar.

Berdasarkan perjanjian, BBI tidak diperkenankan melakukan pembagian dividen dan pelunasan utang kepada pemegang saham atau pihak berelasi atau pihak ketiga lainnya.

2. Pada tanggal 26 Juli 2013 dan 12 September 2013, BA dan BUMM, menandatangani Perjanjian Fasilitas Kredit Investasi dengan PT Bank Bukopin Tbk ("Bukopin") sebesar Rp25,0 miliar yang jatuh tempo dalam waktu lima (5) tahun. Fasilitas ini digunakan untuk pembelian dua (2) unit bangunan kantor. Pada bulan Agustus 2018, pinjaman ini telah dilunasi seluruhnya.

Pada tanggal 11 Desember 2017, BUMM menandatangani perjanjian pinjaman dengan Bukopin untuk menyediakan fasilitas kredit kepada BUMM yang terdiri dari:

- i. Fasilitas Kredit Investasi dengan plafon maksimal sebesar Rp3,0 miliar dengan jangka waktu maksimal enam puluh (60) bulan digunakan untuk mengambil alih (take over) pinjaman dari PT Bank BNI Syariah;
- ii. Fasilitas Kredit Investasi dengan plafon maksimal sebesar Rp24,9 miliar dengan jangka waktu maksimal enam puluh (60) bulan digunakan untuk pembelian mesin.

Fasilitas tersebut dijamin dengan:

- i. Tanah berikut bangunan beserta peralatan dan sarana lengkap yang berada di atasnya, terletak di Jalan K.H. E.Z. Muttaqien, Gembor, Periuk, Tangerang, Banten tercatat atas nama BUMM.

23. LONG-TERM LOANS (Continued)

The outstanding balance of these loan facilities as of December 31, 2018 amounted to Rp31.3 billion for Rupiah denominated facilities, and USD3,955,953 (equivalent to Rp57.3 billion) for USD denominated facilities.

b. PT Bank Bukopin Tbk

1. On April 26, 2013, the Company and PT Bakrie Building Industries (BBI) entered into a Facility Credit Investment Agreement with PT Bank Bukopin Tbk ("Bukopin") with a credit limit of Rp20.0 billion and Rp22.0 billion, respectively, and matured in 5 years. This facility was used to acquire 2 units of office building.

On September 10, 2015, the Company obtained an installment loan facility, with maximum credit facility amounting to Rp25.0 billion and will mature on September 29, 2020.

In March 2018, the Company fully paid the outstanding loan balance amounting to Rp4.5 billion.

Based on the loan agreement, BBI is not permitted to distribute dividends and repay loans to shareholders or related parties or other third parties.

2. On July 26, 2013 and September 12, 2013, BA and BUMM, entered into a Credit Facility Investment Agreement with PT Bank Bukopin Tbk ("Bukopin") amounting to Rp25.0 billion which will mature in five (5) years. This facility is used to acquire two (2) units of office building. In August 2018, this loan has been fully paid.

On December 11, 2017, BUMM entered into a loan agreement with Bukopin to provide credit facilities to BUMM which consisted of the following:

- i. Investment Credit Facility with maximum plafond amounting to Rp3.0 billion with maximum term of sixty (60) months to be used for take over of outstanding loan from PT Bank BNI Syariah;
- ii. Investment Credit Facility with maximum plafond amounting to Rp24.9 billion with maximum term of sixty (60) months to be used for the acquisition of machinery.

The facility was secured by:

- i. Land and building with equipment and facilities located at Jalan K.H. E.Z. Muttaqien, Gembor, Periuk, Tangerang, Banten registered under BUMM.

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23. PINJAMAN JANGKA PANJANG (Lanjutan)

- ii. Satu (1) unit ruang kantor di Bakrie Tower Lantai 37 Nomor dengan luas 1.427,3 m² yang digunakan sebagai cross collateral dengan fasilitas kredit antara BUMM dan Bukopin.

Berdasarkan perjanjian, BUMM tidak diperkenankan melakukan pembagian dividen dan pelunasan utang kepada pemegang saham atau pihak berelasi atau pihak ketiga lainnya.

Pada tahun 2018, Perusahaan, BBI, BA dan BUMM telah membayar sejumlah Rp22,6 miliar atas pinjaman ini.

Pada tanggal 31 Desember 2018 dan 2017, saldo pinjaman ini masing-masing sebesar Rp31,3 miliar dan Rp30,0 miliar.

c. PT Bank Kesejahteraan Ekonomi

Pada tanggal 13 September 2017, MKN memperoleh fasilitas pinjaman dari PT Bank Kesejahteraan Ekonomi (BKE) dalam bentuk fasilitas pinjaman kredit modal kerja dengan batas kredit sebesar Rp25,0 miliar. Pinjaman akan jatuh tempo pada tanggal 31 Oktober 2020.

Fasilitas ini dijamin dengan dua (2) unit bangunan kantor di Rasuna Office Park, Jl. H.R. Rasuna Said, Kuningan serta tanah dan bangunan milik BA di Jl Raya Semanan No. 50B, Kalideres, Jakarta Barat. Jaminan tersebut akan diikat sesuai dengan ketentuan yang berlaku dengan nilai perjaminan sebesar Rp52,5 miliar dan merupakan bagian yang tidak terpisahkan dari perjanjian pinjaman ini.

Pada tanggal 31 Desember 2018 dan 2017, saldo pinjaman ini masing-masing sebesar Rp24,7 miliar dan nihil.

d. PT Timur Properti Investindo

Pada tanggal 6 November 2017, BA menandatangani Kesepakatan Bersama dengan PT Timur Properti Investindo untuk memperoleh pinjaman dengan plafon maksimal penarikan sebesar Rp25,0 miliar. Fasilitas ini telah jatuh tempo pada tanggal 6 November 2018.

Pinjaman tersebut dijamin dengan:

- Satu (1) unit ruang kantor di Bakrie Tower Lantai 35 dengan luas 1.422 m².
- Sinking fund* terdiri dari tiga (3) bulan pokok dan bunga sebesar Rp4,1 miliar.

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, fasilitas ini masih dalam proses penyelesaian.

Tidak ada pembatasan terkait perjanjian pinjaman ini.

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23. LONG-TERM LOANS (Continued)

- ii. One (1) unit of office space located at Bakrie Tower, 37th Floor with land area of 1,427.3 m² which was also used as cross collateral with existing credit facilities between BUMM and Bukopin.

Based on the loan agreement, BUMM is not permitted to distribute dividends and repay loans to shareholders or related parties or other third parties.

In 2018, the Company, BBI and BUMM paid a total amount of Rp22.6 billion for these loans.

As of December 31, 2018 and 2017, the outstanding balance of these loan amounted to Rp31.3 billion and Rp30.0 billion, respectively.

c. PT Bank Kesejahteraan Ekonomi

On September 13, 2017, MKN obtained loan facility from PT Bank Kesejahteraan Ekonomi (BKE) in the form of working capital credit facility with a credit limit of Rp25.0 billion. The loan will be due on October 31, 2020.

The loan is collateralized by 2 units of office building located at Rasuna Office Park, Jl H.R. Rasuna Said, Kuningan and BBI's land and building located at Jl. Raya Semanan No. 50B, Kalideres, West Jakarta. The guarantee will be binding in accordance with the applicable provisions with a guarantee value of Rp52.5 billion and is an integral part of this loan agreement.

As of December 31, 2018 and 2017, the outstanding balance of this loan amounted to Rp24.7 billion and nil, respectively.

d. PT Timur Properti Investindo

On November 6, 2017, BA entered into a Mutual Agreement with PT Timur Properti Investindo to obtain loan with maximum credit limit of Rp25.0 billion. The facility was due on November 6, 2018.

The loan was secured by:

- One (1) unit of office space located at Bakrie Tower, 35th Floor with land area of 1,422 m².
- Sinking fund* comprised of three (3) months of principal and interest totaling Rp4.1 billion.

As of completion date of the consolidated financial statements, the facility is still in process of settlement.

There were no covenants related to this loan agreement.

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23. PINJAMAN JANGKA PANJANG (Lanjutan)

Pada tahun 2018, BA telah membayar sebesar Rp0,9 miliar atas fasilitas pinjaman ini.

Pada tanggal 31 Desember 2018 dan 2017, saldo pinjaman ini masing-masing sebesar Rp18,3 miliar dan Rp19,2 miliar.

e. PT Bank J Trust Indonesia Tbk

Pada tanggal 22 Maret 2011, BA memperoleh fasilitas pinjaman investasi dari PT Bank J Trust Indonesia Tbk ("J Trust") dengan batas kredit sebesar Rp20,0 miliar. Fasilitas ini dijamin dengan tanah, bangunan, mesin dan peralatan dan telah jatuh tempo pada tanggal 22 Maret 2016.

Fasilitas kredit telah diperpanjang beberapa kali, terakhir pada tanggal 22 Maret 2017 dimana batas kredit diubah menjadi sebesar Rp15,0 miliar dan akan jatuh tempo pada tanggal 22 Maret 2022.

Fasilitas tersebut dijamin dengan:

- Persediaan dan piutang dagang sebesar Rp26,0 miliar.
- Deposito sebesar Rp6,25 miliar.
- Tanah dan bangunan pabrik serta sarana pelengkap di Jalan Bekasi KM 27, Pondok Ungu, Medan Satria, Bekasi Barat dengan luas tanah 51.645 m².

Berdasarkan perjanjian, BA tidak diperkenankan melakukan kegiatan-kegiatan berikut tanpa persetujuan tertulis terlebih dahulu dari J Trust, antara lain:

- Melakukan pemindahtanganan barang jaminan.
- Memperoleh fasilitas kredit atau pinjaman dari bank lain.
- Mengambil bagian dari dividen/modal untuk kepentingan diluar usaha atau kepentingan pribadi.
- Tidak meminjam dari atau meminjamkan uang kepada pihak ketiga selain daripada yang timbul dalam usahanya.
- Mengurangi utang kepada pemegang saham.

Pada tahun 2018, BA telah membayar sebesar Rp3,1 miliar atas fasilitas pinjaman ini.

Pada tanggal 31 Desember 2018 dan 2017, saldo pinjaman ini masing-masing sebesar Rp17,3 miliar dan Rp20,5 miliar.

f. PT Bank Artha Graha Internasional Tbk

Pada tanggal 24 April 2014, berdasarkan Akta Perjanjian Kredit No. 172, BBI memperoleh fasilitas kredit dalam bentuk pinjaman tetap dari PT Bank Artha Graha Internasional Tbk sebesar Rp56,5 miliar dengan bunga sebesar 15% per tahun dan jatuh tempo pada tanggal 24 April 2018. Pinjaman ini dijamin dengan tanah, bangunan dan fasilitas yang dimiliki oleh BBI di Kalideres, Jakarta.

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23. LONG-TERM LOANS (Continued)

In 2018, BA has been paid in total amount of Rp0.9 billion for this loan facility.

As of December 31, 2018 and 2017, the outstanding loan balance amounted to Rp18.3 billion and Rp19.2 billion, respectively.

e. PT Bank J Trust Indonesia Tbk

On March 22, 2011, BA obtained investment loan facility from PT Bank J Trust Indonesia Tbk ("J Trust") with maximum credit limit of Rp20.0 billion. This facility was secured with land, building, machinery and equipment located at Jl. Tipar Cakung, Cakung, East Jakarta and was due on March 22, 2016.

The credit facility has been extended several times, the latest being on March 22, 2017 whereby the credit limit was changed to become Rp15.0 billion and will be due on March 22, 2022.

The facility was secured by:

- Inventories and trade receivables totaling Rp26.0 billion.
- Deposits amounting to Rp6.26 billion.
- Land, building and office equipment located at Bekasi KM 27, Pondok Ungu, Medan Satria, Bekasi Barat with land area of 51,645 m².

Based on the agreement, BA shall not perform transactions to carry-out the following activities without the prior written approval from the J Trust, among others:

- Transfer of assets used as collateral.
- Obtain credit or loan facilities from other bank.
- Take part in dividends/capital distribution for interests outside of business or personal interests.
- Do not borrow from or lend money to third parties other than those that arise from the business.
- Reduction of loans from shareholders.

In 2018, BA has been paid in total amount of Rp3.1 billion for this loan facility.

As of December 31, 2018 and 2017, the outstanding balance of this loan amounted to Rp17.3 billion and Rp20.5 billion, respectively.

f. PT Bank Artha Graha Internasional Tbk

On April 24, 2014, BBI obtained a fixed loan from PT Bank Artha Graha Internasional Tbk based on Credit Agreement Deed No. 172, with credit ceiling of Rp56.5 billion with an interest rate of 15% per annum and matured on April 24, 2018. The loan was collateralized by land, building and facilities owned by BBI located in Kalideres, Jakarta.

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23. PINJAMAN JANGKA PANJANG (Lanjutan)

Selama periode pinjaman, BBI tidak diperbolehkan untuk melaksanakan kegiatan-kegiatan berikut tanpa persetujuan tertulis dari BAG, antara lain:

- Melakukan merger atau konsolidasi dengan entitas lain;
- Mengubah bisnis usaha;
- Menjadi penjamin dan menyerahkan aset yang telah ditunjuk sebagai jaminan oleh BAG kepada pihak ketiga;
- Mendapatkan tambahan pinjaman dari lembaga keuangan lain sehubungan dengan agunan yang telah ditunjuk oleh BAG.

Pada tahun 2018, BBI telah membayar penuh pinjaman ini sebesar Rp13,5 miliar.

Pada tanggal 31 Desember 2018 dan 2017, saldo pinjaman ini masing-masing adalah sebesar nihil dan Rp13,5 miliar.

g. PT Bank Rakyat Indonesia (Persero) Tbk

Pada tanggal 15 November 2007, BMI menandatangani perjanjian pinjaman dengan BRI untuk menyediakan fasilitas Kredit Modal Kerja Rekening Koran (KMK R/K) dengan plafon sebesar Rp8,0 miliar, fasilitas Kredit Modal Kerja *Withdrawal with Approval* (KMK W/A / KMK SKBDN) dengan plafon sebesar Rp23,0 miliar dan fasilitas Bank Garansi dengan plafon sebesar Rp3,0 miliar.

Fasilitas kredit ini dijamin dengan piutang usaha, persediaan, tanah dan bangunan, mesin pabrik serta deposito milik BMI. Fasilitas tersebut telah diperpanjang sampai dengan tanggal 14 November 2018.

Berdasarkan perjanjian, BMI tidak diperkenankan melakukan kegiatan-kegiatan berikut tanpa persetujuan tertulis terlebih dahulu dari BRI, antara lain:

- Menyatakan kebangkrutan atau mengajukan surat permohonan pailit ke Pengadilan.
- Mendapatkan fasilitas kredit dari bank atau lembaga keuangan lainnya.
- Mengubah komposisi pemegang saham, dewan komisaris dan direksi.
- Menjual aset jaminan kepada pihak lain.

Pada tahun 2018, BMI telah membayar penuh fasilitas pinjaman ini sebesar Rp28,8 miliar.

Pada tanggal 31 Desember 2018 dan 2017, saldo pinjaman ini masing-masing sebesar nihil dan Rp28,8 miliar.

h. Eurofa Capital Investment Inc

Pada tanggal 16 Desember 2010, Perusahaan menerbitkan *Equity Linked Notes (Notes)* sejumlah USD109,0 juta kepada Eurofa Capital Investment Inc. ("Eurofa") yang telah jatuh tempo pada tanggal 16 Desember 2015. Perusahaan membayar Eurofa *upfront fee* sebesar USD6,4 juta.

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23. LONG-TERM LOANS (Continued)

During the period of the loan, BBI is not allowed to carry out the following activities without written approval from BAG, among others:

- Execute merger or consolidation with other entities;
- Change the core business;
- Act as a guarantor and pledge the assets that have been designated as collateral by BAG to third parties;
- Obtain an additional loan from another financial institution in respect of the collateral designated by BAG.

In 2018, BBI fully paid the loan amounting to Rp13.5 billion.

As of December 31, 2018 and 2017, outstanding balance of this loan amounted to nil and Rp13.5 billion, respectively.

g. PT Bank Rakyat Indonesia (Persero) Tbk

On November 15, 2007, BMI entered into a loan agreement with BRI to provide Working Capital Credit facility of Bank Account (KMK R/K) with plafond amounting to Rp8.0 billion, Working Capital *Withdrawal with Approval* Credit facility (KMK W/A) with plafond amounting to Rp23.0 billion and Bank Guarantee facility with plafond amounting to Rp3.0 billion.

The credit facilities were secured by trade receivables, inventories, land and building, machinery and time deposit owned by BMI. The facilities have been extended until November 14, 2018.

Based on the agreement, BMI shall not perform transactions to carryout the following activities without the prior written approval from the BRI, among others:

- Declare bankruptcy or submit letter of bankruptcy petition to the Courts.
- Obtain credit facility from a bank or other financial institution.
- Change composition of shareholders, boards of commissioners and directors.
- Sell the collateral assets to another party.

In 2018, BMI fully paid these loan facilities amounting to Rp28.8 billion.

As of December 31, 2018 and 2017, the outstanding balance of these loans amounted to nil and Rp28.8 billion, respectively.

h. Eurofa Capital Investment Inc.

On December 16, 2010, the Company issued *Equity Linked Notes (Notes)* amounting to USD109.0 million to Eurofa Capital Investment Inc. ("Eurofa") that matured on December 16, 2015. The Company paid Eurofa an upfront fee of USD6.4 million.

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23. PINJAMAN JANGKA PANJANG (Lanjutan)

Berdasarkan perjanjian tersebut, Eurofa mempunyai hak untuk melakukan konversi jumlah pokok pinjaman menjadi saham biasa Perusahaan setelah kejadian berikut ini:

- Perusahaan gagal dalam melakukan pembayaran secara penuh atas *Notes* pada tanggal yang ditentukan untuk pelunasan;
- Notes* tersebut tidak dibayar pada tanggal jatuh tempo; dan
- Terjadinya peristiwa cedera janji dan terus berlanjut.

Pada tanggal 25 Juni 2014, Eurofa mengalihkan sebagian *Notes* kepada Ecoline Investment Limited sebesar USD6.0 juta.

Saldo *Notes* ini pada tanggal 31 Desember 2018 dan 2017 adalah sebesar USD103,0 juta (masing-masing setara dengan Rp1,5 triliun dan Rp1,4 triliun).

i. Mitsubishi Corporation

Pada tanggal 10 Agustus 2011, Perusahaan menandatangani Perjanjian Fasilitas dengan Mitsubishi Corporation (Mitsubishi) dengan jumlah maksimal sebesar USD150,0 juta untuk investasi saham di PT Bumi Resources Tbk (BUMI), termasuk biaya transaksinya. Saldo pinjaman pada akhir periode ketersediaan harus dibayar kembali dalam enam kali angsuran tengah-tahunan dimulai sejak 30 bulan setelah tanggal penggunaan pertama.

Perusahaan telah menggunakan fasilitas tersebut sebesar USD149,9 juta dan digunakan untuk membeli 548,6 juta lembar saham BUMI.

Fasilitas pinjaman ini dijamin dengan saham BUMI (Catatan 6).

Pada 26 April 2018, Perusahaan menandatangani Perjanjian Pengalihan Utang Perusahaan dari Mitsubishi kepada FCIL sebesar USD218,1 juta. Dengan demikian, utang Perusahaan kepada Mitsubishi telah diselesaikan (Catatan 18).

Saldo pinjaman ini pada tanggal 31 Desember 2018 dan 2017 masing-masing adalah sebesar nihil dan USD144,0 juta (setara dengan Rp2,0 triliun).

Seluruh pinjaman jangka panjang diperoleh dari pihak ketiga.

Pada tanggal 31 Desember 2018 dan 2017, manajemen berkeyakinan bahwa seluruh pinjaman jangka panjang Kelompok Usaha telah memenuhi persyaratan dan kondisi sebagaimana diatur dalam perjanjian pinjaman.

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23. LONG-TERM LOANS (Continued)

Based on the agreement, Eurofa has the right to convert the principal amount into ordinary shares of the Company after the occurrence of the following:

- The Company defaults in making payment in full in respect of the Notes on the date fixed for redemption thereof;*
- The Notes are not redeemed on the maturity date; and*
- An event of default occurs and is continuing.*

On June 25, 2014, Eurofa transferred partial Notes to Ecoline Investment Limited amounting to USD6.0 million.

Outstanding balance of this Notes as of December 31, 2018 and 2017 amounted to USD103.0 million (equivalent to Rp1.5 trillion and Rp1.4 trillion, respectively).

i. Mitsubishi Corporation

On August 10, 2011, the Company entered into a Facility Agreement with Mitsubishi Corporation (Mitsubishi) with a maximum amount of USD150.0 million for investment in PT Bumi Resources Tbk (BUMI) shares, including transaction costs. The loans outstanding at the end of availability period shall be repaid in six equal semi-annual installments starting from 30 months after the first utilization date.

The Company utilized the facility amounting to USD149.9 million and used it to purchase 548.6 million BUMI shares.

This loan facility was secured by the pledge of BUMI shares (Note 6).

On April 26, 2018, the Company obtained additional loan facilities through Debt Transfer Agreement from Mitsubishi to FCIL amounting to USD218.1 million. Therefore, the Company's loan from Mitsubishi has been settled (Note 18).

Outstanding balance of this loan as of December 31, 2018 and 2017 amounted to nil and USD144.0 million (equivalent to Rp2.0 trillion), respectively.

All long-term loans were obtained from third parties.

As of December 31, 2018 and 2017, the management believes that all long-term loans of the Group have met the terms and conditions as stipulated in the loan agreements.

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24. UTANG SEWA PEMBIAYAAN

Kelompok Usaha memiliki utang sewa pembiayaan kepada:

Perusahaan sewa pembiayaan	2018	2017	Lessors
PT Astra Credit Companies	782	857	PT Astra Credit Companies
PT Dipo Star Finance	632	300	PT Dipo Star Finance
PT CIMB Niaga Auto Finance	351	-	PT CIMB Niaga Auto Finance
Lain-lain	968	-	Others
Total	2.733	1.157	Total
Dikurangi bagian yang jatuh tempo dalam satu tahun	(935)	(334)	Less current maturities
Bagian jangka panjang	1.798	823	Long term portion

Utang sewa pembiayaan dijamin dengan aset yang dibiayai oleh utang ini (Catatan 15). Pembayaran sewa pembiayaan minimum di masa depan adalah sebagai berikut:

The Group had finance lease payables as follows:

Finance lease payables are collateralized by assets financed by these payables (Note 15). Future minimum lease payments were as follows:

25. PEMBIAYAAN MUSYARAKAH**25. MUSYARAKAH FINANCING**

Rupiah	2018	2017	Rupiah
PT Bank Rakyat Indonesia Syariah, Indonesia	40.953	42.753	PT Bank Rakyat Indonesia Syariah, Indonesia
PT Bank Muamalat Tbk, Indonesia	28.801	32.188	PT Bank Muamalat Tbk, Indonesia
PT Bank Negara Indonesia Syariah, Indonesia	12.330	14.168	PT Bank Negara Indonesia Syariah, Indonesia
Total	82.084	89.109	Total
Dikurangi bagian jangka pendek	(22.865)	(19.146)	Less current portion
Bagian Jangka Panjang	59.219	69.963	Non-Current Portion

a. PT Bank Rakyat Indonesia Syariah

Pada tanggal 29 Desember 2017, BA memperoleh Fasilitas Musyarakah dari PT Bank BRI Syariah ("BRIS") dengan jumlah plafon sebesar Rp42,8 miliar dan akan jatuh tempo dalam waktu delapan empat (84) bulan. Fasilitas ini digunakan untuk membiayai kembali atas pembiayaan Murabahah BA sebelumnya (Catatan 26).

Fasilitas ini dijamin dengan:

- Bangunan dan prasarana (Plant 5 Balaraja) yang berlokasi di Jl. Raya Serang Km 31, Gembong, Balaraja, Tangerang, Banten.
- Mesin-mesin produksi yang berada di pabrik (Plant 5 Balaraja dan Plant 1, 2 dan 3 Pondok Ungu) sesuai dengan akad Fidusia pada saat Restrukturisasi I.

a. PT Bank Rakyat Indonesia Syariah

On December 29, 2017, BA obtained Musyarakah Facility from PT Bank BRI Syariah Tbk ("BRIS") with plafond of Rp42.8 billion and will mature in eighty four (84) months. This facility was used to refinance of its BA's previous Murabahah financing (Note 26).

This facility was secured by:

- Building and building improvement (Plant 5 in Balaraja) located at Jl. Raya Serang Km 31, Gembong, Balaraja, Tangerang, Banten.
- Machineries located at the plant (Plant 5 in Balaraja; Plant 1, 2 and 3 in Pondok Ungu) in accordance with the Fiduciary Deed at the time of Restructuring I.

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25. PEMBIAYAAN MUSYARAKAH (Lanjutan)

Berdasarkan perjanjian, BA tidak diperkenankan melakukan kegiatan-kegiatan berikut tanpa persetujuan tertulis terlebih dahulu dari BRIS, antara lain:

- Menyatakan kebangkrutan atau mengajukan surat permohonan pailit ke Pengadilan.
- Mendapatkan fasilitas kredit dari bank atau lembaga keuangan lainnya.
- Mengubah komposisi pemegang saham, dewan komisaris dan direksi.
- Menjual aset jaminan kepada pihak lain.
- Membayar dividen.

b. PT Bank Muamalat Indonesia Tbk

Pada tanggal 14 Maret 2017, BMC memperoleh Fasilitas Musyarakah dari PT Bank Muamalat Indonesia Tbk ("Muamalat") dengan jumlah plafon sebesar Rp33,3 miliar dan akan jatuh tempo dalam waktu enam puluh tujuh (67) bulan atau sampai dengan bulan September 2022. Fasilitas ini digunakan untuk membiayai kembali pembiayaan Murabahah BMC sebelumnya.

Fasilitas ini memiliki porsi syirkah dan nisbah bagi hasil antara BMC (46,2% dan 48,58%) dan Muamalat (53,8% and 51,42%). Objek bagi hasil dari fasilitas ini adalah penghasilan dari sewa aset.

Fasilitas ini dijamin dengan:

- Sebidang tanah dan bangunan di atasnya, dengan bukti kepemilikan SHGB No. 6031 dan 6032 atas nama BMC yang berlokasi di Jalan Kaliabang Tengah Raya No. 88, Harapan Jaya, Bekasi Utara, Bekasi, Jawa Barat; dan
- Mesin-mesin, kendaraan dan persediaan yang dimiliki BMC.

Berdasarkan perjanjian, BMC tidak diperkenankan melakukan kegiatan-kegiatan berikut tanpa persetujuan tertulis terlebih dahulu dari Muamalat, antara lain:

- Menyatakan kebangkrutan atau mengajukan surat permohonan pailit ke Pengadilan.
- Mendapatkan fasilitas kredit dari bank atau lembaga keuangan lainnya.
- Mengubah komposisi pemegang saham, dewan komisaris dan direksi.
- Menjual aset jaminan kepada pihak lain.
- Membayar dividen.

Saldo pembiayaan musyarakah ini pada tanggal 31 Desember 2018 dan 2017 adalah masing-masing sebesar Rp28,8 miliar dan nihil.

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25. MUSYARAKAH FINANCING (Continued)

Based on the agreement, BA shall not perform transactions to carryout the following activities without the prior written approval from BRIS, among others:

- Declare bankruptcy or submit letter of bankruptcy petition to the Courts.
- Obtain credit facility from a bank or other financial institution.
- Change composition of shareholders, boards of commissioners and directors.
- Sell the collateral assets to another party.
- Dividend payment.

b. PT Bank Muamalat Indonesia Tbk

On March 14, 2017, BMC obtained Musyarakah Facility from PT Bank Muamalat Indonesia Tbk ("Muamalat") with plafond of Rp33.3 billion and will mature in sixty seven (67) months or until September 2022. This facility was used to refinance BMC's outstanding Murabahah financing.

This facility has syirkah and profit sharing portion between BMC (46.2% and 48.58%) and Muamalat (53.8% and 51.42%). The object of this revenue sharing is income from assets rental.

This facility was secured by:

- Land and buildings owned through SHGB No. 6031 and No. 6032 under BMC which is located at Jalan Kaliabang Tengah Raya No. 88, Harapan Jaya, North Bekasi, Bekasi, West Java; and
- Machineries, vehicles and inventories owned by BMC.

Based on the agreement, BMC shall not perform transactions to carryout the following activities without the prior written approval from Muamalat, among others:

- Declare bankruptcy or submit letter of bankruptcy petition to the Courts.
- Obtain credit facility from a bank or other financial institution.
- Change composition of shareholders, boards of commissioners and directors.
- Sell the collateral assets to another party.
- Dividend payment.

Outstanding balances of these musyarakah financing as of December 31, 2018 and 2017 amounted to Rp28.8 billion and nil, respectively.

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25. PEMBIAYAAN MUSYARAKAH (Lanjutan)

c. PT Bank Negara Indonesia Syariah

Pada tanggal 29 Februari 2016, BUMM memperoleh Fasilitas Musyarakah dari PT Bank BNI Syariah ("BNIS") dengan jumlah plafon sebesar Rp5,0 miliar. Fasilitas ini akan jatuh tempo dalam waktu tiga puluh enam (36) bulan. Fasilitas ini digunakan untuk modal kerja pembelian bahan baku.

Fasilitas ini dijamin dengan:

- Segala harta yang bergerak maupun tidak bergerak;
- sebidang tanah, SHGB No. 291 dan No. 5340 atas nama BUMM yang berlokasi di Jl. KH. EZ. Muttaqien, Kelurahan Alam Jaya, Kecamatan Jatiuwung, Kota Tangerang, Propinsi Banten;
- rangkaian mesin dan perlengkapan yang diikat dengan kewajiban fidusia senilai Rp9,0 miliar; dan
- objek pembiayaan berupa persediaan yang dibiayai Bank akan diikat fidusia minimal senilai Rp5,0 miliar.

Saldo pembiayaan musyarakah ini pada tanggal 31 Desember 2018 dan 2017 adalah masing-masing sebesar Rp82,1 miliar dan Rp89,1 miliar.

Beban bagi hasil musyarakah untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2018 dan 2017 masing-masing sebesar Rp7,4 miliar dan Rp5,6 miliar.

Pada tahun 2018, BA, BMC dan BUMM membayar sejumlah Rp7,0 miliar atas pembiayaan musyarakah ini.

26. PEMBIAYAAN MURABAHAH

	2018	2017
Rupiah		
PT Bank Negara Indonesia Syariah,		
Indonesia	21.759	31.628
Dikurangi bagian jangka pendek	(11.304)	(9.863)
Bagian Jangka Panjang	10.455	21.765

PT Bank Negara Indonesia Syariah

Pada tanggal 19 Desember 2014, BMC memperoleh Fasilitas Murabahah dari PT Bank BNI Syariah ("BNI Syariah") dengan jumlah plafon maksimum sebesar Rp50,0 miliar. Fasilitas ini akan jatuh tempo dalam waktu enam puluh (60) bulan. Fasilitas ini digunakan untuk take over pinjaman atas investasi mesin dan peralatan dari J Trust, take over pinjaman atas modal kerja dari J Trust, dan untuk investasi pembelian mesin dan modal kerja.

Pada tahun 2017, BMC memperoleh beberapa Fasilitas Murabahah dengan jumlah sebesar Rp6,34 miliar dengan margin Rp1,63 miliar. Fasilitas ini akan jatuh tempo dalam waktu enam puluh (60) bulan. Fasilitas ini digunakan untuk membeli mesin produksi.

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25. MUSYARAKAH FINANCING (Continued)

c. PT Bank Negara Indonesia Syariah

On February 29, 2016, BUMM obtained Musyarakah Facility from PT Bank BNI Syariah ("BNIS") with ceiling amounting to Rp5.0 billion. This facility will mature in thirty-six (36) months. This facility was used to working capital purchase raw material.

This facility was secured by:

- All of movable property and immovable property;
- land, SHGB No. 291 and No. 5340 on behalf of BUMM that located in Jl. KH. EZ. Muttaqien, Kelurahan Alam Jaya, Kecamatan Jatiuwung, Kota Tangerang, Provinsi Banten;
- a series engine and equipment with that tied by fiduciary duty amounting to Rp9.0 billion; and
- financing object as inventory that will be financed by Bank with fiduciary duty with a total minimum amounting to Rp5.0 billion.

Outstanding balances of these musyarakah financing as of December 31, 2018 and 2017 amounted to Rp82.1 billion, Rp89.1 billion, respectively.

Musyarakah sharing expense for the years ended December 31, 2018 and 2017 amounted to Rp7.4 billion and Rp5.6 billion, respectively.

In 2018, BA, BMC and BUMM paid a total of Rp7.0 billion of this musyarakah financing.

26. MURABAHAH FINANCING

	2018	2017
Rupiah		
PT Bank Negara Indonesia Syariah,		
Indonesia	21.759	31.628
Less current portion	(11.304)	(9.863)
Long-Term Portion	10.455	21.765

PT Bank Negara Indonesia Syariah

On December 19, 2014, BMC obtained Murabahah Facility from PT Bank BNI Syariah ("BNI Syariah") with plafond amounting to Rp50.0 billion. This facility will mature in sixty (60) months. This facility was used to take over machinery and equipment investment loan from J Trust, take over working capital loan from J Trust, and as investment for machinery purchasing and working capital.

In 2017, BMC obtained various Murabahah Facility with a total amount of Rp6.34 billion and total margin of Rp1.63 billion. These facilities will mature in sixty (60) months. These facilities were used to purchase production machinery.

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26. PEMBIAYAAN MURABAHAH (Lanjutan)

Fasilitas ini dijamin dengan:

- sebidang tanah dan bangunan di atasnya, dengan bukti kepemilikan SHGB No. 3219 dan No. 4080 atas nama BMC yang berlokasi di Jl. Harapan Kita No. 4, Kelurahan Harapan Jaya, Kecamatan Bekasi Utara, Kota Bekasi, Provinsi Jawa Barat. Jaminan ini telah diikat dengan Hak Tanggungan sebesar Rp45,5 miliar;
- rangkaian mesin dan perlengkapan yang diikat dengan kewajiban fidusia senilai Rp60,8 miliar; dan
- objek pembiayaan berupa persediaan yang dibiayai oleh J Trust akan diikat fidusia minimal senilai Rp30,0 miliar.

Berdasarkan perjanjian, BMC tidak diperkenankan melakukan kegiatan-kegiatan berikut tanpa persetujuan tertulis terlebih dahulu dari BNI Syariah, antara lain:

- Menyatakan kebangkrutan atau mengajukan surat permohonan pailit ke Pengadilan.
- Mendapatkan fasilitas kredit dari bank atau lembaga keuangan lainnya.
- Mengubah komposisi pemegang saham, dewan komisaris dan direksi.
- Menjual aset jaminan kepada pihak lain.

Saldo pembiayaan murabahah ini pada tanggal 31 Desember 2018 dan 2017 adalah masing-masing sebesar Rp21,8 miliar dan Rp31,6 miliar.

Beban murabahah untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2018 dan 2017 masing-masing sebesar Rp5,6 miliar dan Rp7,7 miliar.

26. MURABAHAH FINANCING (Continued)

These facilities were secured by:

- a plot of land and buildings above it, with proof of ownership of SHGB No. 3219 and No. 4080 on behalf of BMC which is located on Jl. Harapan Kita No. 4, Harapan Jaya Village, North Bekasi District, Bekasi City, West Java Province. This collateral are tied by Security Rights in amount of Rp. 45.5 billion;
- a series engine and equipment with that tied by fiduciary duty amounting to Rp60.8 billion; and
- financing object as inventory that will be financed by Bank with fiduciary duty with a total minimum amounting to Rp30.0 billion.

Based on the agreement, BMC shall not perform transactions to carryout the following activities without the prior written approval from BNI Syariah, among others:

- Declare bankruptcy or submit letter of bankruptcy petition to the Courts.
- Obtain credit facility from a bank or other financial institution.
- Change composition of shareholders, boards of commissioners and directors.
- Sell the collateral assets to another party.

Outstanding balances of these murabahah financing as of December 31, 2018 and 2017 amounted to Rp21.8 billion and Rp31.6 billion, respectively.

Murabahah expense for the years ended December 31, 2018 and 2017 amounted to Rp5.6 billion and Rp7.7 billion, respectively.

27. MODAL SAHAM

27. SHARE CAPITAL

2018				
Pemegang Saham	Jumlah Saham Ditempatkan dan Disetor Penuh (Angka Penuh)/ Number of Shares Issued and Fully Paid (Full Amount)	Persentase Kepemilikan/ Percentage of Ownership (%)	Jumlah/ Amount (Rp)	Shareholders
Credit Suisse AG, Cabang Singapura				Credit Suisse AG, Singapore Branch
S/A Bright Ventures Pte. Ltd.	2.025.150.000	9,75%	2.308.671	S/A Bright Ventures Pte. Ltd.
PT Solusi Sarana Sejahtera	927.041.041	4,46%	463.521	PT Solusi Sarana Sejahtera
Fountain City Investment Ltd, Marshall Islands	7.087.277.300	34,12%	453.586	Fountain City Investment Ltd, Marshall Islands
PT Bakrie Investindo	2.623.029	0,01%	74.756	PT Bakrie Investindo
Daley Capital Ltd,	1.568.636.700	7,55%	70.590	Daley Capital Ltd,
Aburizal Bakrie	66.595	0,00%	1.898	Aburizal Bakrie
Armansyah Yamin	16.799	0,00%	479	Armansyah Yamin
Indra Usmansyah Bakrie	55	0,00%	2	Indra Usmansyah Bakrie
Masyarakat	9.161.165.481	44,10%	10.815.961	Public
Total	20.771.977.000	100,00%	14.189.464	Total

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27. MODAL SAHAM (Lanjutan)**27. SHARE CAPITAL (Continued)**

2017				
Pemegang Saham	Jumlah Saham Ditempatkan dan Disetor Penuh (Angka Penuh)/ Number of Shares Issued and Fully Paid (Full Amount)	Persentase Kepemilikan/ Percentage of Ownership (%)	Jumlah/ Amount (Rp)	Shareholders
Credit Suisse AG, Cabang Singapura				Credit Suisse AG, Singapore Branch
S/A Bright Ventures Pte. Ltd.	20.251.500.000	17,84%	2.308.671	S/A Bright Ventures Pte. Ltd.
BNYM S/A For Mackenzie				BNYM S/A For Mackenzie
Cundill Recovery Fd	7.670.000.000	6,76%	874.380	Cundill Recovery Fd
PT Solusi Sarana Sejahtera	8.663.147.700	7,63%	433.157	PT Solusi Sarana Sejahtera
PT Bakrie Investindo	26.230.295	0,02%	74.756	PT Bakrie Investindo
Aburizal Bakrie	665.950	0,00%	1.898	Aburizal Bakrie
Armansyah Yamin	167.989	0,00%	479	Armansyah Yamin
Indra Usmansyah Bakrie	550	0,00%	2	Indra Usmansyah Bakrie
Masyarakat	76.923.851.824	67,75%	9.560.898	Public
Total	113.535.564.308	100,00%	13.254.241	Total

Susunan pemegang saham Perusahaan di atas pada tanggal 31 Desember 2018 dan 2017 berdasarkan catatan dari PT EDI Indonesia, Biro Administrasi Efek.

The above mentioned composition of the Company's shareholders as of December 31, 2018 and 2017 based on registration by PT EDI Indonesia, Securities Administration Agency.

Rincian modal saham Perusahaan pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

Details of the Company's share capital as of December 31, 2018 and 2017 were as follows:

2018				
Saham	Jumlah Saham/ Number of Shares	Nilai Nominal (Angka Penuh)/ Par Value (Full Amount)	Jumlah/ Amount	Shares
Modal dasar				Authorized Capital
Seri A	77.500.800	28.500	2.208.773	Series A
Seri B	368.128.800	3.990	1.468.834	Series B
Seri C	8.984.667.760	1.140	10.242.521	Series C
Seri D	51.285.282.796	500	25.642.641	Series D
Seri E	233.000.000.000	64	14.912.000	Series E
Total	293.715.580.156		54.474.769	Total
Modal ditempatkan dan disetor				Issued and fully paid capital
Seri A	19.375.200	28.500	552.193	Series A
Seri B	368.128.800	3.990	1.468.834	Series B
Seri C	8.984.667.760	1.140	10.242.521	Series C
Seri D	2.743.871.240	500	1.371.936	Series D
Seri E	8.655.934.000	64	553.980	Series E
Total	20.771.977.000		14.189.464	Total

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27. MODAL SAHAM (Lanjutan)

27. SHARE CAPITAL (Continued)

Saham	2017			Shares
	Jumlah Saham/ Number of Shares	Nilai Nominal (Angka Penuh)/ Par Value (Full Amount)	Jumlah/ Amount	
Modal dasar				Authorized Capital
Seri A	775.008.000	2.850	2.208.773	Series A
Seri B	3.681.288.000	399	1.468.834	Series B
Seri C	89.846.677.600	114	10.242.521	Series C
Seri D	712.852.827.952	50	35.642.641	Series D
Total	807.155.801.552		49.562.769	Total
Modal ditempatkan dan disetor				Issued and fully paid capital
Seri A	193.752.000	2.850	552.193	Series A
Seri B	3.681.288.000	399	1.468.834	Series B
Seri C	89.846.677.528	114	10.242.521	Series C
Seri D	19.813.846.780	50	990.693	Series D
Total	113.535.564.308		13.254.241	Total

Berdasarkan Akta Notaris No. 121 tanggal 11 Agustus 2017 oleh Humbert Lie, S.H., S.E., M.Kn., mengenai konversi 277.893.614.400 saham Seri C dengan nilai nominal Rp114 per saham menjadi 633.597.440.832 saham Seri D dengan nilai nominal Rp50 per saham. Perubahan ini telah disetujui oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan Surat No. AHU-AH.01.03-0617172 tanggal 30 Agustus 2017 dan menunggu pengumuman dalam Berita Negara Republik Indonesia.

Perubahan Modal Disetor

Pada tanggal 14 Desember 2016, 30 Maret 2017 dan 11 September 2017, Perusahaan memperoleh Pemberitahuan mengenai Pengumuman Pencatatan Saham yang dikeluarkan oleh Bursa Efek Indonesia mengenai pelaksanaan proses penambahan modal tanpa hak memesan efek terlebih dahulu Perusahaan masing-masing sejumlah 3.300.000.000 lembar saham seri D efektif dicatatkan pada tanggal 15 Desember 2016, 16.458.094.820 lembar saham seri D efektif dicatatkan pada tanggal 31 Maret 2017 dan 55.751.960 lembar saham seri D efektif dicatatkan pada tanggal 12 September 2017 (Catatan 29).

Pada tanggal 2 April 2018, Perusahaan memperoleh Pemberitahuan mengenai Pengumuman Pencatatan Saham yang dikeluarkan oleh Bursa Efek Indonesia mengenai pelaksanaan proses penambahan modal tanpa hak memesan efek terlebih dahulu Perusahaan sejumlah 7.624.865.069 lembar saham seri D efektif dicatatkan pada tanggal 3 April 2018 (Catatan 29).

Based on Notarial Deed No. 121 dated August 11, 2017 by Humbert Lie, S.H., S.E., M.Kn. regarding the conversion of 277,893,614,400 Series C shares with par value of Rp114 per share into 633,597,440,832 Series D shares with par value of Rp50 per share. This amendment was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. No. AHU-AH.01.03-0617172 dated August 30, 2017 and is awaiting publication in the State Gazette of the Republic of Indonesia.

Changes in Paid-up Capital

On December 14, 2016, March 30, 2017 and September 11, 2017, the Company obtained Notice of Share Registration Announcement issued by the Indonesian Stock Exchange regarding the execution of the additional capital without pre-emptive rights of the Company amounting to 3,300,000,000 series D shares effective December 15, 2016, 16,458,94,820 series D shares effective March 31, 2017 and 55,751,960 series D shares effective September 12, 2017 (Note 29).

On April 2, 2018, the Company obtained Notice of Share Registration Announcement issued by the Indonesian Stock Exchange regarding the execution of the additional capital without pre-emptive rights of the Company amounting to 7,624,865,069 series D shares effective April 3, 2018 (Note 29).

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27. MODAL SAHAM (Lanjutan)

Berdasarkan Rapat Umum Pemegang Saham Luar Biasa pada tanggal 21 November 2018 sebagaimana dimuat dalam Akta Pernyataan Keputusan Rapat No. 39 tanggal 17 Januari 2019 yang dibuat dihadapan Notaris Humbert Lie, S.H., S.E., M.Kn., para pemegang saham menyetujui penyelesaian utang kepada Fountain City Investment Ltd, Daley Capital Ltd dan Levoca Enterprise Ltd dengan konversi utang menjadi OWK dan/atau saham baru Perusahaan yang dilakukan dengan PHMTHMETD melalui penerbitan OWK dan/atau saham Seri E Perusahaan serta memberi kuasa kepada Dewan Komisaris Perusahaan hingga selesainya proses konversi utang menjadi saham Perusahaan.

Penggabungan Saham

Berdasarkan Rapat Umum Pemegang Saham Luar Biasa pada tanggal 27 April 2018 sebagaimana dimuat dalam Akta Notaris No. 80 tanggal 17 Mei 2018 yang dibuat dihadapan Notaris Humbert Lie, S.H., S.E., M.Kn., para pemegang saham menyetujui sebagai berikut

1. Menyetujui pelaksanaan Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu (PHMTHMETD) yaitu:
 - i. PHMTHMETD sebanyak 72 saham seri C dengan nilai nominal dan harga pelaksanaan sebesar Rp114;
 - ii. PHMTHMETD sebanyak 551 saham seri D dengan nilai nominal dan harga pelaksanaan sebesar Rp50;
2. Menyetujui peningkatan nilai nominal saham Perusahaan yang dilakukan melalui pengurangan jumlah saham (*reverse stock*) yaitu:
 - i. Nilai nominal saham seri A yang sebelumnya Rp2.850 per saham menjadi nilai nominal baru Rp28.500 per saham.
 - ii. Nilai nominal saham seri B yang sebelumnya Rp399 per saham menjadi nilai nominal baru Rp3.990 per saham.
 - iii. Nilai nominal saham seri C yang sebelumnya Rp114 per saham menjadi nilai nominal baru Rp1.140 per saham.
 - iv. Nilai nominal saham seri D yang sebelumnya Rp50 per saham menjadi nilai nominal baru Rp500 per saham.

28. TAMBAHAN MODAL DISETOR

	2018	2017	
Selisih penerimaan dari penerbitan saham atas nilai nominal	61.728	61.728	Paid-in capital in excess of par value
Tambahan modal disetor dari pengampunan pajak	1.164.536	1.164.536	Paid-in capital from tax amnesty
Selisih nilai transaksi restrukturisasi entitas sependengali	(2.621.572)	(2.621.572)	Difference in restructuring of entities under common control
Total	(1.395.308)	(1.395.308)	Total

27. SHARE CAPITAL (Continued)

Based on the Extraordinary General Meeting of Shareholders on November 21, 2018, as stated in Notarial Deed No. 39 dated January 17, 2019 made before Humbert Lie, SH., S.E., M.Kn., the shareholders approved the debt settlement to Fountain City Investment Ltd, Daley Capital Ltd and Levoca Enterprise Ltd by converting debt into MCB and/or the Company's new shares conducted with PHMTHMETD through the issuance of MCB and/or the Company E Series shares and authorizing the Company's Board of Commissioners until the completion of the process of converting debt into shares of the Company.

Reverse Stock

Based on the Extraordinary General Meeting of Shareholders on April 27, 2018, as stated in the Notarial Deed No. 80 dated May 17, 2018 made before Humbert Lie, SH., S.E., M.Kn., the shareholders approved the following:

1. Approved the Company's additional paid-in capital through Non-Preemptive Rights (NPR) as follows:
 - i. NPR for 72 C series shares with nominal and exercise price of Rp114.
 - ii. NPR for 551 D series shares with nominal and exercise price of Rp50.
2. Approved the increase in the Company's nominal share price through decrease in the number of the Company's shares (*reverse stock*) as follows:
 - i. Nominal value of series A shares from Rp2,850 per share into new nominal value of Rp28,500 per share.
 - ii. Nominal value of series B shares from Rp399 per share into new nominal value of Rp3,990 per share.
 - iii. Nominal value of series C shares from Rp114 per share into new nominal value of Rp1,140 per share.
 - iv. Nominal value of series D shares from Rp50 per share into new nominal value of Rp500 per share.

28. ADDITIONAL PAID-IN CAPITAL

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28. TAMBAHAN MODAL DISETOR (Lanjutan)

Selisih penerimaan dari penerbitan saham atas nilai nominal

Selisih penerimaan dari penerbitan saham atas nilai nominal merupakan selisih antara penerimaan dana hasil penawaran umum saham setelah dikurangi biaya emisi saham dan nilai nominal saham.

Tambahan modal disetor dari pengampunan pajak

Kelompok Usaha turut serta dalam program Pengampunan Pajak dan mencatat dalam tambahan modal disetor atas pengampunan pajak (Catatan 36f).

Selisih nilai transaksi restrukturisasi entitas sepengendali

a. Tahun 2012

Sehubungan dengan penjualan saham yang dimiliki Perusahaan di BTEL, ENRG, UNSP dan ELTY ke PT Long Haul Holdings Limited (LHH), entitas yang juga dikendalikan oleh Kelompok Usaha Bakrie, Perusahaan mengakui perbedaan antara harga jual sebesar Rp512,3 miliar dan nilai tercatat sebesar Rp2,93 triliun sebesar Rp2,42 triliun sebagai "Selisih Nilai Transaksi Restrukturisasi Entitas Sepengendali".

b. Tahun 2015

Pada tanggal 20 Maret 2015, Perusahaan mengalihkan seluruh kepemilikan saham di BBR sebesar 44.6% kepada LHH. Atas transaksi ini, Perusahaan mencatat piutang dari LHH.

Pada tanggal 24 Maret 2015, Perusahaan mengalihkan semua utang Palisades Sub III Ltd, yang selanjutnya saling hapus dengan piutang dari LHH.

Atas kedua transaksi tersebut, Perusahaan mencatat "Selisih Nilai Transaksi Restrukturisasi Entitas Sepengendali" sebesar Rp179,2 miliar.

c. Entitas Anak

Pada tanggal 31 Desember 2018 dan 2017, Entitas Anak mencatat saldo "Selisih Nilai Transaksi Restrukturisasi Entitas Sepengendali" sebesar Rp24,3 miliar.

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28. ADDITIONAL PAID-IN CAPITAL (Continued)

Paid-in capital in excess of par value

Paid-in capital in excess of par value represents the excess of proceeds from the issuance of shares after deduction of the share issuance cost and par value.

Paid-in capital from tax amnesty

The Group participated in the Tax Amnesty program and recognized additional paid in capital from tax amnesty (Note 36f).

Difference in restructuring of entities under common control

a. Year 2012

In relation to the sale of Company's share in BTEL, ENRG, UNSP and ELTY to PT Long Haul Holdings Limited (LHH), an entity also controlled by Bakrie Group, the Company recognized the difference between the selling price of Rp512.3 billion and carrying value of Rp2.93 trillion amounting to Rp2.42 trillion as "Difference in Restructuring of Entities Under Common Control".

b. Year 2015

On March 20, 2015, the Company transferred all of its share ownership in BBR 44.6% to LHH. For this transaction, the Company recorded receivables from LHH.

On March 24, 2015, the Company transferred all payable to Palisades Sub III Ltd, which was subsequently net off with the receivables from LHH.

On both of these transactions, the Company recorded "Difference in Restructuring Transactions of Entities Under Common Control" amounting to Rp179.2 billion.

b. Subsidiaries

As of December 31, 2018 and 2017, the Subsidiaries have outstanding balance recorded under "Difference in Value from Restructuring Transactions of Entities Under Common Control" amounting to Rp24.3 billion.

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29. OBLIGASI WAJIB KONVERSI

Berdasarkan Perjanjian Penerbitan OWK dan Akta Notaris No. 20 tanggal 2 Juni 2016 dari Humbert Lie, S.H., S.E., M.Kn., Perusahaan menerbitkan OWK yang disetujui oleh Rapat Umum Pemegang Saham Luar Biasa pada tanggal 2 Juni 2016.

Pada tanggal 20 Juni 2016, Perusahaan telah menerbitkan tambahan OWK sebesar Rp987,9 miliar kepada beberapa kreditur.

OWK dapat dikonversi menjadi saham baru Seri D Perusahaan setiap saat sejak tanggal diterbitkannya sampai dengan tanggal jatuh tempo. Pada tanggal jatuh tempo, OWK yang telah diterbitkan akan dikonversi menjadi saham baru Seri D pada nilai nominal.

Pada tanggal 14 Desember 2016, 30 Maret 2017 dan 30 September 2017, Perusahaan memperoleh surat dari PT EDI Indonesia mengenai pelaksanaan proses penambahan modal tanpa hak memesan efek (Catatan 27).

Pada tanggal 22 Desember 2017, Perusahaan telah menerbitkan tambahan OWK sebesar Rp1.037,5 miliar kepada beberapa kreditur.

Pada tanggal 2 April 2018, Perusahaan memperoleh Pemberitahuan mengenai Pengumuman Pencatatan Saham yang dikeluarkan oleh Bursa Efek Indonesia mengenai pelaksanaan proses penambahan modal tanpa hak memesan efek terlebih dahulu Perusahaan sejumlah 7.624.865.069 lembar saham seri D efektif dicatatkan pada tanggal 3 April 2018 (Catatan 27).

Pada tanggal 31 Desember 2018 dan 2017, saldo OWK yang diterbitkan oleh Perusahaan adalah sebagai berikut:

Kreditur	Jumlah OWK/ MCB Amount (Rp)		Creditors
	2018	2017	
Levoca Enterprise Ltd	6.369.782	-	Levoca Enterprise Ltd
Fountain City Investment Ltd	2.460.489	-	Fountain City Investment Ltd
Orchard Centar Master Ltd	142.635	223.670	Orchard Centar Master Ltd
D E Shaw Oculus Intl Inc	72.669	161.382	D E Shaw Oculus Intl Inc
Amsterdam Trade Banks	60.972	60.972	Amsterdam Trade Banks
PT Sinarmas Sekuritas	55.891	55.891	PT Sinarmas Sekuritas
ICE 1: EM CLO Ltd	52.789	52.789	ICE 1: EM CLO Ltd
Abraham Capital Limited	30.486	70.333	Abraham Capital Limited
Daley Capital Limited	-	99.661	Daley Capital Limited
Merill Lynch International	-	64.330	Merill Lynch International
Lain-lain (dibawah Rp50 miliar)	240.811	248.469	Others (below Rp50 billion)
Total	9.486.524	1.037.497	Total

29. MANDATORY CONVERTIBLE BONDS

Based on MCB Issuance Agreement and Notarial Deed No. 20 dated June 2, 2016 of Humbert Lie, S.H., S.E., M.Kn., the Company issued MCB that was approved in the Extraordinary Shareholders Meeting on June 2, 2016.

On June 20, 2016, the Company had issued additional MCB amounting to Rp987.5 billion to several creditors.

MCB can be converted into the Company's Series D shares at any time from the date of issuance until maturity date. On maturity date, MCB which has been issued will be converted into the Company's Series D shares at par value.

On December 14, 2016, March 30, 2017 and September 30, 2017, the Company obtained letter from PT EDI Indonesia with regards to the additional share capital without pre-emptive rights (Note 27).

On December 22, 2017, the Company had issued additional MCB amounting to Rp1,037.5 billion to several creditors.

On April 2, 2018, the Company obtained Notice of Share Registration Announcement issued by the Indonesia Stock Exchange regarding the execution of the additional capital without pre-emptive rights of the Company totaling 7,624,865,069 series D shares effective as of April 3, 2018 (Note 27).

As of December 31, 2018 and 2017, the outstanding MCB issued by the Company are as follows:

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30. CADANGAN MODAL LAINNYA

	Selisih Kurs Penjabaran Laporan Keuangan/ <i>Exchange Differences due to Financial Statements Translation</i>	Keuntungan (Kerugian) Investasi Jangka Pendek yang Belum Terealisasi/ <i>Unrealized Gain (Loss) on Short-term Investments</i>	Akumulasi Pengukuran Kembali atas Imbalan Pascakerja/ <i>Cumulative Remeasurements on Post- employment Benefits</i>	Total/ Total	
Saldo 1 Januari 2017	350.057	125.078	(92.486)	382.649	Balance as of January 1, 2017
Selisih kurs penjabaran laporan keuangan	18.712	-	-	18.712	Exchange differences due to financial statements translation
Pengukuran kembali atas program pensiun imbalan pasti	-	-	(28.550)	(28.550)	Remeasurements on defined benefits pension plan
Perubahan neto nilai wajar aset keuangan tersedia untuk dijual	-	(175)	-	(175)	Net changes in fair value of available-for-sale financial assets
Saldo 31 Desember 2018	368.769	124.903	(121.036)	372.636	Balance as of December 31, 2017
Selisih kurs penjabaran laporan keuangan	(3.161)	-	-	(3.161)	Exchange differences due to financial statements translation
Pengukuran kembali atas program pensiun imbalan pasti	-	-	54.470	54.470	Remeasurements on defined benefits pension plan
Pelepasan saham	-	(121.174)	-	(121.174)	Disposal of investments
Perubahan neto nilai wajar aset keuangan tersedia untuk dijual	-	(1.604)	-	(1.604)	Net changes in fair value of available-for-sale financial assets
Saldo 31 Desember 2018	365.608	2.125	(66.566)	301.167	Balance as of December 31, 2018

30. OTHER CAPITAL RESERVES

31. KEPENTINGAN NONPENGENDALI

Rincian hak kepentingan nonpengendali aset neto
Entitas Anak adalah sebagai berikut:

	2018	2017	
PT Bakrie Metal Industries	63.164	-	PT Bakrie Metal Industries
PT Bakrie Harper	(68.834)	(68.348)	PT Bakrie Harper
PT Bakrie Autoparts	-	50.856	PT Bakrie Autoparts
Lain-lain	(1.216)	1.084	Others
Total	(6.886)	(16.408)	Total

31. NON-CONTROLLING INTEREST

Details of non-controlling interest in net assets of
Subsidiaries were as follows:

Kepentingan nonpengendali atas laba neto Entitas Anak
masing-masing sebesar Rp10,8 miliar dan Rp12,5 miliar
untuk tahun yang berakhir pada tanggal-tanggal
31 Desember 2018 dan 2017.

Non-controlling interest in net profit of Subsidiaries
amounted to Rp10.8 billion and Rp12.5 billion for the
years ended December 31, 2018 and 2017, respectively.

Kepentingan nonpengendali atas total penghasilan
komprehensif Entitas Anak masing-masing sebesar
Rp8,7 miliar dan Rp14,4 miliar untuk tahun yang berakhir
pada tanggal-tanggal 31 Desember 2018 dan 2017.

Non-controlling interest in total comprehensive income of
Subsidiaries amounted to Rp8.7 billion and Rp14.4 billion
for the years ended December 31, 2018 and 2017,
respectively.

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32. PENDAPATAN NETO

	2018	2017
Infrastruktur dan manufaktur	2.679.436	2.310.069
Jasa pabrikasi dan konstruksi	538.349	141.974
Perdagangan, jasa, dan investasi	122.666	7.693
Total	3.340.451	2.459.736

Untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2018 dan 2017, Kelompok Usaha tidak memiliki pelanggan/pembeli dengan total penjualan lebih dari 10% dari total pendapatan konsolidasian Kelompok Usaha.

32. NET REVENUES

*Infrastructure and manufacturing
Fabrication and construction services
Trading, services,
and investment*

Total

For the years ended December 31, 2018 and 2017, the Group has no customer/buyer with total sales of more than 10% of total consolidated revenues of the Group.

33. BEBAN POKOK PENDAPATAN

	2018	2017
Infrastruktur dan manufaktur		
Bahan baku yang digunakan	1.822.282	1.033.801
Tenaga kerja langsung	158.632	164.519
<i>Overhead</i>	413.187	578.060
Total beban produksi	2.394.101	1.776.380
Barang dalam proses		
Awal	64.491	89.205
Akhir	(120.125)	(64.491)
Barang jadi		
Awal	302.732	288.552
Akhir	(497.046)	(302.732)
Total infrastruktur dan manufaktur	2.144.153	1.786.914
Jasa pabrikasi dan konstruksi		
Bahan baku	312.272	119.172
Subkontraktor	90.873	49.213
Tenaga kerja	48.639	56.229
Lain-lain	26.769	9.880
Total jasa pabrikasi dan konstruksi	478.553	234.494
Perdagangan, jasa dan investasi		
Biaya pelayanan dan pemasangan	42.181	26.328
Total Beban Pokok Pendapatan	2.664.887	2.047.736

Untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2018 dan 2017, Kelompok Usaha tidak memiliki *supplier* dengan total beban pokok pendapatan lebih dari 10% dari total beban pokok pendapatan konsolidasian Kelompok Usaha.

33. COST OF REVENUES

*Infrastructure and manufacturing
Raw materials used
Direct labor
Overhead*

Total production costs

Work-in-process

Beginning

Ending

Finished goods

Beginning

Ending

*Total infrastructure
and manufacturing*

*Fabrication and constructions
services*

Raw materials

Subcontractors

Direct labors

Others

*Total fabrication and
construction service*

*Trading, services
and investment*

Service and installation costs

Total Cost of Revenues

For the years ended December 31, 2018 and 2017, the Group has no supplier with total cost of revenues more than 10% of total consolidated cost of revenues of the Group.

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34. BEBAN USAHA

34. OPERATING EXPENSES

	2018	2017	
Beban penjualan			Selling expenses
Transportasi	73.716	66.565	Transportation
Gaji, upah dan kesejahteraan karyawan	15.800	14.621	Salaries, wages and employee benefits
Lain-lain (dibawah Rp10 miliar)	18.268	18.275	Others (below Rp10 billion)
Total	107.784	99.461	Total
Beban karyawan			Personnel expenses
Gaji, upah dan imbalan kerja karyawan	262.837	253.125	Salaries, wages and employees' benefits
Beban umum dan administrasi			General and administrative expenses
Honorarium tenaga ahli	29.343	17.841	Professional fees
Perjalanan dinas	23.448	22.691	Transportation and travel
Penyusutan (Catatan 15)	21.708	16.539	Depreciation (Note 15)
Pajak dan asuransi	21.012	20.728	Taxes and insurance
Pemeliharaan dan perbaikan	14.855	14.673	Repairs and maintenance
Utilitas	12.503	13.473	Utilities
Sumbangan, representasi dan jamuan	11.713	11.317	Donations, representation and entertainment
Lain-lain (dibawah Rp10 miliar)	86.214	47.729	Others (below Rp10 billion)
Total	220.796	164.991	Total

35. BEBAN BUNGA DAN KEUANGAN SERTA LAIN-LAIN

35. INTEREST AND FINANCIAL CHARGES AND OTHERS

a. Beban Bunga dan Keuangan

a. Interest and Financial Charges

	2018	2017	
Denda keterlambatan bayar	165.678	297.837	Penalty from late payment
Biaya restrukturisasi	120.059	1.000	Restructuring fee
Amortisasi diskonto	38.741	49.249	Amortization of discount
Beban bunga pinjaman	9.318	66.209	Interest from loan
Beban bank dan lain-lain	16.199	6.515	Bank charges and others
Total	349.995	420.810	Total

b. Penghasilan (Beban) Lain-lain

b. Other Income (Expenses)

	2018	2017	
Penjualan material proyek	18.910	-	Sale of project materials
Penjualan barang scrap	16.539	9.612	Sale of scrap
Penghasilan bunga	4.564	3.568	Interest income
Penurunan nilai atas aset tetap	(23.118)	(17.167)	Impairment of fixed assets
Lain-lain	36.067	(15.435)	Others
Neto	52.962	(19.422)	Net

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36. PERPAJAKAN**a. Pajak dibayar dimuka**

	2018	2017
Pajak Pertambahan Nilai	141.565	51.605
Pajak penghasilan		
Pasal 22	49	-
Pasal 23	5.528	-
Pasal 25	92	-
Total	147.234	51.605

Value-Added Tax
Income taxes
Article 22
Article 23
Article 25

Total**b. Utang pajak**

	2018	2017
Pajak penghasilan:		
Pasal 4 (2)	1.593	1.291
Pasal 21	31.526	23.856
Pasal 23 dan 26	3.088	2.113
Pasal 25	149	15
Pasal 29	13.902	1.551
Pajak Pertambahan Nilai	50.557	41.248
SKPKB	-	113
Retribusi Pajak Daerah	-	3.345
Total	100.815	73.532

Income taxes:
Article 4 (2)
Article 21
Article 23 and 26
Article 25
Article 29
Value-Added Tax
SKPKB
Regional Tax

Total

c. Rekonsiliasi antara rugi sebelum manfaat (beban) pajak penghasilan, seperti yang disajikan dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian, dengan taksiran rugi fiskal adalah sebagai berikut:

c. Reconciliation between loss before income tax benefit (expense), as shown in the consolidated statements of profit or loss and other comprehensive income, and the estimated fiscal loss was as follows:

	2018	2017
Rugi sebelum manfaat (beban) pajak penghasilan menurut laporan laba rugi dan penghasilan komprehensif lain konsolidasian	(1.210.685)	(1.194.579)
Dikurangi:		
Laba (rugi) Entitas Anak sebelum beban pajak penghasilan dan transaksi eliminasi	50.291	(10.854)
Rugi komersial sebelum taksiran beban pajak penghasilan yang dapat diatribusikan ke Perusahaan	(1.260.976)	(1.205.433)
Beda temporer		
Penyisihan imbalan kerja karyawan	(2.287)	5.600
Penyusutan aset tetap	(1.423)	(1.888)
Beda tetap		
Bagian atas rugi neto entitas asosiasi	(271.915)	158.950

Loss before income tax benefit (expense) per consolidated statements of profit or loss and other comprehensive income
Deduct:
Profit (loss) of the Subsidiaries before income tax expense and elimination transactions
Commercial loss before income tax expense attributable to the Company
Temporary differences
Retirement benefits
Depreciation of fixed assets
Permanent differences
Equity in net loss of associates

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36. PERPAJAKAN (Lanjutan)

36. TAXATION (Continued)

	2018	2017	
Beban imbalan pasca kerja	4.385	4.639	Post-employment benefits expense
Jamuan dan sumbangan	849	863	Entertainment and donations
Bunga dan denda atas keterlambatan pembayaran pajak	5.873	352	Interest and penalties for late payment of tax
Penghasilan bunga yang pajaknya bersifat final	(1.104)	(1.104)	Interest income subjected to final tax
Taksiran rugi fiskal sebelum kompensasi rugi fiskal	(1.526.598)	(1.038.021)	Estimated fiscal loss before fiscal loss compensation
Rugi fiskal periode sebelumnya			Fiscal loss of previous periods
Tahun fiskal 2017	(1.534.721)	-	Fiscal year of 2017
Tahun fiskal 2016	(496.700)	(496.700)	Fiscal year of 2016
Akumulasi rugi fiskal	(3.558.019)	(1.534.721)	Accumulated fiscal loss
Beban pajak penghasilan - kini			Income tax expense - current
Perusahaan	-	-	Company
Entitas Anak	55.869	33.374	Subsidiaries
Total Beban Pajak Penghasilan - Kini	55.869	33.374	Total Income Tax Expense - Current
Pajak penghasilan dibayar dimuka			Prepayment of income taxes
Perusahaan	-	-	Company
Entitas Anak	(41.967)	(31.823)	Subsidiaries
Total pajak penghasilan dibayar dimuka	(41.967)	(31.823)	Total prepayment of income taxes
Utang pajak penghasilan - Pasal 29			Income tax payable - Article 29
Perusahaan	-	-	Company
Entitas Anak	13.902	1.551	Subsidiaries
Total	13.902	1.551	Total

d. Pajak tangguhan

d. Deferred tax

	2018					
	Pada awal tahun/ At beginning of year	Dikreditkan (dibebankan) ke laba rugi/ Credited (charged) to profit or loss	Dibebankan ke penghasilan komprehensif lain/ Charged to other comprehensive income	Akuisisi entitas anak baru/ Acquisition of new subsidiary	Pada akhir tahun/ At end of year	Deferred tax assets (liabilities)
Aset (liabilitas) pajak tangguhan						Deferred tax assets (liabilities)
Liabilitas imbalan pascakerja	66.912	(1.359)	(10.253)	4.279	59.579	Post-employment benefits liabilities
Aset tetap	7.913	3.428	-	300	11.641	Fixed assets
Penyisihan penurunan nilai piutang	6.906	3.187	-	2.804	12.897	Allowance for impairment of receivables
Penyisihan penurunan nilai aset tetap	-	5.780	-	-	5.780	Allowance for impairment of fixed assets
Penyisihan penurunan nilai persediaan	298	(202)	-	-	96	Allowance for inventory obsolescence
Akrual pesangon	288	(223)	-	-	65	Accrued severance
Rugi fiskal	1.053	(1.053)	-	-	-	Fiscal loss
Aset pajak tangguhan	83.370	9.558	(10.253)	7.383	90.058	Deferred tax assets

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36. PERPAJAKAN (Lanjutan)**36. TAXATION (Continued)**

2018							
	Pada awal tahun/ At beginning of year	Dikreditkan (dibebankan) ke laba rugi/ Credited (charged) to profit or loss	Dibebankan ke penghasilan komprehensif lain/ Charged to other comprehensive income	Akuisisi entitas anak baru/ Acquisition of new subsidiary	Pada akhir tahun/ At end of year		
Aset (liabilitas) pajak tangguhan						Deferred tax assets (liabilities)	
Liabilitas imbalan pascakerja	16.649	997	(1.586)	-	16.060	Post-employment benefits liabilities	
Rugi fiskal	9.441	(837)	-	-	8.604	Fiscal loss	
Penyisihan penurunan nilai persediaan	4.573	(251)	-	-	4.322	Allowance for inventory obsolescence	
Penyisihan piutang tak tertagih	3.144	(1.942)	-	-	1.202	Allowance for impairment of receivables	
Aset tetap	(210.544)	8.816	-	-	(201.728)	Fixed assets	
Liabilitas pajak tangguhan	(176.737)	6.783	(1.586)	-	(171.540)	Deferred tax liabilities	
2017							
	Pada awal tahun/ At beginning of year	Dikreditkan (dibebankan) ke laba rugi/ Credited (charged) to profit or loss	Dikreditkan ke penghasilan komprehensif lain/ Credited to other comprehensive income	Akuisisi entitas anak baru/ Acquisition of new subsidiary	Pada akhir tahun/ At end of year		
Aset (liabilitas) pajak tangguhan						Deferred tax assets (liabilities)	
Liabilitas imbalan pascakerja	53.513	7.330	6.069	-	66.912	Post-employment benefits liabilities	
Aset tetap	6.551	1.362	-	-	7.913	Fixed assets	
Penyisihan penurunan nilai piutang	4.064	2.842	-	-	6.906	Allowance for impairment of receivables	
Rugi fiskal	10.536	(9.483)	-	-	1.053	Fiscal loss	
Penyisihan penurunan nilai persediaan	1.840	(1.542)	-	-	298	Allowance for inventory obsolescence	
Akrual pesangon	-	288	-	-	288	Accrued severance	
Aset pajak tangguhan	76.504	797	6.069	-	83.370	Deferred tax assets	
Aset (liabilitas) pajak tangguhan						Deferred tax assets (liabilities)	
Liabilitas imbalan pascakerja	14.646	335	1.668	-	16.649	Post-employment benefits liabilities	
Rugi fiskal	-	9.441	-	-	9.441	Fiscal loss	
Penyisihan penurunan nilai persediaan	-	4.573	-	-	4.573	Allowance for inventory obsolescence	
Penyisihan penurunan nilai piutang	2.023	1.121	-	-	3.144	Allowance for impairment of receivables	
Aset tetap	(214.574)	4.030	-	-	(210.544)	Fixed assets	
Liabilitas pajak tangguhan	(197.905)	19.500	1.668	-	(176.737)	Deferred tax liabilities	

Perusahaan dan beberapa Entitas Anak telah menyediakan penilaian penuh untuk penyisihan atas kerugian fiskal karena manajemen berkeyakinan bahwa tidak ada kemungkinan laba kena pajak yang cukup akan tersedia untuk utilisasi aset pajak tangguhan.

The Company and certain Subsidiaries provided full valuation of allowances for fiscal loss since management believed that it is no longer probable that sufficient taxable profits will be available for the deferred tax assets to be utilized.

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36. PERPAJAKAN (Lanjutan)

e. Surat Ketetapan Pajak dan Surat Tagihan Pajak

Entitas Anak

Pada tanggal 31 Desember 2018, BA, BUMM, BMC, BBI, Bantala, BPI, BCons, BIIN dan BP memiliki Surat Ketetapan Pajak (SKP) dan Surat Tagihan Pajak (STP) sebagai berikut:

	Pasal 21/ Article 21	Pasal 23/ Article 23	Pasal 25/29/ Article 25/29	Pasal 4 (2)/ Article 4 (2)	PPN/ VAT	Total/ Total	
Tahun fiskal							<i>Fiscal years</i>
2011	-	-	-	-	4	4	2011
2012	-	-	-	-	8	8	2012
2013	-	-	1	-	83	84	2013
2014	36	15	5.939	32	3	6.025	2014
2015	-	-	834	-	2.302	3.136	2015
2016	3.508	644	609	220	25.833	30.814	2016
2017	2.299	1.405	7.282	6	38.331	49.323	2017
2018	185	8	2	21	13.546	13.762	2018
Total	6.028	2.072	14.667	279	80.110	103.156	Total

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian ini, BA, BBI, BP dan BCons (Entitas Anak) telah melakukan pembayaran sebagian kewajibannya atas SKP dan STP sebesar Rp18,3 miliar dan sisanya akan dibayar sesuai dengan ketentuan yang diajukan Entitas Anak kepada Kantor Pajak.

Subsidiaries

As of December 31, 2018, BA, BUMM, BMC, BBI, Bantala, BPI, BCons, BIIN and BP have Tax Assessment Letters (SKP) and Tax Collection Letters (STP) as follows:

As of completion date of the consolidated financial statements, BA, BBI, BP and BCons settled liability from the above-mentioned SKP and STP amounting to Rp18.3 billion and the remaining balance will be paid in accordance with the proposed terms with Tax Office.

f. Aset dan Liabilitas Pengampunan Pajak

Sehubungan dengan Undang-Undang Pengampunan Pajak No. 11 Tahun 2016 dan untuk mendukung program pemerintah Republik Indonesia dalam meningkatkan penerimaan pajak, Perusahaan dan Kelompok Usaha menyampaikan Surat Pernyataan Harta kepada Direktorat Jenderal Pajak (DJP) dan membayarkan uang tebusan masing-masing sebesar Rp12,0 miliar dan Rp21,8 miliar untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2017 dan 2016, yang dicatat sebagai bagian dari akun "Beban Usaha". Kelompok Usaha telah menerima Surat Keterangan Pengampunan Pajak dari DJP.

Pada tanggal 31 Desember 2018 dan 2017, jumlah yang diakui sebagai aset Pengampunan Pajak sebesar Rp1,13 triliun dan dicatat sebagai bagian dari akun "Tambahan Modal Disetor" (Catatan 28).

f. Assets and Liabilities under Tax Amnesty

In regard to Tax Amnesty Law No. 11 Year 2016 and to support the program of the government of the Republic of Indonesia to increase tax revenues, the Group filed an Asset Declaration Letter to the Directorate General of Taxes (DGT) and paid redemption money totaling Rp12.0 billion and Rp21.8 billion for the years ended December 31, 2017 and 2016, respectively, which was recorded as part of "Operating Expenses" account. The Group has already received the Tax Amnesty Certificate from the DGT.

As of December 31, 2018 and 2017, the amounts recognized as Tax Amnesty assets amounted to Rp1,13 trillion which was also recorded as part of "Additional Paid-in Capital" account (Note 28).

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37. LIABILITAS IMBALAN PASCAKERJA

Kelompok Usaha menyelenggarakan program manfaat pensiun manfaat pasti untuk seluruh karyawan tetap yang memenuhi syarat. Atas pendaan program ini, manfaat pensiun dihitung berdasarkan gaji pokok terakhir dan sisa masa kerja karyawan. Kontribusi dana pensiun adalah sebesar 5,5% dari gaji pokok karyawan yang dilindungi oleh program tersebut dan dibayar penuh oleh Kelompok Usaha.

Aset program pensiun Kelompok Usaha dikelola oleh Dana Pensiun Bakrie yang pendiriannya telah memperoleh persetujuan Menteri Keuangan berdasarkan Surat Keputusan Menteri Keuangan Republik Indonesia No. KEP 423/KM.17/1995 tanggal 11 Desember 1995.

Liabilitas imbalan pascakerja dihitung oleh aktuaris independen sebagai berikut:

	Nama Aktuaris/ Actuary Name	Tanggal Laporan/ Date of Report	
2018	PT Sienco Aktuarindo Utama PT Emerald Delta Consulting PT Sigma Prima Solusindo	28 Februari/February 28, 2019 5 Februari/February 5, 2019 31 Januari/January 31, 2019	2018
2017	PT Sienco Aktuarindo Utama PT Emerald Delta Consulting PT Sigma Prima Solusindo	12 Februari/February 12, 2018 5 Februari/February 5, 2018 25 Januari/January 25, 2018	2017

Liabilitas imbalan pasca kerja adalah sebagai berikut:

Post-employment benefits liabilities were as follows:

	2018	2017	
Nilai kini kewajiban imbalan pasti	426.701	514.373	<i>Present value of defined benefit obligation</i>
Nilai wajar atas aset program	(65.030)	(102.269)	<i>Fair value of plan assets</i>
Liabilitas Imbalan Pascakerja	361.671	412.104	Post-employment Benefits Liability

Mutasi liabilitas imbalan pascakerja adalah sebagai berikut:

Movements of post-employment benefits liability was as follows:

	2018	2017	
Saldo awal tahun	412.104	334.808	<i>Balance at beginning of year</i>
Beban (penghasilan) diakui pada laporan konsolidasian:			<i>Expenses (income) charged in the consolidated statements of:</i>
Laba rugi	59.292	68.073	<i>Profit or loss</i>
Penghasilan komprehensif lain	(88.562)	37.665	<i>Other comprehensive income</i>
Pembayaran manfaat	(11.498)	(19.792)	<i>Benefits paid</i>
Kontribusi Kelompok Usaha	(21.993)	(8.650)	<i>Contribution of the Group</i>
Akuisisi Entitas Anak baru	12.328	-	<i>Acquisition of new Subsidiary</i>
Saldo Akhir Tahun	361.671	412.104	Balance at End of Year

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37. LIABILITAS IMBALAN PASCAKERJA (Lanjutan)

Jumlah yang diakui dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian sehubungan dengan liabilitas imbalan pascakerja adalah sebagai berikut:

	2018	2017
Laba rugi		
Biaya jasa kini	37.030	40.088
Biaya bunga	32.402	34.834
Biaya jasa lalu	1.608	497
Biaya pesangon	22.481	-
Penghasilan bunga dari aset program	5.122	(8.268)
Pengukuran kembali liabilitas imbalan pasti - neto	(982)	922
Subtotal	97.661	68.073
Penghasilan komprehensif lain		
Kerugian aktuarial dari pengukuran kembali liabilitas imbalan pasti - neto	(27.019)	3.726
Kerugian (keuntungan) aktuarial terdiri dari:		
Penyesuaian asumsi liabilitas program	(19.878)	(11.255)
Asumsi keuangan	(41.665)	43.749
Hasil yang diharapkan dari aset program	21.427	1.445
Subtotal	(67.135)	37.665
Total	30.526	105.738

Mutasi nilai kini kewajiban imbalan pasti adalah sebagai berikut:

	2018	2017
Saldo awal tahun	514.373	443.887
Beban (penghasilan) diakui pada laporan konsolidasian:		
Laba rugi	92.539	76.341
Penghasilan komprehensif lain	(88.562)	36.221
Pembayaran manfaat	(91.649)	(42.076)
Saldo Akhir Tahun	426.701	514.373

Kontribusi yang diharapkan atas aset program untuk tahun yang berakhir pada tanggal 31 Desember 2018 sebesar Rp22,5 miliar.

37. POST-EMPLOYMENT BENEFITS LIABILITY
(Continued)

Amounts recognized in the consolidated statements of profit or loss and other comprehensive income in respect to post-employment benefits liabilities were as follows:

Profit or loss
Current service costs
Interest costs
Past service costs
Severance costs
Interest income from plan assets
Remeasurement of defined benefits liability - net
Subtotal
Other comprehensive income
Actuarial loss from remeasurement of the defined benefits liability - net
Actuarial loss (gain) arising from:
Experience assumptions from liability program
Financial assumptions
Expected return on plan assets
Subtotal
Total

Movements of the present value of defined benefit obligation were as follows:

Beginning of the year
Expenses (income) charged in the consolidated statements of:
Profit or loss
Other comprehensive income
Benefits paid
Balance at End of Year

Expected contributions to plan assets for the year ended December 31, 2018 amounted to Rp22.5 billion.

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37. LIABILITAS IMBALAN PASCAKERJA (Lanjutan)

Mutasi nilai wajar aset program adalah sebagai berikut:

	2018	2017
Saldo awal tahun	102.269	108.710
Penghasilan bunga	5.927	8.268
Pengukuran kembali untuk hasil yang diharapkan dari aset program	(21.427)	(1.445)
Pembayaran manfaat luran pemberi kerja	(43.718)	(22.284)
	21.979	9.020
Saldo Akhir Tahun	65.030	102.269

Aset program terdiri dari:

**37. POST-EMPLOYMENT BENEFITS LIABILITY
(Continued)**

Movements of the fair value of plan assets were as follows:

Beginning of the year
Interest income
Remeasurements for expected return on plan assets
Benefits paid
Employee's contribution
Balance at End of Year

Plan assets consist of:

2018				
	Dikutip/ Quoted	Tidak dikutip/ Unquoted	Total/ Total	%
Obligasi	10.940	-	10.940	17,88%
Deposito Berjangka	30.242	-	30.242	49,43%
Saham	2.413	-	2.413	3,94%
Reksadana	14.729	-	14.729	24,07%
Deposito On Call	2.858	-	2.858	4,67%
Total	61.182	-	61.182	100,00%

Corporate Bonds
Time Deposits
Shares of Stocks
Investment Funds
On Call Deposits
Total

2017				
	Dikutip/ Quoted	Tidak dikutip/ Unquoted	Total/ Total	%
Obligasi	36.438	-	36.438	59,56%
Deposito Berjangka	29.397	-	29.397	48,05%
Surat Berharga Negara	-	3.829	3.829	6,26%
Reksadana	4.547	-	4.547	7,43%
Saham	15.514	-	15.514	25,36%
Deposito On Call	1.944	-	1.944	3,18%
Sukuk	1.749	-	1.749	2,86%
Total	89.589	3.829	93.418	100,00%

Corporate Bonds
Time Deposits
Government Bonds
Investment Funds
Shares of Stocks
On Call Deposits
Islamic Bonds
Total

Kelompok Usaha menghadapi sejumlah risiko signifikan terkait program imbalan pasti, sebagai berikut:

- Perubahan tingkat diskonto
Penurunan pada tingkat diskonto menyebabkan kenaikan liabilitas program.
- Tingkat kenaikan gaji
Liabilitas imbalan pasti berhubungan dengan tingkat kenaikan gaji, dimana semakin tinggi tingkat kenaikan gaji akan menyebabkan semakin besarnya liabilitas.

The Group was exposed to a number of significant risks related to its defined benefit plans, as follows:

- Changes in discount rate
A decrease in discount rate will increase plan liabilities.
- Salary increment rate
Defined benefits liabilities are linked to salary increment rate, whereby the higher salary increment rate will lead to higher liabilities.

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37. LIABILITAS IMBALAN PASCAKERJA (Lanjutan)

Analisa sensitivitas kuantitatif kewajiban imbalan pasti terhadap perubahan asumsi utama tertimbang pada tanggal 31 Desember 2018 dan 2017 adalah sebagai berikut:

	2018		2017		
	Tingkat Diskonto/ <i>Discount Rate</i>	Tingkat Kenaikan Penghasilan/ <i>Salary Increase Rate</i>	Tingkat Diskonto/ <i>Discount Rate</i>	Tingkat Kenaikan Penghasilan/ <i>Salary Increase Rate</i>	
Kenaikan suku bunga dalam 100 basis poin	381.476	436.477	461.228	530.879	Increase in interest rate in 100 basis point
Penurunan suku bunga dalam 100 basis poin	437.202	380.309	531.980	461.575	Decrease in interest rate in 100 basis point

Analisa sensitivitas didasarkan pada perubahan atas satu asumsi aktuarial dimana asumsi lainnya dianggap konstan. Dalam prakteknya, hal ini jarang terjadi dan perubahan beberapa asumsi mungkin saling berkorelasi. Dalam perhitungan sensitivitas kewajiban imbalan pasti atas asumsi utama, metode yang sama (perhitungan nilai kini kewajiban imbalan pasti dengan menggunakan metode *Projected Unit Credit* di akhir periode) telah diterapkan.

Metode dan jenis asumsi yang digunakan dalam menyiapkan analisa sensitivitas tidak berubah dari periode sebelumnya.

Analisa jatuh tempo yang diharapkan dari pensiun dan liabilitas imbalan pascakerja tidak terdiskonto adalah sebagai berikut:

**37. POST-EMPLOYMENT BENEFITS LIABILITY
(Continued)**

The quantitative sensitivity analysis of the defined benefits obligation to the changes in the weighted principal assumptions as of December 31, 2018 and 2017 were as follows:

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefits obligation to principal assumptions, the same method (present value of the defined benefits obligation calculated with the *Projected Unit Credit* method at the end of the reporting period) has been applied.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Expected maturity analysis of undiscounted pension and post-employment benefits liability is as follows:

	2018				
	Kurang dari 1 tahun/ <i>Less than a year</i>	1 sampai 2 tahun/ <i>Between 1 - 2 years</i>	2 sampai 5 tahun/ <i>Between 2 - 5 years</i>	Lebih dari 5 tahun/ <i>Over than 5 years</i>	
Imbalan pensiun	-	30.878	70.663	305.240	Pension benefits
Imbalan pascakerja	-	23.670	59.065	733.963	Post-employment benefits
Total	-	54.548	129.728	1.039.203	Total

	2017				
	Kurang dari 1 tahun/ <i>Less than a year</i>	1 sampai 2 tahun/ <i>Between 1 - 2 years</i>	2 sampai 5 tahun/ <i>Between 2 - 5 years</i>	Lebih dari 5 tahun/ <i>Over than 5 years</i>	
Imbalan pensiun	-	30.878	70.663	305.240	Pension benefits
Imbalan pascakerja	-	23.670	59.065	733.963	Post-employment benefits
Total	-	54.548	129.728	1.039.203	Total

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37. LIABILITAS IMBALAN PASCAKERJA (Lanjutan)

Perbandingan nilai kini kewajiban imbalan kerja dan penyesuaian (pengaruh perbedaan antara asumsi aktuarial sebelumnya dan apa yang sebenarnya terjadi) yang timbul pada liabilitas program selama 5 tahun terakhir adalah sebagai berikut:

	2018	2017	2016	2015	2014	
Kewajiban imbalan pasti	426.701	514.373	429.095	376.938	376.889	Defined benefit obligation
Aset program	(65.030)	(102.269)	(108.710)	(107.043)	(106.219)	Plan assets
Surplus (defisit)	361.671	412.104	320.385	269.895	270.670	Surplus (deficit)
Penyesuaian atas						Experience adjustment on
Liabilitas program	(61.543)	21.080	11.442	(13.231)	(31.627)	Plan liabilities
Aset program	21.427	(1.253)	5.797	(1.747)	(3.090)	Plan assets

38. RUGI PER SAHAM

a. Rugi Per Saham Dasar/Dilusan

	2018	2017
Rugi neto diatribusikan kepada pemilik entitas induk	(1.260.970)	(1.220.165)
Jumlah rata-rata tertimbang saham untuk perhitungan rugi per saham dasar	1.907.515.910	1.135.355.643
Rugi Neto per Saham Dasar/Dilusan Diatribusikan kepada Pemilik Entitas Induk (Angka Penuh)	(661,05)	(1.074,70)

b. Informasi terkait dengan klasifikasi efek untuk laba atau rugi per saham dilusan.

Equity Linked Notes yang diterbitkan pada tanggal 16 Desember 2010 dianggap berpotensi saham biasa dan telah disertakan dalam perhitungan laba atau rugi per saham dilusan. Rincian terkait *Equity Linked Notes* dijelaskan dalam Catatan 23h.

OWK diasumsikan telah dikonversi ke saham biasa, untuk itu laba atau rugi neto disesuaikan untuk mengeliminasi beban bunga dikurangi dampak pajak. Rincian terkait dengan OWK dijelaskan dalam Catatan 29.

Untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2018 dan 2017, potensi konversi dari *Equity Linked Notes* dan OWK menjadi saham biasa dari Perusahaan bersifat antidilutif, sehingga tidak termasuk dalam perhitungan rugi per saham dilusan.

37. POST-EMPLOYMENT BENEFITS LIABILITY

(Continued)

Comparison of the present value of defined benefits obligation and the experience adjustments (the effects of the differences between the previous actuarial assumptions and what has actually occurred) arising on the plan liabilities over the last 5 years was as follows:

38. LOSS PER SHARE

a. Basic/Diluted Loss Per Share

*Loss attributable to owners of parent
Total weighted average number of shares for basic loss per share calculation*

Basic/Diluted Loss per Share Attributable To Owners of Parent (Full Amount)

b. Information concerning the classification of securities for diluted earnings or losses per share.

Equity Linked Notes issued on December 16, 2010 are considered to be potential ordinary shares and have been included in the determination of diluted earning or loss per share. Details relating to the Equity Linked Notes are disclosed in Note 23h.

MCB is assumed to have been converted into ordinary shares, and the net profit or loss is adjusted to eliminate the interest expense less tax effect. Details relating to MCB are disclosed in Note 29.

For the years ended December 31, 2018 and 2017, the potential conversion of the Equity Linked Notes and MCB into ordinary shares of the Company is considered antidilutive, thus not included in the calculation of the diluted loss per share.

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39. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI

Dalam kegiatan usaha normal, Kelompok Usaha melakukan transaksi dengan pihak-pihak berelasi. Transaksi-transaksi tersebut adalah sebagai berikut:

a. Piutang usaha - pihak berelasi (Catatan 7)

	2018	2017
PT Kaltim Prima Coal	11.939	-
Lain-lain (dibawah Rp10 miliar)	5.982	305
Total	17.921	305
Dikurangi penyisihan kerugian atas penurunan nilai	(6.084)	-
Neto	11.837	305

Manajemen Kelompok Usaha berkeyakinan bahwa piutang masih dapat ditagih dan penyisihan kerugian atas penurunan nilai cukup untuk menutup kemungkinan kerugian atas tidak tertagihnya piutang dari pihak berelasi tersebut.

b. Investasi jangka pendek (Catatan 6)

	2018	2017
PT Bakrie Sumatera Plantation Tbk	3.990	6.078
PT Bakrieland Development Tbk	3.597	3.597
PT Bakrie Telecom Tbk	2.152	2.152
PT Darma Henwa Tbk	1.240	1.240
PT Energi Mega Persada Tbk	1	1
PT Bumi Resources Tbk	-	148.119
Total	10.980	161.187

c. Piutang pihak berelasi

	2018	2017
PT Tanjung Jati Power Company	233.335	210.172
PT Bakrie Anugerah Batu Alam Industry	21.724	21.724
PT Batuta Kimia Perdana	12.751	12.751
Lain-lain (dibawah Rp10 miliar)	36.659	38.248
Total	304.469	282.895
Dikurangi penyisihan kerugian atas penurunan nilai	(23.666)	(23.628)
Neto	280.803	259.267

39. TRANSACTIONS WITH RELATED PARTIES

The Group, in its regular conduct of business, has engaged in transactions with related parties. These transactions were as follows:

a. Trade receivables - related parties (Note 7)

Persentase terhadap Total Aset Konsolidasian/ Percentage to Total Consolidated Assets	
2018	2017
0,10%	0,00%
0,05%	0,00%
0,15%	0,00%
-0,05%	0,00%
0,10%	0,00%

PT Kaltim Prima Coal
Others (below Rp10 billion)

Total
Less allowance for
impairment losses

Net

The Group's management believed that the receivables can be collected and the allowance for impairment losses was adequate to cover possibility of losses from uncollectible receivables from related parties.

b. Short-term investments (Note 6)

Persentase terhadap Total Aset Konsolidasian / Percentage to Total Consolidated Assets	
2018	2017
0,03%	0,08%
0,03%	0,05%
0,02%	0,03%
0,01%	0,02%
0,00%	0,00%
0,00%	2,04%
0,08%	2,22%

PT Bakrie Sumatera
Plantation Tbk
PT Bakrieland Development Tbk
PT Bakrie Telecom Tbk
PT Darma Henwa Tbk
PT Energi Mega Persada Tbk
PT Bumi Resources Tbk

Total

c. Due from related parties

Persentase terhadap Total Aset Konsolidasian/ Percentage to Total Consolidated Assets	
2018	2017
1,63%	2,89%
0,15%	0,30%
0,09%	0,18%
0,26%	0,53%
2,12%	3,89%
-0,17%	-0,32%
1,96%	3,56%

PT Tanjung Jati Power Company
PT Bakrie Anugerah
Batu Alam Industry
PT Batuta Kimia Perdana
Others (below Rp10 billion)

Total
Less allowance for
impairment losses

Net

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39. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI

(Lanjutan)

- Piutang pihak berelasi berasal dari pemberian pinjaman dana (uang muka) dan penggantian biaya kepada pihak berelasi. Piutang ini tanpa dikenakan bunga dan tidak memiliki jangka waktu pembayaran tetap.
- Pembentukan penyisihan kerugian atas penurunan nilai piutang pihak berelasi adalah sehubungan dengan penelaahan yang berkesinambungan oleh manajemen atas kemampuan masing-masing pihak berelasi untuk melunasi kewajibannya.

d. Utang usaha - pihak berelasi (Catatan 19)

	2018	2017
Lain-lain (dibawah Rp10 miliar)	17.208	2.276

e. Utang lain-lain - pihak berelasi (Catatan 20)

	2018	2017
Dana Pensiun Bakrie	21.372	18.739
Lain-lain (dibawah Rp10 miliar)	5.762	2.729
Total	27.134	21.468

Saldo utang lain-lain kepada pihak berelasi berasal dari pinjaman modal kerja, pembelian saham, iuran dana pensiun dan biaya sewa.

f. Utang pihak berelasi

	2018	2017
PT Petromine Energy Trading	110.576	109.906
PT Cimanggis Cibitung Tollways	69.697	69.697
PT Bakrie Capital Indonesia	10.000	10.000
Lain-lain (dibawah Rp10 miliar)	8.222	9.509
Total	198.495	199.112

Saldo utang pihak berelasi berasal dari pinjaman untuk proyek jangka panjang dan belanja modal. Utang-utang ini tanpa dikenakan bunga dan tidak memiliki jangka waktu pembayaran tetap.

39. TRANSACTIONS WITH RELATED PARTIES

(Continued)

- The balances of due from related parties arise from borrowings (advances) and reimbursement of expenses to related parties. These receivables are non-interest bearing and with no fixed collection schedule.
- Allowance for impairment losses of due from related parties is in connection with review of the sustainable management of the capability each related party to pay its obligation.

d. Trade payables - related parties (Note 19)

Persentase terhadap Total Liabilitas Konsolidasian/ Percentage to Total Consolidated Liabilities		
2018	2017	
0,15%	0,02%	Others (below Rp10 billion)

e. Other payables - related parties (Note 20)

Persentase terhadap Total Liabilitas Konsolidasian/ Percentage to Total Consolidated Liabilities		
2018	2017	
0,18%	0,15%	Dana Pensiun Bakrie
0,05%	0,02%	Others (below Rp10 billion)
0,23%	0,17%	Total

The balance of other payables - related parties arose from working capital loan, purchase of shares, contributions of retirement benefits and rent expenses.

f. Due to related parties

Persentase terhadap Total Liabilitas Konsolidasian/ Percentage to Total Consolidated Liabilities		
2018	2017	
0,95%	0,87%	PT Petromine Energy Trading
0,60%	0,55%	PT Cimanggis Cibitung Tollways
0,09%	0,08%	PT Bakrie Capital Indonesia
0,07%	0,08%	Others (below Rp10 billion)
1,70%	1,57%	Total

The balance of due to related parties arose from loan for long-term projects and capital expenditures. These payables are non-interest bearing loan and with no fixed payment schedule.

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39. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI

(Lanjutan)

**g. Piutang kepada Komisaris dan Direktur
(Catatan 17)**

Kelompok Usaha memberikan pinjaman tanpa bunga kepada komisaris dan direktur untuk pembelian rumah dan kendaraan bermotor. Saldo pinjaman kepada komisaris dan direksi pada tanggal 31 Desember 2018 dan 2017, masing-masing sebesar Rp0,2 miliar dan Rp0,3 miliar, yang disajikan sebagai bagian dari "Aset Tidak Lancar Lainnya" dalam laporan posisi keuangan konsolidasian.

h. Kompensasi manajemen kunci

Manajemen kunci Kelompok Usaha terdiri dari Dewan Komisaris dan Direksi Perusahaan dan *Chief Officers*.

Total remunerasi dan imbalan lainnya yang diberikan kepada personil manajemen kunci sebagai berikut:

2018				
	Dewan Komisaris/ Board of Commissioners	Direksi/ Board of Directors	Personil Manajemen Kunci lainnya/ Other Key Management Personnel	Total/ Total
Imbalan kerja jangka pendek	9.945	27.992	14.079	52.016
Imbalan pascakerja	-	5.958	2.765	8.723
Imbalan kerja jangka panjang lainnya	-	9.050	1.560	10.610
Total	9.945	43.000	18.404	71.349

Short-term employment benefits
Post-employment benefits

Other long-term benefits

Total

2017				
	Dewan Komisaris/ Board of Commissioners	Direksi/ Board of Directors	Personil Manajemen Kunci lainnya/ Other Key Management Personnel	Total/ Total
Imbalan kerja jangka pendek	11.411	23.651	12.793	47.855
Imbalan pascakerja	-	6.419	2.833	9.252
Imbalan kerja jangka panjang lainnya	-	6.819	2.202	9.021
Total	11.411	36.889	17.828	66.128

Short-term employment benefits
Post-employment benefits

Other long-term benefits

Total

i. Sifat hubungan berelasi

Pihak berelasi merupakan entitas sepengendali yang memiliki pemegang saham dan/atau anggota direksi dan dewan komisaris yang sama dengan Perusahaan, Entitas Anak, Entitas Asosiasi atau Entitas Pengendalian Bersama.

39. TRANSACTIONS WITH RELATED PARTIES

(Continued)

**g. Receivable from Commissioners and Directors
(Note 17)**

The Group extended non-interest bearing loans to commissioners and directors for the purchase of houses and cars. The balances of the loans to commissioners and directors as of December 31, 2018 and 2017, were Rp0.2 billion and Rp0.3 billion, respectively, and are presented as part of "Other Non-Current Assets" in the consolidated statements of financial position.

h. Key management compensation

The Group's key management personnel consists of the Company's Boards of Commissioners and Directors and Chief Officers.

Total remuneration and other benefits given to key management personnel were as follows:

i. Nature of related parties

The related parties are under common control of the same shareholders and/or same members of the boards of directors or commissioners as the Company, Subsidiaries, Associates or Jointly Controlled Entities.

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39. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI

(Lanjutan)

Karena memiliki sifat berelasi, hal ini memungkinkan syarat dan kondisi transaksi dengan pihak yang mempunyai hubungan istimewa tidak sama jika transaksi tersebut dilakukan dengan pihak ketiga, contohnya pinjaman karyawan.

39. TRANSACTIONS WITH RELATED PARTIES

(Continued)

Because of these relationships, it was possible that the terms and conditions of these transactions were not the same as those that would result from transactions with third parties, such as employee loans.

40. SEGMENT OPERASI

Kelompok Usaha memiliki usaha yang terbagi dalam dua operasi yang meliputi usaha yang berhubungan dengan infrastruktur dan manufaktur serta perdagangan, jasa dan investasi.

Informasi tentang segmen usaha Kelompok Usaha adalah sebagai berikut:

40. OPERATING SEGMENT

The Group classified its products and services into two core business segments namely infrastructure and manufacturing as well as trading, services and investment.

Information concerning the Group business segments was as follows:

	2018					
	Infrastruktur dan Manufaktur/ <i>Infrastructure and Manufacturing</i>	Jasa Pabrikasi dan Konstruksi/ <i>Fabrication Construction and Services</i>	Perdagangan, Jasa dan Investasi/ <i>Trading, Services, and Investment</i>	Eliminasi/ <i>Elimination</i>	Konsolidasian/ <i>Consolidated</i>	
PENDAPATAN NETO	2.679.436	538.349	122.666	-	3.340.451	NET REVENUES
BEBAN POKOK PENDAPATAN	2.144.152	478.554	42.181	-	2.664.887	COST OF REVENUES
LABA USAHA	535.284	59.795	80.485	-	675.564	GROSS PROFIT
BEBAN USAHA						OPERATING EXPENSES
Beban umum dan administrasi	133.973	54.710	32.113	-	220.796	General and administrative expenses
Beban karyawan	175.848	26.067	60.922	-	262.837	Personnel expenses
Beban penjualan	105.271	2.291	222	-	107.784	Selling expenses
Total Beban Usaha	415.092	83.068	93.257	-	591.417	Total Operating Expenses
LABA (RUGI) USAHA	120.192	(23.273)	(12.772)	-	84.147	OPERATING PROFIT (LOSS)
PENGHASILAN (BEBAN) LAIN-LAIN						OTHER INCOME (EXPENSES)
Bagian atas laba (rugi) neto pada dari entitas asosiasi dan pengendalian bersama	-	-	445.162	(271.949)	173.213	Share in net profit (loss) of associated and jointly controlled entities
Keuntungan atas pelepasan saham	-	-	121.174	-	121.174	Gain on sale of investment
Keuntungan (kerugian) selisih kurs - neto	8.805	6.776	(724.198)	-	(708.617)	Gain (loss) on foreign exchange - net
Perubahan nilai wajar instrumen keuangan - neto	-	-	(524.027)	-	(524.027)	Fair value changes of financial instruments - net
Beban bunga dan keuangan	(39.519)	(18.675)	(291.801)	-	(349.995)	Interest and financial expenses
Beban pajak	(23.235)	(2.465)	(5.872)	-	(31.572)	Tax expenses
Beban penghapusan dan penyisihan penurunan nilai piutang	(14.959)	-	-	-	(14.959)	Write-off and provision for impairment of receivables
Beban bagi hasil musyarakah	(7.403)	-	-	-	(7.403)	Musyarakah sharing expense
Beban murabahah	(5.608)	-	-	-	(5.608)	Murabahah expense
Lain-lain - neto	(5.998)	57.960	966	34	52.962	Others - net
Penghasilan (Beban) Lain-lain - Neto	(87.917)	43.596	(978.596)	(271.915)	(1.294.832)	Other Income (Expense) - Net
LABA (RUGI) SEBELUM MANFAAT (BEBAN) PAJAK PENGHASILAN	32.275	20.323	(991.368)	(271.915)	(1.210.685)	PROFIT (LOSS) BEFORE INCOME TAX BENEFIT (EXPENSE)
MANFAAT (BEBAN) PAJAK PENGHASILAN						INCOME TAX BENEFIT (EXPENSE)
Kini	(55.869)	-	-	-	(55.869)	Current
Tangguhan	16.612	(271)	-	-	16.341	Deferred
Beban Pajak Penghasilan - Neto	(39.257)	(271)	-	-	(39.528)	Income Tax Expense - Net
LABA (RUGI) NETO	(6.982)	20.052	(991.368)	(271.915)	(1.250.213)	NET PROFIT (LOSS)

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40. SEGMENT OPERASI (Lanjutan)**40. OPERATING SEGMENT (Continued)**

2018						
	Infrastruktur dan Manufaktur/ Infrastructure and Manufacturing	Jasa Pabrikasi dan Konstruksi/ Fabrication Construction and Services	Perdagangan, Jasa dan Investasi/ Trading, Services, and Investment	Eliminasi/ Elimination	Konsolidasian/ Consolidated	
Aset tetap - neto	1.960.888	50.873	32.965	283.723	2.328.449	Fixed assets - net
Aset segmen lainnya	1.225.979	2.659.796	8.932.483	(1.201.547)	11.616.711	Other assets per segment
Investasi pada entitas asosiasi dan entitas pengendalian bersama - neto	-	3.622.848	-	(3.232.900)	389.948	Investments in associated and jointly controlled entities - net
TOTAL ASET	3.186.867	6.333.517	8.965.448	(4.150.724)	14.335.108	TOTAL ASSETS
TOTAL LIABILITAS	1.006.791	1.846.175	9.735.231	(932.128)	11.656.069	TOTAL LIABILITIES
2017						
	Infrastruktur dan Manufaktur/ Infrastructure and Manufacturing	Jasa Pabrikasi dan Konstruksi/ Fabrication Construction and Services	Perdagangan, Jasa dan Investasi/ Trading, Services, and Investment	Eliminasi/ Elimination	Konsolidasian/ Consolidated	
PENDAPATAN NETO	2.310.069	141.974	7.693	-	2.459.736	NET REVENUES
BEBAN POKOK PENDAPATAN	1.786.912	234.496	26.328	-	2.047.736	COST OF REVENUES
LABA (RUGI) USAHA	523.157	(92.522)	(18.635)	-	412.000	GROSS PROFIT (LOSS)
BEBAN USAHA						OPERATING EXPENSES
Beban umum dan administrasi	115.926	17.417	31.648	-	164.991	General and administrative expenses
Beban karyawan	144.000	25.813	83.312	-	253.125	Personnel expenses
Beban penjualan	97.456	1.884	121	-	99.461	Selling expenses
Total Beban Usaha	357.382	45.114	115.081	-	517.577	Total Operating Expenses
LABA (RUGI) USAHA	165.775	(137.636)	(133.716)	-	(105.577)	OPERATING PROFIT (LOSS)
PENGHASILAN (BEBAN) LAIN-LAIN						OTHER INCOME (EXPENSES)
Bagian atas laba (rugi) neto pada dari entitas asosiasi dan pengendalian bersama			(11.513)	149.387	137.874	Share in net profit (loss) of associated and jointly controlled entities
Keuntungan atas pelepasan saham	7.855	-	(11.937)	-	(4.082)	Gain on sale of investment
Keuntungan (kerugian) selisih kurs - neto	15.165	(3.309)	(65.865)	-	(54.009)	Gain (loss) on foreign exchange - net
Perubahan nilai wajar instrumen keuangan - neto	-	-	(594.970)	-	(594.970)	Fair value changes of financial instruments - net
Beban bunga dan keuangan	(330.464)	(12.447)	(77.899)	-	(420.810)	Interest and financial expenses
Beban pajak	(48.393)	(12.019)	(352)	-	(60.764)	Tax expenses
Beban penghapusan dan penyisihan penurunan nilai piutang	(37)	(59.565)	-	-	(59.602)	Write-off and provision for impairment of receivables
Beban bagi hasil musyarakah	(5.554)	-	-	-	(5.554)	Musyarakah sharing expense
Beban murabahah	(7.663)	-	-	-	(7.663)	Murabahah expense
Lain-lain	455.415	(219.155)	(275.893)	20.211	(19.422)	Others
Penghasilan (Beban) Lain-lain - Neto	86.324	(306.495)	(1.038.429)	169.598	(1.089.002)	Other Income (Expense) - Net
LABA (RUGI) SEBELUM MANFAAT (BEBAN) PAJAK PENGHASILAN	252.099	(444.131)	(1.172.145)	169.598	(1.194.579)	PROFIT (LOSS) BEFORE INCOME TAX BENEFIT (EXPENSE)
MANFAAT (BEBAN) PAJAK PENGHASILAN						INCOME TAX BENEFIT (EXPENSE)
Kini	(33.374)	-	-	-	(33.374)	Current
Tangguhan	22.962	(1.494)	(1.171)	-	20.297	Deferred
Beban Pajak Penghasilan - Neto	(10.412)	(1.494)	(1.171)	-	(13.077)	Income Tax Expense - Net
LABA (RUGI) NETO	241.687	(445.625)	(1.173.316)	169.598	(1.207.656)	NET PROFIT (LOSS)
Aset tetap - neto	2.723.098	68.153	37.906	335.143	3.164.300	Fixed assets - net
Aset segmen lainnya	379.929	2.133.827	2.464.754	(1.070.833)	3.907.677	Other assets per segment
Investasi pada entitas asosiasi dan entitas pengendalian bersama - neto	-	-	3.162.962	(2.961.775)	201.187	Investments in associates and jointly controlled entities - net
TOTAL ASET	3.103.027	2.201.980	5.665.622	(3.697.465)	7.273.164	TOTAL ASSETS
TOTAL LIABILITAS	1.880.276	563.956	11.143.349	(932.123)	12.655.458	TOTAL LIABILITIES

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41. PERJANJIAN DAN IKATAN YANG SIGNIFIKAN

Kelompok Usaha memiliki perjanjian dan ikatan yang signifikan sebagai berikut:

a. Perjanjian Pengangkutan Gas antara PT Perusahaan Listrik Negara (PLN) (Persero), Perusahaan dan Petronas Carigali Miurah Ltd. (PCM) untuk Pembangkit Listrik Tambak Lorok

Perusahaan, PLN dan PCM, menandatangani Gas Transportation Agreement (GTA) ruas Kepodang-Tambak Lorok di Kantor Badan Pengelolaan Hulu (BPH-Migas).

Penandatanganan ini merupakan tindak lanjut diterbitkannya SK Menteri Energi dan Sumber Daya Mineral No. 2700 K/11/MEM/2012 tentang Rencana Induk Jaringan Transmisi dan Distribusi Gas Bumi Nasional (RIJTDGBN) Tahun 2015-2025 yang menyatakan bahwa pembangunan ruas Kalija (Kalimantan Timur-Jawa Tengah) dapat dilakukan bertahap dengan pertimbangan ketersediaan pasokan gas bumi. Perusahaan, sebagai pemenang lelang ruas transmisi Kalija pada tahun 2006, dapat memulai pembangunan ruas yang nantinya akan mengirimkan gas dari Kepodang-Tambak Lorok ke Pembangkit Listrik Tenaga Gas Tambak Lorok milik PT PLN sebanyak 354 Billion Cubic Feet hingga tahun 2026.

b. Perjanjian-perjanjian Sehubungan dengan Proyek Konstruksi Pipa

Pada tanggal 16 Desember 1996, PT Bakrie Harper (BHP), Entitas Anak, mengadakan perjanjian dengan Punj Lloyd (Malaysia) Sdn Bhd sebagai kontraktor untuk melaksanakan Proyek Pipanisasi Kertapati - Jambi. Nilai kontrak atas proyek tersebut adalah sebesar USD152,5 juta, termasuk setoran jaminan proyek sebesar USD37,0 juta atau setara dengan Rp262,7 miliar, untuk periode dua puluh empat (24) bulan sejak tanggal efektifnya perjanjian tersebut. Punj Lloyd (Malaysia) Sdn Bhd telah mengalihkan seluruh hak dan kewajibannya dalam proyek ini kepada PT Punj Lloyd Indonesia (PLI) setelah PLI berdiri di bawah hukum Indonesia.

c. Perjanjian-perjanjian Sehubungan dengan Penjualan Mesin dan Peralatan

Pada tanggal 17 November 2018, BBI dan PT Tripilar Betonmas ("Tripilar") melakukan Perjanjian Jual Beli Aset Bersyarat (PJBAB). Berdasarkan PJBAB, Tripilar bermaksud membeli aset milik BBI berupa mesin-mesin dengan jumlah harga pembelian aset tersebut sebesar Rp61 miliar BBI akan menyerahkan aset kepada Tripilar melalui beberapa tahap mulai tahun 2020 sampai dengan tahun 2022 dan Tripilar akan melakukan pembayaran melalui beberapa tahap.

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41. SIGNIFICANT AGREEMENTS AND COMMITMENTS

The Group had outstanding significant agreements and commitments as follows:

a. Gas Transportation Agreement between PT Perusahaan Listrik Negara (PLN) (Persero), the Company and Petronas Carigali Miurah Ltd. (PCM) for Tambak Lorok Power Plant

The Company, PLN and PCM signed a Gas Transportation Agreement (GTA) segment Kepodang-Tambak Lorok in the office of Badan Pengelolaan Hulu (BPH-Migas).

The signing was as the follow-up of the Ministry of Energy Mineral Resources (EMR) Decree Number 2700 K/11/MEM/2012 regarding the Master Plan for Transmission Network and National Gas Distribution (RIJTDGBN) Year 2015-2025 which states that the construction of Kalija section (East Kalimantan-Central Java) can be performed gradually with consideration of the availability of natural gas supply. The Company, as the bid winner of Kalija transmission segment in 2006, was able to start the segment construction which will transmit gas from Kepodang-Tambak Lorok to Pembangkit Listrik Tenaga Gas Tambak Lorok owned by PT PLN as much as 354 Billion Cubic Feet up to 2026.

b. Agreements Related to Pipeline Construction Projects

On December 16, 1996, PT Bakrie Harper (BHP), Subsidiary, entered into a cooperation agreement with Punj Lloyd (Malaysia) Sdn Bhd as the contractor for the Kertapati - Jambi Pipeline Project. The contract price of this project amounted to USD152.5 million including a project security deposit of USD37.0 million or equivalent to Rp262.7 billion and covering a twenty-four (24) month period commencing from the effective date of the agreement. Punj Lloyd (Malaysia) Sdn Bhd was entitled to assign its rights and obligation in the project in favor of PT Punj Lloyd Indonesia (PLI) after PLI was established and organized under the laws of the Republic of Indonesia.

c. Agreements Related to Sale of Machinery and Equipment

On November 17, 2018, BBI and PT Tripilar Betonmas ("Tripilar") entered into a Conditional Sale and Purchase Agreement (PJBAB). In accordance with PJBAB, Tripilar intended to purchase assets owned by BBI with total consideration amounting to Rp61 billion. BBI agreed to deliver the assets to Tripilar through several stages starting from year 2020 to year 2022 and Tripilar agreed to make payments through several stages.

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42. TRANSAKSI DERIVATIF

Pada tanggal 30 November 2011, Perusahaan menandatangani *Master Confirmation for Share Swap Transactions* dengan Glencore International AG (Glencore) dengan jumlah komitmen transaksi senilai USD200,0 juta dikurangi biaya transaksi tertentu. Glencore membeli saham BUMI sampai dengan jumlah USD200,0 juta tersebut dikurangi transaksi tertentu. Berdasarkan perjanjian tersebut Perusahaan mempunyai opsi untuk membeli saham BUMI mulai 6 bulan dan terakhir 30 bulan setelah tanggal transaksi pertama, pada harga sebesar rata-rata tertimbang harga yang direalisasikan Glencore ditambah biaya transaksi. Untuk dapat melaksanakan opsi tersebut, Perusahaan melakukan pembayaran uang muka tertentu setiap 6 bulan yang jumlahnya ditentukan oleh Glencore. Transaksi ini menghasilkan derivatif liabilitas pada tanggal 31 Desember 2018 dan 2017 masing-masing sebesar Rp6,5 triliun dan Rp5,1 triliun.

Perubahan atas nilai wajar dari aset derivatif dan liabilitas derivatif dicatat dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian sebagai rugi masing-masing sebesar Rp524,0 miliar dan Rp595,0 miliar pada tahun 2018 dan 2017.

42. DERIVATIVE TRANSACTIONS

On November 30, 2011, the Company signed a *Master Confirmation for Share Swap Transactions* with Glencore International AG (Glencore) with transaction commitment amount of USD200.0 million less certain transaction costs. Glencore bought BUMI shares up to the amount of USD200.0 million, net of certain transaction costs. Under the agreement, the Company has the option to purchase those BUMI shares from Glencore starting 6 months until 30 months after the date of first transaction, at the price equal to the weighted average realized by Glencore, plus transaction costs. In order to implement the option, the Company made advance payments given every 6 months of the amount determined by Glencore. This transaction resulted to a derivative liability as of December 31, 2018 and 2017 amounting to Rp6.5 trillion and Rp5.1 trillion, respectively.

Net changes in fair values of derivative liability recognized in the consolidated statements of profit or loss and other comprehensive income as loss amounting to Rp524.0 and Rp595.0 billion in 2018 and 2017, respectively.

43. ASET DAN LIABILITAS MONETER DALAM MATA UANG ASING

Kelompok Usaha memiliki aset dan liabilitas dalam mata uang asing sebagai berikut:

43. MONETARY ASSETS AND LIABILITIES IN FOREIGN CURRENCIES

The Group had monetary assets and liabilities in foreign currencies as follows:

	2018		2017		
	Mata Uang Asing (Angka Penuh)/ <i>Original Currency</i> (Full Amount)	Setara Rupiah/ <i>Equivalent Rupiah</i>	Mata Uang Asing (Angka penuh)/ <i>Original Currency</i> (Full Amount)	Setara Rupiah/ <i>Equivalent Rupiah</i>	
Aset					Assets
Kas dan setara kas					Cash and cash equivalents
Dolar AS	1.403.276	20.321	1.403.430	19.013	US Dollar
Yen Jepang	1.526	200	454	55	Japanese Yen
Euro	5.423	90			Euro
Dolar Singapura	156	2	153	2	Singaporean Dollar
India Rupee	184.320	39	184.320	39	India Rupee
Investasi jangka pendek					Short-term investments
Dolar AS	478.913.512	6.935.147	25.565.225	346.358	US Dollar
Piutang usaha					Trade receivables
Dolar AS	8.923.921	129.227	3.303.213	44.752	US Dollar
Piutang pihak berelasi					Due from related parties
Dolar AS	16.271.831	235.632	15.677.475	212.398	US Dollar
Piutang lain-lain					Other receivables
Dolar AS	8.788.039	127.260	8.788.039	119.060	US Dollar
Kas yang dibatasi penggunaannya					Restricted cash in banks
Dolar AS	653.968	9.470	1.809.201	24.511	US Dollar
Yen Jepang	3.230	424	334	40	Japanese Yen

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43. ASET DAN LIABILITAS MONETER DALAM MATA UANG ASING (Lanjutan)

43. MONETARY ASSETS AND LIABILITIES IN FOREIGN CURRENCIES (Continued)

	2018		2017		
	Mata Uang Asing (Angka Penuh)/ Original Currency (Full Amount)	Setara Rupiah/ Equivalent Rupiah	Mata Uang Asing (Angka penuh)/ Original Currency (Full Amount)	Setara Rupiah/ Equivalent Rupiah	
Dolar AS	514.954.547	7.457.057	56.546.582	766.092	US Dollar
Yen Jepang	4.756	624	788	95	Japanese Yen
Euro	5.423	90	-	-	Euro
Dolar Singapura	156	2	153	2	Singaporean Dollar
India Rupee	184.320	39	184.320	39	India Rupee
Total Aset		7.457.812		766.228	Total Assets
Liabilitas					Liabilities
Utang usaha					Trade payables
Dolar AS	7.761.042	112.598	13.251.801	179.535	US Dollar
Dolar Australia	20.608	210	-	-	Australian Dollar
Dolar Singapura	-	-	9.485	96	Singapore Dollar
Euro	-	-	582	9	Euro
Utang lain-lain					Other payables
Dolar AS	695.066	10.065	689.772	9.345	US Dollar
Biaya masih harus dibayar					Accrued expenses
Dolar AS	23.599.856	341.750	83.659.058	1.133.413	US Dollar
GBP	9.400	173	9.400	171	Pound Sterling
Dolar Singapura	3.858	41	1.785	18	Singapore Dollar
Dolar Hongkong	2.987	6	-	-	Hongkong Dollar
Pinjaman jangka pendek					Short-term loans
Dolar AS	106.082.171	1.536.176	18.542.350	251.212	US Dollar
Liabilitas derivatif					Derivative liabilities
Dolar AS	445.518.403	6.451.552	377.690.803	5.116.955	US Dollar
Pinjaman jangka panjang					Long-term loans
Dolar AS	103.000.000	1.610.239	246.982.821	3.346.123	US Dollar
Dolar AS	686.656.537	10.062.380	740.816.605	10.036.583	US Dollar
Dolar Australia	20.608	210	-	-	Australian Dollar
GBP	9.400	173	9.400	171	Pound Sterling
Dolar Singapura	3.858	41	11.270	114	Singapore Dollar
Dolar Hongkong	2.987	6	-	-	Hongkong Dollar
Euro	-	-	582	9	Euro
Total Liabilitas		10.062.810		10.036.877	Total Liabilities
Liabilitas - Neto		(2.604.998)		(9.270.649)	Net Liabilities

44. INSTRUMEN KEUANGAN

Tabel berikut menyajikan jumlah tercatat dan taksiran nilai wajar dari instrumen keuangan Kelompok Usaha yang dicatat di laporan posisi keuangan konsolidasian:

44. FINANCIAL INSTRUMENTS

The following table sets forth the carrying amounts and estimated fair values of Group's financial instruments that were carried on the consolidated statements of financial position:

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44. INSTRUMEN KEUANGAN (Lanjutan)

44. FINANCIAL INSTRUMENTS (Continued)

	2018		2017		
	Jumlah Tercatat/ Carrying Amounts	Nilai Wajar/ Fair Values	Jumlah Tercatat/ Carrying Amounts	Nilai Wajar/ Fair Values	
Aset Keuangan					Financial Assets
<u>Nilai wajar melalui laba rugi</u>					<u>Fair value through profit or loss</u>
Dana investasi	6.940.147	6.940.147	346.358	346.358	Investment funds
<u>Kas</u>	1.195	1.195	1.281	1.281	<u>Cash on hand</u>
<u>Diukur pada biaya perolehan diamortisasi</u>					<u>Measured at amortized cost</u>
Pinjaman yang diberikan dan piutang					Loans and receivables
Kas di bank dan setara kas	117.682	117.682	123.067	123.067	Cash in banks and cash equivalents
Deposito berjangka	2.200	2.200	2.200	2.200	Time deposit
Piutang usaha					Trade receivables
Pihak ketiga	796.424	796.424	391.994	391.994	Third parties
Pihak berelasi	11.837	11.837	305	305	Related parties
Piutang lain-lain - pihak ketiga	1.284.926	1.284.926	639.247	639.247	Other receivables - third parties
Aset lancar lainnya					Other current assets
Dana yang dibatasi penggunaannya	14.114	14.114	-	-	Restricted funds
Piutang pihak berelasi	280.803	280.803	259.267	259.267	Due from related parties
Piutang usaha jangka panjang	442.523	442.523	468.014	468.014	Long-term trade receivables
Aset tidak lancar lainnya					Other non-current assets
Kas di bank yang dibatasi penggunaannya	42.318	42.318	89.763	89.763	Restricted cash in banks
Piutang dari komisaris dan direktur	216	216	273	273	Receivable from commissioners and directors
Jaminan	1.273	1.273	1.328	1.328	Security deposits
Subtotal	2.994.316	2.994.316	1.975.458	1.975.458	Subtotal
<u>Aset keuangan tersedia untuk dijual</u>					<u>Available-for-sale financial assets</u>
Efek ekuitas tercatat	10.980	10.980	161.187	161.187	Quoted equity securities
Efek ekuitas tidak tercatat	263.067	263.067	251.825	251.825	Unquoted equity securities
Subtotal	274.047	274.047	413.012	413.012	Subtotal
Total Aset Keuangan	10.209.705	10.209.705	2.736.109	2.736.109	Total Financial Assets
Liabilitas Keuangan					Financial Liabilities
<u>Liabilitas keuangan pada FVTPL</u>					<u>Financial liability at FVTPL</u>
Liabilitas derivatif	6.451.552	6.451.552	5.116.955	5.116.955	Derivative liabilities
<u>Diukur pada biaya perolehan diamortisasi</u>					<u>Measured at amortized cost</u>
Pinjaman jangka pendek	551.562	551.562	670.829	670.829	Short-term loans
Utang usaha					Trade payables
Pihak ketiga	804.806	804.806	541.440	541.440	Third parties
Pihak berelasi	17.208	17.208	2.276	2.276	Related parties
Utang lain-lain					Other payables
Pihak ketiga	163.367	163.367	213.155	213.155	Third parties
Pihak berelasi	27.134	27.134	21.468	21.468	Related parties
Beban masih harus dibayar	799.729	799.729	1.484.343	1.484.343	Accrued expenses
Pinjaman jangka panjang	1.719.334	1.719.334	3.458.077	3.458.077	Long-term loans
Utang sewa pembiayaan	2.733	2.733	1.157	1.157	Finance lease payables
Pembiayaan murabahah	21.759	21.759	31.628	31.628	Murabahah financing
Pembiayaan musyarakah	82.084	82.084	89.109	89.109	Musyarakah financing
Utang pihak berelasi	198.495	198.495	199.112	199.112	Due to related parties
Subtotal	4.388.211	4.388.211	6.712.594	6.712.594	Subtotal
Total Liabilitas Keuangan	10.839.763	10.839.763	11.829.549	11.829.549	Total Financial Liabilities

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44. INSTRUMEN KEUANGAN (Lanjutan)

Metode dan asumsi berikut ini digunakan untuk mengestimasi nilai wajar untuk setiap kelompok instrumen keuangan yang praktis untuk memperkirakan nilai tersebut:

Aset dan liabilitas keuangan jangka pendek:

- Instrumen keuangan jangka pendek dengan jatuh tempo satu tahun atau kurang (kas dan setara kas, deposito berjangka, piutang usaha, piutang lain-lain, pinjaman jangka pendek, utang usaha, utang lain-lain dan beban masih harus dibayar).

Instrumen keuangan ini sangat mendekati nilai tercatat mereka karena jatuh tempo mereka dalam jangka pendek (tingkat 2).

- Instrumen keuangan yang diperdagangkan dan efek ekuitas yang tercatat.

Instrumen ini diukur pada nilai wajarnya dengan menggunakan teknik penilaian kuotasi harga pasar untuk instrumen tersebut (tingkat 1).

- Instrumen derivatif.

Nilai wajar dari instrumen derivatif yang dimiliki ditentukan dengan teknik penilaian tertentu, yang menggunakan data pasar yang dapat diobservasi, antara lain dengan mendiskontokan arus kas masa datang menggunakan suku bunga transaksi pasar terkini yang dapat diobservasi yang berlaku untuk instrumen dengan persyaratan, risiko kredit dan jatuh tempo yang sama (tingkat 2).

Aset dan liabilitas keuangan jangka panjang:

- Aset keuangan tidak lancar lainnya dan piutang pihak berelasi

Untuk aset keuangan tidak lancar lainnya yang tidak dikuotasi di harga pasar dan nilai wajarnya tidak dapat diukur secara andal tanpa menimbulkan biaya yang berlebihan, dicatat berdasarkan nilai nominal dikurangi penurunan nilai.

- Liabilitas keuangan jangka panjang dengan suku bunga tetap dan variabel (pinjaman jangka panjang dan utang sewa pembiayaan yang tidak dikuotasikan).

Nilai wajar dari liabilitas keuangan ini ditentukan dengan mendiskontokan arus kas masa datang menggunakan suku bunga yang berlaku dari transaksi pasar yang dapat diamati untuk instrumen dengan persyaratan, risiko kredit dan jatuh tempo yang sama (tingkat 2).

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44. FINANCIAL INSTRUMENTS (Continued)

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Short-term financial assets and liabilities:

- Short-term financial instruments with remaining maturities of one year or less (cash and cash equivalents, time deposits, trade receivables, other receivables, short-term loans, trade payables, other payables and accrued expenses).

These financial instruments approximate to carrying amounts largely due to their short-term maturities (level 2).

- Trading financial instruments and quoted equity instruments.

These instruments are measured at their fair values using quoted market prices existing for such instruments (level 1).

- Derivative instruments.

The fair values of derivative instruments were determined using valuation techniques, which maximizing the use of observable market data, among others by discounting future cash flows using applicable rates from observable current market transactions for instruments with similar terms, credit risk and remaining maturities (level 2).

Long-term financial assets and liabilities:

- Other non-current financial assets and due from related parties

Other non-current financial assets that are not stated at quoted market price and whose fair value cannot be reliably measured without incurring excessive costs, are carried at their nominal amounts less any impairment losses.

- Long-term fixed-rate and variable-rate financial liabilities (unquoted long-term loans and finance lease payables).

The fair value of these financial liabilities is determined by discounting future cash flows using applicable rates from observable current market transactions for instruments with similar terms, credit risk and remaining maturities (level 2).

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44. INSTRUMEN KEUANGAN (Lanjutan)

- Liabilitas keuangan yang tidak dikuotasi dalam pasar aktif (utang pihak berelasi)

Liabilitas keuangan ini dicatat berdasarkan nilai nominal karena nilai wajarnya tidak dapat diukur secara andal. Tidak praktis untuk memperkirakan nilai wajar dari instrumen keuangan ini dikarenakan tidak memiliki jangka waktu pembayaran yang tetap.

45. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO KEUANGAN

Risiko-risiko Keuangan

Kegiatan Kelompok Usaha terekspos terhadap berbagai risiko keuangan yaitu: risiko pasar (termasuk risiko suku bunga, risiko mata uang asing dan risiko harga), risiko kredit dan risiko likuiditas.

Tujuan manajemen risiko Kelompok Usaha secara keseluruhan adalah untuk secara efektif mengendalikan risiko-risiko ini dan meminimalisasi pengaruh kerugian yang dapat terjadi terhadap kinerja keuangan Kelompok Usaha. Direksi menelaah dan menyetujui kebijakan untuk mengendalikan setiap risiko ini, yang diringkas di bawah ini, dan juga memonitor risiko harga pasar dari semua instrumen keuangan.

a. Risiko Pasar

Risiko pasar adalah risiko yang dapat memengaruhi Kelompok Usaha akibat fluktuasi dari harga saham aset yang dimiliki, tingkat bunga dan kurs nilai tukar yang terkait dengan portofolio investasi sehingga berdampak pada posisi keuangan dan nilai investasi Kelompok Usaha di pasar, baik dari pergerakan yang tidak sesuai dengan harapan Perusahaan dan peningkatan volatilitas.

Identifikasi, penilaian, dan pemantauan risiko pasar dilakukan terhadap kinerja harga saham Perusahaan dan portofolio investasinya di pasar, volatilitas nilai tukar dan tingkat bunga. Faktor-faktor lain yang dinilai memiliki dampak atau kontribusi terhadap kinerja dan/atau volatilitas dari indikator risiko pasar tersebut yang dapat digunakan sebagai data pembandingan guna memperoleh akurasi penilaian risiko pasar, antara lain: kinerja fundamental keuangan Perusahaan dan portofolio investasinya, kondisi makroekonomi, serta informasi perkembangan industri terkait lainnya.

Sebagai langkah mitigasi terhadap risiko pasar, Kelompok Usaha melakukan hal-hal sebagai berikut:

- Menyampaikan laporan penilaian risiko secara berkala yang disampaikan kepada Komite Manajemen Risiko, CEO dan/atau pihak-pihak terkait lainnya untuk ditindaklanjuti dan dijadikan acuan dalam proses pengambilan keputusan. Adapun indikator hasil penilaian risiko pasar yang dilaporkan adalah risiko volatilitas dan eksposur risiko dalam nilai uang.

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44. FINANCIAL INSTRUMENTS (Continued)

- Financial liability not quoted on an active market (due to related parties)

This financial liability was carried at its nominal amount since its fair value cannot be reliably measured. It was not practical to estimate the fair value of this financial instrument because there was no fixed repayment term.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risks

The Group's activities expose it to a variety of financial risks namely: market risk (including interest rate risk, foreign currency risk and price risk), credit risk and liquidity risk.

The Group's overall risk management objective is to effectively manage these risks and minimize potential adverse effects on its financial performance. The Board of Directors reviews and approves the policies for managing each of these risks, which are summarized below, and also monitors the market price risks arising from all financial instruments.

a. Market Risk

Market risk refers to the risk that arises when the Group is confronted with fluctuations in share price of the assets owned, interest rates and exchange rates related to the investment portfolio that impact the Group's financial position and investment value on the market, both on market movement against the Company's expectations and volatility increase.

Identification, assessment, and monitoring of market risk are performed on market price performance of the Company's share and its investment portfolio, volatility of exchange rates and interest rates. Other factors considered to have impact on or contributing to performance and/or volatility of the market risk indicators that can be used as reference data in order to obtain accurate market risk assessment, are among others: the performance of the Company's financial fundamentals and its investment portfolio, macroeconomic conditions, as well as information on the development of other related industries.

As initiatives for mitigating market risk, the Group practices the following:

- Delivers periodic risk assessment report to the Risk Management Committee, CEO and/or other relevant parties to be followed-up and used as a reference in the decision-making process. The reported assessment result of market risk indicators are volatility risk and risk exposure to the value of money.

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**45. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO
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- Berkaitan dengan risiko ini, terdapat adanya dua tipe risiko yang harus dipertimbangkan, yaitu adanya eksposur nilai pasar yang berkurang dan eksposur nilai pasar yang meningkat. Pada eksposur pertama, tentunya jika Kelompok Usaha mengambil posisi yang mengasumsikan harga pasar yang meningkat, asumsi ini akan menyebabkan adanya risiko kerugian. Namun, pada eksposur kedua, jika Kelompok Usaha mengambil posisi mengasumsikan kejatuhan pasar, hal ini akan menyebabkan terjadinya risiko kesempatan kehilangan (*lost opportunity*). Berdasarkan kajian-kajian internal yang telah dilakukan dan dengan pengecekan pada beberapa kajian eksternal, Kelompok Usaha berkesimpulan bahwa terutama di negara berkembang pada umumnya, dan Indonesia pada khususnya, pasar akan mengalami peningkatan yang cukup tinggi seiring dengan laju pertumbuhan ekonomi di negara-negara di luar negara maju.
- Dalam hal ini, secara singkat, analisa internal menunjukkan bahwa risiko kesempatan yang hilang lebih besar daripada risiko kejatuhan pasar. Penempatan posisi portofolio Kelompok Usaha pada pasar yang sedang meningkat tersebut berkaitan dengan mitigasi faktor risiko pasar.
- Menetapkan limit risiko yang terdiri dari peringkat risiko (*risk rating*) berdasarkan volatilitas harga, rentang nilai beta, rentang nilai eksposur risiko yang masih dapat diterima, dan rentang nilai harga aset di pasar.

(1) Risiko Suku Bunga

Eksposur Kelompok Usaha terhadap risiko tingkat suku bunga terutama berasal dari simpanan di bank dan fasilitas pinjaman yang didasarkan pada tingkat suku bunga mengambang. Kelompok Usaha mengelola risiko keuangan ini dengan melakukan monitor terhadap tingkat suku bunga pasar.

Berdasarkan estimasi manajemen, sampai dengan tanggal pelaporan Perusahaan berikutnya, suku bunga mungkin meningkat/ menurun 150 basis poin dan 50 basis poin dibandingkan tingkat bunga pada tanggal 31 Desember 2018 dan 2017.

Jika suku bunga lebih tinggi/rendah 150 basis poin dan 50 basis poin dengan seluruh variabel lain tetap, maka dampak terhadap laba rugi dan ekuitas pada tanggal 31 Desember 2018 dan 2017 akan berupa peningkatan/penurunan beban bunga sekitar Rp22,0 miliar dan Rp31,9 miliar.

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**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND
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- Related to this particular risk, there are two types of risks that need to be considered, i.e., shrinking market value exposure and growing market value exposure. In the first exposure, if the Group takes a position that assumes that the market value is to grow, such a position will create a risk of loss. On the other hand, in the second exposure, if the Group takes a bearish position, it will create a risk of loss of opportunities. Based on internal analyses and through cross-checking with certain external analyses, the Group concludes that emerging markets in general, and that of Indonesia specifically, will expand as associated with the substantial economic growth experienced with countries outside the developed countries.
- In summary, internal analyses thus show that the risk of having loss of opportunity is greater than the risk of experiencing losses in a bear market. The Group portfolio's placement in growing markets is related to the market risk factor's mitigation initiatives.
- Sets risk limit that consists of risk rating based on price volatility, beta value range, the acceptable range of risk exposures, and the range of prices of assets on the market.

(1) Interest Rate Risk

The Group's exposure to interest rate risk is resulted from deposits with banks and credit facilities based on floating interest rates. The Group manages this financial risk by monitoring the market interest rates risk movement.

Based on management's estimate, until the Company's next reporting date, the interest rates may increase/ decrease by 150 basis points and 50 basis points, compared to the interest rate at December 31, 2018 and 2017, respectively.

If interest rate had been 150 basis points and 50 basis points higher/lower with all other variables held constant, the effect on December 31, 2018 and 2017 profit or loss and equity would have been an increase/a decrease of interest expense by approximately Rp22.0 billion and Rp31.9 billion, respectively.

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**45. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO
KEUANGAN (Lanjutan)**

(2) Risiko Mata Uang Asing

Kelompok Usaha terekspos risiko perubahan nilai tukar mata uang asing terutama dari biaya, aset dan liabilitas tertentu dalam Dolar AS, Dolar Singapura, Euro, GBP, Dolar Australia dan Yen yang timbul karena aktivitas pendanaan dan kegiatan operasional sehari-hari. Kelompok Usaha memonitor dan mengelola risiko ini dengan menyepadankan liabilitas keuangan dalam mata uang asing dengan aset keuangan dalam mata uang asing terkait dan melakukan pembelian atau penjualan mata uang asing saat diperlukan.

Manajemen memperkirakan bahwa nilai tukar Rupiah terhadap Dolar Amerika Serikat, Dolar Singapura, Euro, Dolar Australia dan Yen dapat melemah/menguat dalam kisaran hingga 2,0% dan 5,0% dibandingkan dengan nilai tukar pada tanggal 31 Desember 2018 dan 2017.

Jika Rupiah melemah/menguat hingga 2% untuk tahun 2018 dan 5% untuk tahun 2017 terhadap mata uang Dolar Amerika Serikat, Dolar Singapura, Euro, Dolar Australia dan Yen dengan seluruh variabel lain tetap, maka laba rugi dan ekuitas akan menjadi lebih tinggi/rendah masing-masing sekitar Rp60,0 miliar dan Rp46,1 miliar untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2018 dan 2017.

(3) Risiko Harga

Kelompok Usaha menghadapi risiko harga efek ekuitas karena perdagangan investasi efek dan investasi efek tersedia untuk dijual yang dimiliki oleh Kelompok Usaha. Untuk mengelola risiko harga yang timbul dari investasi pada efek ekuitas, Kelompok Usaha mendiversifikasi portofolionya. Diversifikasi portofolio dilakukan dalam batas-batas yang ditetapkan oleh Kelompok Usaha.

Dampak dari kenaikan atau penurunan indeks ekuitas sebesar 14% dan 30% pada tanggal 31 Desember 2018 dan 2017 dengan semua variabel lainnya konstan dan semua instrumen ekuitas Kelompok Usaha dipindahkan sesuai dengan korelasi historis indeks, laba rugi dan ekuitas untuk tahun yang berakhir pada tanggal-tanggal tersebut akan menjadi lebih tinggi/lebih rendah masing-masing sebesar Rp0,26 miliar dan Rp15,3 miliar.

**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND
POLICIES (Continued)**

(2) Foreign Currency Risk

The Group is exposed to changes in foreign currency exchange rate primarily from certain expenses, assets and liabilities in US Dollar, Singapore Dollar, Euro, Pound Sterling, Australian Dollar, and Yen which arise from financing activities and daily operations. The Group monitors and manages the risk by matching the foreign currency financial liabilities with relevant foreign currency assets and buying or selling foreign currencies at spot rate when necessary.

Management estimates that the exchange rate of Rupiah against US Dollar, Singapore Dollar, Euro, Australian Dollar and Yen may weaken/strengthen within a range of up to 2.0% and 5.0% compared to the exchange rate as of December 31, 2018 and 2017.

If Rupiah had weakened/strengthened by up to 2% for 2018 and 5% for 2017 against US Dollar, Singapore Dollar, Euro, Australian Dollar, and Yen with all other variables held constant, profit or loss and equity would have increased/decreased approximately by Rp60.0 billion and Rp46.1 billion for the years ended December 31, 2018 and 2017, respectively.

(3) Price Risk

The Group is exposed to equity securities price risk because of the trading securities investment and available for sale securities investments held by the Group. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done within the limits set by the Group.

The impact of increase or decrease on equity index amounting to 14% and 30% for December 31, 2018 and 2017 with all other variables held constant and all the Group's equity instruments moved according to the historical correlation of the index, profit or loss and equity for the years then ended would have been higher/lower amounting to Rp0.26 billion and Rp15.3 billion, respectively.

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**45. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO
KEUANGAN (Lanjutan)**

b. Risiko Kredit

Risiko kredit adalah risiko di mana arus kas yang telah dijanjikan dari piutang Kelompok Usaha maupun dari efek yang dipegang Kelompok Usaha tidak dibayar penuh atau gagal dibayar. Transaksi ini dapat bersumber dari berbagai aktivitas operasi dan investasi.

Proses identifikasi risiko kredit dilakukan terhadap berbagai faktor, yaitu antara lain: tujuan kredit dan sumber pembayaran; profil risiko terkini dari calon debitur; kecukupan dan kualitas agunan/jaminan; analisis kemampuan untuk membayar kembali; analisis kemampuan bisnis internal dan perbandingan (*benchmarking*) dengan industri sejenis; serta rencana mitigasi risiko debitur apabila mengalami gagal bayar. Dalam proses pengelolaan risiko kredit tersebut, Kelompok Usaha menetapkan suatu *limit* risiko yang harus dipatuhi dan dijadikan acuan dalam pengelolaan transaksi investasi dan non-investasi yang termasuk kategori risiko kredit.

Eksposur maksimum risiko kredit adalah sebagai berikut:

**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND
POLICIES (Continued)**

b. Credit Risk

Credit risk is the risk that promised cash flows from receivables and securities held by the Group are not paid in full or are subject to default. The transactions may come from various operating or investing activities.

Credit risk identification process is carried out on various factors, including among other things: the purpose of credit and sources of payment; current risk profile of prospective borrowers, the adequacy and quality of collateral; analysis of ability to pay back; internal business capabilities analysis and comparison (*benchmarking*) with similar industry, as well as risk mitigation plan if the debtor has defaulted. In the process of managing credit risk, the Group has set a limit of risk that must be observed and used as a reference in the management of investment and non-investment transactions that include credit risk category.

Maximum exposure to credit risk is as follows:

Akun	2018	2017	Accounts
<u>Nilai wajar melalui laba rugi</u>			<u>Fair value through profit or loss</u>
Dana investasi	6.940.147	346.358	Investment funds
<u>Pinjaman yang diberikan dan piutang</u>			<u>Loans and receivables</u>
Kas di bank dan setara kas	117.682	123.067	Cash in banks and cash equivalents
Deposito berjangka	2.200	2.200	Time deposits
Piutang usaha			Trade receivables
Pihak ketiga	796.424	391.994	Third parties
Pihak berelasi	11.837	305	Related parties
Piutang lain-lain - pihak ketiga	1.284.926	639.247	Other receivables - third parties
Aset lancar lainnya			Other current assets
Kas di bank yang dibatasi penggunaannya	14.114	-	Restricted cash in banks
Piutang pihak berelasi	280.803	259.267	Due from related parties
Piutang usaha jangka panjang	442.523	468.014	Long-term trade receivables
Aset tidak lancar lainnya			Other non-current assets
Kas di bank yang dibatasi penggunaannya	42.318	89.763	Restricted cash in banks
Piutang dari komisaris, dan direktur	216	273	Receivable from commissioners and directors
Jaminan	1.273	1.328	Security deposits
<u>Aset keuangan tersedia untuk dijual</u>			<u>Available-for-sale financial assets</u>
Efek ekuitas tercatat	10.980	161.187	Quoted equity securities
Efek ekuitas tidak tercatat	263.067	251.825	Unquoted equity securities
Total	10.208.510	2.734.828	Total

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**45. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO
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Analisis umur aset keuangan yang belum jatuh tempo atau tidak mengalami penurunan nilai dan yang lewat jatuh tempo pada akhir periode pelaporan tetapi tidak mengalami penurunan nilai adalah sebagai berikut:

**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND
POLICIES (Continued)**

The aging analysis of financial assets that are not yet due or are not impaired and were past due at the end of the reporting period but not impaired was as follows:

2018							
	Belum Jatuh Tempo ataupun Mengalami Penurunan Nilai/ <i>Neither Past Due nor Impaired</i>	Telah Jatuh Tempo tetapi Tidak Mengalami Penurunan Nilai/ <i>Past Due but Not Impaired</i>				Total/ Total	
		Kurang dari 3 bulan/ <i>Less than 3 months</i>	3 bulan - 6 bulan/ <i>3 months - 6 months</i>	6 bulan - 1 tahun/ <i>6 months - 1 year</i>	Lebih dari 1 tahun/ <i>Over 1 year</i>		
Nilai wajar diukur melalui laba rugi							<i>Fair value through profit or loss</i>
Dana investasi	6.940.147	-	-	-	-	6.940.147	<i>Investment funds</i>
Pinjaman yang diberikan dan piutang							<i>Loans and receivables</i>
Kas di bank dan setara kas	117.682	-	-	-	-	117.682	<i>Cash in banks and cash equivalents</i>
Deposito berjangka	2.200	-	-	-	-	2.200	<i>Time deposits</i>
Piutang usaha	116.240	284.704	262.846	64.482	79.989	808.261	<i>Trade receivables</i>
Piutang lain-lain	240.000	-	-	-	1.044.926	1.284.926	<i>Other receivables</i>
Aset lancar lainnya							<i>Other current assets</i>
Kas di bank yang dibatasi penggunaannya	14.114	-	-	-	-	14.114	<i>Restricted cash in banks</i>
Piutang pihak berelasi	280.803	-	-	-	-	280.803	<i>Due from related parties</i>
Piutang usaha jangka panjang	442.523	-	-	-	-	442.523	<i>Long-term trade receivables</i>
Aset tidak lancar lainnya							<i>Other non-current assets</i>
Kas di bank yang dibatasi penggunaannya	42.318	-	-	-	-	42.318	<i>Restricted cash in banks</i>
Piutang dari komisaris, dan direktur	216	-	-	-	-	216	<i>Receivable from commissioners and directors</i>
Jaminan	1.273	-	-	-	-	1.273	<i>Security deposits</i>
Aset keuangan tersedia untuk dijual							<i>Available-for-sale financial assets</i>
Efek ekuitas tercatat	10.980	-	-	-	-	10.980	<i>Quoted equity securities</i>
Efek ekuitas tidak tercatat	263.067	-	-	-	-	263.067	<i>Unquoted equity securities</i>
Total	8.471.563	284.704	262.846	64.482	1.124.915	10.208.510	Total

2017							
	Belum Jatuh Tempo ataupun Mengalami Penurunan Nilai/ <i>Neither Past Due nor Impaired</i>	Telah Jatuh Tempo tetapi Tidak Mengalami Penurunan Nilai/ <i>Past Due but Not Impaired</i>				Total/ Total	
		Kurang dari 3 bulan/ <i>Less than 3 months</i>	3 bulan - 6 bulan/ <i>3 months - 6 months</i>	6 bulan - 1 tahun/ <i>6 months - 1 year</i>	Lebih dari 1 tahun/ <i>Over 1 year</i>		
Nilai wajar diukur melalui laba rugi							<i>Fair value through profit or loss</i>
Dana investasi	346.358	-	-	-	-	346.358	<i>Investment funds</i>
Pinjaman yang diberikan dan piutang							<i>Loans and receivables</i>
Kas di bank dan setara kas	123.067	-	-	-	-	123.067	<i>Cash in banks and cash equivalents</i>
Deposito berjangka	2.200	-	-	-	-	2.200	<i>Time deposits</i>
Piutang usaha	59.697	120.012	148.089	62.856	1.645	392.299	<i>Trade receivables</i>
Piutang lain-lain	240.000	-	-	-	399.247	639.247	<i>Other receivables</i>
Piutang pihak berelasi	259.267	-	-	-	-	259.267	<i>Due from related parties</i>

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**45. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO
KEUANGAN (Lanjutan)**

**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND
POLICIES (Continued)**

2017							
	Belum Jatuh Tempo ataupun Mengalami Penurunan Nilai/ Neither Past Due nor Impaired	Telah Jatuh Tempo tetapi Tidak Mengalami Penurunan Nilai/ Past Due but Not Impaired				Total/ Total	
		Kurang dari 3 bulan/ Less than 3 months	3 bulan - 6 bulan/ 3 months - 6 months	6 bulan - 1 tahun/ 6 months - 1 year	Lebih dari 1 tahun/ Over 1 year		
Piutang usaha							Long-term
jangka panjang	468.014	-	-	-	-	468.014	trade receivables
Aset tidak lancar lainnya							Other non-current assets
Kas di bank yang							Restricted
dibatasi penggunaannya:	89.763	-	-	-	-	89.763	cash in banks
Piutang dari komisaris,							Receivable from
dan direktur	273	-	-	-	-	273	commissioners
Jaminan	1.328	-	-	-	-	1.328	and directors
							Security deposits
Aset keuangan tersedia							Available-for-sale
untuk dijual							financial assets
Efek ekuitas							Quoted equity
tercatat	161.187	-	-	-	-	161.187	securities
Efek ekuitas							Unquoted equity
tidak tercatat	251.825	-	-	-	-	251.825	securities
Total	2.002.979	120.012	148.089	62.856	400.892	2.734.828	Total

Pada tanggal 31 Desember 2018 dan 2017, piutang usaha yang secara individual mengalami penurunan nilai masing-masing sebesar Rp223,8 miliar dan Rp198,2 miliar terutama sehubungan dengan pelanggan yang secara tidak terduga mengalami situasi ekonomi yang sulit dan belum membayar piutang tersebut selama lebih dari dua (2) tahun dari tanggal jatuh tempo. Manajemen menilai bahwa sebagian dari piutang tersebut diharapkan dapat dipulihkan.

As of December 31, 2018 and 2017, individually impaired trade receivables, other receivables and due from related parties totaling to Rp223.8 billion and Rp198.2 billion, respectively, mainly relate to customers who are unexpectedly facing difficult economic situations and have not paid these receivables for more than two (2) years from due dates. The management assessed that a portion of these receivables is expected to be recovered.

c. Risiko Likuiditas

Risiko likuiditas adalah risiko atau kerugian yang mungkin diderita ketika ada pelunasan liabilitas segera yang menyebabkan Kelompok Usaha berada dalam posisi harus melikuidasi aset dalam waktu sangat singkat dan dengan harga rendah. Termasuk dalam kategori risiko likuiditas yang harus dikelola adalah risiko likuiditas aset dan risiko ketersediaan arus kas. Risiko likuiditas aset dihasilkan dari posisi pelaku pasar dengan jumlah besar telah memengaruhi harga sekuritas aset Kelompok Usaha di pasar. Karena itu, risiko likuiditas aset Kelompok Usaha banyak tergantung kepada fluktuasi harga saham di pasar, yang dipengaruhi oleh beberapa faktor yaitu: besarnya volume transaksi aset saham, selisih antara harga penawaran dan permintaan di pasar, dari jumlah nilai pasar dari saham yang beredar. Dampak risiko ini terhadap Kelompok Usaha adalah munculnya kewajiban untuk menambah nilai jaminan pinjaman Kelompok Usaha kepada pihak terkait sesuai dengan perjanjian yang disepakati. Risiko arus kas muncul akibat ketidaktersediaan dana tunai Kelompok Usaha untuk membayar pokok dan/atau bunga yang telah jatuh tempo.

c. Liquidity Risk

Liquidity risk is the risk incurred when a surge in liability withdrawals may put the Group in a position of having to liquidate assets in a very short period of time and at low prices. Included in the category of liquidity risk to be managed are the asset liquidity risk and cash flow availability. Asset liquidity risk resulting from the large quantity positions taken by market participants has affected the securities market price of the Group's assets. Therefore, liquidity risk on the assets of the Group depends largely on stock price fluctuations on the market, which is influenced by several factors: the volume of transactions of shares assets, the difference between bid and ask price on the market, and the total market value of shares outstanding. The impact of risk on the Group is the top-up obligations to increase the value of the Group's loan collateral to related parties in accordance with the agreed contract. Cash flow risk arises due to lack of cash availability for the Group to pay principal and/or interest that become due.

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Sebagai langkah mitigasi terhadap risiko likuiditas, maka Kelompok Usaha melakukan hal-hal sebagai berikut:

- Pemantauan eksposur risiko likuiditas aset Kelompok Usaha dan risiko ketersediaan arus kas yang diikuti oleh pengujian kondisi model keuangan Kelompok Usaha di dalam situasi yang sulit (*stress testing*);
- Hasil uji di atas dipakai selanjutnya untuk mengidentifikasi faktor-faktor risiko berdasarkan skala sensitivitasnya pada kinerja keuangan Kelompok Usaha yang akan menuntun Kelompok Usaha untuk pengambilan langkah-langkah pencegahan lebih spesifik;
- Upaya-upaya berkesinambungan, jika memungkinkan, dan lebih menguntungkan Kelompok Usaha untuk melakukan proses pelunasan utang melalui skema tanpa penggunaan arus kas adalah bentuk lain dari mitigasi risiko likuiditas ini.

Tabel di bawah menunjukkan analisis jatuh tempo liabilitas keuangan Kelompok Usaha dalam rentang waktu yang menunjukkan jatuh tempo kontraktual untuk semua liabilitas keuangan non-derivatif dan instrumen keuangan derivatif yang diperlukan dalam pemahaman jatuh tempo kebutuhan arus kas. Jumlah yang diungkapkan dalam tabel juga termasuk arus kas kontraktual yang tidak terdiskonto (yang terdiri dari saldo pokok terutang ditambah pembayaran bunga yang akan datang, jika ada) yang mungkin berbeda dengan jumlah tercatat liabilitas keuangan pada tanggal pelaporan.

**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND
POLICIES (Continued)**

As initiatives for mitigating liquidity risk, the Group practices the following:

- Monitors liquidity risk exposure of Group assets and the availability of cash flow risk, followed by testing the model conditions in the Group's financial model in a difficult situation (*stress testing*);
- The above test results are then used to identify risk factors based on the scale of sensitivity on the financial performance of the Group which will lead the Group to take more specific preventive measures;
- Ongoing attempts to obtain non-cash debt settlement that may benefit the Group more, if possible, are other forms of liquidity risk mitigation initiatives.

The following tables analyze the Group's financial liabilities into its relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities and derivative financial instruments which are essential in understanding the timing of cash flows requirements. The amounts disclosed in the table are the contractual undiscounted cash flows (consisting of outstanding principal balance plus future interest payments, if any) which may differ to the carrying amounts of the financial liabilities at the reporting dates.

Jumlah Arus Kas Kontraktual yang Tidak Terdiskonto/ Contractual Undiscounted Cash Flows Amounts					
Jumlah Tercatat/ Carrying Amounts	Kurang dari 1 tahun/ Less than 1 year	Antara 1 dan 5 tahun/ Between 1 and 5 years	Lebih dari 5 tahun/ Over 5 years		
Tanggal 31 Desember 2018					As of December 31, 2018
Pinjaman jangka pendek	551.562	551.562	-	-	Short-term loans
Utang usaha	822.014	822.014	-	-	Trade payables
Utang lain-lain	190.501	190.501	-	-	Other payables
Beban masih harus dibayar	799.729	799.729	-	-	Accrued expenses
Pinjaman jangka panjang	1.719.334	1.534.015	185.319	-	Long-term loans
Utang sewa pembiayaan	2.733	935	1.798	-	Finance lease payable
Pembiayaan musyarakah	21.759	11.304	10.455	-	Musyarakah financing
Pembiayaan murabahah	82.084	22.865	59.219	-	Murabahah financing
Utang pihak berelasi	198.495	-	198.495	-	Due to related parties
Total	4.388.211	3.932.925	455.286	-	Total
Tanggal 31 Desember 2017					As of December 31, 2017
Pinjaman jangka pendek	670.829	670.829	-	-	Short-term loans
Utang usaha	543.716	543.716	-	-	Trade payables
Utang lain-lain	234.623	234.623	-	-	Other payables

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**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND
POLICIES (Continued)**

Jumlah Arus Kas Kontraktual yang Tidak Terdiskonto/ Contractual Undiscounted Cash Flows Amounts					
Jumlah Tercatat/ Carrying Amounts	Kurang dari 1 tahun/ Less than 1 year	Antara 1 dan 5 tahun/ Between 1 and 5 years	Lebih dari 5 tahun/ Over 5 years		
Beban masih harus dibayar	1.484.343	1.484.343	-	-	Accrued expenses
Pinjaman jangka panjang	3.458.077	3.412.438	45.639	-	Long-term loans
Utang sewa pembiayaan	1.157	334	823	-	Finance lease payable
Pembiayaan musyarakah	31.628	9.863	21.765	-	Musyarakah financing
Pembiayaan murabahah	89.109	19.146	69.963	-	Murabahah financing
Utang pihak berelasi	199.112	-	199.112	-	Due to related parties
Total	6.712.594	6.375.292	337.302	-	Total

Pengelolaan Modal

Tujuan utama dari pengelolaan modal Kelompok Usaha adalah untuk memastikan bahwa dipertahankannya peringkat kredit yang kuat dan rasio modal yang sehat agar dapat mendukung kelancaran usahanya dan memaksimalkan nilai dari pemegang saham. Kelompok Usaha mengelola struktur modalnya dan membuat penyesuaian-penyesuaian sehubungan dengan perubahan kondisi ekonomi dan karakteristik dari risiko usahanya. Agar dapat menjaga dan menyesuaikan struktur modalnya, Kelompok Usaha akan menyesuaikan jumlah dari pembayaran dividen kepada para pemegang saham atau tingkat pengembalian modal atau menerbitkan surat saham. Tidak ada perubahan dalam tujuan, kebijakan dan proses, dan sama seperti penerapan tahun-tahun sebelumnya.

Kelompok Usaha memonitor struktur modalnya dengan menggunakan rasio utang terhadap modal dimana total utang dibagi dengan total modal. Total utang ini adalah utang pokok dari pinjaman yang berbunga dan total modal adalah total ekuitas yang dapat diatribusikan kepada pemilik entitas induk.

Perhitungan rasio utang terhadap modal adalah sebagai berikut:

	2018	2017
Pinjaman berbunga		
Ekuitas yang dapat diatribusikan kepada pemilik entitas induk	8.826.291	9.366.598
	2.685.925	(5.365.886)
Rasio Utang terhadap Modal	3,29	(1,75)

Kelompok Usaha tidak tunduk pada persyaratan modal yang ditetapkan oleh pihak luar pada tahun 2018 dan 2017.

Capital Management

The main objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments with respect to changes in economic conditions and the characteristics of its business risks. In order to maintain and adjust its capital structure, the Group may adjust the amount of dividend payments to shareholders, return capital structure or issue shares certificates. No changes have been made in the objectives, policies and processes as they have been applied in previous years.

The Group monitors its use of capital structure using a debt-to-equity ratio which is total debt divided by total equity. Total debt represents interest bearing borrowings, while equity represents total equity attributable to owners of the parent.

Calculation of debt-equity ratio were as follows:

Interest-bearing borrowings
Equity attributable to owners
of the parent

Debt-to-Equity Ratio

The Group was not subject to externally imposed capital requirements in 2018 and 2017.

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46. KUASI-REORGANISASI

Sampai dengan tanggal 30 Juni 2011, Perusahaan mencatat saldo defisit sebesar Rp27.664,6 miliar. Saldo ini merupakan akumulasi defisit dari dua krisis finansial yang menimpa Indonesia dan dunia, yakni krisis finansial Asia di tahun 1998 dan resesi global di tahun 2008. Mayoritas defisit ini merupakan akumulasi dari kerugian bersih Perusahaan sebesar Rp16,5 triliun di tahun 2008, Rp1,7 triliun di tahun 2009 dan Rp7,6 triliun di tahun 2010.

Untuk mengeliminasi defisit, Perusahaan melakukan kuasi-reorganisasi sesuai dengan PSAK No. 51 (Revisi 2003) dengan menggunakan laporan posisi keuangan tanggal 30 Juni 2011 yang disetujui oleh para pemegang saham Perusahaan melalui Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) yang diselenggarakan pada tanggal 6 Oktober 2011, yang diaktakan dengan Akta Notaris No. 26 oleh Humbert Lie, S.H., S.E., M.Kn tanggal 6 Oktober 2011.

Pengeliminasian saldo defisit Perusahaan dilakukan dengan urutan prioritas sebagai berikut:

	30 Juni/June 30, 2011	
Defisit	(27.664.605)	Deficit
		<i>Difference in value from restructuring transactions of entities under common control</i>
Selisih nilai transaksi restrukturisasi entitas sepengendali	(5.265.443)	
Rugi investasi jangka pendek yang belum terealisasi	(2.059.762)	<i>Unrealized loss on short-term investments</i>
Surplus revaluasi aset tetap	993.308	<i>Revaluation surplus of fixed assets</i>
Selisih transaksi perubahan ekuitas entitas asosiasi dan entitas anak	273.699	<i>Difference in equity transactions of associated entities and subsidiaries</i>
Tambahan modal disetor	24.471.354	<i>Additional paid-in capital</i>
Agio saham dari penurunan nilai nominal saham	9.251.449	<i>Share premium from decline in par value of share</i>
Neto	-	Net

Penentuan nilai wajar aset tetap Perusahaan dan Entitas Anak pada tanggal 30 Juni 2011 telah dilaksanakan oleh KJPP Nana, Imaddudin & Rekan, penilai independen, dalam laporannya tanggal 28 September 2011 dengan menggunakan metode penilaian kembali memakai Pendekatan Data Pasar dengan Perbandingan Data Pasar dan Metode Pendekatan Biaya. Selain itu, penentuan nilai wajar dari aset selain aset tetap dan utang dari Kelompok Usaha pada tanggal 30 Juni 2011 telah dilaksanakan oleh KJPP Jennywati, Kusnanto & Rekan, penilai independen, dalam laporannya tanggal 3 Oktober 2011 menggunakan Metode Penyesuaian Aset Neto.

Berdasarkan laporan penilai independen tanggal 30 Juni 2011, Perusahaan mencatat surplus penilaian kembali aset tetap berdasarkan selisih lebih nilai wajar aset tetap Perusahaan dan Entitas Anak dibandingkan dengan nilai buku sebesar Rp1,1 triliun yang diatribusikan kepada pemilik entitas induk dan kepentingan nonpengendali sebagai berikut:

As of June 30, 2011, the Company recorded a deficit balance of Rp27,664.6 billion. This balance represents the accumulated deficit of two financial crises that hit Indonesia and the world, namely the Asian financial crisis in 1998 and the global recession in 2008. The majority of this deficit is an accumulation of the Company's net loss of Rp16.5 trillion in 2008, Rp1.7 trillion in 2009 and Rp7.6 trillion in 2010.

In order to eliminate the deficit, the Company conducted a quasi-reorganization in accordance with PSAK No. 51 (Revised 2003) using statement of financial position dated June 30, 2011 which was approved by the shareholders of the Company during the Extraordinary General Meeting of Shareholders (EGMS) held on October 6, 2011, of which the minutes was notarized by Notarial Deed No. 26 of Humbert Lie, S.H., S.E., M.Kn dated October 6, 2011.

Elimination of the Company's deficit were made in the following order of priority:

The determination of fair values of fixed assets of the Company and certain Subsidiaries as of June 30, 2011 was performed by KJPP Nana, Imaddudin & Rekan, an independent appraiser, in its report dated September 28, 2011 using revaluation methods employing the Market Data Approach such as Market Data Comparison and Cost Approach Method. Moreover, the determination of fair values of the assets other than fixed assets and liabilities of the Group as of June 30, 2011 was performed by KJPP Jennywati, Kusnanto & Rekan, an independent appraiser, in its report dated October 3, 2011 using Net Asset Adjustment Method.

Based on the reports of the independent appraisers as of June 30, 2011, the Company recorded a revaluation surplus of fixed assets based on the difference over the fair value of fixed assets of the Company and Subsidiaries compared to book values amounting to Rp1.1 trillion which are attributable to the owners of the parent entity and the non-controlling interest as follows:

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46. KUASI-REORGANISASI (Lanjutan)

46. QUASI-REORGANIZATION (Continued)

	30 Juni/June 30, 2011	
Surplus revaluasi aset tetap	1.133.783	Revaluation surplus of fixed assets
Diatribusikan kepada:		Attributable to:
Pemilik entitas induk	993.308	Owners of the parent
Kepentingan nonpengendali	140.475	Non-controlling interest
Total	1.133.783	Total

47. KELANGSUNGAN USAHA

47. GOING CONCERN

Kelompok Usaha telah mengalami kerugian berulang dari kegiatan usahanya yang mengakibatkan defisit sebesar Rp19,9 triliun dan Rp18,6 triliun masing-masing pada tanggal 31 Desember 2018 dan 2017, dan total liabilitas jangka pendek Kelompok Usaha telah melebihi total aset lancarnya sebesar Rp282,43 miliar dan Rp9,1 triliun masing-masing pada tanggal 31 Desember 2018 dan 2017. Kondisi ini sebagian besar disebabkan oleh rugi penurunan nilai investasi, rugi neto pada entitas asosiasi dan pengendalian bersama dan perubahan nilai wajar derivatif. Pada tanggal 31 Desember 2018, Kelompok Usaha memiliki pinjaman yang telah jatuh tempo dan sedang melakukan negosiasi dengan krediturnya untuk merestrukturisasi pinjamannya.

Sehubungan dengan hal tersebut, manajemen telah membuat langkah-langkah dan rencana untuk menghadapi hal tersebut antara lain, sebagai berikut:

- a. Restrukturisasi utang melalui konversi utang menjadi saham.
- b. Peningkatan modal melalui penerbitan saham dan penjualan aset.
- c. Mengurangi investasi dalam bentuk saham.
- d. Fokus dalam pengembangan kegiatan usaha manufaktur.
- e. Mengembangkan proyek infrastruktur utama untuk mendapatkan sumber pendapatan yang berkelanjutan.

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian ini, Perusahaan dalam proses finalisasi restrukturisasi dengan beberapa kreditur dalam rangka konversi utang menjadi saham.

The Group has incurred recurrent losses from its operations resulting in incurred deficits amounting to Rp19.9 trillion and Rp18.6 trillion as of December 31, 2018 and 2017, respectively, and the Group's total current liabilities exceeding its total current assets amounting to Rp282.43 billion and Rp9.1 trillion, as of December 31, 2018 and 2017, respectively. This was mainly caused by the impairment losses of investments, net loss of associates and jointly controlled entities and fair value changes of derivatives. As of December 31, 2018, the Group has matured loans and undergoing discussion with its creditors to restructure the loans.

In relation to this matter, management has taken actions and plans to address the going concern issue through, which include among others, the following measures:

- a. Debt restructuring through debt to equity conversion.
- b. Increase in capital raise through rights issue and asset disposal.
- c. Reduction in investment in shares.
- d. Focus in growing the manufacturing business operations.
- e. Develop main infrastructure projects to tap on sources of recurring income.

As of completion date of the consolidated financial statements, the Company still in process finalization of the restructuring with the creditors in the conversion of debt into shares.

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48. INFORMASI TAMBAHAN ARUS KAS

- a. Aktivitas yang tidak memengaruhi arus kas adalah sebagai berikut:

48. SUPPLEMENTARY CASH FLOWS INFORMATION

- a. Activities not affecting cash flows were as follows:

	2018	2017	
Penyelesaian pinjaman jangka panjang dengan OWK	8.799.591	-	Settlement of long-term loans through MCB
Penambahan investasi jangka pendek melalui pinjaman jangka panjang	6.510.026	-	Additional short-term investment through long-term loan
Reklasifikasi bunga yang masih harus dibayar menjadi pinjaman jangka panjang	713.776	73.793	Reclassification of accrued interest to long-term loans
Penyelesaian pinjaman jangka panjang dengan penerbitan saham baru	453.586	-	Settlement of long-term loans through issuance of new share capital
Penerbitan saham dengan OWK	381.243	822.905	Issuance of shares through MCB
Reklasifikasi denda yang masih harus dibayar menjadi pinjaman jangka panjang	318.346	-	Reclassification of accrued penalty to long-term loans
Penyelesaian pinjaman jangka panjang dengan efek tersedia untuk dijual	148.119	-	Settlement of long-term loans through available-for-sale securities
Penyelesaian pinjaman jangka pendek dengan penerbitan saham baru	100.394	-	Settlement of short-term loans through issuance of new share capital
Reklasifikasi pinjaman jangka pendek menjadi pinjaman jangka panjang	65.690	-	Reclassification of short-term loans to long-term loans
Akuisisi entitas anak baru melalui pengalihan piutang lain-lain	36.000	-	Acquisition of new subsidiary through novation of other receivables
Penyelesaian pinjaman jangka pendek dengan OWK	30.679	656.254	Settlement of short-term loans through MCB
Reklasifikasi aset dalam penyelesaian menjadi aset tetap	559	25.337	Reclassification of construction-in-progress to fixed assets
Reklasifikasi investasi pada entitas pengendalian bersama menjadi kelompok lepasan yang dimiliki untuk dijual	162	-	Reclassification of investment in jointly controlled entities to disposal group held for sale
Reklasifikasi pembiayaan Musyarakah dari pembiayaan Murabahah	-	37.044	Reclassification of Murabahah financing from Murabahah financing
Utang pihak berelasi termasuk dalam keuntungan dari kelompok pelepasan	-	21.235	Due to related parties included as gain from disposal group
Reklasifikasi biaya pengembangan proyek menjadi piutang lain-lain	-	18.981	Reclassification of project development costs to other receivables
Pelepasan tanah melalui pengampunan pajak	-	9.378	Disposal of land through tax amnesty
Penyelesaian bunga dan denda masih harus dibayar dengan OWK	-	-	Settlement of accrued interest and penalty through MCB

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48. INFORMASI TAMBAHAN ARUS KAS (Lanjutan)

- b. Rekonsiliasi liabilitas dari aktivitas pendanaan adalah sebagai berikut:

	Saldo 1 Januari/ Balance as of January 1, 2018	Arus kas - neto/ Cash flows net	Foreign exchange movement	Reklasifikasi Reclassification	Lain-lain/ Others	Saldo 31 Desember/ Balance as of December 31, 2018	
Pinjaman jangka pendek	670.829	(6.565)	12.555	(196.763)	71.506	551.562	Short-term loans
Utang pihak berelasi	199.112	(411)	(270)	-	64	198.495	Due to related parties
Pinjaman jangka panjang	3.458.077	(44.968)	149.486	(1.925.242)	81.981	1.719.334	Long-term loans
Utang sewa pembiayaan	1.157	(226)	-	-	1.802	2.733	Finance lease payables
Pembiayaan murabahah	31.628	(9.869)	-	-	-	21.759	Murabahah financing
Pembiayaan musyarakah	89.109	(7.025)	-	-	-	82.084	Musyarakah financing
Total	4.449.912	(69.064)	161.771	(2.122.005)	155.353	2.575.967	Total

**48. SUPPLEMENTARY CASH FLOWS INFORMATION
(Continued)**

- b. Reconciliation of liabilities from funding activities is as follows:

**49. KELOMPOK LEPASAN YANG DIKLASIFIKASIKAN
SEBAGAI DIMILIK UNTUK DIJUAL**

Pada tanggal 13 September 2018, PT Bakrie Power (BP), Entitas Anak, (sebagai "Penjual") dan Willow Dene Ltd (sebagai "Pembeli") menandatangani Perjanjian Jual Beli Saham Bersyarat (PJBSB) dimana BP akan menjual 70% bagian di PT Kalimantan Prima Power, 7% bagian PT Guruh Agung dan 7% bagian PT Citra Prima Buana dengan imbalan sebesar USD5.000.000 yang tunduk pada syarat dan ketentuan yang tercantum dalam PJBSB.

Para Pihak sepakat bahwa pengalihan hak dan kewajiban dari saham penjualan tunduk para pemenuhan atau pembebasan dari kondisi seperti yang disebutkan dalam PJBSB.

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, BP masih membutuhkan pemenuhan persyaratan dalam PJBSB.

Pada tanggal 31 Desember 2018, jumlah tercatat investasi pada entitas pengendalian bersama sebesar Rp162 juta direklasifikasi ke aset lancar pada kelompok lepasan yang diklasifikasikan sebagai dimiliki untuk dijual.

49. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On September 13, 2018, PT Bakrie Power (BP), a Subsidiary (the "Seller") and Willow Dene Ltd (the "Buyer") entered into a Conditional Sale and Purchase Agreement (CSPA) wherein BP will sell 70% share in PT Kalimantan Prima Power (KPP), 7% share in PT Guruh Agung and 3% share in PT Citra Prima Buana for initial consideration of USD5,000,000 subject to terms and conditions set forth in the CSPA.

The Parties agreed that the transfer of rights and obligations of the sale of shares are subject to the satisfaction or waiver of the conditions mentioned in the CSPA.

As of the completion date of the consolidated financial statements, BP is seeking fulfilling the conditions in the CSPA.

As of December 31, 2018, the carrying amount of investments in jointly controlled entities amounting to Rp162 million was reclassified to current assets as disposal group classified as held for sale.

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50. REKLASIFIKASI DAN PENYAJIAN KEMBALI

a. Reklasifikasi

Beberapa angka pebandingan dalam laporan posisi keuangan konsolidasian pada tanggal 31 Desember 2017 dan 1 Januari 2017/31 Desember 2016 dan laporan arus kas konsolidasian untuk tahun yang berakhir pada tanggal 31 Desember 2017 telah direklasifikasi agar sesuai dengan penyajian laporan keuangan tahun 2018. Reklasifikasi tersebut adalah sebagai berikut:

	31 Desember/December 31, 2017			
	Dilaporkan Sebelumnya/ <i>Previously Reported</i>	Reklasifikasi/ <i>Reclassifications</i>	Direklasifikasi/ <i>As Reclassified</i>	
Laporan posisi keuangan konsolidasian				Consolidated statement of financial position
Aset lancar				Current assets
Piutang usaha				Trade receivables
Pihak ketiga	441.928	(49.934)	391.994	Third parties
Pihak berelasi	14.439	(14.134)	305	Related parties
Piutang lain-lain - pihak ketiga	658.823	(19.576)	639.247	Other receivables - third parties
Tagihan bruto kepada pelanggan	-	118.279	118.279	Gross amounts due from customers
Aset tidak lancar				Non-current assets
Piutang pihak berelasi	256.538	2.729	259.267	Due from related parties
Biaya ditangguhkan - neto	509	(509)	-	Deferred charges - net
Aset tidak lancar lainnya	187.876	(2.220)	185.656	Other non-current assets
Liabilitas jangka pendek				Current liabilities
Utang bruto kepada pelanggan	-	34.635	34.635	Gross amounts due to customers
Liabilitas jangka panjang yang jatuh tempo dalam satu tahun				Current maturities of long-term liabilities
Pinjaman jangka panjang	3.441.447	(29.009)	3.412.438	Long-term loans
Pembiayaan murabahah	-	9.863	9.863	Murabahah financing
Pembiayaan musyarakah	-	19.146	19.146	Musyarakah financing
Liabilitas jangka panjang				Non-current liabilities
Liabilitas jangka panjang - setelah dikurangi bagian yang jatuh tempo dalam satu tahun				Long-term liabilities - net of current maturities
Pinjaman jangka panjang	137.367	(91.728)	45.639	Long-term loans
Pembiayaan murabahah	-	21.765	21.765	Murabahah financing
Pembiayaan musyarakah	-	69.963	69.963	Musyarakah financing
Laporan arus kas konsolidasian				Consolidated statement of cash flows
Aktivitas operasi				Operating activities
Pembayaran untuk:				Cash paid for:
Beban bunga	(50.667)	13.217	(37.450)	Interest expense
Beban bagi hasil musyarakah	-	(5.554)	(5.554)	Musyarakah sharing expense
Beban murabahah	-	(7.663)	(7.663)	Murabahah expense

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50. REKLASIFIKASI DAN PENYAJIAN KEMBALI
(Lanjutan)

50. RECLASSIFICATIONS AND RESTATEMENTS
(Continued)

31 Desember/December 31, 2017				
Dilaporkan Sebelumnya/ Previously Reported	Reklasifikasi/ Reclassifications	Direklasifikasi/ As Reclassified		
Aktivitas pendanaan				Financing activities
Penerimaan dari:				Proceeds from:
Pinjaman jangka panjang	41.570	(17.810)	23.760	Long-term loans
Pembiayaan musyarakah	-	17.810	17.810	Musyarakah financing
Pembayaran untuk:				Payments for:
Pinjaman jangka pendek	(478.153)	11.786	(466.367)	Short-term loans
Pinjaman jangka panjang	(69.101)	18.108	(50.993)	Long-term loans
Pembiayaan musyarakah	-	(18.038)	(18.038)	Musyarakah financing
Pembiayaan murabahah	-	(11.856)	(11.856)	Murabahah expense
1 Januari/January 1, 2017				
31 Desember/December 31, 2016				
Dilaporkan Sebelumnya/ Previously Reported	Penyesuaian/ Adjustments	Direklasifikasi/ As Reclassified		
Laporan posisi keuangan konsolidasian				Consolidated statement of financial position
Liabilitas jangka pendek				Current liabilities
Pinjaman jangka pendek - pihak ketiga	1.712.927	(4.786)	1.708.141	Short-term loans - third parties
Pembiayaan musyarakah jangka pendek	-	4.786	4.786	Short-term musyarakah financing
Liabilitas jangka panjang yang jatuh tempo dalam satu tahun				Current maturities of long-term liabilities
Pinjaman jangka panjang	3.438.208	(76.642)	3.361.566	Long-term loans
Pembiayaan murabahah	-	65.849	65.849	Murabahah financing
Pembiayaan musyarakah	-	10.793	10.793	Musyarakah financing
Liabilitas jangka panjang				Non-current liabilities
Liabilitas jangka panjang - setelah dikurangi bagian yang jatuh tempo dalam satu tahun				Long-term liabilities - net of current maturities
Pinjaman jangka panjang	151.316	(51.393)	99.923	Long-term loans
Pembiayaan murabahah	-	51.393	51.393	Murabahah financing

b. Penyajian kembali

Kelompok Usaha menyajikan kembali laporan keuangan konsolidasian untuk tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016 sehubungan dengan penyesuaian liabilitas imbalan pascakerja, aset pengampunan pajak dan kepentingan nonpengendali.

b. Restatements

The Group restated the consolidated financial statements for the years ended December 31, 2017 and 2016 due to the adjustments on post-employment benefits liability, assets under tax amnesty and noncontrolling interests.

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**50. REKLASIFIKASI DAN PENYAJIAN KEMBALI
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**50. RECLASSIFICATIONS AND RESTATEMENTS
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	31 Desember/December 31, 2017			
	Dilaporkan Sebelumnya/ Previously Reported	Penyesuaian/ Adjustments	Disajikan kembali/ As Restated	
Laporan posisi keuangan konsolidasian				Consolidated statement of financial position
Aset tidak lancar				Non-current assets
Aset tetap - neto	2.535.648	628.652	3.164.300	Fixed assets - net
Aset pajak tangguhan - neto	78.378	4.992	83.370	Deferred tax assets
Liabilitas jangka panjang				Non-current liability
Liabilitas imbalan pascakerja	392.136	19.968	412.104	Post-employment benefits liability
Ekuitas				Equity
Tambahan modal disetor	(2.026.305)	630.997	(1.395.308)	Additional paid-in capital
Cadangan modal lainnya	375.198	(2.562)	372.636	Other capital reserves
Defisit	(18.611.142)	(23.810)	(18.634.952)	Deficit
Kepentingan nonpengendali	(25.459)	9.051	(16.408)	Non-controlling interest
Laporan laba rugi dan penghasilan komprehensif lain konsolidasian				Consolidated statement of profit or loss and other comprehensive income
Beban pokok penjualan	2.045.392	2.344	2.047.736	Cost of revenues
Beban usaha				Operating expenses
Karyawan	250.136	2.989	253.125	Personnel
Umum dan administrasi	164.732	259	164.991	General and administrative
Beban pajak penghasilan				Income tax expense
Tangguhan	19.548	749	20.297	Deferred
Rugi neto	(1.198.994)	(8.662)	(1.207.656)	Net loss
Penghasilan komprehensif lain				Other comprehensive income
Pengukuran kembali atas program pensiun imbalan pasti	(20.919)	(16.746)	(37.665)	Remeasurement of defined benefit pension plan
Pajak penghasilan terkait	5.081	2.656	7.737	Related income tax
Rugi yang dapat diatribusikan kepada				Net loss attributable to
Pemilik entitas induk	(1.205.434)	(14.731)	(1.220.165)	Owners of the parent
Kepentingan nonpengendali	6.440	6.069	12.509	Non-controlling interest
Total penghasilan komprehensif yang dapat diatribusikan kepada				Total comprehensive income attributable to
Pemilik entitas induk	(1.214.624)	(15.554)	(1.230.178)	Owners of the parent
Kepentingan nonpengendali	5.366	9.051	14.417	Non-controlling interest
	1 Januari/January 1, 2017/ 31 Desember/December 31, 2016			
	Dilaporkan Sebelumnya/ Previously Reported	Penyesuaian/ Adjustments	Disajikan kembali/ As Restated	
Laporan posisi keuangan konsolidasian				Consolidated statement of financial position
Aset tidak lancar				Non-current asset
Aset pajak tangguhan - neto	72.898	3.606	76.504	Deferred tax assets
Liabilitas jangka panjang				Non-current liability
Liabilitas imbalan pascakerja	320.385	14.424	334.809	Post-employment benefits liability
Ekuitas				Equity
Cadangan modal lainnya	384.388	(1.739)	382.649	Other capital reserves
Defisit	(17.405.708)	(9.079)	(17.414.787)	Deficit

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51. PERISTIWA SETELAH PERIODE PELAPORAN

Pada tanggal 27 Februari 2019, Perusahaan menerbitkan saham baru sebanyak 91.076.480 saham seri D dengan nilai nominal Rp500 per saham kepada OL Master Limited, sebagai pemegang OWK, yang diterbitkan oleh Perusahaan melalui mekanisme Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu.

52. STANDAR AKUNTANSI KEUANGAN YANG BELUM DITERAPKAN

Ikatan Akuntan Indonesia (IAI) telah menerbitkan Standar Akuntansi Keuangan yang belum berlaku efektif untuk periode tahun buku yang dimulai pada tanggal 1 Januari 2019. Namun, penerapan dini diperkenankan.

Interpretasi Standar Akuntansi Keuangan (ISAK) yang telah diterbitkan dan berlaku efektif untuk periode tahun buku yang dimulai pada atau setelah tanggal 1 Januari 2019 adalah sebagai berikut:

- ISAK No. 33, "Transaksi Valuta Asing dan Imbalan Dimuka".
- ISAK No. 34, "Ketidakpastian dalam Pengakuan Pajak Penghasilan".

Pernyataan baru dan amandemen Standar Akuntansi Keuangan (PSAK) yang telah diterbitkan dan berlaku efektif untuk periode tahun buku yang dimulai pada atau setelah tanggal 1 Januari 2020 adalah sebagai berikut:

- Amandemen PSAK No. 15, "Investasi pada Entitas Asosiasi dan Ventura Bersama", tentang Kepentingan Jangka Panjang pada Entitas Asosiasi dan Ventura Bersama.
- Amendemen PSAK No. 62, "Kontrak Asuransi", tentang Penerapan PSAK No. 71: Instrumen Keuangan dengan PSAK No. 62.
- PSAK No. 71, "Instrumen Keuangan".
- PSAK No. 72, "Pendapatan dari Kontrak dengan Pelanggan".
- PSAK No. 73, "Sewa".

Kelompok Usaha sedang mempelajari dampak yang mungkin timbul dari penerapan SAK tersebut terhadap laporan keuangan konsolidasian.

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51. EVENT AFTER THE REPORTING PERIOD

On February 27, 2019, the Company issued new 91,076,480 series D shares with a nominal value of Rp500 per share to OL Master Limited, as a holder of MCB, issued by the Company through Non Pre-emptive Right mechanism.

52. FINANCIAL ACCOUNTING STANDARDS NOT YET ADOPTED

The Indonesian Institute of Accountants (IAI) has issued Financial Accounting Standards which are not yet effective for annual periods beginning on January 1, 2019. However, earlier application is permitted.

Interpretations of Financial Accounting Standards (ISAK) issued and effective for annual periods beginning on or after January 1, 2019 were as follows:

- ISAK No. 33, "Foreign Currency Transactions and Advance Consideration."
- ISAK No. 34, "Uncertainty over Income Tax Treatments."

The new and amendments of Statements of Financial Accounting Standards (PSAK) issued and effective for annual periods beginning on or after January 1, 2020 were as follows:

- Amendment to PSAK No. 15, "Investment in Associate and Joint Venture," on Long-term Interest in Associate and Joint Venture.
- Amendment to PSAK No. 62, "Insurance Contract," on Application of PSAK No. 71: Financial Instruments with PSAK No. 62.
- PSAK No. 71, "Financial Instruments."
- PSAK No. 72, "Revenue from Contracts with Customers."
- PSAK No. 73, "Leases."

The Group is evaluating the potential impact on the consolidated financial statements as a result of the adoption of such SAK.

HALAMAN INI SENGAJA DIKOSONGKAN

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