



**Bakrie &  
Brothers**

# **BUILDING INDONESIA**

ANNUAL REPORT  
**2016**





# BUILDING INDONESIA

**OUR CONTRIBUTION TO BUILD OUR STRONG NATION**

PT Bakrie & Brothers Tbk (BNBR) is a proud Indonesian company continuously looking for ways to contribute in Indonesia's growth when doing its business. BNBR is committed to maximize every potential in order to grow its business alongside Indonesia's growth as the emerging economy of the world.

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# CORPORATE PROFILE

  
BRAJA MUKTI CA

“Apparently working in the automotive industry as human resources specialist was no easy feat; however the many challenges have energized me to play a bigger role and contributes more to the company’s growth. The various dynamics I’ve encountered at work have given me a fulfilling career; I almost didn’t realize it’s been over fifteen years since I started working at PT Braja Mukti Cakra.”

**Desmiar Susanty**

Human Capital Section Head

PT Braja Mukti Cakra

Years of Service: 15 years

# CORPORATE IDENTITY

Name	: PT Bakrie & Brothers Tbk
Listing 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, 35th – 37th Floor, Rasuna Epicentrum Jl. H.R Rasuna Said, Jakarta 12940
Telephone	: 021 2991 2222
Faximile	: 021 2991 2333
Call Center	: N/A
Homepage	: <a href="http://www.bakrie-brothers.com">www.bakrie-brothers.com</a>
Email	: <a href="mailto:ir@bakrie.co.id">ir@bakrie.co.id</a>
Establishment Date	: March 13 <sup>th</sup> , 1951
Legal Basis of Establishment	: Deed of Sie Khwan Djioe No.55 dated March 13 <sup>th</sup> , 1951.
Authorized Capital	: Rp 49,562,769,356,000 (451,451,975,120 shares)
Paid- In Capital	: Rp 13,254,240,689,192 (113,535,564,308 shares)
Tax Registration Number	: 01.000.913.2-054.000
Registration of Company	: 09.03.1.70.00661 prevails to March 11 <sup>th</sup> , 2021
Business Registration	: 00291-04/PB/P1/1.824.271 prevails to July 11 <sup>th</sup> , 2018
Operational Area	: Throughout the Indonesian region
Number of Employees	: TBA
Shareholders	: - Credit Suisse AG Singapore Branch S/A Bright Ventures Pte Ltd (MOU Facility) <b>20.87%</b> - BNYM S/A Mackenzie Cundill Recovery FD-2039924282 <b>8.79%</b> - Interventures Capital Pte. Ltd. <b>4.96%</b> - Publik (kurang dari 5%) <b>70.33%</b>
Stock Exchange	: Indonesia Stock Exchange. Listed in 1989.
Workers Union	: Based on Kep-16 / MEN / 2001 regarding mechanism of workers 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 <sup>nd</sup> , 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 began with the story of a growing small trading business, and in more than 75 years has engaged in investment/divestment business, has reached various achievements and delivered the Company to become one of the leading corporations in Indonesia.

The Company was registered at the 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.

More recently, the Company has 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 stands with a solid and noble foundation, developed to form a strong investment base while creating sustainable value as 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 the Indonesian economy.

# SEVEN DECADES OF BUSINESS VENTURE

## 1942-1962

- Established as a general trading & distributor company.
- Pioneered Indonesia's Steel Pipe Manufacturing Industry.

## 1990-1996

- Initial Public Offering (IPO) of UNSP.
- Licensed to operate fixed wireless telecommunication services.
- Founded PT Bakrieland Development ("ELTY").

## 2002-2003

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

## 2007-2008

- UNSP expanded its and to 107,000 ha valued at US\$110 million.
- BTEL initiated national expansion worth US\$72 million
- BNBR acquired ELTY, ENRG, & BUMI, at US\$4.4 billion.
- BUMI acquired Herald Resources, valued at US\$547 million.
- ELTY purchased 75.04% shares of Alberta Utilities at US\$2 million.
- BUMI acquired 44% shares of DEWA at US\$218 million.

## 1986-1989

- Acquired PT Bakrie Sumatera Plantations ("UNSP").
- Initial Public Offering (IPO) of BNBR.

## 1997-2001

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

## 2004-2006

- PT Bakrie Telecom ("BTEL") conducted IPO and obtained national operation license.
- BTEL launched CDMA based telecommunication service.
- ENRG bought 100% shares of BP.

## 2010

- Signed an SPA agreement with Vallar, UK worth US\$844 million.
- Founded Bakrie Connectivity data services.
- ELTY acquired 51% shares of PT Bukit Jonggol Asri at US\$111 million and 20% shares of PT Bukit Sentul at US\$17 million.
- BUMI acquired 24% shares of PT Newmont Nusa Tenggara at US\$225 million.
- ELTY acquired Lido Lake Resort (99.99% of ownership) at US\$39 million.

## 2012

- BNBR completed transaction of divestment upon some ownership in Bumi plc.
- Signed Gas Transportation Agreement (GTA) for Kepodang- Tambak Lorok section.
- Signed of Assets Purchase of KG-Technology by PT Bakrie Tosanjaya (BTJ).

## 2015

- Official Inauguration of PT. Bakrie Pipe Industries' coating plant.
- PT Kalimantan Jawa Gas ("KJG") started coating its pipes.
- Kalija Phase 1 Infrastructure Project started its gas transportation.
- Visit from the Ministry of Public Work and Housing for CCTW Project groundbreaking.
- Preparation stage of Tanjung Jati A power plant project is approaching completion.

## 2009

- BUMI acquired 84% of Pendopo Energi Batubara, valued at US\$117 million.
- ENRG signed agreement to purchase 10% stake in Masela PSC Block, valued at US\$90 million.
- BUMI acquired 76.8% of PT Fajar Bumi Sakti, valued at US\$222 million.

## 2011

- BNBR completed revitalization process, including the quasi reorganization.
- ENRG acquired Offshore North West Java block at US\$212 million.
- Bakrie group established strategic partnership with BORN and decreased debts by US\$1 billion.

## 2013-2014

- PT Bakrie Pipe Industries (BPI) awarded with significant pipe supply contract by Pertamina EP
- BTJ changed its name to PT Bakrie Autoparts (BA)
- Phase 1 of Kalija infrastructure project initiated.

## 2016

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

# CORPORATE VISION & 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

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

**INDONESIAN-NESS**

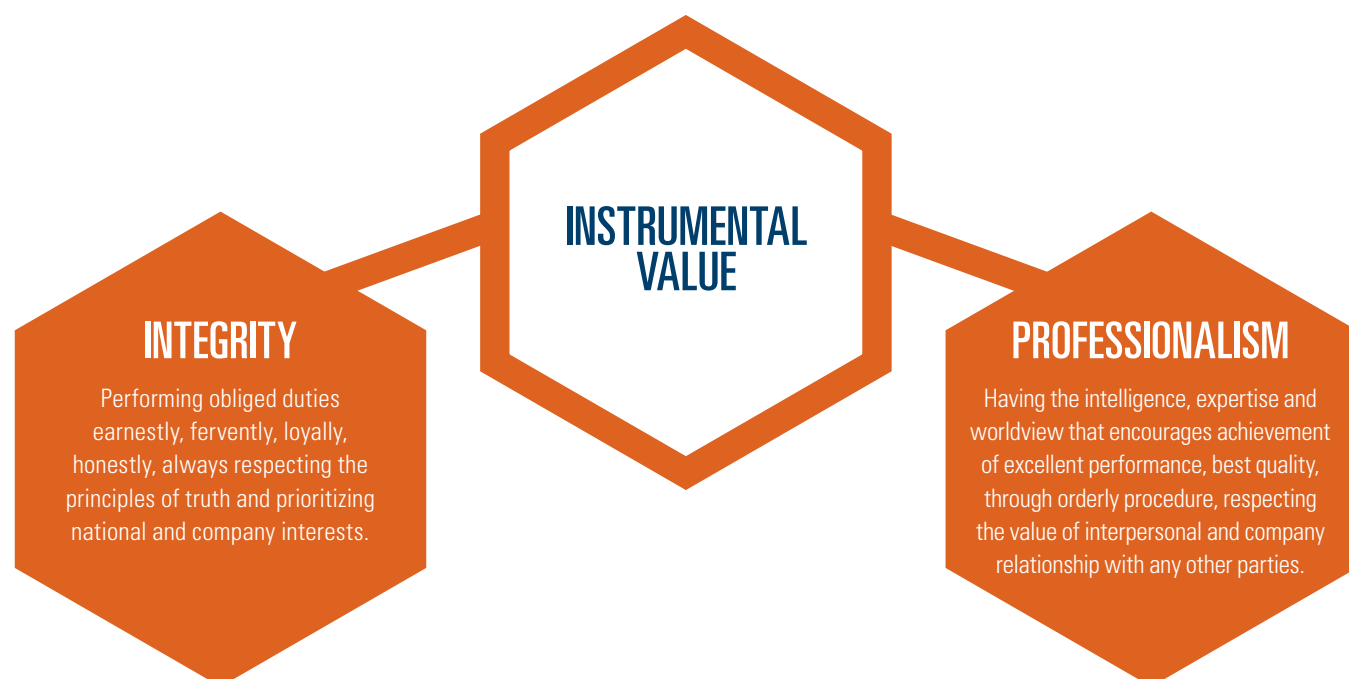
Bakrie People's perspective, motive and attitude that promotes synergy in diversity.

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

**USEFULNESS**

**CORE  
VALUE**

**TOGETHERNESS**



# COMPANY LOGO



# ***Bakrie & Brothers***

a

b

## 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 made 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.

Corp. Internal Audit Manager  
**JAKA FERDIYANTO**

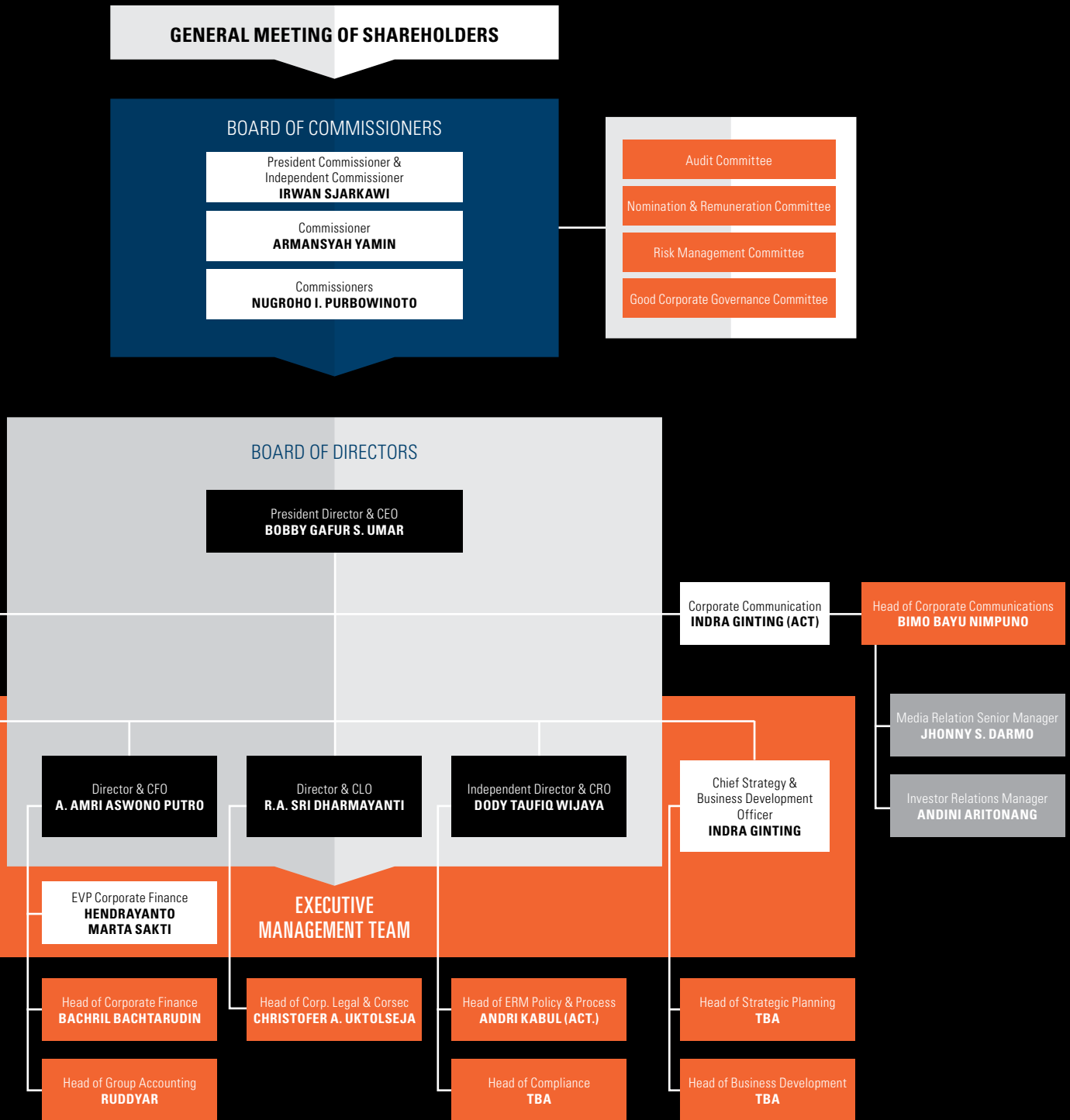
Head of Human Capital &  
Office Support  
**OKDER PENDRIAN**

Chief Investment Officer  
**ANANDH R. HARIDH**

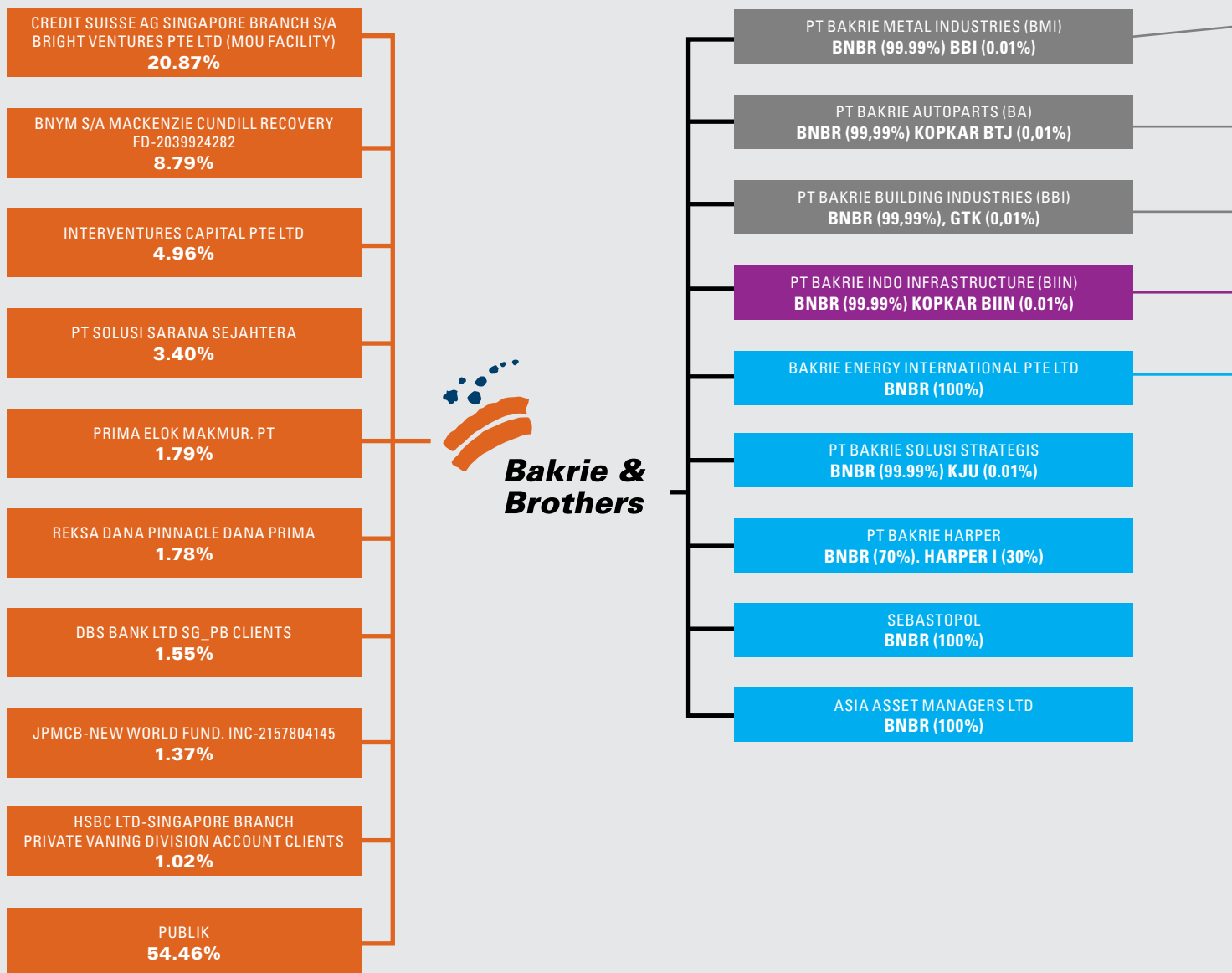
Head of Investment/  
Advisory  
**TBA**

Head of Equity Trading  
**EDWIN RIDWAN**

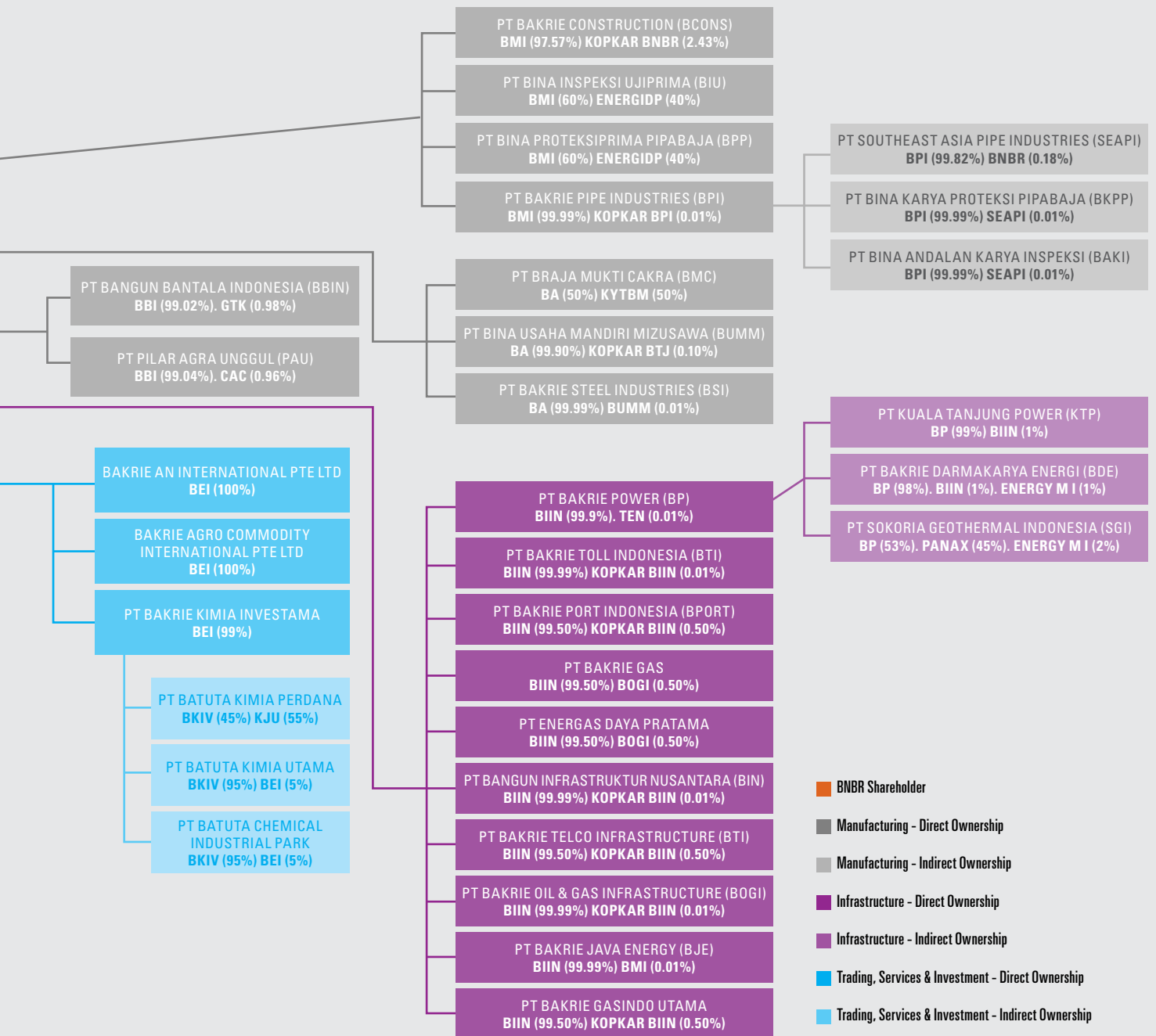
# PT BAKRIE & BROTHERS TBK ORGANIZATION STRUCTURE



# CORPORATE GROUP STRUCTURE







## SUBSIDIARIES

NO.	NAME OF SUBSIDIARIES	DOMICILE	PRINCIPAL ACTIVITY	YEAR OF ESTABLISHMENT/ COMMERCIAL OPERATION	PERCENTAGE OF OWNERSHIP		TOTAL ASSETS BEFORE ELIMINATION (IN MILLION RUPIAH)	
					31 DEC 2016 (%)	31 DEC 2015 (%)	31 DEC 2016	31 DEC 2015
<b>DIRECT OWNERSHIP</b>								
1.	PT Bakrie Building Industries (BBI)	Jakarta	Fiber cement building products	1974	99.99	99.99	839,596	918,473
2.	PT Bakrie Metal Industries (BMI)	Bekasi	Corrugated metal products and multiplate	1982	99.995	99.99	2,455,336	2,301,503
3.	PT Bakrie Autoparts (BA) (previously PT Bakrie Tosanjaya (BTJ))	Bekasi	Foundry and automotive component	1976	99.999	99.99	765,910	825,697
4.	Bakrie International Finance Company BV (BIFC) *	Netherlands	Financial services	1996	-	100	-	57
5.	PT Bakrie Harper (BHP) (dahulu PT Bakrie Harper Corporation (BHC) *)	Jakarta	Steel Construction	1996	70	70	37,728	664
6.	Bestday Assets Limited (BAL) *	Mauritius	Investment	2001	-	100	-	1,380
7.	Blue Cape BV (BlueCape) *	Netherlands	Financial services	2006	-	100	-	1,037
8.	Infrastructure Capital International Limited (ICIL) *	British Virgin Islands	Financial services	2007	-	100	-	118,557
9.	PT Bakrie Indo Infrastructure (BIIN)	Jakarta	Development and services	2008	99.99	99.96	422,126	1,343,448
10.	Bakrie Fund Pte. Ltd. (BF) *	Singapore	Investment	2008	-	100	-	423
11.	Bakrie Investment Pte. Ltd. (BI) *	Singapore	Investment	2008	-	100	-	-
12.	Sebastopol Inc. (SI)	Cayman Islands	Investment	2008	100	100	348,253	357,558
13.	Bakrie Energy International Pte. Ltd. (previously Orange Assets Pte. Ltd.)	Singapore	Trading	2009	100	100	53,752	1,846,069
14.	Helix Investment Holding Ltd. (Helix) *	British Virgin Island	Investment	2009	-	100	-	-
15.	PT Bakrie Solusi Strategis (BSS) (previously PT Bakrie & Brothers Services (BNBS))	Jakarta	Trading, Services, Industry	2010	99.99	99.99	4,983	4,508

\*deconsolidated as of December 31<sup>st</sup>, 2016

NO.	NAME OF SUBSIDIARIES	DOMICILE	PRINCIPAL ACTIVITY	YEAR OF ESTABLISHMENT/ COMMERCIAL OPERATION	PERCENTAGE OF OWNERSHIP		TOTAL ASSETS BEFORE ELIMINATION (IN MILLION RUPIAH)	
					31 DEC 2016 (%)	31 DEC 2015 (%)	31 DEC 2016	31 DEC 2015

### INDIRECT OWNERSHIP

#### THROUGH BMI

1.	PT Bakrie Pipe Industries (BPI)	Jakarta	Steel pipe manufacturer	1979	99.99	99.99	1,807,926	1,719,099
2.	PT Bakrie Construction (BCons)	Jakarta	Steel Construction	1986	97.57	97.57	431,805	375,356
3.	PT Bina Inspeksi Ujiprima (BIU)	Jakarta	Laboratory service	2014	60	60	-	-
4.	PT Bina Proteksi Prima Pipabaja (BPP)	Jakarta	Coating Plant	2014	60	60	-	-

#### THROUGH BIIN

1.	PT Bakrie Gas (BG)	Jakarta	Oil and Gas Trading	2006	99.5	99.5	19,998	19,998
2.	PT Bakrie Gasindo Utama (BGU)	Jakarta	Oil and Gas Trading	2006	99.5	99.5	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	99.5	99.5	9,998	9,998
5.	PT Bakrie Power (BP)	Jakarta	Energy and electrical power	1994	99.99	99.99	404,080	1,319,893
6.	PT Bangun Infrastruktur Nusantara (BIN)	Jakarta	Development and Services	2008	99.99	99.99	17,990	10,940
7.	PT Bakrie Oil & Gas Infrastructure (BOGI)	Jakarta	Development and Services	2008	99.99	99.99	1	22,026
8.	PT Bakrie Telco Infrastructure (BTelco)	Jakarta	Development and Services	2008	99.5	99.5	10,000	10,000
9.	PT Bakrie Toll Indonesia (BTI)	Jakarta	Development and Services	2008	99.99	99.99	4,679	66,429
10.	PT Bakrie Port Indonesia (BPort)	Jakarta	Development and Services	2008	99.5	99.5	10,100	10,100

#### THROUGH BPI

1.	PT South East Asia Pipe Industries (SEAPI)	Jakarta	Steel pipe manufacturer	2001	99.82	99.82	674,498	611,184
2.	PT Bina Andalan Karya Inspeksi (BAKI)	Jakarta	Laboratory service	2014	99.99	99.99	8,789	7,146
3.	PT Bina Karya Proteksi Pipabaja (BKPP)	Jakarta	Coating Plant	2014	99.99	99.99	52,021	52,994

NO.	NAME OF SUBSIDIARIES	DOMICILE	PRINCIPAL ACTIVITY	YEAR OF ESTABLISHMENT/ COMMERCIAL OPERATION	PERCENTAGE OF OWNERSHIP		TOTAL ASSETS BEFORE ELIMINATION (IN MILLION RUPIAH)	
					31 DEC 2016 (%)	31 DEC 2015 (%)	31 DEC 2016	31 DEC 2015
<b>THROUGH BA</b>								
1.	PT Braja Mukti Cakra (BMC)	Bekasi	Automotive components manufacturer	1986	50	50	235,271	238,949
2.	PT Bina Usaha Mandiri Mizusawa (BUMM)	Tangerang	Automotive components manufacturer	1986	99,9	99,9	102,064	94,803
3.	PT Bakrie Steel Industries (BSI)	Jakarta	Industries and trading	2007	99,99	99,99	7,806	14,517

<b>THROUGH BEI</b>								
1.	PT Bakrie Kimia Investama (BKIV)	Jakarta	Management Consultation	2009	99	99	44,266	136,707
2.	Bakrie AN International Pte. Ltd.	Singapore	Trading in ammonium nitrate	2009	100	100	-	-
3.	Bakrie Agro Commodity International Pte. Ltd.	Singapore	Trading in Olein	2009	100	100	-	-

<b>THROUGH HELIX*</b>								
1.	Jupiter Asia No. 1 Pte. Ltd. (Jupiter)	Singapore	Investments	2009	-	100	-	-

<b>THROUGH PT BAKRIE KIMIA INVESTAMA</b>								
1.	PT Batuta Chemical Industrial Park (BCIP)	Jakarta	Industrial estated management	2009	95	95	-	-
2.	PT Batuta Kimia Utama (BKU)	Jakarta	Non-organic fertilizer industry	2009	95	95	-	-
3.	PT Batuta Kimia Perdana (BKP)	Jakarta	Chloro-organic chemical industry	2009	45	45	-	-

<b>THROUGH BP</b>								
1.	PT Sokoria Geothermal Indonesia (SGI)	Jakarta	Energy and electrical power	2009	53	53	-	31,892
2.	PT Bakrie Darmakarya Energi (BDE)	Jakarta	Energy and electrical power	2011	98	98	422,428	415,859
3.	PT Kuala Tanjung Power (KTP)	Jakarta	Energy and electrical power	2010	99	99	2,866	9,563

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 2016 (%)	31 DEC 2015 (%)	31 DEC 2016	31 DEC 2015
<b>THROUGH KJU</b>								
1.	PT Batuta Kimia Perdana (BKP)	Jakarta	Chloro-organic chemical industry	2009	55	55	-	-

<b>THROUGH BBI</b>								
1.	PT Bangun Bantala Indonesia (BBIn)	Jakarta	General trading	2013	99,02	99,02	52,891	29,002
2.	PT Pilar Agra Unggul (PAU)	Jakarta	General trading	2015	99,04	-	902,062	-
*deconsolidated as of December 31 <sup>st</sup> , 2016								

# MAP OF PRODUCT & SERVICES DISTRIBUTION



-  Manufacturing
-  Infrastructure
-  Trading, Services & Investment



*“Working in one of Bakrie Group’s company brings me a great sense of pride, not many companies in Indonesia can reach 75th year of business and still expanding while highly contributing to Indonesia’s economic development.”*

**Bima Indrayana**

GM Sales & Marketing

PT Bakrie Autoparts

*Years of Service: 20 years*

# MAIN HIGHLIGHTS





Bakrie  
Autoparts

EMIRAYANA

Bakrie  
Autoparts



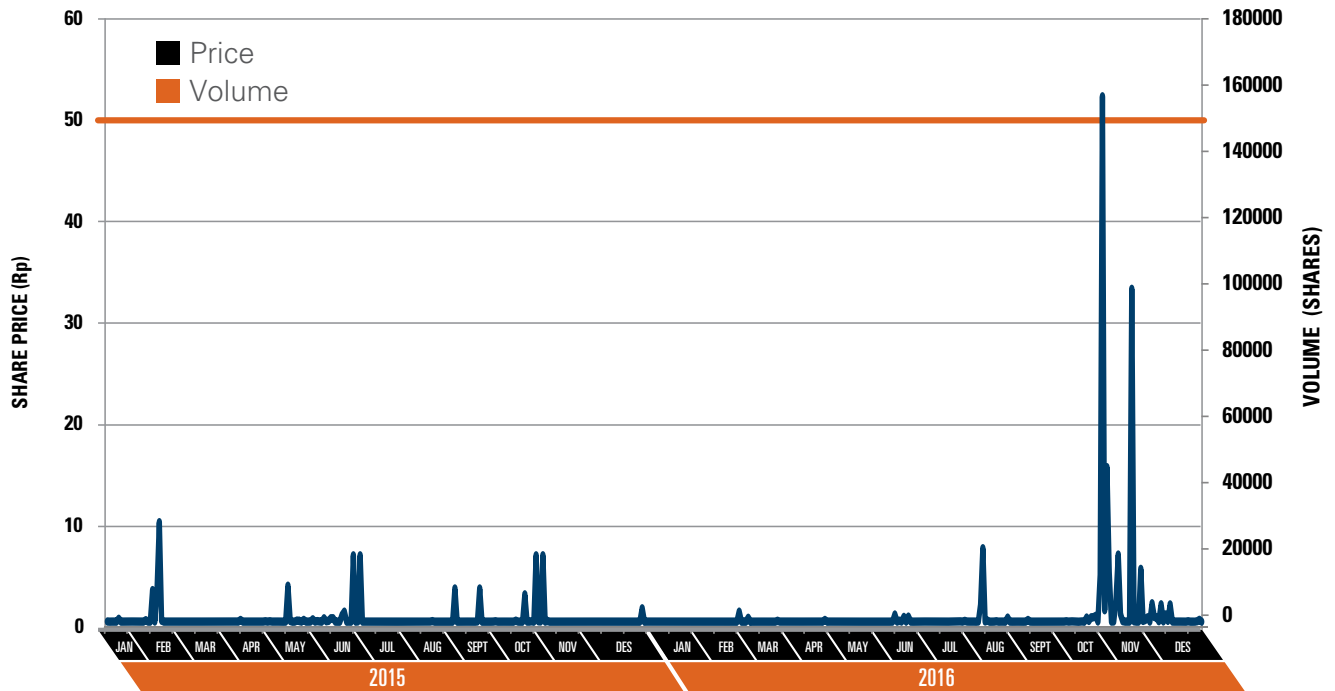
## FINANCIAL HIGHLIGHTS

(In billion Rupiah, unless stated otherwise)

	2016	2015*	2014*	2013	2012
<b>RESULT OF OPERATIONS</b>					
Net Revenues	2,076	3,337	5,260	4,665	15,308
Expenses	(540)	(683)	(866)	(716)	(562)
Gross Income (Loss)	96	626	1,404	1,163	2,503
Net Income (Loss)	(3,662)	(1,729)	189	(12,723)	355
EBITDA	(353)	27	665	562	2,038
Profit (Loss) attributable to owners of parent and non-controlling interest	(3,662)	(1,729)	189	(12,723)	355
Total Comprehensive Income (Loss)	(3,423)	(1,580)	191	(7,525)	(6,388)
Total Comprehensive Income (Loss) attributable to owners of parent and non-controlling interest	(3,423)	(1,580)	191	(7,525)	(6,388)
<b>PROFIT PER SHARE</b>					
Total Outstanding Share (in million)	97,022	93,722	93,722	93,722	93,722
Net Profit (Loss) per Share (full amount in Rupiah)	(37.09)	(18.72)	1.93	(135.78)	1.36
<b>FINANCIAL POSITION</b>					
Total Assets	6,558	9,223	11,352	11,878	15,658
Total Current Assets	3,140	3,217	5,587	7,304	7,390
Total Non-Current Assets	3,418	6,006	5,764	4,575	8,268
Total Liabilities	12,610	13,131	13,500	13,972	10,198
Total Short Term Liabilities	11,627	11,637	11,813	10,046	4,934
Total Long Term Liabilities	983	1,494	1,687	3,926	5,264
Total Equity	(6,052)	(3,908)	(2,148)	(2,094)	5,459
Net Working Capital	(8,487)	(8,420)	(6,226)	(2,743)	2,456
Operating Cash Flow	(176)	(415)	860	318	369
<b>OTHER FINANCIAL INFORMATION</b>					
EBITDA Margin	(17.02%)	0.81%	12.63%	12.05%	13.31%
Net Profit Margin	(176.39%)	(51.81%)	3.59%	(272.75%)	2.32%
<b>FINANCIAL RATIOS</b>					
Return on Assets	(55.83%)	(18.74%)	1.66%	(107.11%)	2.27%
Return on Equity	60.50%	44.24%	(8.79%)	607.57%	6.50%
Current Ratio	27.01%	27.65%	47.30%	72.71%	149.78%
Short Term Debt / Equity	(192.12%)	(297.80%)	(549.84%)	(479.75%)	90.38%
Long Term Debt / equity	(16.25%)	(38.24%)	(78.51%)	(187.49%)	96.43%
Total Debt / Equity	(2.08)	(3.36)	(628.35%)	(667.24%)	186.81%

\*2013, 2014 and 2015 numbers are restated

## SHARES HIGHLIGHTS



Regular Market Share Price (Rupiah)	2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Highest	50	50	50	50	50	50	50	50
Lowest	50	50	50	50	50	50	50	50
Closing	50	50	50	50	50	50	50	50
Total Shares Traded	5,167,400	6,217,800	2,035,400	5,302,700	449,600	600,500	3,005,800	41,326,300

<b>Total Outstanding Shares</b>	93,721,717,528	93,721,717,528	93,721,717,528	93,721,717,528	93,721,717,528	93,721,717,528	93,721,717,528	93,721,717,528
<b>Market Capitalization (Rp mio)</b>								
Highest	4,686,086	4,686,086	4,686,086	4,686,086	4,686,086	4,686,086	4,686,086	4,686,086
Lowest	4,686,086	4,686,086	4,686,086	4,686,086	4,686,086	4,686,086	4,686,086	4,686,086
Closing	4,686,086	4,686,086	4,686,086	4,686,086	4,686,086	4,686,086	4,686,086	4,686,086

## KOMPOSISI KEPEMILIKAN SAHAM

### SHARES OWNERSHIP OF BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

based on BNBR shareholder register per December 31<sup>st</sup>, 2016

SHAREHOLDERS	POSITION	TOTAL SHARE	OWNERSHIP PERCENTAGE
<b>BOARD OF COMMISSIONERS</b>			
Irwan Sjarkawi	President Commissioner & Independent Commissioner	0	0
Armansyah Yamin	Commissioner	167,989	0
Nugroho I. Purbowinoto	Commissioner	8,000	0

<b>BOARD OF DIRECTORS</b>			
Bobby Gafur S. Umar	President Director & Chief Executive Officer	0	0
A.Amri Aswono Putro	Director & Chief Financial Officer	0	0
Dody Taufiq Wijaya	Independent Director & Chief Risk Officer	0	0
R.A. Sri Dharmayanti	Director & Chief Legal Officer	0	0
<b>TOTAL</b>		<b>175,989</b>	<b>0</b>

### SHAREHOLDERS WITH 5% OWNERSHIP OR MORE

based on BNBR shareholder register per December 31<sup>st</sup> 2016

SHAREHOLDERS	TOTAL SHARE	OWNERSHIP PERCENTAGE
Credit Suisse AG Singapore Branch S/A Bright Ventures Pte Ltd (MOU Facility)	20,251,500,000	20.87
BNYM S/A Mackenzie Cundill Recovery FD-2039924282	8,530,000,000	8.79
<b>Sub Total</b>	<b>28,781,500,000</b>	<b>29.67</b>
<b>Public (Ownership &lt;5%)</b>	<b>68,240,217,528</b>	<b>70.33</b>
<b>TOTAL</b>	<b>97,021,717,528</b>	<b>100</b>

### SHAREHOLDERS WITH 1% OWNERSHIP OR MORE

based on BNBR shareholder register per December 31<sup>st</sup>, 2016

SHAREHOLDERS	TOTAL SHARE	OWNERSHIP PERCENTAGE
INTERVENTURES CAPITAL PTE. LTD	4,814,695,351	4.96
PT SOLUSI SARANA SEJAHTERA	3,300,000,000	3.40
PRIMA ELOK MAKMUR, PT	1,739,132,255	1.79
REKSA DANA PINNACLE DANA PRIMA	1,722,438,500	1.78
DBS BANK LTD SG-PB CLIENTS	1,499,010,889	1.55
JPMCB NA RE-NEW WORLD FUND, INC	1,332,820,100	1.37
HSBC LTD-SINGAPORE BRANCH PRIVATE BANKING DIVISION ACCOUNT CLIENTS	991,011,652	1.02
<b>Other Public (Ownership &lt;1%)</b>	<b>52,841,108,781</b>	<b>54.46</b>
<b>Sub Total</b>	<b>68,240,217,528</b>	<b>70.33</b>
<b>Shareholders with 5% Ownership or More</b>	<b>28,781,500,000</b>	<b>29.67</b>
<b>TOTAL</b>	<b>97,021,717,528</b>	<b>100</b>

100%

29.67%  
5%<

15.87%  
1% TO 5%

54.46%  
<1%

0%

# LISTING OF SHARES CHRONOLOGY

The Company listed its shares on the Indonesia Stock Exchange (previously Jakarta Stock Exchange) with ticker code BNR.

LISTING TYPE	DATE	CHANGE IN SHARES VOLUME	TOTAL SHARES
Initial Public Offering	28-Aug-89	2.850.000	2.850.000
Company Listing	9-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
Preemptive Rights I	4-Jun-93	1.080.000	21.060.000
Bonus Share I	22-Jun-94	31.590.000	52.650.000
Preemptive Rights II	14-Jul-94	189.540.000	242.190.000
Stock Split	7-Aug-95	242.190.000	484.380.000
Bonus Share II	17-Jan-97	1.453.140.000	1.937.520.000
Additional Paid In Capital without Preemptive Rights I	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
Preemptive Rights III	6-May-05	19.220.198.400	26.970.278.400
Reverse Stock II	6-Mar-08	(13.485.139.200)	13.485.139.200
Preemptive Rights IV & Warrant Series I	24-Mar-08	84.956.376.960	98.441.516.160
Fully Issued & Paid-up Shares	31-Dec-11	(4,719,798,632)	93,721,717,528
Additional Paid in Capital without Preemptive Rights II	15 Dec 16	3,300,000,000	97,021,717,528

Note:

\*) From total of Warrants Series I which has been issued to 4,719,798,729, Up to the end of warrants exercise date April 1<sup>st</sup>, 2011, the total warrants exercised were 88 shares.

## AWARDS & CERTIFICATIONS

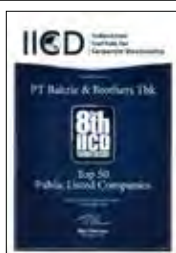
### AWARDS



#### ANNUAL REPORT AWARDS 2015 CERTIFICATE

September 2016

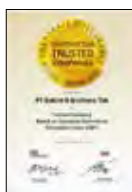
**PT Bakrie & Brothers Tbk (BNBR)** was awarded the Annual Report Award 2015 Acknowledgement Certificate by Annual Report Award Committee as represented by the Financial Service Authority on September 27<sup>th</sup>, 2016; BNBR ranked 11<sup>th</sup> in the Private Non-Financial Listed category.



#### TOP 50 PUBLIC LISTED COMPANIES BASED ON THE ASEAN CG SCORECARD 2016

November 2016

**PT Bakrie & Brothers Tbk (BNBR)** was awarded the Top 50 Public Listed Companies based on the ASEAN CG Scorecard 2016 by the Indonesian Institute for Corporate Directorship (IICD) on November 7<sup>th</sup>, 2016; BNBR ranked 32 in this award.



#### INDONESIA TRUSTED COMPANIES AWARD

December 2016

**PT Bakrie & Brothers Tbk (BNBR)** was awarded the Indonesia Trusted Companies award Based On Corporate Governance Perception Index by SWA and IICG (Indonesian Institute for Corporate Governance) on December 19<sup>th</sup>, 2016.



#### TOP BRAND AWARD

Januari 2016

**PT Bakrie Building Industries** was awarded the Top Brand Award in Fiber Cement Roofing category for its Harflex product on January 4<sup>th</sup>, 2016.



#### BINTANG HOME PREFERRED BRAND

November 2016

**PT Bakrie Building Industries** was awarded the Bintang Home Preferred Brand in Best Wall System category for its Versa Wood product on November 9<sup>th</sup>, 2016.



#### ZERO ACCIDENT AWARD

May 2016

**PT Bakrie Construction** was awarded the zero accident award for 9,023,497 man hours (observed between the period of November 1<sup>st</sup>, 2009 until November 30<sup>th</sup>, 2015) from the Ministry of Manpower of the Republic of Indonesia on May 1<sup>st</sup>, 2016.

## AWARDS

**MAYOR OF BEKASI HONORARY CERTIFICATE***February 2016*

**PT Bakrie Pipe Industries** was awarded Honorary Certificate as Exemplary Taxpayer for Payment of Land & Building Tax in Subdistrict Level from the Mayor of Bekasi on February 29<sup>th</sup>, 2016.

**WEST JAVA CSR HONORARY CERTIFICATE***September 2016*

**PT Bakrie Pipe Industries** was awarded Honorary Certificate as West Java Development Partner through Company CSR Program from the Governor of West Java on March 3<sup>rd</sup>, 2016.

**GOVERNMENT OF BEKASI CITY HONORARY CERTIFICATE***December 2016*

**PT Bakrie Pipe Industries** was awarded First Rank Honorary Certificate as Best Domestic Investment Company in Bekasi City Fiscal Year 2016 from the Government of Bekasi City on September 2016.

**SNI AWARD***November 2016*

**PT Bakrie Pipe Industries** was awarded SNI Award year 2016 gold rank in the category of large enterprise in electronic, metal and metal product sector from National Standardization Agency of Indonesia on November 16<sup>th</sup>, 2016.

## CERTIFICATE

**ISO 14001:2004***April 2014 – April 2017*

**PT Bakrie Autoparts** (formerly PT Bakrie Tosanjaya) received Certificate of Environmental Management System ISO 14001:2004 for manufacture of casted and machined parts for automotive industry from the Certification Body of TÜV SÜD PSB Pte Ltd on April 9th, 2014; this certification is valid until April 8th, 2017.

**ISO/TS 16949:2009***Agustus 2014 – Agustus 2017*

**PT Bakrie Autoparts** (formerly PT Bakrie Tosanjaya) received Certificate of Quality Management System ISO/TS 16949 for manufacture of casted and machined parts for brake drum, fly wheel, disc brake, hub, parking brake drum, and bracket generator (without product design according to chapter 7.3) from the Certification Body of TÜV SÜD Management Service GmbH on August 22nd, 2014; this certification is valid until August 21st, 2017.



## CERTIFICATE

**ISO 9001:2008***August 2014 – August 2017*

**PT Bakrie Autoparts** (formerly PT Bakrie Tosanjaya) received Certificate of Quality Management System ISO 9001:2008 for manufacture of casted and machined parts for brake drum, fly wheel, disc brake, hub, parking brake drum, and bracket generator from the Certification Body of TÜV SÜD PSB Pte Ltd on August 25<sup>th</sup>, 2014; this certification is valid until August 24<sup>th</sup>, 2017.

**BS OHSAS 18001:2007***June 2015 – June 2018*

**PT Bakrie Autoparts** (formerly PT Bakrie Tosanjaya) received Certificate of Occupational Health & Safety Management System BS OHSAS 18001:2007 for manufacture of casted and machined parts from the Certification Body of TÜV SÜD PSB Pte Ltd on June 18<sup>th</sup>, 2015; this certification is valid until June 18<sup>th</sup>, 2018.

**ISO 14001:2004***June 2015 – May 2018*

**PT Bakrie Building Industries** received Certificate of Environmental Management System ISO 14001:2004 for design and manufacture of fibercement product of building material (Harflex and Versa) from British Standards Institution (BSI) on June 1<sup>st</sup>, 2015; this certification is valid until May 31<sup>st</sup>, 2018.

**BS OHSAS 18001:2007***June 2015 – May 2018*

**PT Bakrie Building Industries** received Certificate of Occupational Health & Safety Management System BS OHSAS 18001:2007 for design and manufacture of fibercement product of building material (Harflex and Versa) from British Standards Institution (BSI) on June 1<sup>st</sup>, 2015; this certification is valid until May 31<sup>st</sup>, 2018.

**ISO 9001:2008***August 2015 – November 2016*

**PT Bakrie Building Industries** received Certificate of Quality Management System ISO 9001:2008 for design and manufacture of fibercement product of building material (Harflex and Versa) from British Standards Institution (BSI) on August 11<sup>th</sup>, 2015; this certification is valid until November 17<sup>th</sup>, 2016.

**SNI ISO 9001:2008***November 2015 – November 2019*

**PT Bakrie Building Industries** received Product Certificate for SNI Logo Usage ISO 9001:2008 for symmetrical corrugated cement sheet from Institute for Industrial Certification – Ministry of Industry Republic of Indonesia on November 25<sup>th</sup>, 2015; this certification is valid until November 24<sup>th</sup>, 2019.

## CERTIFICATE

**ISO 14001:2004***January 2014 – January 2017*

**PT Bakrie Construction** received Certificate of Environmental Management System ISO 14001:2004 for provision of fabrication and construction services for oil & gas onshore/offshore facilities, and mining from Bureau Veritas Certification on January 6<sup>th</sup>, 2011 and has been recertified on January 6<sup>th</sup>, 2014; this certification is valid until January 5<sup>th</sup>, 2017.

**OHSAS 18001:2007***January 2014 – January 2017*

**PT Bakrie Construction** received Certificate of Occupational, Health and Safety Management System OHSAS 18001:2007 for provision of fabrication and construction services for oil & gas onshore/offshore facilities, and mining from Bureau Veritas Certification on January 6<sup>th</sup>, 2011 and has been recertified on January 6<sup>th</sup>, 2014; this certification is valid until January 5<sup>th</sup>, 2017.

**ISO 9001:2008***March 2014 – March 2017*

**PT Bakrie Construction** received Certificate of Quality Management System ISO 9001:2008 for provision of fabrication and construction services for oil & gas onshore/offshore facilities, and mining from Bureau Veritas Certification on May 3<sup>rd</sup>, 2005 and has been recertified on March 30<sup>th</sup>, 2014; this certification is valid until March 29<sup>th</sup>, 2017.

**CONTRACTOR SAFETY MANAGEMENT SYSTEM***September 2015 – September 2017*

**PT Bakrie Construction** received Certificate of Contractor Safety Management System (CSMS) with category of High Risk from PT Pertamina (Persero) on September 25<sup>th</sup>, 2017; this certification is valid until September 23<sup>rd</sup>, 2017.

**PROPER CERTIFICATE BLUE RANK***June 2015 – June 2016*

**PT Bakrie Metal Industries** received Proper Certificate Blue Rank from Ministry of Environment and Forestry on June 2015; this certification is valid until June 2016.

**ISO 9001:2008***April 2015 – March 2018*

**PT Bakrie Metal Industries** received Quality Management System ISO 9001:2008 from AJA Europe Ltd on April 10<sup>th</sup>, 2015; this certification is valid until March 28<sup>th</sup>, 2018.

## CERTIFICATE



### ISO 14001: 2004

May 2015 – April 2018

**PT Bakrie Metal Industries** received Environmental Management System ISO 14001:2004 from AJA Europe Ltd on May 27<sup>th</sup>, 2015; this certification is valid until May 15<sup>th</sup>, 2017.



### OHSAS 18001:2007

May 2015 – April 2018

**PT Bakrie Metal Industries** received Occupational, Health and Safety Management System OHSAS 18001:2007 from AJA Europe Ltd on May 19<sup>th</sup>, 2015; this certification is valid until April 17<sup>th</sup>, 2018.



### OHSAS 18001:2007

May 2013 – April 2016

**PT Bakrie Pipe Industries** received Certificate of Occupational, Health and Safety Management System OHSAS 18001:2007 for manufacture of fabricated steel pipes from ABS Quality Evaluations on April 2<sup>nd</sup>, 2007 and has been recertified on May 28<sup>th</sup>, 2013; this certification is valid until April 1<sup>st</sup>, 2016.



### CERTIFICATE OF ACCREDITATION

May 2013 – May 2017

**PT Bakrie Pipe Industries** received Certificate of Accreditation SNI ISO/IEC 17025:2008 (ISO/IEC 17025:2005) for testing laboratory from National Accreditation Committee (KAN) on May 28<sup>th</sup>, 2013; this certification is valid until May 27<sup>th</sup>, 2017.



### ISO 9001:2008

April 2014 – May 2017

**PT Bakrie Pipe Industries** received Certificate of Quality Management System ISO 9001:2008 for manufacture of fabricated steel pipes from ABS Quality Evaluations on July 17<sup>th</sup>, 1992 and has been recertified on April 23<sup>rd</sup>, 2014; this certification is valid until May 18<sup>th</sup>, 2017.



### OHSAS 18001:2007

December 2013 – October 2016

**PT South East Asia Pipe Industries** received Certificate of Occupational, Health and Safety Management System OHSAS 18001:2007 for manufacture of fabricated steel pipes from ABS Quality Evaluations on October 15<sup>th</sup>, 2010 and has been recertified on December 4<sup>th</sup>, 2015; this certification is valid until October 14<sup>th</sup>, 2016.

## CERTIFICATE

**ISO 9001:2008**

July 2014 – July 2017

**PT South East Asia Pipe Industries** received Certificate of Quality Management System ISO 9001:2008 for manufacture of metal alloy steel pipes for the oil & gas, chemical and construction industries from American Petroleum Institute Quality Registrar (APIQR) on July 28th, 2011 and has been recertified on July 28th, 2014; this certification is valid until July 28th, 2017.

**API SPECIFICATION Q1**

July 2014 – July 2017

**PT South East Asia Pipe Industries** received Certificate of Registration API Specification Q1 for manufacture of metal alloy steel pipes for the oil & gas, chemical and construction industries from American Petroleum Institute (API) on February 18th, 2003 and has been recertified on July 28th, 2014; this certification is valid until July 28th, 2017.

**MONOGRAM API - 5L**

July 2014 – July 2017

**PT South East Asia Pipe Industries** received Certificate of Authority to use Official API Monogram for manufacture of line pipe plain end at PSL 1, PSL 2, PSL 2 - Service Annex H, and PSL 2 - Service Annex J from American Petroleum Institute (API) on July 28th, 2014; this certification is valid until July 28th, 2017.

**MONOGRAM API - 2B**

July 2014 – July 2017

**PT South East Asia Pipe Industries** received Certificate of Authority to use Official API Monogram for of steel pipe from American Petroleum Institute (API) on July 28th, 2014; this certification is valid until July 28th, 2017.

## EVENT HIGHLIGHTS OF BNBR & SUBSIDIARIES IN 2016



**ANNUAL GENERAL MEETING OF  
SHAREHOLDERS & EXTRAORDINARY  
GENERAL MEETING OF SHAREHOLDERS**  
JUNE 2<sup>ND</sup> 2016



**PRESIDENT JOKO WIDODO VISITED A BIIN PROJECT:  
CIMANGGIS – CIBITUNG TOLL WAY (CCTW)**  
JUNE 22<sup>ND</sup> 2016

President Joko Widodo visited construction site of PT Bakrie Indo Infrastructure (BIIN) project, the Cimanggis-Cibitung (CCTW) toll road, accompanied by President Director of PT Bakrie & Brothers Tbk Bobby Gafur Umar, Director of PT Bakrie Indo Infrastructure AD Erlangga, Minister of Public Works and People Housing Basuki Hadimuljono, Minister of State Owned Enterprise Rini Soemarno, and President Director of PT Waskita Karya Tbk M Choliq.



**BNBR WORKED ON WELLHEAD PLATFORM BLOK  
MADURA STRAIT PROJECT VALUED US\$107 MILLION**  
AUGUST 9<sup>TH</sup> 2016

Bakrie Construction started physical work of first cutting for construction of two jacket legs for a wellhead platform valued US\$107 million. This was a part of drilling supporting facility or natural gas exploration owned by Husky-CNOOC Madura LTD (HCML) in Madura Straits Block.



**2016 ANNUAL PUBLIC EXPOSE**  
NOVEMBER 2016



**CGPI OBSERVATION 2016**  
NOVEMBER 26<sup>TH</sup> 2016  
CGPI Observation by Indonesian Institute for Corporate Governance



**GRC (GOVERNANCE, RISK, COMPLIANCE) – DAY**  
NOVEMBER 29<sup>TH</sup> 2016  
GRC Role and Tax Amnesty

“*Joining a solid team consisting of various races with unique personalities, extensive experience in their own fields and tight teamwork at Bakrie Power has made my working experience enriching.*”

**Fatia Jamilah**

Legal Officer  
PT Bakrie Power

*Years of Service: 5 years*

**REPORT FROM  
THE BOARD OF COMMISSIONERS  
& THE BOARD OF DIRECTORS**





**Irwan Sjarkawi**  
President Commissioner &  
Independent Commissioner



## REPORT FROM THE BOARD OF COMMISSIONERS:

# CONTINUING DEVELOPMENT

*Firstly, allow me to express my gratitude to God Almighty who has provided His guidance so that PT Bakrie & Brothers Tbk was able to maintain its business sustainability along year 2016. The Indonesian economic grew at 5% range in 2016. This growth was supported by consumption and investment, each of those experienced a growth at 5% range.*

While from the external side, the Indonesian economic faced several challenges, among others were: First, the slowing down of global economy. Second, the prolonged uncertainty in Europe post Brexit. Third, the political shift in United States after Donald Trump being elected was believed to create a widespread impact.

The economy is expected to pick up in the near future, thus bolstering Indonesian consumer confidence. An improving economic in the future will support increase of investment. And this increase of investment will trigger job creation and income per capita surge, thus improving buying power.

Among Asian countries, India, China and Indonesia were the top three countries for most attractive investment destination. Even among Japanese businessmen, Indonesia ranked second after India.

## REVIEW ON BOARD OF DIRECTORS PERFORMANCE

Generally business result for year 2016 was not satisfying; Company net income experienced a decline compared to last year, decreasing revenue was booked by our subsidiaries - whether in the manufacturing, infrastructure, trading, investment, or service industry – as a result of sluggish recovery of market condition. While cost of revenues and operating expense only marginally decreased, providing weak offset to operating loss. This year the Company booked larger net loss due to loss of investment and loss from associated entities; as a result of this larger net loss, the Company equity deficiency declined further.

Along 2016, the Company management continuously strived to solve equity deficiency through conversion of Company debt into capital. Total debt converted into Mandatory Convertible Bond throughout 2016 was Rp 991 billion.

In light of the Company performance in 2016, the Board of Commissioners recommended the Board of Directors to focus more on the following matters:

**First**, maintain sales increase through expansion of market and product portfolio.

**Second**, implement rigorous risk management practices in every part of the Company in order to mitigate probable risks, and improve quality of internal control and monitoring on all subsidiaries.

**Third**, continue initiatives on Company debt restructuring with debt settlement as expected result, as it will support Company growth and provide more flexibility to seize business opportunities.

The Board of Commissioners constantly offer full support on the Board of Directors policies which guide all subsidiaries to strengthen synergy, improve process effectivity and efficiency, as well as optimizing financing and productivity as the right strategy in facing current condition.

## VIEW ON COMPANY BUSINESS PROSPECT

The Government of Indonesia has projected 2017 inflation rate at 4% range with 1% deviation, or higher than the last couple of years' realization. This considerably high inflation was caused rise of by Government regulated prices, including electricity. The aforementioned inflation projection has not calculated possibility of crude oil price increase which will boost domestic fuel oil price in 2017. While rupiah exchange rate is projected at a range of Rp 13,400 to Rp 13,450. However if the Feds increase its rate as an addition to rising US bond rate or US Treasury yield, the rupiah exchange rate might reach Rp 13,500 or higher.

The market is still shadowed by uncertainties in the coming years; however these uncertainties must be viewed with an optimistic manner. Combination of optimism and prudence is pivotal in providing flexibility. However, despite being prudent, we will still face uncertainties due to global and regional exposure which might either influencing sentiment or causing real effect.

Infrastructure development in Indonesia is still behind several ASEAN countries, while the State Budget on infrastructure development for period of 2015 – 2019 will only cover 41% of total infrastructure investment needs. This gap must be covered with investment by either State-Owned Enterprise or Private Enterprise, and the Company's involvement in the aforementioned infrastructure development is expected.

In general, the Board of Commissioners concluded that business prospect summarized in the work plan prepared by the Board of Directors has been through proper planning. The business prospect planning has taken external condition into consideration, including future probable objective conditions and Company's ability.

The Board of Commissioners has witnessed results of various efficiency programs in every subsidiary of BNBR, although certain subsidiaries still must further improve its efficiency. The Board of Commissioners is confident that in the coming years BNBR will show more substantial improvement, thus immediately realigning with profitability lane and with stronger and firmer business fundamental.

Debt restructuring initiatives the Company currently undergoes is expected to strengthen Company fundamental in order to achieve growth. We continuously support every initiative on Company business development in the future, whether through expansion of subsidiaries' existing capacity, or expansion of product portfolio in order to reduce dependence on certain portfolio business.

## VIEW ON CORPORATE GOVERNANCE IMPLEMENTATION

The Board of Commissioners assessed that throughout 2016 the Company has continuously improved corporate governance implementation in PT Bakrie & Brothers Tbk with respect to development of prevailing rules and norms; update of Board Manual to conform to prevailing rules and regulations is one effort among many others.

The Board of Commissioners viewed that throughout 2016 the Board of Directors has carried out Company management in a prudent and responsible manner, and in accordance with leadership and cultural values of the Company. The Board of Directors has also proportionally taken every stakeholder's expectation into consideration in deciding its business endeavor. However, as mentioned earlier, we believe the Management must intensify its monitoring on the subsidiaries, specifically by strengthening internal audit function in both holding and subsidiary level.

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

The monitoring duty on Company management was performed directly by Board of Commissioners and indirectly by Committees under the Board of Commissioners, which were formed to execute monitoring function on several strategic areas of the Company. The Board of Commissioners deemed that every function performed by Committees under the Board of Commissioners have been carried out responsibly. Audit Committee has coordinated well with both internal and external auditor in ensuring efficacy of management control function, thus business operational activities were in adherence with prevailing regulations and fairly reflected in the produced financial report.

Throughout 2016, the Board of Commissioners actively performed its monitoring function and providing advices and suggestions on various policies and endeavors taken by the Board of Directors in managing the Company. Coordination meeting between the Board of Commissioners and Board of Directors were routinely held, enabling the Board of Commissioners to observe the extent of policies and endeavors taken by the Board of Directors. As an addition to Board of Commissioners internal meeting, monitoring function was also carried out through committees under the Board of Commissioners as mentioned above. Those committees have function well according to their own scope of responsibility and field.

The Board of Commissioners continuously promotes strong and sustainable implementation of good corporate governance (GCG) in every part of BNBR group by all level of management and employees. Audit Committee intensively held meetings with Internal Audit to review internal audit result report and monitor follow-up on audit recommendation in every level of the Company, not only findings related with operational, but also findings related with subsidiary performance, then convey the report to the Board of Commissioners.

## BOARD OF COMMISSIONERS COMPOSITION

In 2016 the Board of Commissioners composition did not undergo changes, nor did the distribution of focus of monitoring areas among Board of Commissioners members. The unchanged composition was meant to maintain efficiency and effectiveness of Board of Commissioners duties implementation.

Therefore the Board of Commissioners composition remains as follow:

President Commissioner /  
Independent Commissioner : Irwan Sjarkawi

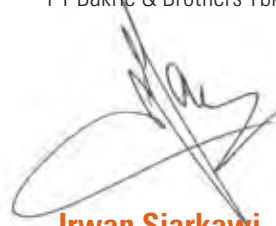
Commissioner : Nugroho I. Purbowinoto

Commissioner : Armansyah Yamin

## CLOSING

2016 was a challenging year. We are grateful that we managed to overcome it reasonably well. The Board of Commissioners would like to express our gratitude to our shareholders, stakeholders, and every other party for their tremendous support for the Company; also, to our employees, who have shown their integrity, commitment and dedication. Last but not least, we would like to extend our appreciation and gratitude to the Board of Directors for every endeavor shown in the last turbulent year. Hopefully with innovation, enthusiasm and focused work, the Company will achieve profitability in the coming years.

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



**Irwan Sjarkawi**  
President Commissioner & Independent Commissioner

# BOARD OF COMMISSIONERS



**Irwan Sjarkawi**  
President Commissioner &  
Independent Commissioner



**Nugroho I. Purbowinoto**  
Commisioner

**Armansyah Yamin**  
Commisioner



## IRWAN SJARKAWI

*PRESIDENT COMMISSIONER &  
INDEPENDENT COMMISSIONER*

Indonesian nationality. Born in Bukittinggi, West Sumatra in 1946. President Commissioner of the Company since June 2004. Previously he had assumed the position as Commissioner (2002-2004) and President Director & CEO (1998-2002). Before joining the Company, he started his professional career as a Manager at PT Elektronika Nusantara in 1974. He then served as the President Director of PT Pantja Niaga (1991-1998). He served as President Commissioner to more than 10 companies owned by PT Pantja Niaga including Pantja Motor (Sole Agent Isuzu in Indonesia). He also served as Director of UNIPRO BV, Amsterdam, Holland (1993-2001), and Director of PT Daeng Brothers (Sole Distributor of Philips) (1980-1990). 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 receives an honorary degree as a Senior Fellow of the John F. Kennedy School of Government, Harvard University Cambridge, USA in 2002.

# ARMANSYAH YAMIN

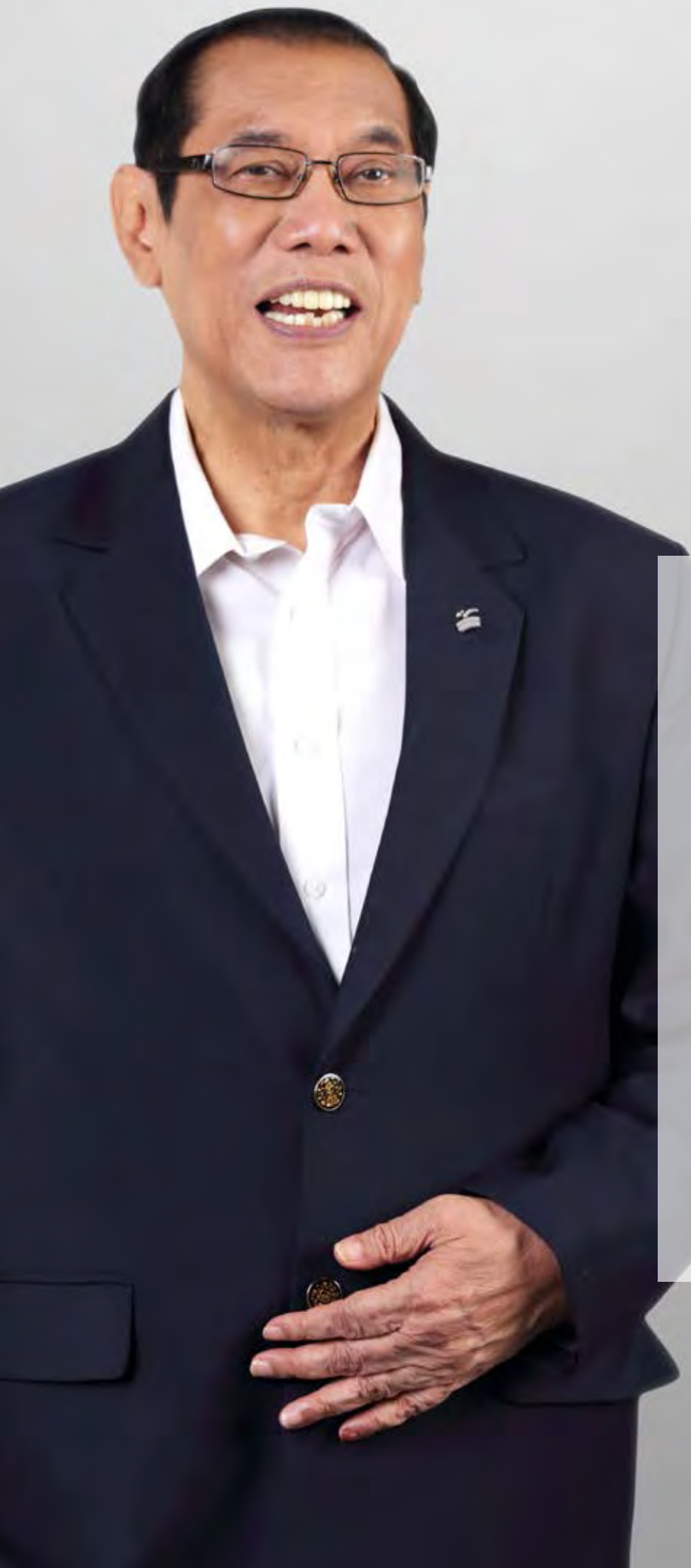
## COMMISSIONER

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. 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).







## NUGROHO I. PURBOWINOTO

### COMMISSIONER

Nugroho I. Purbowinoto, an Indonesian nationality, was born in Kediri, East Java in 1943. He graduated from the Bandung Institute of Technology and has held the position of Commissioner since 2009. He started his career at the Bakrie Group since 1975. He has held various executive positions in the Bakrie Group, from Director of PT Bakrie Pipe Industries (1979-1988), General Manager of Planning and Development of PT Bakrie & Brothers (1985-1987), Director of Business Development of PT Bakrie & Brothers (1988-1990), Commissioner of PT Bakrie Hyosung Apparel (1990-1993), PT Bakrie Kasei Corporation (1991-1992), Director of Corporate Administration PT Bakrie & Brothers (1990-1993) to President Director of PT Bakrie Pipe Industries (1993-1996) and President Director of PT Seamless Pipe Indonesia Jaya (1996-2009).

## REPORT FROM THE BOARD OF DIRECTORS:

## SUSTAINING THE MOMENTUM

## THE UNCERTAINTY OF GLOBAL ECONOMY.

The stock and bond market hit turmoil during the US presidential election the past November 2016. In the meantime, policies relating to trade agreements and rising US fed rate contributed to the financial market volatility at the end of the third quarter of 2016.

The uncertainty of policies and financial market turmoil is predicted to continue in 2017. Moreover, the global trade is forecasted to remain lackluster as China's economic slowdown continues.

## MAJOR COMMODITY PRICES IMPROVED IN 2016.

In general, commodities such as crude oil, coal, and other mineral mining products experienced a price increase in 2016.

Energy prices increased by 11% during the final quarter of 2016, compared to the previous quarter, as fuel prices rise.

Coal prices were also increased by 38% and natural gas by 8%. Meanwhile, crude oil price increased by 10% during the final quarter, making it an average of USD 49.1/barrel, as a result of OPEC and non-OPEC's policy to decrease production by 1.8mil barrel per day during the first semester of 2017.

## INDONESIA'S IMPROVING MACROECONOMY IN 2016.

Despite the global economic volatility, Indonesia has managed to sail through 2016 smoothly. The country's economic growth hit 5.02% in 2016 as compared to 4.88% in 2015, mainly as a result from the industrial sectors (manufacturing industry), trade, construction, and infocom.

In the midst of major commodity prices increase in 2016, the Indonesian economy experienced a 1.7% contraction during the fourth quarter as compared to the previous quarter. This contraction was caused more by seasonal change that affected the farming, forestry, and fisheries. It is important to note that the contribution of manufacturing sector towards the GDP growth has been decreasing year by year since 2014.

This sector is the Company's main business line, consisting of steel pipe, fiber cement based building materials, and automotive components for commercial vehicles industries.

On top of that, the exchange rate between Rupiah to US Dollar weakened by 3%, relatively better compared to other developing countries.

## PERFORMANCE AS COMPARED TO BUDGET FOR 2016.

In general, the performance of 2016 was below the Company's budget that was set in the beginning of the year. Several influential factors were: lagging recovery of demand for Company's products due to the decline in the growth alongside weak assembly industry such as building materials, automotive components, oil and gas; the weakening of Indonesian Rupiah against the US dollars also affected the company's financial performance.

## FACTORS AFFECTING THE COMPANY'S PERFORMANCE.

Based on data disclosed by Gaikindo (The Indonesia Auto Industry Association), the Indonesian automotive sales in 2016 did not experience a significant improvement as compared to 2015, at only 1.06 million from 1.01 million from the previous year. This impacted our subsidiary Bakrie Autoparts (BA) which produces automotive components for commercial and passenger vehicles. The sales for commercial vehicles has not recovered to its state in 2011-2013, when the sectors experience growth alongside the increase of Indonesia's commodity prices, such as coal and palm oil plantations. Due to the state of oil prices that hasn't recovered yet, many producers operating in the oil & gas sector reconsiders their investment plans, including exploration activities throughout 2016.

This factor directly affected Bakrie Pipe Industries (BPI) and South East Asia Pipe Industries (SEAPI) which is one of Indonesia's most reputable steel pipe manufacturers catering to the oil & gas sector, as well as the Company's Engineering Procurement and Construction (EPC) services provider subsidiary, namely Bakrie

Metal Industries (BMI). On top of that, the Company's subsidiary focusing on building materials, Bakrie Building Industries (BBI) experienced a decline in sales as compared to 2015 due to the declining demand from the property and building materials industry throughout 2016.

## COMPANY BUSINESS POLICIES.

In line with the slowdown of demand for the subsidiary's products, the management has set up strategic policies in order to improve the company's performance through more efficient cost structure as well as expanding their product portfolios to withstand economic fluctuations or as a complementary product for the existing ones. In the component manufacturing sector, Bakrie Autoparts (BA) expands the product portfolio into passenger vehicle spare parts and replacement auto components, agriculture machineries, and heavy machineries, to railroad tracks segment.

Bakrie Building Industries (BBI) also develops high value added products, while Bakrie Pipe Industries (BPI) is increasing its capacity in pipe production for the non-oil & gas industry or general market.

On top of that, in the infrastructure sector, the company continues to develop related businesses in order to gain recurring income.

## 2016 FINANCIAL PERFORMANCE.

The company recorded a total net comprehensive loss of Rp3.42 trillion or a decrease equivalent to 116.7% as compared to 2015 that was recorded at Rp1.58 trillion. Sales revenue experienced a decrease of 37.7% to Rp2.08 trillion during the year 2016 from Rp3.34 trillion that was recorded on 2015.

**Bobby Gafur S. Umar**  
President Director & CEO



This decrease was strongly influenced by the decline in sales in the building material, automotive components, and pipes as well as steel construction.

Other than the decline in sales, two of the factors stated below plays a significant part of the comprehensive loss of 2016.

1. The company recorded a net loss in associated and jointly controlled entities of Rp1.52 trillion as compared to a profit of Rp875 billion in 2015.
2. The increase of impairment losses of investments at Rp1.02 trillion in 2016, from Rp968 billion in 2015.

The Company's total liabilities decreased by 4.0% to Rp12.61 trillion in year 2016 from Rp13.13 trillion in 2015, mainly due to the decrease of long term loans that has been converted to equity.

In regard to the balance sheet, the Company recorded a decrease of total asset to Rp6.56 trillion in 2016 from Rp9.22 trillion in 2015. This is mainly due to a decrease of associated and jointly controlled entities at Rp 2.52 trillion. The Company posted a capital deficiency of Rp6.05 trillion in 2016 from Rp3.91 trillion in 2015 that was caused mainly by the loss of associated and jointly controlled entities and the increase of provision for impairment losses of investments.

## BUSINESS PROSPECTS

### BNBR GOING FORWARD — BUILDING INDONESIA

The global economic growth in 2017 holds more prospects as compared to 2016, where global GDP will reach 3.4% in 2017, increasing from 3.1% in 2016 (source: International Monetary Fund (IMF)). The United States Of America is predicted to experience the biggest economic growth as compared to other developed countries, reaching 2.2% in the year 2017 as compared to 1.6% in 2016.

Meanwhile, China is predicted to continue its decline in growth to 6.2% from 6.5% in 2016.

Consensus estimate for Indonesia's economic growth for the year 2017 is 5.2% as compared to 5.0% in 2016. In the midst of global economy uncertainties that include weak demands, tapering commodity prices, China economy that's going through rebalancing, policies under the US's new government, and geopolitical issues such as Brexit, the Government of Indonesia continues to push various policies in order to achieve higher economic growth. One of which is the development of economic foundation that will increase sustainable consumption, improve state budget, and increase private investment.

One of the Indonesian Government's effort to develop an economic foundation is through the Acceleration of Development of Infrastructures Program that includes 14 sectors, such as electricity,

toll roads, airports, sea ports, irrigations and dams. These sectors are all closely related to the business lines of the Company, such as steel construction, infrastructure pipes, electricity, and toll roads. The State Budget for the year 2017 shows an improvement of the budget allocation such as a higher budget for infrastructure, health, and social aid, as well as improvements in the allocation mechanism of energy subsidies and other social programs.

Therefore, on top of continuously improving the subsidiaries in manufacturing building materials, steel pipes, and automotive components, the Company will also expand its infrastructure segment in its business portfolio. Currently, the Company invests in power sector through its project Tanjung Jati A power plant, toll roads through Cimanggis Cibitung toll road, and gas transportation through Kalija gas pipelines.

In the steel pipe manufacturing sector, the Company will continue product diversification of general use pipes, thus reducing the cyclical income risks of the oil and gas sector. In the automotive components sector, in line with increasing its capacity, the Company will utilize such capacity for passenger and agricultural vehicle products. Furthermore, other than producing high value added building materials, the Company is also going to diversify this subsidiary as an Integrated Building Material Solution company.

## CORPORATE GOVERNANCE PRACTICES

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 2016, 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.

The Company also assessed its GCG practices by participating in the CGPI Award and Annual Report 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 100 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 11<sup>th</sup> place on the Private Non-Financial Listed Company category, and based on the IICD Score, the Company obtained 32<sup>nd</sup> place.

## 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 2016 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

During 2016, the Board of Directors did not experience any changes, therefore the Board Of Directors arrangement is of:

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

## CONCLUSION

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 2017 will always be improved for the upcoming year.

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



**Bobby Gafur S. Umar**  
President Director

# BOARD OF DIRECTORS



**A. Amri Aswono Putro**  
Director



**Bobby Gafur S. Umar**  
President Director

**R.A. Sri Dharmayanti**  
Director

**Dody Taufiq Wijaya**  
Independent 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 elected representative from ASEAN 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) (2015-2020), Vice Chairman of the Indonesian Public Listed Companies Association (AEI) for the 2011-2017 executive term, 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. 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 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.

## 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 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 Deputy Head of the Permanent Committee on Good Corporate Governance 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).





## 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.

# STATEMENT OF RESPONSIBILITY FOR 2016 ANNUAL REPORT

Board of Commissioners and Directors' statement on the responsibility for PT Bakrie & Brothers Tbk Annual Report year 2016.

We, the undersigned, hereby declare that all information disclosed in the 2016 Annual Report of PT Bakrie & Brothers Tbk is complete and we are fully responsible for the accuracy of such information.

Jakarta, April 2017,

## BOARD OF COMMISSIONERS



**Irwan Sjarkawi**

President Commissioner & Independent Commissioner



**Armansyah Yamin**

Commissioner



**Nugroho I. Purbowinoto**

Commissioner

## BOARD OF DIRECTORS



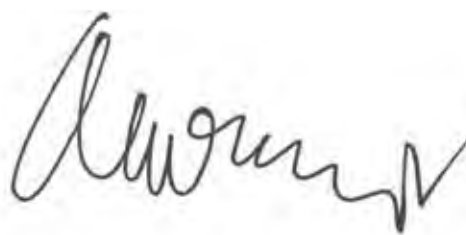
**Bobby Gafur S. Umar**  
President Director & CEO



**Dody Taufiq Wijaya**  
Independent Director



**R.A. Sri Dharmayanti**  
Director



**A. Amri Aswono Putro**  
Director

“Of course it’s of great pleasure for me to work at BNBR, not because of its highly acclaimed brand, but rather because of its flexibility and resilience in withstanding tumultuous business conditions; and I have learned tremendously from those changes.”

**Lila L. Gyanto**

Treasury Manager

PT Bakrie & Brothers Tbk

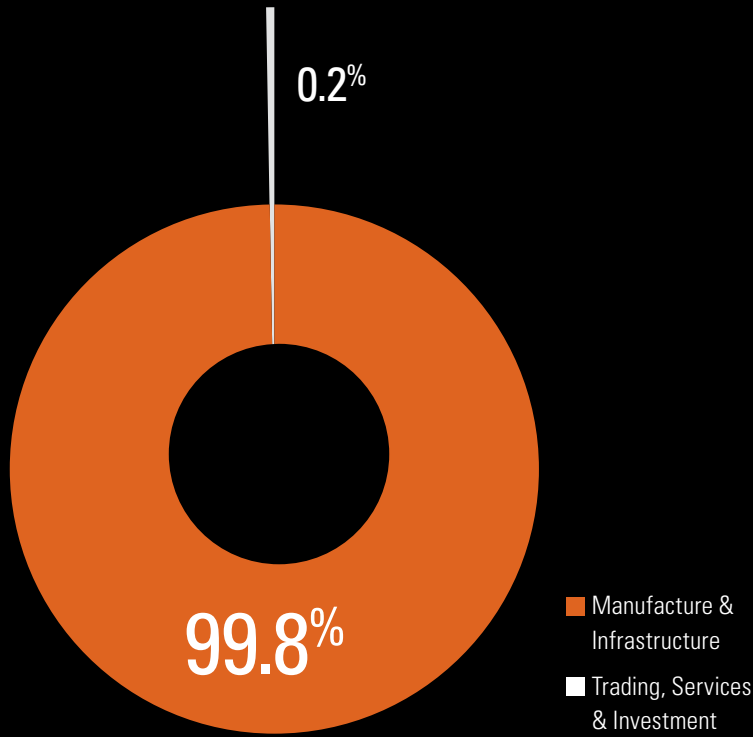
Years of Service: 17 years

## MANAGEMENT'S DISCUSSION AND ANALYSIS

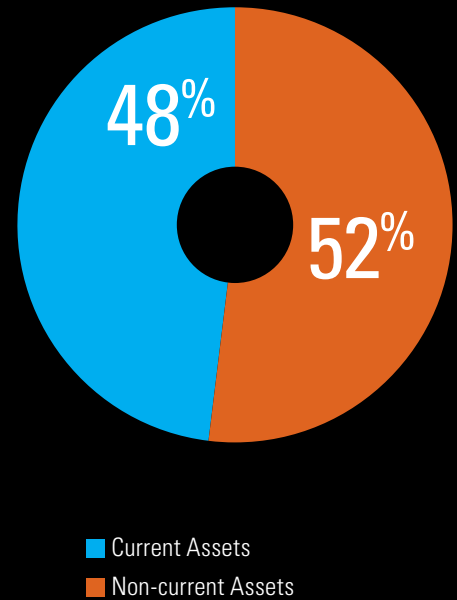


## 2016 FINANCIAL HIGHLIGHT

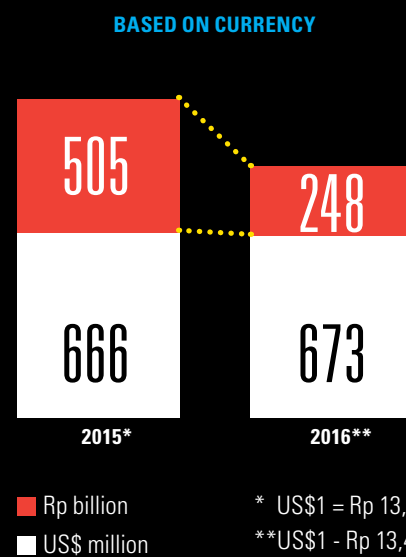
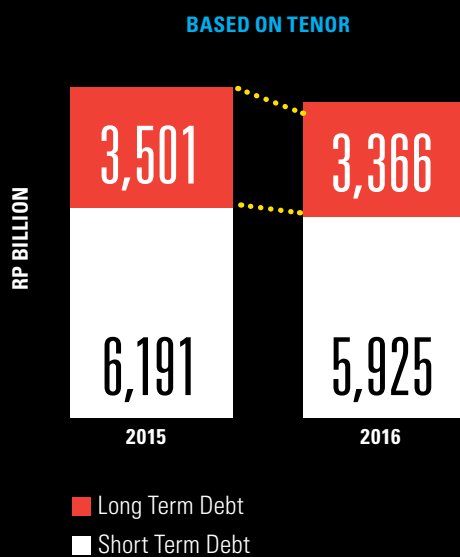
### NET SALES BY OPERATING SEGMENT



### ASSET COMPOSITION



### DEBT COMPOSITION (AT HOLDING LEVEL)



\* US\$1 = Rp 13,795

\*\*US\$1 - Rp 13,436



# MANAGEMENT'S DISCUSSION AND ANALYSIS

*This financial performance discussion and analysis refers to the Company's Consolidated Financial Statements for the years ended December 31<sup>st</sup>, 2016 and 2015 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 31<sup>st</sup>, 2016 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

The Company earns a sustainable recurring income from its various manufacturing 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 2016, or Rp 2.07 trillion. This revenue was generated by the Company's manufacturing business units in automotive component, building material and metal industry sectors.

#### Performance of Automotive Component Manufacturing Segment

BNBR carries out its automotive component business through its subsidiaries PT Bakrie Autoparts (BA). 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 plans to tap 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 2016 BA reached production capacity of 79% 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 350 thousand metric ton per year. Other than that, BBI also performs trading activity of building material products from Japan and Southeast Asia countries. In 2015 BBI reached production capacity of 68% and sales volume of 29,500 stdm.

#### Performance of Metal Industry Manufacturing 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.

### 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 Kalimantan - Java gas pipeline with phase 1 stretches 200 km at offshore North Java and phase 2 stretches 1,000 km from offshore East Kalimantan to Semarang, Central Java.

### Operational Performance of Manufacturing by Segment

DESCRIPTION	UNIT	2015 TOTAL	2016			2016 / 2015		2017 TARGET
			TARGET	REALIZATION	% TO TARGET	DIFFERENCE	INCREASE/ DECREASE (%)	
<b>A. Production Volume</b>								
Automotive Components Manufacturing Segment								
Forging	Ton	26,347	<b>31,810</b>	<b>26,494</b>	<b>83.3%</b>	147	0.6%	29,822
Precision Machining	Piece	1,980,333	<b>2,760,084</b>	<b>2,027,032</b>	<b>73.4%</b>	46,699	2.4%	2,364,424
Building Material Manufacturing Segment								
Fiber Cement Roof	Stdm	24,782	<b>28,871</b>	<b>21,527</b>	<b>74.6%</b>	(3,255)	-13.1%	29,377
Fiber Cement Board	Stdm	10,875	<b>13,780</b>	<b>9,077</b>	<b>65.9%</b>	(1,798)	-16.5%	12,215
Metal Industry Manufacturing Segment								
Oil & Gas Steel Pipe	Ton	10,817	<b>87,110</b>	<b>7,795</b>	<b>8.9%</b>	(3,022)	-27.9%	35,439
Non-Oil&Gas Steel Pipe	Ton	29,077	<b>57,319</b>	<b>29,891</b>	<b>52.1%</b>	814	2.8%	53,105
Steel Structure Fabrication - Non Oil & Gas	Ton	5,567	<b>14,839</b>	<b>4,437</b>	<b>29.9%</b>	(1,130)	-20.3%	12,908
<b>B. Sales Volume</b>								
Automotive Components Manufacturing Segment								
Sales to OEM	Ton	18,849	<b>18,491</b>	<b>17,992</b>	<b>97.3%</b>	(857)	-4.5%	18,453
Replacement Spare Parts Market	Ton	1,235	<b>7,223</b>	<b>1,019</b>	<b>14.1%</b>	(216)	-17.5%	7,032
General Casting	Ton	3,436	<b>6,757</b>	<b>4,404</b>	<b>65.2%</b>	968	28.2%	4,477
Export	Ton	1,092	<b>1,210</b>	<b>624</b>	<b>51.6%</b>	(468)	-42.9%	938
Building Material Manufacturing Segment								
Fiber Cement Roof	Stdm	24,554	<b>28,500</b>	<b>20,972</b>	<b>73.6%</b>	(3,582)	-14.6%	29,000
Fiber Cement Board	Stdm	10,451	<b>13,500</b>	<b>8,574</b>	<b>63.5%</b>	(1,877)	-18.0%	12,000
Metal Industry Manufacturing Segment								
Oil & Gas Steel Pipe	Ton	34,246	<b>83,000</b>	<b>7,145</b>	<b>8.6%</b>	(27,101)	-79.1%	34,350
Non-Oil&Gas Steel Pipe	Ton	33,484	<b>59,400</b>	<b>36,248</b>	<b>61.0%</b>	2,764	8.3%	56,000
Corrugated Steel Fabrication	Ton	5,496	<b>5,000</b>	<b>8,237</b>	<b>164.7%</b>	2,741	49.9%	4,000
Steel Structure Fabrication	Ton	5,567	<b>14,839</b>	<b>4,437</b>	<b>29.9%</b>	(1,130)	-20.3%	12,908

### Net Sales of Manufacturing by Segment

DESCRIPTION	UNIT	2015 TOTAL	2016			2016 / 2015		2017 TARGET
			TARGET	REALIZATION	% TO TARGET	DIFFERENCE	INCREASE / DECREASE (%)	
Automotive Components Manufacturing Segment								
Sales to OEM	Rp mio	470,181	<b>458,624</b>	<b>463,389</b>	<b>101.0%</b>	(6,792)	-1.4%	457,753
Replacement Spare Parts Market	Rp mio	23,176	<b>65,754</b>	<b>17,812</b>	<b>27.1%</b>	(5,364)	-23.1%	136,931
General Casting	Rp mio	63,994	<b>114,489</b>	<b>86,056</b>	<b>75.2%</b>	22,062	34.5%	88,059
Export	Rp mio	30,525	<b>34,461</b>	<b>17,578</b>	<b>51.0%</b>	(12,947)	-42.4%	20,076
Building Material Manufacturing Segment								
Fiber Cement Roof	Rp mio	461,225	<b>565,614</b>	<b>361,059</b>	<b>63.8%</b>	(100,165)	-21.7%	558,970
Fiber Cement Board	Rp mio	176,506	<b>264,678</b>	<b>138,312</b>	<b>52.3%</b>	(38,194)	-21.6%	212,844
Metal Industry Manufacturing Segment								
Oil & Gas Steel Pipe	Rp mio	1,376,509	<b>1,430,348</b>	<b>114,924</b>	<b>8.0%</b>	(1,261,585)	-91.7%	517,544
Non-Oil&Gas Steel Pipe	Rp mio	327,923	<b>541,476</b>	<b>330,488</b>	<b>61.0%</b>	2,565	0.8%	587,308
Trading of Steel Products	Rp mio	40,228	<b>30,735</b>	<b>64,444</b>	<b>209.7%</b>	24,216	60.2%	18,640
Steel Structure Fabrication - Oil & Gas	Rp mio	106,451	<b>599,336</b>	<b>310,242</b>	<b>51.8%</b>	203,791	191.4%	655,307
Steel Structure Fabrication - Non Oil & Gas	Rp mio	98,765	<b>263,650</b>	<b>98,584</b>	<b>37.4%</b>	(181)	-0.2%	240,090
EPC Service	Rp mio	101,799	<b>168,131</b>	<b>39,587</b>	<b>23.5%</b>	(62,212)	-61.1%	262,485



**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 2016 Trading, Services and Investment segment contributes 0.2% of the Company's total revenue, or Rp 4.54 billion. The majority of that sum was contributed by investment activities.

**Net Revenues per Trading, Services and Investment Segment**

DESCRIPTION	UNIT	2015		2016		2015/2016	
		TOTAL	% TOTAL	TOTAL	% TO TOTAL SALES	DIFFERENCE	INCREASE / DECREASE (%)
Trading	Rp mio	-	0.00%	-	0.00%	-	-
Services	Rp mio	1,770	0.05%	1,402	0.02%	(368)	-20.8%
Investment	Rp mio	61,602	1.85%	3,137	0.15%	(58,465)	-94.9%

**REVIEW OF FINANCIAL PERFORMANCE****NET REVENUES**

In 2016 the Company booked total net revenues of Rp 2.08 trillion, or decreased by 38% compared to net sales of 2015.

Manufacturing and infrastructure sector recorded 37% decrease of net revenues, this was mainly attributed to less than conducive economic condition through out 2016 for manufacturing industry in general, in particular the oil & gas sector which was one of the main contributor for Bakrie Metal Industries business.

While trading, services and investment sector net revenues declined due to lower investment activity, resulting in a sharp decrease of investment yield in 2016.

**Net Revenues by Operating Segment**

DESCRIPTION	UNIT	2015		2016		2015/2016	
		TOTAL	% TOTAL	TOTAL	% TO TOTAL SALES	DIFFERENCE	INCREASE / DECREASE (%)
Manufacturing and Infrastructure	Rp mio	3,273,886	98.1%	2,071,370	99.8%	(1,202,516)	-36.7%
Trading, Services and Investment	Rp mio	63,372	1.9%	4,539	0.2%	(58,833)	-92.8%
Consolidated	Rp mio	3,337,258	100.0%	2,075,909	100.0%	(1,261,349)	-37.8%

## COST OF REVENUES

In 2016, the Company's cost of revenues decreased by 27%, to Rp 1.98 trillion compared to Rp 2.71 trillion in 2015.

Decrease of cost of revenues for manufacturing and infrastructure segment was a result of demand of manufacturing products which hasn't rebounded yet due to national economic slowdown for the past two years.

While in the trading, services and investment segment decrease of cost of revenues was caused by less business activities, mainly in the investment sector.

Detailed cost of revenues by operating segment were as follows:

### Net Revenues by Operating Segment

DESCRIPTION	UNIT	2015 TOTAL	2016 TOTAL	2015/2016	
				DIFFERENCE	INCREASE / DECREASE (%)
<b>Manufacturing and Infrastructure</b>					
Raw material	Rp mio	1,725,547	<b>1,200,124</b>	(525,423)	-30.4%
Direct Labor	Rp mio	132,477	<b>160,213</b>	27,736	20.9%
Overhead	Rp mio	610,262	<b>722,004</b>	111,742	18.3%
Total of cost of Manufacturing and Infrastructure segment	Rp mio	2,468,286	<b>2,082,341</b>	(385,945)	-15.6%
Work in process - Beginning	Rp mio	82,356	<b>47,657</b>	(34,699)	-42.1%
Work in process - Ending	Rp mio	(47,657)	<b>(89,035)</b>	(41,378)	86.8%
Finished goods - Beginning	Rp mio	430,953	<b>233,711</b>	(197,242)	-45.8%
Finished goods - Ending	Rp mio	(233,711)	<b>(295,911)</b>	(62,200)	26.6%
Total infrastructure and manufacturing	Rp mio	2,700,227	<b>1,978,763</b>	(721,464)	-26.7%
<b>Trading, services and investment</b>					
Service Service and installation costs and installation costs	Rp mio	10,887	<b>1,047</b>	(9,840)	-90.4%
<b>Total Cost of Revenues</b>	Rp mio	2,711,114	<b>1,979,810</b>	(731,304)	-27.0%

## SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

In 2016 the Company booked decrease of selling, general and administrative expenses as much as 21%, down to Rp 540.04 billion compared to 2015 total of Rp 682.88 billion.

The largest decrease occurred in selling expenses, down by Rp 73.45 billion in line with the decrease of manufacturing sector's sales volume. While decrease of personnel expenses as well as general and administrative expenses were partly caused by efficiency improvement efforts in manufacturing business units.

### Selling, General and Administrative Expenses

DESCRIPTION	UNIT	2015 TOTAL	2016 TOTAL	2015/2016	
				DIFFERENCE	INCREASE / DECREASE (%)
Selling expenses	Rp mio	118,258	<b>44,807</b>	(73,451)	-62.1%
Personnel expenses	Rp mio	253,849	<b>223,418</b>	(30,431)	-12.0%
General and administrative expenses	Rp mio	310,772	<b>271,818</b>	(38,954)	-12.5%
<b>Total Selling, General and Administrative Expenses</b>	Rp mio	682,879	<b>540,043</b>	(142,836)	-20.9%

**OPERATING INCOME / (LOSS)**

In 2016 the Company recorded a significant increase in operating loss, from a total operating loss of Rp 56.74 billion in 2015 to operating loss as much as Rp 443.94 billion in 2016.

**OTHER INCOME (EXPENSES)**

In 2016 the Company booked an increase of net other expenses as much as 97%, rose to Rp 3.15 trillion compared to Rp 1.60 trillion in 2015.

The biggest contributor to the increase of other expenses is share in net income (loss) of associated and jointly controlled entities which in 2015 recorded income as much as Rp 874.59 billion in 2015 and in 2016 recorded loss as much as Rp 1.52 trillion instead. In addition, the Company also recorded provision for impairment of project development costs as much as Rp 100.23 billion.

DESCRIPTION	UNIT	2015 TOTAL	2016 TOTAL	2015/2016	
				DIFFERENCE	INCREASE / DECREASE (%)
Gain (Loss) on foreign exchange - net	Rp mio	(722,172)	<b>212,006</b>	934,178	-129.4%
Gain on divestment	Rp mio	403,036	<b>30,507</b>	(372,529)	-92.4%
Share in net income (loss) of associated and jointly controlled entities	Rp mio	874,589	<b>(1,523,168)</b>	(2,397,757)	-274.2%
Provision for impairment losses of investments	Rp mio	(968,099)	<b>(1,024,588)</b>	(56,489)	5.8%
Fair value changes of derivatives - net	Rp mio	(462,841)	<b>(340,359)</b>	122,482	-26.5%
Interest and financial expenses	Rp mio	(543,538)	<b>(268,591)</b>	274,947	-50.6%
Provision for impairment of project development costs	Rp mio	-	<b>(100,231)</b>	(100,231)	N/A
Write-off and provision for impairment of receivables	Rp mio	(65,157)	<b>(94,597)</b>	(29,440)	45.2%
Tax expenses	Rp mio	(13,566)	<b>(21,881)</b>	(8,315)	61.3%
Realized loss on fair value changes of trading investments	Rp mio	(137,782)	-	137,782	-100.0%
Others	Rp mio	40,356	<b>(15,522)</b>	(55,878)	-138.5%
<b>Total Other Expenses</b>	Rp mio	<b>(1,595,174)</b>	<b>(3,146,424)</b>	<b>(1,551,250)</b>	<b>97.2%</b>

**INCOME (LOSS) BEFORE INCOME TAX BENEFIT (EXPENSE)**

The company booked loss before income tax expense amounted to Rp 3.59 trillion in 2016, a significant increase compared to loss before income tax expense amounted to Rp 1.65 trillion in 2015.

**INCOME TAX BENEFIT/(EXPENSE)**

The company booked income tax expense amounted to Rp 71.25 billion in 2016, or decreased by 7% compared to the account in 2015. This is due to a direct effect from decrease of the Company's net revenues in 2016.

DESCRIPTION	UNIT	2015 TOTAL	2016 TOTAL	2015/2016	
				DIFFERENCE	INCREASE / DECREASE (%)
Current tax	Rp mio	(79,572)	<b>(8,183)</b>	71,389	-89.7%
Deferred tax	Rp mio	2,598	<b>(63,067)</b>	(65,665)	-2527.5%
<b>Total Income Tax Expense - Net</b>	Rp mio	<b>(76,974)</b>	<b>(71,250)</b>	<b>5,724</b>	<b>-7.4%</b>

## NET INCOME (LOSS)

The company booked a net loss of Rp3.66 trillion in 2016, compared a net loss of Rp 1.73 trillion recorded in 2015.

## 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, exchange rate differences due to financial statements translation, available-for-sale financial asset, remeasurement gain (loss) on employee benefits, and income tax on items in other comprehensive income. The Company recorded other comprehensive incomes in 2016 as much as Rp 238.44 billion, or increased by 60% from Rp 149.24 billion in 2015.

The increase was mainly attributed to fair value of available-for-sale financial asset which increased by Rp 84.90 billion.

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

Upon the calculation of profit/loss, then, in 2016 the Company recorded the comprehensive loss attributable to Owner of Parent and Non-Controlling Interest in the amount of Rp 3.42 trillion.

### Balance Sheet Highlight

DESCRIPTION	UNIT	2015 TOTAL	2016 TOTAL	2015/2016	
				DIFFERENCE	INCREASE / DECREASE (%)
Current Assets	Rp mio	3,217,077	<b>3,140,063</b>	(77,014)	-2.4%
Non-Current Assets	Rp mio	6,006,379	<b>3,418,375</b>	(2,588,004)	-43.1%
<b>Total Assets</b>	<b>Rp mio</b>	<b>9,223,456</b>	<b>6,558,438</b>	<b>(2,665,018)</b>	<b>-28.9%</b>
Short Term Liabilities	Rp mio	11,636,639	<b>11,627,098</b>	(9,541)	-0.1%
Long Term Liabilities	Rp mio	1,494,386	<b>983,361</b>	(511,025)	-34.2%
<b>Total Liabilities</b>	<b>Rp mio</b>	<b>13,131,025</b>	<b>12,610,459</b>	<b>(520,566)</b>	<b>-4.0%</b>

### CURRENT ASSETS

In 2016 the Company booked Rp 3.14 trillion of current assets, decreased by 2% compared to Rp 3.22 trillion in 2015. This was mainly due to decrease of Company's cash and cash equivalents.

### NON-CURRENT ASSETS

The company recorded a decrease of non-current assets to Rp 3.42 trillion in 2016 compared to Rp 6.01 trillion in 2015, or by 43%. Largest decrease was contributed by investment in associated and jointly controlled entities which decreased by Rp 2.52 trillion.

### TOTAL ASSETS

In 2016 the Company booked total assets amounted to Rp 6.56 trillion compared to Rp 9.22 trillion recorded in 2015, or decreased 29%. This was mainly attributed to decrease of non-current assets as described above.

### SHORT-TERM LIABILITIES

In 2016 total short-term liabilities of the Company was relatively stable compared to 2015, down just by 0.1% from Rp 11.64 trillion in 2015 to Rp 11.63 trillion in 2016. Current maturities of long-term liabilities increased by Rp 557.97 billion respectively, however this increase was compensated by the Rp 577.31 trillion total decrease of short-term loans.

**LONG-TERM LIABILITIES**

In 2016 the Company recorded long-term liabilities amounted to Rp 983.36 billion, down by 34% from Rp 1.49 trillion in 2015. This decrease was mainly due to increase of current maturities of long-term loans that reclassified to part of current liability.

**TOTAL LIABILITIES**

In 2016 the Company booked decrease of total liabilities as much as Rp 520.57 billion, or declined by 4% to Rp 12.61 trillion compared to Rp 13.13 trillion in 2015.

**TOTAL EQUITY**

The Company booked equity deficiency as much as Rp 6.05 trillion in 2016, or increased by 55% from 2015 equity deficiency which amounted to Rp 3.91 trillion. This increase was caused by Company's loss for the year 2016.

DESCRIPTION	UNIT	2015 TOTAL	2016 TOTAL	2015/2016	
				DIFFERENCE	INCREASE / DECREASE (%)
Equity attributable to owners of the Parent Share capital – Rp 2,850, Rp 399, Rp 114 and Rp 50 par value as of December 31, 2016 for each A Series, B Series and C Series shares and Rp 2,850, Rp 399 and Rp 114 par value as of December 31, 2015 and 2014 for each A Series, B Series and C Series shares	Rp mio	12,263,548	<b>12,428,548</b>	165,000	1.3%
Authorized capital 451,451,875,120 shares as of December 31, 2016 and 372,196,588,000 shares as of December 31 <sup>st</sup> , 2015 and 2014					
Issued and fully paid capital 97,021.717,528 shares as of December 31, 2016 and 93,721,717,528 shares as of December 31 <sup>st</sup> , 2015 and 2014					
Additional paid-in capital - netto	Rp mio	(2,559,844)	<b>(2,256,948)</b>	302,896	-11.8%
Mandatory convertible bonds	Rp mio	-	<b>822,905</b>	822,905	N/A
Other capital reserves	Rp mio	212,644	<b>384,388</b>	171,744	80.8%
Deficit (Deficit of Rp27.7 trillion as of June 30 <sup>th</sup> , 2011 was eliminated in connection with quasi-reorganization)	Rp mio	(13,807,107)	<b>(17,405,708)</b>	(3,598,601)	26.1%
<b>Sub-total</b>	<b>Rp mio</b>	<b>(3,890,759)</b>	<b>(6,026,815)</b>	<b>(2,136,056)</b>	<b>54.9%</b>
Non-controlling Interest	Rp mio	(16,810)	<b>(25,206)</b>	(8,396)	49.9%
<b>Total (Deficiency) Equity</b>	<b>Rp mio</b>	<b>(3,907,569)</b>	<b>(6,052,021)</b>	<b>(2,144,452)</b>	<b>-54.9%</b>



## CASH FLOWS

The Company recorded a decrease net used of cash for operating activities amounted to Rp 204.59 billion in 2016, compared to net cash flow used for operating activities in 2015 which amounted to Rp 415.17 billion. This was mainly due to decrease of cash receipt from customers, from Rp 2.77 trillion in 2015 down to Rp 2.13 trillion in 2016. While payments to suppliers and employees in 2016 were as much as Rp 2.16 trillion, down by 26% from 2015 total.

Cash flow used in investing activities during 2016 was as much as Rp 99.58 billion, a decrease compared to cash provided by investing activities during 2015 which amounted to Rp 75.30 billion. Largest decrease was a result of no receipts from sale of investments in 2016.

Net cash provided by financing activities during 2016 was as much as Rp 40.75 billion, decreased by 91% compared to cash provided by financing activities during 2015. Largest contribution due to decrease of proceeds from long term loans which total was Rp 16.89 billion in 2016 and increase of payments for short term loans which total was Rp 270.99 billion in 2016.

DESCRIPTION	UNIT	2015 TOTAL	2016 TOTAL	2015/2016	
				DIFFERENCE	INCREASE / DECREASE (%)
Net Cash Flows Provided by (Used in) Operating Activities	Rp mio	(415,172)	<b>(204,593)</b>	210,579	-50.7%
Net Cash Flows Provided by (Used in) Investing Activities	Rp mio	75,299	<b>(99,584)</b>	(174,883)	-232.3%
Net Cash Flows Provided by (Used in) Financing Activities	Rp mio	449,308	<b>40,756</b>	(408,552)	-90.9%
Cash and Cash Equivalents at End of Year	Rp mio	418,100	<b>145,763</b>	(272,337)	-65.1%

## 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.

DESCRIPTION	UNIT	2015 TOTAL	2016 TOTAL
Total Liabilities to Equity Ratio	Multiple	(3.36)	<b>(2.08)</b>
Total Liabilities to EBITDA Ratio	Multiple	486	<b>(36)</b>
EBITDA to Interest Expense Ratio	Multiple	0.00	<b>0.00</b>
Total Liabilities to Total Assets Ratio	Multiple	1.42	<b>1.92</b>

## RECEIVABLES COLLECTABILITY

Company collecting period decelerated from 125 days in 2015 to 181 days in 2016. This decrease of collectability level of trade receivables is caused by a decrease of customer's financial capability as impact of economic slowdown.

DESCRIPTION	UNIT	2014 TOTAL	2015 TOTAL
Collection Period	Day	125	<b>181</b>
Account Receivables Turnover Ratio	Multiple	2.43	<b>1.88</b>

## CAPITAL STRUCTURE AND CAPITAL STRUCTURE POLICY

The Company's capital structure in 2015 consisted of 192% liabilities and -92% 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 2015 and 2016 recorded negative balance due to accumulation of net loss for the year.

DESCRIPTION	UNIT	2015		2016	
		TOTAL	% TO TOTAL ASSETS	TOTAL	% TO TOTAL ASSETS
Short-Term Liabilities	Rp mio	11,636,639	126.2%	<b>11,627,098</b>	<b>177.3%</b>
Long-Term Liabilities	Rp mio	1,494,386	16.2%	<b>983,361</b>	<b>15.0%</b>
<b>Total Liabilities</b>	<b>Rp mio</b>	<b>13,131,025</b>	<b>142.4%</b>	<b>12,610,459</b>	<b>192.3%</b>
Equity	Rp mio	(3,907,569)	-42.4%	<b>(6,052,021)</b>	<b>-92.3%</b>
<b>Total Liabilities and Equity</b>	<b>Rp mio</b>	<b>9,223,456</b>	<b>100.0%</b>	<b>6,558,438</b>	<b>100.0%</b>

### 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 2016.

### CAPITAL EXPENDITURE

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

In 2016 BNBR and its subsidiaries spent Rp 80.3 billion for capital expenditure.

## 2016 COMPANY'S TARGET COMPARED TO ACTUAL PERFORMANCE

Achievement of 2016 target was also monitored through average selling price and infrastructure projects completion as described in the following tables.

### Average Selling Price

DESCRIPTION	UNIT	2015 PRICE	2016			2016 / 2015		2017 TARGET
			PRICE TARGET	PRICE TARGET	PRICE TARGET	DIFFERENCE	INCREASE/ DECREASE (%)	
<b>A. Production Volume</b>								
<b>Automotive Components Manufacturing Segment</b>								
Sales to OEM	Rp '000/ton	24,945	<b>24,803</b>	<b>25,756</b>	<b>103.8%</b>	811	3.3%	24,806
Replacement Spare Parts Market	Rp '000/ton	18,766	<b>9,103</b>	<b>17,479</b>	<b>192.0%</b>	(1,287)	-6.9%	19,474
General Casting	Rp '000/ton	18,625	<b>16,944</b>	<b>19,541</b>	<b>115.3%</b>	916	4.9%	19,668
Export	Rp '000/ton	27,953	<b>28,480</b>	<b>28,189</b>	<b>99.0%</b>	236	0.8%	21,397
<b>Building Material Manufacturing Segment</b>								
Fiber Cement Roof	Rp '000/ stdm	18,784	<b>19,846</b>	<b>17,253</b>	<b>86.9%</b>	(1,531)	-8.2%	19,275
Fiber Cement Board	Rp '000/ stdm	16,889	<b>19,606</b>	<b>16,132</b>	<b>82.3%</b>	(757)	-4.5%	17,737
<b>Metal Industry Manufacturing Segment</b>								
Oil & Gas Steel Pipe	Rp '000/ton	40,195	<b>17,233</b>	<b>16,085</b>	<b>93.3%</b>	(24,110)	-60.0%	15,067
Non-Oil&Gas Steel Pipe	Rp '000/ton	9,793	<b>9,116</b>	<b>9,117</b>	<b>100%</b>	(676)	-6.9%	10,488
Trading of Steel Products	Rp '000/ton	7,320	<b>6,147</b>	<b>7,824</b>	<b>127.3%</b>	504	6.9%	4,660



## Infrastructure Projects Completion

DESCRIPTION	COMPLETION STAGE		
	2015	2016	TARGET 2017
Steam Power Plant 2 x 660 MW Tanjung Jati A	Formed collaboration with YTL Jawa Energy BV on August 2015 to construct and operate. Have performed preparation of Environmental Impact Assessment study, EPC review and land acquisition.	Started land acquisition process as well as Environmental Impact Assessment study and EPC tender process.	Appoint EPC contractor, complete remaining land acquisition for switching station and transmission line, and financial close.
Cimanggis-Cibitung Toll Road 26.4 km	Formed collaboration with PT Waskita Karya Persero (Tbk) for construction on July 2015. Current construction focuses on Cimanggis Junction along with acquiring the necessary land in Bekasi and Bogor Regency.	Continue land acquisition process as well as phase 1 construction.	Focus on completing the construction of Phase I A spanning 3.17km and commence land acquisition in Bogor Regency.
Kaliya Gas Pipeline	First phase of this project is completed and has started operation on August 2015, marked by the transportation of 116 mmscf gas from Petronas Carigali Muria Ltd to PLN Tambak Lorok.	First phase of this project has fully operated. Gas transportation carried out according to GTA.	Continue normal pipeline operation according to Gas Transportation Agreement.

MATERIAL EVENT AND INFORMATION SUBSEQUENT  
TO THE ACCOUNTANT'S REPORTING DATE

Important transactions after the reporting date until the completion date of the consolidated financial statements by accountant were as follows:

1. Transfer of shares in PT Sokoria Geothermal Indonesia (SGI). PT Bakrie Power shares in SGI were transferred to KS Orka Renewables Pte. Ltd. based on Notarial Deed No.2 of Abu Tafsir, S.H., M.Kn. dated January 13<sup>th</sup>, 2017.
2. Conversion of project development costs to shares in PT Kalimantan Jawa Gas (KJG). On January 9<sup>th</sup>, all shareholders of KJG approved the increase in KJG's authorized capital from Rp 266.4 billion to Rp 2,200.9 billion and issued and paid-in capital from Rp 66.6 billion to Rp 550.2 billion. Correspondingly, the remaining project development costs in KJG amounting to Rp 96.7 billion were converted into shares whereby total shares of the Company in KJG became 1,100,453 shares with nominal value amounting to Rp 110.0 billion or equivalent to 20% share ownership in KJG.
3. Amendment of credit agreement with Credit Suisse AG, Singapore branch. On March 6<sup>th</sup>, 2017, the terms of the existing credit facility with Credit Suisse AG, Singapore branch dated March 23<sup>rd</sup>, 2014 was amended to new facility amounting to USD 92.1 million.

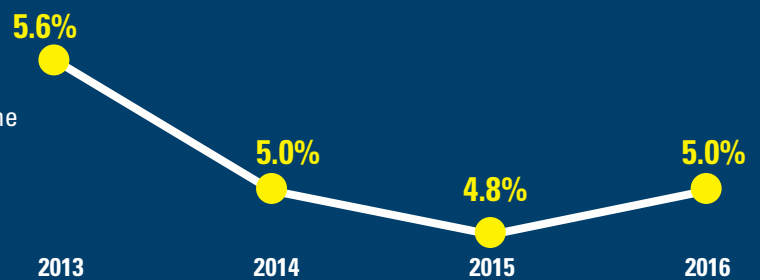
# BUSINESS PROSPECT

With a robust rate of economic growth, low current account deficit, and young demographic profile, the fundamentals of the Indonesian economy continue to be strong.

## PDB GROWTH

- For the first time in five years the annual GDP growth has outpaced the previous year's outcome
- This could be a sign that Indonesia's growth cycle has finally bottomed out

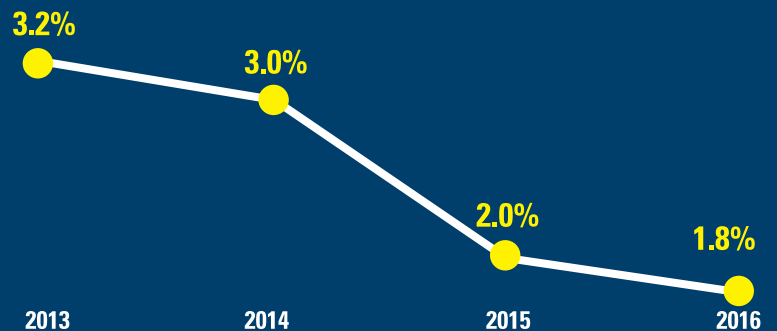
Source: Ministry of Finance



## ANNUAL CURRENT ACCOUNT DEFICIT

The annual current account deficit shrank to **1.8%** of GDP in 2016 – the smallest deficit since 2011

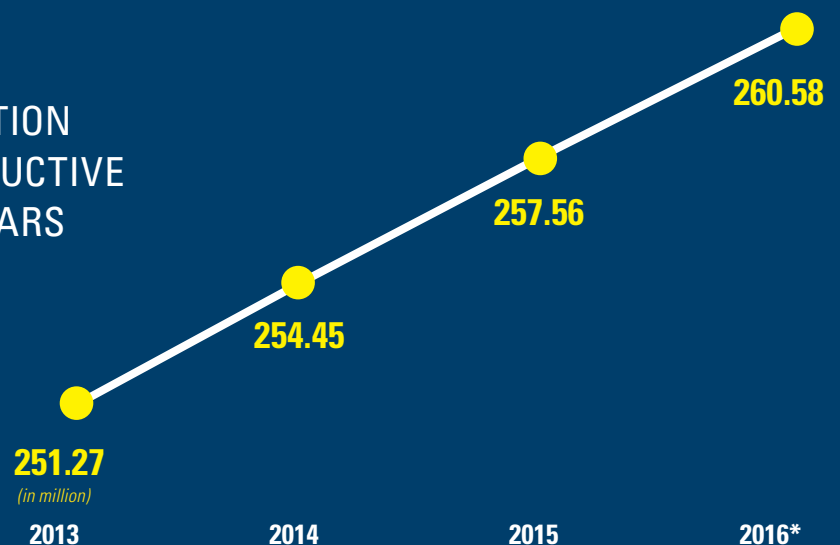
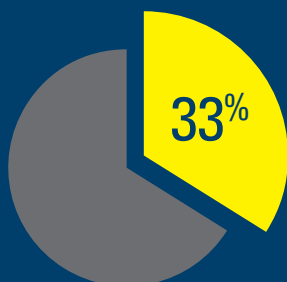
source: Bank Indonesia



## INDONESIAN POPULATION

**33%** OF INDONESIAN POPULATION CURRENTLY CONSISTS OF PRODUCTIVE AGE GROUP, BETWEEN 15-34 YEARS

Source: BPS

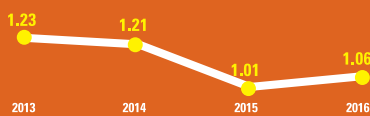


# BNBR GOING FORWARD

In 2016 the business sectors where BNBR group is operating have shown signs of pick up. Going forward BNBR also considers business expansion in other related sectors.

## BAKRIE AUTOPARTS

### SECTORAL OUTLOOK ANNUAL DOMESTIC CAR SALES (IN MILLION UNIT CARS)



source: Gaikindo

### CURRENT BUSINESS

- Commercial vehicles components
- General / non-automotive casting

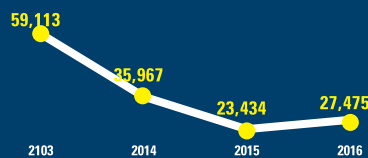
### UPCOMING PLAN

- Passenger vehicles components
- Expansion in general casting sector



## BAKRIE BUILDING INDUSTRIES

### SECTORAL OUTLOOK HOUSING OWNERSHIP LOAN GROWTH (IN RP BILLION)



Source: Bank Indonesia, calculated

### CURRENT BUSINESS

Fiber-cement based building material for lower-middle segment

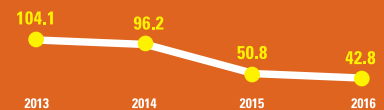
### UPCOMING PLAN

Building material for upper-middle segment (high value added products)



## BAKRIE METAL INDUSTRIES

### SECTORAL OUTLOOK CRUDE OIL PRICE (ANNUAL AVERAGES) (IN US\$/BBL)



Source: World Bank

### CURRENT BUSINESS

- Steel structure construction for oil & gas sector
- Steel structure construction for civil and non-oil & gas sector
- EPC service

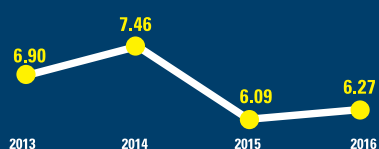
### UPCOMING PLAN

- Expansion in civil sector (bridge construction)
- Expansion in non-oil & gas sector (ship construction)



## BAKRIE PIPE INDUSTRIES

### SECTORAL OUTLOOK HRC\* PRICE (ANNUAL AVERAGES) (IN RP MILLION / TON)



\*Hot Rolled Coil  
Source: Krakatau Steel

### CURRENT BUSINESS

- Steel pipes for oil & gas sector
- Steel pipes for non-oil & gas sector

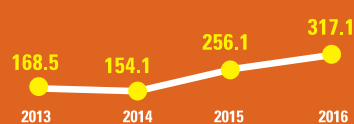
### UPCOMING PLAN

- Steel pipes for building construction
- Galvanizing facility



## BAKRIE INDO INFRASTRUCTURE

### SECTORAL OUTLOOK INFRASTRUCTURE SPENDING IN STATE BUDGET (IN RP TRILLION)



Source: Ministry of Finance

### CURRENT BUSINESS

- Gas transportation pipeline development
- Power plant development
- Toll road development

### UPCOMING PLAN

- Renewable energy power plant
- Airport and seaport development
- Fishery industry



# BNBR: BUILDING INDONESIA

The Government of Indonesia has formulated the 2017 Development Work Plan which consists of five National Development Priorities. With its capabilities, BNBR may participate in building Indonesia and benefiting from the opportunities created by the development plan.

- : **SECTORAL TARGET OF DEVELOPMENT**
- : **BNBR SUBSIDIARIES' PRODUCT AND SERVICES TO SUPPORT DEVELOPMENT**



HOUSING	
1,900 Low Income Housing	-
281,800 housing connection of drinking water supply system	-

BBI	Fiber cement based building material
BPI	Steel pipes for clean water



## DEVELOPMENT OF HIGH PRIORITY SECTOR

### FOOD RESOURCES

83,025 units of agriculture machineries

BA Component for agriculture machineries

### MARITIME

24 location of seaport

BIIN Seaport development

2,500 units of fisheries ship

BMI Ship building

### ENERGY

71 units renewable energy power plants

BIIN Solar powered power plant development

312 MW installed capacity of geothermal power plant

BIIN Geothermal power plant development

10,527 km transmission pipe and gas distribution pipe network

BIIN BPI Gas distribution pipe line development  
Steel pipes for oil & gas sector

1.86 million barrel of crude oil per day

BMI Steel structure for oil & gas sector

### TOURISM

Airports at 10 Tourism Destination

BIIN BPI Development of airport  
Steel pipes for construction

## EQUALIZATION AND REGIONAL

### OUTSKIRT AREAS

4,634 houses in residential areas

BBI Fiber cement based building materials

### UNDERDEVELOPED AREAS

30,000 self-help housing in underdeveloped areas

BBI Fiber cement based building materials

### RURAL AREAS

2,868 transmigrant houses

BBI Fiber cement based building materials

900 km long bridges

BMI Steel bridge construction

### CONNECTIVITY

40 locations of non commercialized sea port development

BIIN Development of sea ports

200 km of toll road

BIIN Development of tol roads

8 commercial airports  
101 feeder airports

BIIN BPI Development of airports  
Steel pipes for construction

## 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 31<sup>st</sup>, 2015 was decided as retained earnings. While for fiscal year ended December 31<sup>st</sup>, 2016 will be decided in the coming Annual GMS in 2017.

## EMPLOYEE SHARE OWNERSHIP PROGRAM / MANAGEMENT SHARE OWNERSHIP PROGRAM (ESOP/MSOP)

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

## REALIZATION OF INITIAL PUBLIC OFFERING (IPO) FUNDS

On August 28<sup>th</sup>, 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 1c of Accompanying Notes to the Consolidated Financial Statement for fiscal year ended December 31<sup>st</sup>, 2016.

## INFORMATION ON MATERIAL TRANSACTION WHICH CONTAINS CONFLICT OF INTEREST AND/OR AFFILIATE TRANSACTION

In 2016 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 25<sup>th</sup>, 2012.

Detailed information on Transactions with Related Parties is disclosed by the Company in point number 36 of Accompanying Notes to the Consolidated Audited Financial Statement for fiscal year ended December 31<sup>st</sup>, 2016.

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 31<sup>st</sup>, 2016).

DESCRIPTION	UNIT	2015		2016		2015/2016	
		TOTAL	% TO TOTAL SALES	TOTAL	% TO TOTAL SALES	DIFFERENCE	INCREASE / DECREASE (%)
Key management compensation	Rp mio	63,050	1.9%	<b>91,488</b>	<b>4.4%</b>	28,438	45.1%

DESCRIPTION	UNIT	2015		2016		2015/2016	
		TOTAL	% TO TOTAL CONSOLIDATED ASSETS	TOTAL	% TO TOTAL SALES	DIFFERENCE	INCREASE / DECREASE (%)
Short-term investments	Rp mio	83,539	0.91%	<b>196,285</b>	<b>2.99%</b>	112,746	134.96%
Trade receivables – related parties	Rp mio	24,770	0.27%	<b>14,280</b>	<b>0.22%</b>	(10,490)	-42.35%
Due from related parties	Rp mio	226,158	2.45%	<b>224,062</b>	<b>3.42%</b>	(2,096)	-0.93%
Receivable from Commissioners, Directors and Employees	Rp mio	7,000	0.08%	<b>6,000</b>	<b>0.09%</b>	(1,000)	-14.29%



DESCRIPTION	UNIT	2015		2016		2015/2016	
		TOTAL	% TO TOTAL CONSOLIDATED LIABILITIES	TOTAL	% TO TOTAL SALES	DIFFERENCE	INCREASE / DECREASE (%)
Other payables – related parties	Rp mio	8,456,268	0.22%	<b>28,678,360</b>	<b>0.32%</b>	20,222,092	239.14%
Due to related parties	Rp mio	128,969,653	1.56%	<b>204,750,100</b>	<b>2.47%</b>	75,780,447	58.76%
Trade payables – related parties	Rp mio	2,682,865	0.02%	<b>2,407,915</b>	<b>0.13%</b>	(274,950)	-10.25%

## CHANGES OF REGULATIONS

In 2016, there were some changes of regulations that impact the Company's performance today and in the future:

No.	REGULATION	CONCERNING	EFFECT TO COMPANY
1.	Law Of Republic of Indonesia Number 11 Year 2016	Tax Amnesty	Neutral
2.	Government Regulation Of Republic of Indonesia Number 29 Year 2016	Amendment of Authorized Capital of Limited Liability Company	Neutral

## CHANGES OF ACCOUNTING POLICY

The Indonesian Institute of Accountants (IAI) has issued amendments to statements and interpretations of accounting standards which are not yet effective for the financial year beginning January 1<sup>st</sup>, 2016.

The amendments to statement and an interpretation issued and effective for the year commencing on or after January 1<sup>st</sup>, 2017 were as follows:

1. Amendments to PSAK No.1, "Presentation of Financial Statements," on Disclosure Initiative
2. ISAK No.31, "Interpretation on the Scope of PSAK No.13: Investment Property"

The new and amendments to statements issued and effective for the year commencing on or after January 1<sup>st</sup>, 2018 were as follows:

1. PSAK No.69, "Agriculture"
2. Amendments to PSAK No.16, "Fixed Assets", on Agriculture: Bearer Plants

BNBR Group is evaluating the potential impact on the consolidated financial statements as a result of the adoption of such new adjustment and revised statements and interpretations.

## 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.

*“The daring and rapid career and organization development I’ve experienced, not to mention an industry field that is suitable for my background as a Metallurgy Engineer, has motivated me to contribute more in automotive component, heavy industries, agriculture and general casting industry.”*

**Ibnu Z. Aslam**

Operational Manager  
PT Bina Usaha Mandiri Mizusawa  
*Years of Service: 8 years*

**HUMAN CAPITAL  
MANAGEMENT**





TOTAL NUMBER OF  
EMPLOYEES IN 2016 INCREASED

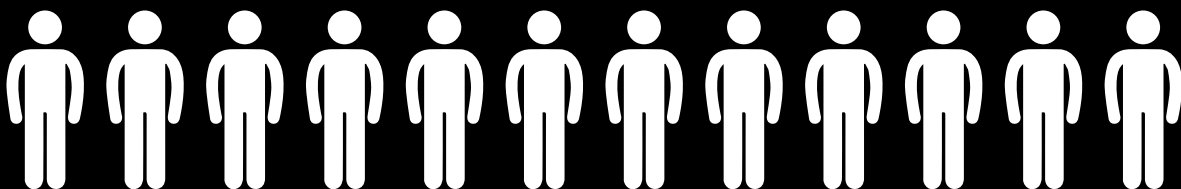
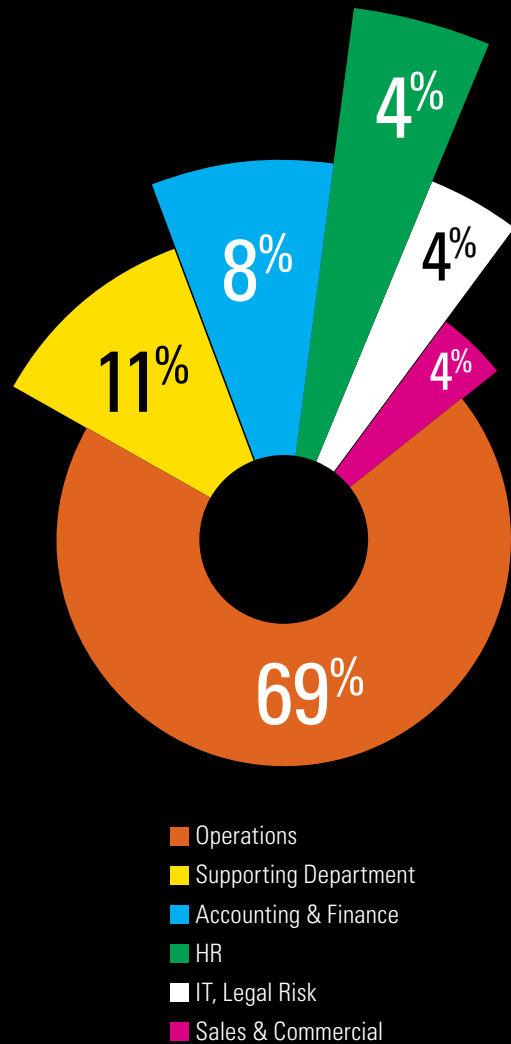
**2.3%**

**98.7%** EMPLOYEES  
WORK AT  
SUBSIDIARIES LEVEL

**17.6%** EMPLOYEES  
ARE UNIVERSITY  
GRADUATE

**62.6%** EMPLOYEES  
ARE PERMANENT  
EMPLOYEE

### COMPOSITION OF TRAINING PARTICIPANTS BASED ON DEPARTMENT



**1,367** EMPLOYEES RECEIVED  
TRAINING IN YEAR 2016



# 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 program was, in 2016, 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 & 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 polices 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 newspapers.

## 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.

## COMPANY HUMAN RESOURCES COMPOSITION

During 2016 the Company increased its productivity while considering efficiency and quality. BNBR aims to maintain its lean organization structure, therefore additional of contract employees were done on project basis as the need of new hires arises to support new projects of BNBR subsidiaries.

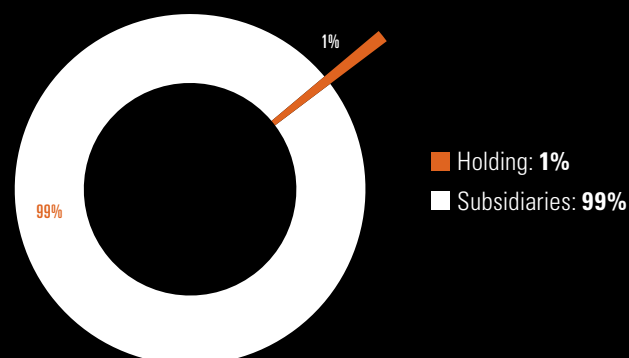
A total of 79 employees of BNBR and subsidiaries resigned and 140 new hires joined in 2016. BNBR continuously manage its turnover rate to ensure it will not disrupt company's operational activity, and BNBR believes its human resources remain highly competent and capable as well as highly dedicated. BNBR continues to support skill improvement of its employees through implementation of various training programs along 2016.

In 2016, total employee of BNBR and its subsidiaries increased by 2% to 4,236 employees. Composition of total employee of BNBR and its subsidiaries by end of 2016 consists of 2,652 permanent employees and 1,584 contract employees.

Of all BNBR and its subsidiaries' employees, approximately 18% hold bachelor degree or higher, 16% hold diploma degree, and the remaining had primary education up to senior high school. In terms of age, approximately 29% are aged between 18-30 years, 48% are aged between 31-45 years, and the remaining are over 45 years old.

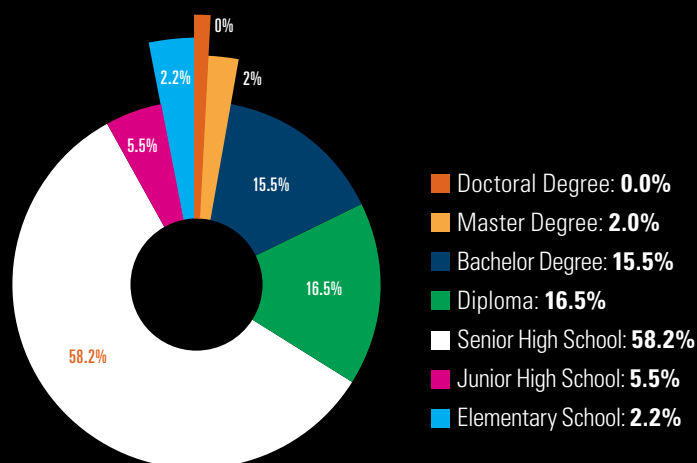
### EMPLOYEE COMPOSITION BASED ON ORGANIZATION LEVEL

ORGANIZATION LEVEL	2015	2016
Holding	55	56
Subsidiaries	4,087	4,180
<b>TOTAL</b>	<b>4,142</b>	<b>4,236</b>



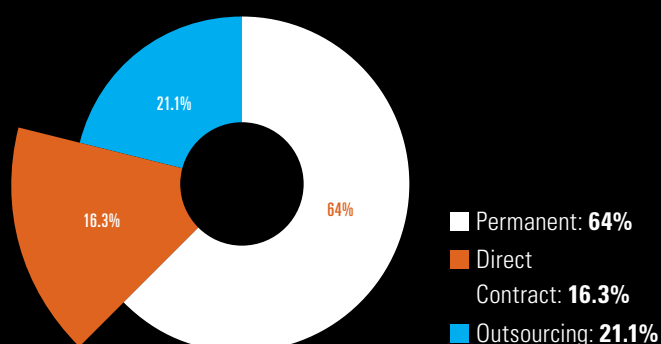
### EMPLOYEE COMPOSITION BASED ON EDUCATION LEVEL

EDUCATION LEVEL	2015	2016
Doctoral Degree	3	2
Master Degree	90	84
Bachelor Degree	638	658
Diploma	281	700
Senior High School	2,715	2,465
Junior High School	299	234
Elementary School	116	93
<b>TOTAL</b>	<b>4,142</b>	<b>4,236</b>



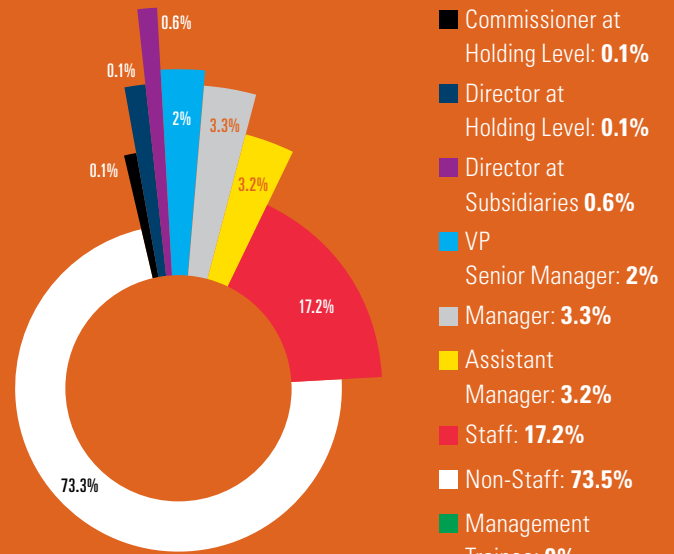
### EMPLOYEE COMPOSITION BASED ON EMPLOYMENT STATUS

STATUS	2015	2016
Permanent	2,634	2,652
Direct Contract	771	691
Outsourcing	737	893
<b>TOTAL</b>	<b>4,142</b>	<b>4,236</b>



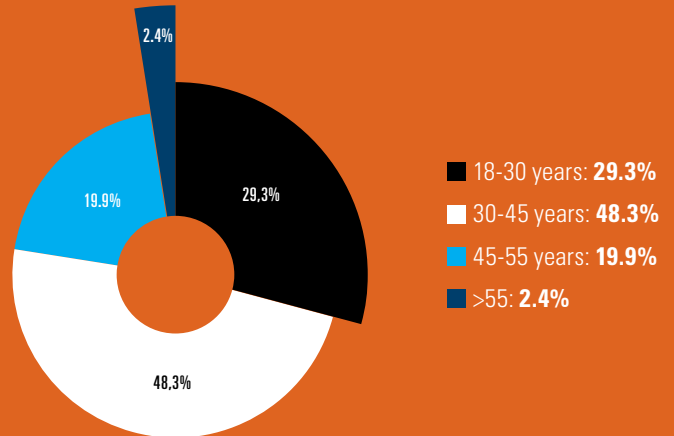
**EMPLOYEE COMPOSITION BASED ON POSITION**

POSITION	2015	2016
Commissioner at Holding Level	4	3
Director at Holding Level	4	4
Director at Subsidiaries	26	23
VP/Senior Manager	82	84
Manager	169	137
Assistant Manager	124	134
Staff	865	712
Non-Staff	3.254	3.043
Management Trainee	10	2
<b>TOTAL</b>	<b>4.142</b>	<b>4.236</b>



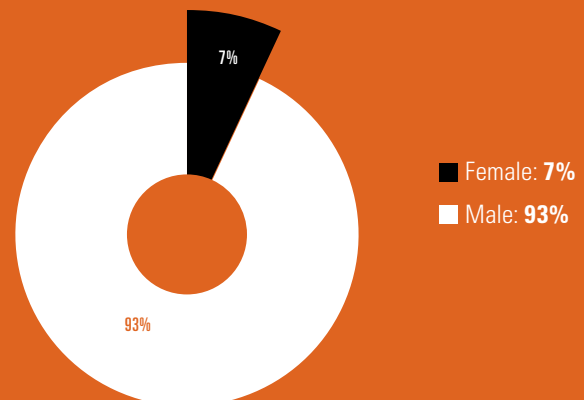
**EMPLOYEE COMPOSITION BASED ON AGE GROUP**

AGE	2015	2016
18-30 years	1.284	1.241
30-45 years	1.914	2.048
45-55 years	843	844
> 55 years	101	103
<b>TOTAL</b>	<b>4.142</b>	<b>4.236</b>



**EMPLOYEE COMPOSITION BASED ON GENDER**

GENDER	2015	2016
Female	285	295
Male	3.857	3.941
<b>TOTAL</b>	<b>4.142</b>	<b>4.236</b>



## HC TALENT DEVELOPMENT

### 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 Strategic Solutions (BSS) and the 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.

## 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. 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 with the Management Board of Bakrie Untuk Negeri (BP BUN), Bakrie CSR Forum, Bakrie Pension Fund Foundation and the Bakrie Business Group. The program is aimed at employees entering retirement age, and has the following goals:

- To support employees in preparing for life post-retirement.
- To support employees in properly planning for life post-retirement.
- To develop the entrepreneurial potential of employees approaching retirement age.
- To support employees in choosing the right business area according to their abilities.
- To support employees in preparing for certain issues that may arise post-retirement.

The "Success in Retirement" program consists of a series of workshops and training programs, visits and presentations from relevant parties alternated with games and direct practice of the training materials provided.

## HC TRAINING PROGRAMS AND COSTS

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 2016 were focused on technical and functional abilities.

In 2016, BNBR group held training programs for a total of 1,367 employees from various departments within the Company and its subsidiaries with total cost as much as Rp 1,703,602,000.-

## EMPLOYEE PROSPERITY

As part of the Company's commitment to treat HC as a key asset and a strategic partner in business development, BNBR strives to increase employee prosperity through the provision of various prosperity facilities including the Bakrie Pension Fund Program, health clinics, education aid 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 Cooperation. This program covers BNBR's operations in the areas of retail, savings and loans and office stationery provision. Meanwhile, in order to ensure employees' prosperity in retirement, BNBR includes all employees in the Definite Benefit Pension scheme through the Bakrie Pension Fund, which involves no employee contributions.

NUMBER OF PARTICIPANTS AND COST OF TRAINING PER TRAINING CATEGORY		
Training Category	Number of Participants	Cost of Training (in Rupiah)
Management and Leadership Training	513	589,363,265
Functional Skill Development Training (Finance, HR, Marketing, Operation, Legal)	276	805,972,200
ISO and Continuous Improvement Related Training	577	305,766,535
Corporate Values Training	1	2,500,000
<b>TOTAL</b>	<b>1,367</b>	<b>1,703,602,000</b>

NUMBER OF PARTICIPANTS AND COST OF TRAINING PER ORGANIZATION LEVEL		
Department	Number of Participants	Cost of Training (in Rupiah)
Holding	29	381,961,500
Subsidiaries	1,338	1,321,640,500
<b>TOTAL</b>	<b>1,367</b>	<b>1,703,602,000</b>

NUMBER OF PARTICIPANTS AND COST OF TRAINING PER DEPARTMENT		
Department	Number of Participants	Cost of Training (in Rupiah)
Supporting Dept.	155	236,033,988
Accounting & Finance	123	316,951,713
HR	51	101,713,480
Sales & Commercial	47	48,544,259
IT, Legal & Risk	59	117,084,225
Operations	932	883,274,335
<b>TOTAL</b>	<b>1,367</b>	<b>1,703,602,000</b>

*“The togetherness, the family-like atmosphere, as well as the spirit to continuously grow and thrive are the major qualities I’ve felt since joining PT Bakrie Pipe Industries in 1994 as Junior Engineer. Those qualities remain until now; after I have been trusted the responsibility of the whole company’s operational.”*

**Deddy Kurnia**

Chief Operations Officer  
PT Bakrie Pipe Industries  
Years of Service: 22 years

## **CORPORATE GOVERNANCE IMPLEMENTATION REPORT**





**Bakrie Pipe  
Industries**  
An ISO 9001 : 2008 Company

**GET FIRST**

**Bakrie Pipe  
Industries**



GCG  
IMPLEMENTATION  
ASSESSMENT RESULT  
BY EXTERNAL PARTY

RANK

**32<sup>ND</sup>**

IN ASSESSMENT OF TOP 50 PUBLIC LISTED COMPANIES BY IICD

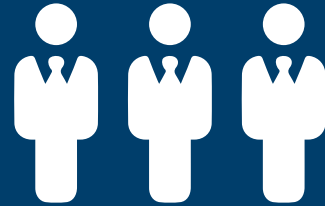
**TRUSTED**  
COMPANY IN CGPI  
AWARD HELD BY IICG

RANK

**11<sup>TH</sup>**

PRIVATE FINANCIAL  
LISTED CATEGORY IN  
ANNUAL REPORT AWARD

## SUPPORTING ORGANS OF BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS



### BOARD OF COMMISSIONERS



### BOARD OF DIRECTORS



# CORPORATE GOVERNANCE IMPLEMENTATION REPORT

*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:

- a. To enhance and maintain the trust of investors, creditors and shareholders of the Company, through GMS, performance reporting and the Company's achievement.
- b. To optimize the Company's management, through the stipulation of work charter and to encourage work effectiveness in all the Company's elements.
- c. 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.
- d. 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.

- e. To enhance Human Resource professionalism in the Company, so as to support the company's operations competence improvement.
- f. To protect the interest of shareholders and stakeholders, by ensuring the discipline in the company's management, securing the assets and corporate values sustainably.
- g. 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 4 (four) main pillars of Good Corporate Governance, that are Commitment, 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 4 (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 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.

# CORPORATE GOVERNANCE ROADMAP

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

- 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

1997  
2001

2010

1989  
1996

2002  
2009

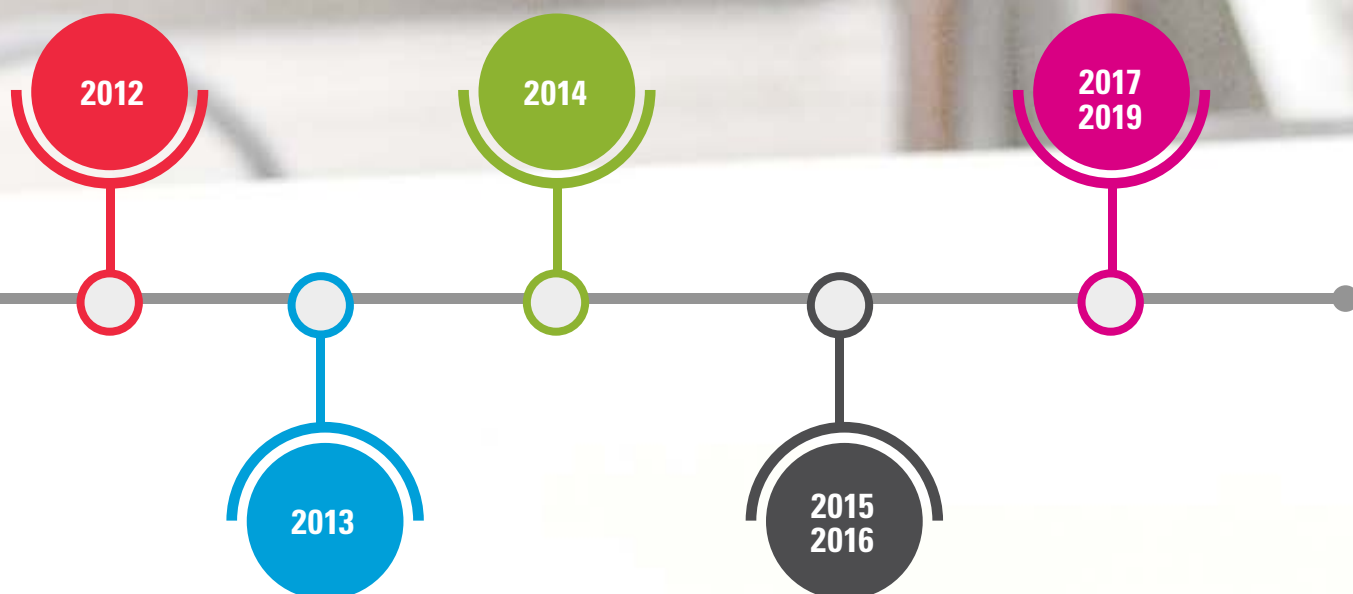
2011

- Corporate Philosophy
- Corporate Identity
- Frame work
- Corporate Internal Audit
- Business Policies
- Bakrie Management System

- 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

- 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
- 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
- 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



- 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 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

## 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 2016, 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 274 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 sustainability, Information Technology scope, Human Resources scope, products and services procurement, accounting manual, and several policies and procedures in the scope of Risk Management, Corporate Communication, Payroll and Corporate Secretary.

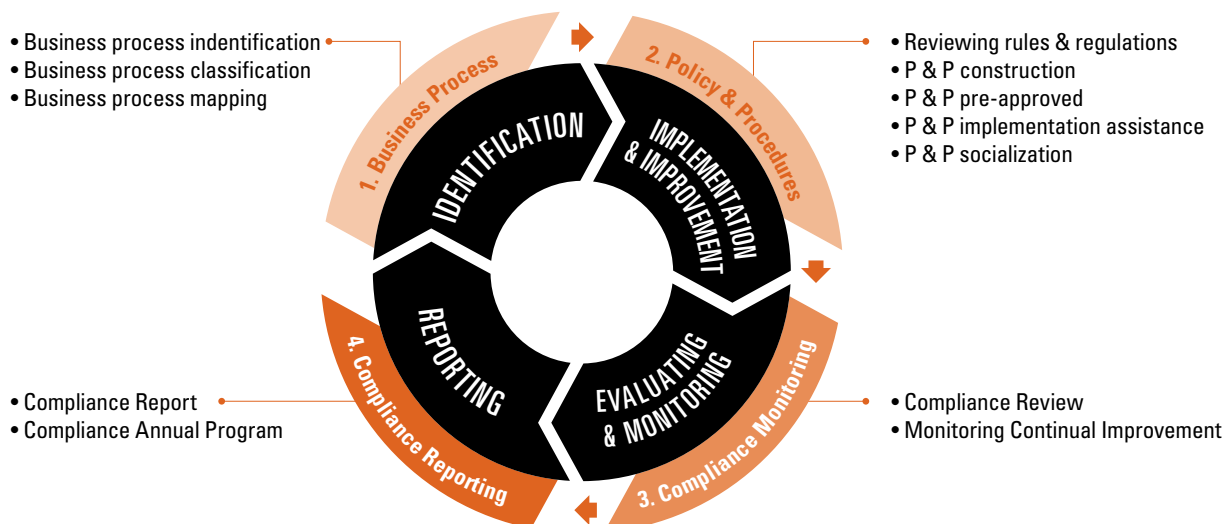
Compliance department of CRM has also performed Compliance Tests as follow:

- a. Compliance Test for Policies & Procedures on Press Release Composition and Distribution (Media Relations Division)
- b. Compliance Test for Policies & Procedures on Business Award (Corporate Communication Division)
- c. Compliance Test for Policies & Procedures on Products and Services Procurement (Office Support Services Function)
- d. Compliance Test for Policies & Procedures on Cash Advance Management (Finance Division)
- e. Compliance Test for Policies & Procedures on Business Trip (Human Capital Division)
- f. Compliance Test for Policies & Procedures on Administration of Legal Documents (Legal Division)

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 2016, 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 2017 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, systematic, easy and consistent manner. 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 Public Listed Companies with Best GCG in 2016 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 209 questions.

The following are scores of each Scorecard components:

PRINCIPLE A - Rights of Shareholders: 4.17

PRINCIPLE B - Equitable Treatment of Shareholders: 8.44

PRINCIPLE C - Role of Stakeholders: 9.52

PRINCIPLE D - Disclosure and Transparency: 20.12

PRINCIPLE E - Responsibilities of the Board: 29.19

OVERALL SCORE: 71.44

Source: Research Report of 2016 ASEAN Scorecard, IICD

Based on the final score of 71.44 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 total score achieved by the Company were above the average score of 100 companies publicly listed in the stock exchange (based on 2016 ASEAN Scorecard), where the score was 67.99. Based on this score, the Company was ranked 32nd of all publicly listed companies assessed.



Piagam PT Bakrie & Brothers Tbk Top 50 Public Listed Company, IICD

2. The Company was Awarded as Trusted Company Based On Corporate Governance Perception Index (CGPI) 2016 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 2016 was the fifth year the Company participated in the research and ranking of GCG practices in the Company, namely the Corporate Governance Perception Index Award 2016 carried out by the Indonesian Institute for Corporate Governance (IICG) in collaboration with SWA Magazine. In 2016 CGPI promoted the theme "Company's Sustainability with Orientation on Economic, Social and Environment Aspect Through Good Corporate Governance". CGPI utilized four stages of assessment with 13 aspects of assessment based on this year's theme. This year the CGPI award participants were 30 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 72.69 or qualified for the category "Trusted Company".

The following table illustrates Company's ranking trend in the CGPI assessment from year to year:

ASSESSMENT STAGE	CGPI 2010	CGPI 2011	CGPI 2012	CGPI 2014	CGPI 2015
Self Assessment / Questionnaire	80.12	73.86	74.15	77.26	74.63
Completeness of Documents*	67.78	75.65	64.99	68.22	72.35
Paper *	68.17	72.00	72.00	68.58	71.41
Observation *	81.14	78.31	70.04	66.42	71.67
<b>Total Score (Maximum 100)</b>	<b>75.61</b>	<b>76.23</b>	<b>69.22</b>	<b>69.72</b>	<b>72.69</b>
<b>Ranking Category</b>	<b>Trusted</b>	<b>Trusted</b>	<b>Fairly Trusted</b>	<b>Fairly Trusted</b>	<b>Trusted</b>

\*For comparison reason, score for each assessment stage presented are scores before multiplication with weightage 2015 CGPI Result Report (2016 Award), IICG

#### CGPI ASSESSMENT RESULT FOR THE COMPANY:

- The Company has fulfilled commitment aspect in CGPI which consists of:
  - Has policy and guidance regarding good corporate governance implementation.
  - Has policy and guidance regarding the company's business sustainability.
  - Has a structure of person in charge regarding good corporate governance.
  - Has a structure of person in charge regarding the company's sustainability program.
  - Develops and implements good corporate governance system and implementation mechanism.
  - Develops and implements company's sustainability program system and implementation mechanism.
- The Company has fulfilled transparency aspect in CGPI which consists of:
  - Has policy and guidance regarding periodical disclosure of Company information to the public.
  - Has policy and guidance regarding openness of Company information to the public.
  - Has a structure of person in charge regarding disclosure of Company information to the public.
- The Company has fulfilled accountability aspect in CGPI which consists of:
  - Has a structure of person in charge regarding openness of Company information to the public.
  - Develops system and mechanism of producing financial report and company management report to the public.
  - Develops system and mechanism of Company information disclosure to the public through various media accessible by public.
- The Company has fulfilled accountability aspect in CGPI which consists of:
  - Has policy and guidance regarding clarity of duties and authorities of the company's organs and management.
  - Has policy and guidance regarding control, supervision as well as check and balances of duties and authorities of the company's organs and management.
  - Develops accountability system and mechanism of duties and authorities regarding the company's organs and management.
  - Develops company's internal control system and mechanism.
  - Develops company's external supervision system and mechanism.
  - Develops check and balances system and mechanism for duties and authorities of the company's organs and management.

4. The Company has fulfilled responsibility aspect in CGPI which consists of:
  - Has policy and guidance regarding corporate social responsibility.
  - Guarantees the company's adherence to external rules and regulations as well as internally prevailing regulations.
  - Guarantees the company's adherence to agreements with third party.
  - Has a structure of person in charge regarding the company's adherence to regulations and agreements.
  - Has a structure of person in charge regarding corporate social responsibility implementation.
  - Develops sustainable corporate social responsibility implementation system and mechanism.
  
5. The Company has fulfilled independency aspect in CGPI which consists of:
  - Has policy and guidance regarding conflict of interest mitigation at the company's organs and management.
  - Has policy and guidance regarding decision making at GMS, the company's organs and management.
  - Has a structure of person in charge regarding conflict of interest mitigation at the company's organs and management.
  - Develops conflict of interest mitigation system and mechanism at the company's organs and management.
  - Develops system and mechanism for decision making at GMS.
  - Develops system and mechanism for decision making at the company's organs and management.
  
6. The Company has fulfilled fairness aspect in CGPI which consists of:
  - Has policy, guidance, system and mechanism regarding sustainable fair communication with shareholders.
  - Has policy, guidance, system and mechanism regarding sustainable fair communication with employees.
  - Has policy, guidance, system and mechanism regarding sustainable fair communication with suppliers.
  - Develops policy, guidance, system and mechanism regarding sustainable fair communication with customers.
  - Has policy, guidance, system and mechanism regarding sustainable fair communication with the other stakeholders.
  
7. The Company has fulfilled leadership aspect in CGPI which consists of:
  - Has policy and guidance regarding leadership system development in the company.
  - Has a structure of person in charge of leadership system development in the company.
  - Develops leadership system and mechanism in the company.
  - Develops transformational leadership style in the interest of the company's sustainability.
  - Develops visionary leadership style in the interest of the company's sustainability.
  - Develops principled leadership style in the interest of the company's sustainability.
  - Develops participative leadership style in the interest of the company's sustainability.
  
8. The Company has fulfilled capability aspect in CGPI which consists of:
  - Has policy, guidance, system and mechanism regarding innovation in the interest of the company's sustainability.
  - Has policy, guidance, system and mechanism regarding creation of unique advantage in the interest of the company's sustainability.
  - Has policy, guidance, system and mechanism regarding networking in the interest of the company's sustainability.
  - Has policy, guidance, system and mechanism regarding human resources competency development.
  
9. The Company has fulfilled strategy aspect in CGPI which consists of:
  - Has policy, guidance, system and mechanism regarding formulation of the company's vision and mission.
  - Has policy, guidance, system and mechanism regarding formulation of the company's strategy.
  - Has policy, guidance, system and mechanism regarding formulation of company's policy and program.
  
10. The Company has fulfilled risk aspect in CGPI which consists of:
  - Has policy and guidance regarding the company's risk management.
  - Has policy and guidance regarding internalization of the company's risk management implementation.
  - Has a structure of person in charge of the company's risk management implementation.
  - Develops the company's risk management system and mechanism.
  - Develops the company's risk awareness culture system and mechanism.

11. The Company has fulfilled ethics aspect in CGPI which consists of:
- Has policy and guidance regarding the company's business ethics.
  - Has policy and guidance regarding the company's work ethics.
  - Develops the company's business ethics implementation system and mechanism.
  - Develops the company's work ethics implementation system and mechanism.
  - Develops policy, guidance, system and mechanism regarding business ethics with environmental perspective.
12. The Company has fulfilled culture aspect in CGPI which consists of:
- Has corporate values system with orientation towards human and development and honoring human dignity.
  - Has corporate values system with orientation towards environment and environmental conservation.
  - Has corporate values system with orientation towards the company's productivity and efficiency improvement.
  - Develops corporate values internalization mechanism with orientation towards human development and honoring human dignity.
  - Develops corporate values internalization mechanism with orientation towards environment and environmental conservation.
  - Develops corporate values internalization mechanism with orientation toward the company's productivity and efficiency improvement.
13. The Company has fulfilled sustainability aspect in CGPI which consists of:
- Exhibits the company's achievement and result in human development and honoring human dignity.
  - Exhibits the company's achievement and result in environmental development and conservation.
  - Exhibits the company's achievement in improving productivity and efficiency.

Source: CGPI Research and Ranking Report for PT Bakrie & Brothers Tbk, "Good Corporate Governance In Sustainability Perspective", 2016



GCG Award 2016 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

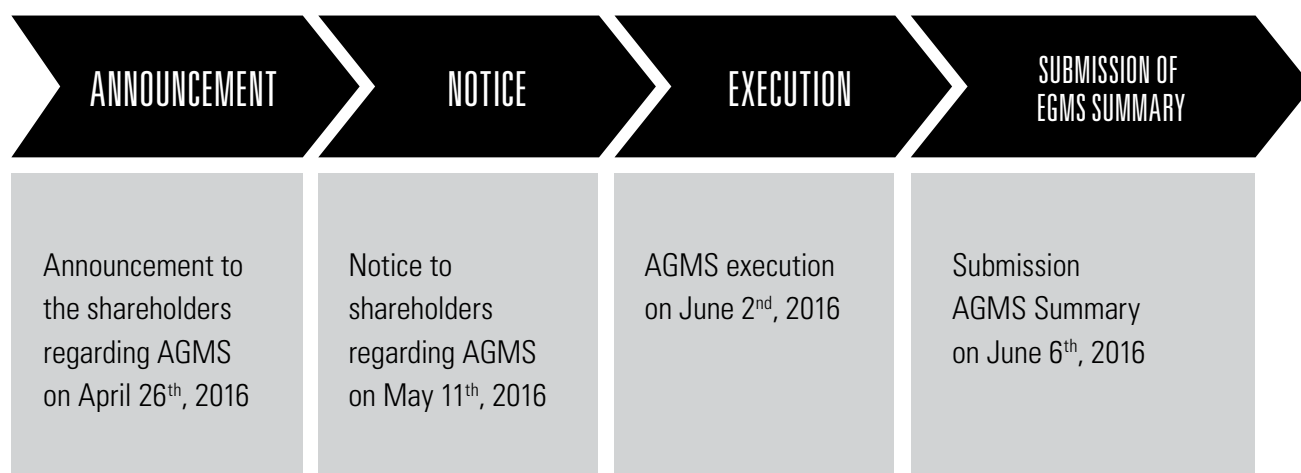
GMS shall be held at least once a year, namely Annual GMS. Apart from the Annual GMS, Extraordinary GMS can be organized. In 2015, the Company held 1 time Annual GMS, and did not held any Extraordinary GMS.

### EXECUTION OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Pursuant to the Articles of Association, the Company has held the Annual GMS for fiscal year 2015 on June 2<sup>nd</sup>, 2016, 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. 24/BNBR/CS-OJK/IV/16 dated April 18th 2016, and announced the Meeting Plan on April 26<sup>th</sup>, 2016 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 May 11<sup>th</sup>, 2016 through Company website, Indonesia Stock Exchange website and an Indonesian newspapers, namely Kontan.

Annual GMS on June 2<sup>nd</sup>, 2016 was attended by shareholders that represent 54,497,100,428 shares or 58.15% from the total shareholders. Thereby the meeting was announced as quorum and has been in accordance with the Company's Articles of Association.



### 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<sup>st</sup>, 2015.
2. Approval and ratification of the Company's Balance Sheet and Profit/Loss Account for Fiscal Year ended December 31<sup>st</sup>, 2015, 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 2015 .
3. Determination and approval of the use of the Company's profits for the Fiscal Year ended December 31<sup>st</sup>, 2015.
4. Appointment and assignment of Public Accounting Firm to audit the Company's Financial Report for Fiscal Year ended December 31<sup>st</sup>, 2016.

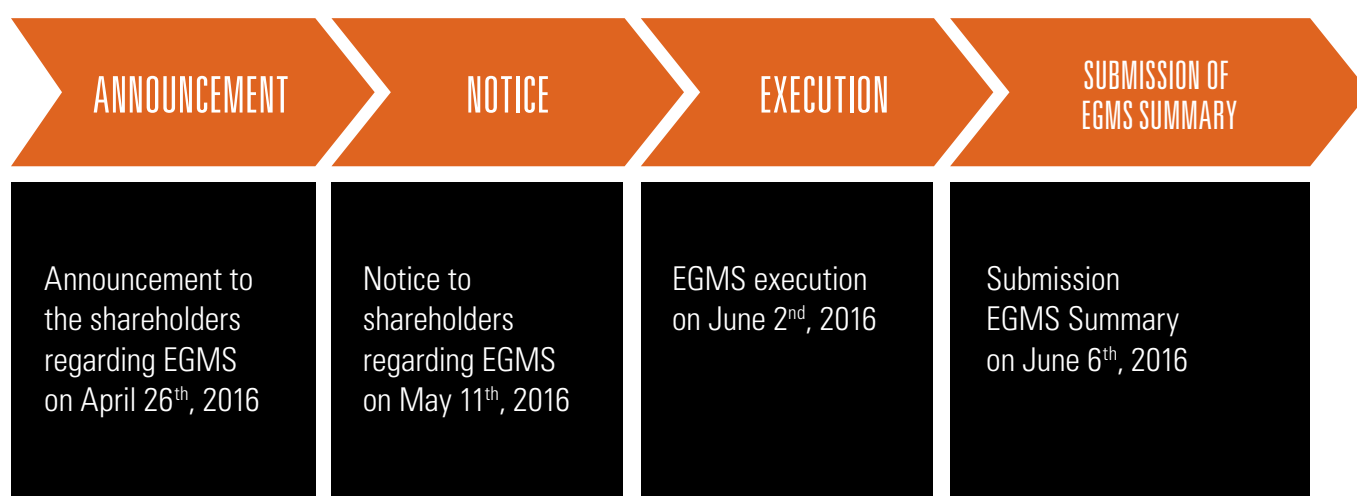
ANNUAL GMS AGENDA DISCUSSION AND RESOLUTIONS		VOTING RESULT	FOLLOW UP
<b>1. First Agenda</b>	The Company's Board of Directors elaborated the First Meeting Agenda that was presented by the Company's President Director. The meeting resolution on First Agenda was: Appropriately accepted and approved Annual Report that included the Board of Directors and Board of Commissioners' accountability on the management of the Company for Fiscal Year ended December 31 <sup>st</sup> , 2015.	<b>Agree:</b> 54,193,520,428 (99.44%) <b>Disagree:</b> 303,580,000 (0.56%) <b>Abstain:</b> 8,750,000,000  Abstain vote is included in the majority vote, therefore voting result of Agree became 54,193,520,428 (99.44%)	-
<b>2. Second Agenda</b>	The Company's Board of Directors elaborated the Second Meeting Agenda that was presented by the Company's President Director. The meeting resolution on Second Agenda was: Approved and ratified the Balance Sheet and Profit/Loss Account for Fiscal Year ended December 31 <sup>st</sup> , 2015 and provided acquittal and fully discharge of responsibility (acquitt 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 <sup>st</sup> , 2015, 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 <sup>st</sup> , 2015.	<b>Agree:</b> 54,193,520,428 (99.44%) <b>Disagree:</b> 303,580,000 (0.56%) <b>Abstain:</b> 8,750,000,000  Abstain vote is included in the majority vote, therefore voting result of Agree became 54,193,520,428 (99.44%)	-
<b>3. Third Agenda</b>	The Company's Board of Directors elaborated the Third Meeting Agenda that was presented by the Company's President Director. The meeting resolution on Third Agenda was: Approved the Company for not distributing dividends and Company's proposal of earnings usage for Fiscal Year ended December 31 <sup>st</sup> , 2015.	<b>Agree:</b> 54,197,100,428 (99.45%) <b>Disagree:</b> 300,000,000 (0.55%) <b>Abstain:</b> 8,750,000,000  Abstain vote is included in the majority vote, therefore voting result of Agree became 54,197,100,428 (99.45%)	Dividend distribution for Fiscal Year ended December 31 <sup>st</sup> , 2015 was not executed.
<b>4. Fourth Agenda</b>	The Company's Board of Directors elaborated the Fourth Meeting Agenda that was presented by the Company's President Director. The meeting resolution on Fourth Agenda was: Approved full authority to the Company's Board of Directors following the approval of the Company's Board of Commissioners to appoint and assign the Public Accounting Firm to audit the Company's Financial Report for Fiscal Year ended December 31 <sup>st</sup> , 2016, in which are fulfilling the determined criteria and to set the honorarium.	<b>Agree:</b> 54,153,787,228 (99.37%) <b>Disagree:</b> 343,313,200 (0.62%) <b>Abstain:</b> 8,750,000,000  Abstain vote is included in the majority vote, therefore voting result of Agree became 54,153,787,228 (99.37%)	Board of Directors has appointed Public Accounting Firm Y. Santosa & Rekan through letter no. P065/XI/BNBR/16/T with approval from Board of Commissioners as stated in letter dated December 8 <sup>th</sup> , 2016.

## EXECUTION OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

Pursuant to the Articles of Association, the Company has held the Extraordinary GMS on June 2<sup>nd</sup>, 2016, 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. 24/BNBR/CS-OJK/IV/16 dated April 18<sup>th</sup> 2016, and announced the Meeting Plan on April 26<sup>th</sup>, 2016 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 May 11<sup>th</sup>, 2016 through Company website, Indonesia Stock Exchange website and an Indonesian newspapers, namely Kontan.

Extraordinary GMS on June 2<sup>nd</sup>, 2016 was attended by shareholders that represent 62,500,177,435 shares or 66.69% from the total shareholders. Thereby the meeting was announced as quorum and has been in accordance with the Company's Articles of Association.



## EXTRAORDINARY GMS AGENDA

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

1. Approval to amendment of Company's Articles of Association, concerning additional of Company Authorized Capital, Issued and Fully Paid Capital including issuance of ordinary shares series D.
2. Approval of Capital Increase with Non Preemptive Rights ("NPR") with the provisions of the Financial Services Authority Regulation No.38/POJK.04/2014, through issuance of Mandatory Convertible Bonds and ordinary shares series D.

EXTRAORDINARY GMS AGENDA DISCUSSION AND RESOLUTIONS		VOTING RESULT	FOLLOW UP
<b>1. First Agenda</b>	The Company's Board of Directors elaborated the First Meeting Agenda that was presented by the Company's President Director. The meeting resolution on First Agenda was: Appropriately accepted and approved the amendment of Company's Articles of Association related to increase of Company's Authorized Capital, Issued and Paid in Capital including Issuance of ordinary share series D.	<b>Agree:</b> 58,643,825,835 (93.83%) <b>Disagree:</b> 3,856,351,600 (6.17%) <b>Abstain:</b> 0 (0%)	Minutes of Extraordinary GMS of PT Bakrie & Brothers Tbk No. 20 dated June 2 <sup>nd</sup> , 2016

<p><b>2. Second Agenda</b></p>	<p>The Company's Board of Directors elaborated the First Meeting Agenda that was presented by the Company's President Director. The meeting resolution on First Agenda was: Appropriately accepted and approved the Capital Increase with Non Preemptive Rights with the provisions of the Financial Services Authority Regulation No.38/POJK.04/2014, through issuance of Mandatory Convertible Bonds and ordinary shares series D.</p>	<p><b>Agree:</b> 60,863,777,335 (97.38%)</p> <p><b>Disagree:</b> 1,636,400,100 (2.62%)</p> <p><b>Abstain:</b> 152,004,000</p> <p>Abstain vote is included in the majority vote, therefore voting result of Agree became 60,863,777,335 (97.38%)</p>	<p>Minutes of Extraordinary GMS of PT Bakrie &amp; Brothers Tbk No. 20 dated June 2<sup>nd</sup>, 2016.</p> <p>Information concerning execution of Capital Increase with Non Preemptive Rights is described in Information for Investors Sub Chapter in this 2016 Annual Report book.</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	PERAN DALAM MENJALANI FUNGSI KOMITE PERUSAHAAN
President Commissioner & Independent 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

Pursuant to the resolutions of Annual General Meeting of Shareholders dated June 18<sup>th</sup>, 2015, the composition and appointment of the Board of Commissioners up to the end of 2017, are as follows:

COMPOSITION		FIRST APPOINTMENT			FOCUS OF MONITORING AREAS
POSITION	NAME	GENERAL MEETING OF SHAREHOLDERS	DOCUMENTS	RATIFICATIONS	
President Commissioner & Independent Commissioner	Irwan Sjarkawi	June 24 <sup>th</sup> , 2004	Deed dated July 6 <sup>th</sup> , 2004 No. 21	C-UM.02.01.8737, dated July 23 <sup>rd</sup> , 2004	Supervise and monitor the activities of Audit Committee and Nomination and Remuneration Committee
Commissioner	Nugroho I Purbowinoto	June 30 <sup>th</sup> , 2009	Deed dated July 7 <sup>th</sup> , 2009 No. 33	AHU-AH.01.10-12847, dated August 12 <sup>th</sup> , 2009	Supervise and monitor the activities of Risk Management Committee and Corporate Governance Committee
Commissioner	Armansyah Yamin	June 30 <sup>th</sup> , 2009	Deed dated July 7 <sup>th</sup> , 2009 No. 33	AHU-AH.01.10-12847, dated August 12 <sup>th</sup> , 2009	As a member of Risk Management 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 2016 there was no delegation of authority among Board of Commissioners members to attend meeting.

## 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:

- 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;

- b. does not have any direct or indirect shares in the Public Companies;
- c. 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
- d. 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:

- a. member of the Board of Directors at maximum 2 (two) other Issuers or Public Companies; and
- b. 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 2016:

NAME	COMPANY	POSITION
Irwan Sjarkawi	-	-
Armansyah Yamin	-	-
Nugroho I Purbowinoto	PT Bakrieland Development	Komisaris

**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’ shares ownership in the Company in 2016:

NAME	POSITION	SHARES OWNERSHIP (UNITS)	OWNERSHIP PERCENTAGE
Irwan Sjarkawi	President Commissioner	0	0
Armansyah Yamin	Commissioner	167,989	0
Nugroho I Purbowinoto	Commissioner	8,000	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.

**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 2016 the Board of Commissioners did not attend any development and training activities held by external party.

### 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 2016, the Board of Commissioners meeting attendance is as follows:

NO	DATE	AGENDA	BOC		
			IS	AY	NIP
1.	13 Jan 2016	2016 Kick Off Meeting	1	1	1
2.	16 Feb 2016	Review of Corporate Internal Audit report	1	-	1
3.	8 Mar 2016	Review of Board of Commissioners report and Committees reports for Annual Report 2015	1	1	1
4.	21 Mar 2016	Review on Consolidated Financial Statement per December 31, 2015	1	1	1
5.	25 April 2016	Review on Financial Statement per March 31, 2016	1	1	1
6.	31 May 2016	Preparation for AGMS	1	-	1
7.	16 Aug 2016	Discussion concerning Internal Audit monitoring result semester 1 year 2016	1	-	1
8.	20 Oct 2016	Review on Financial Statement per September 30, 2016	1	-	1
9.	23 Nov 2016	Discussion concerning budget 2017	1	1	1
10.	14 Dec 2016	Internal meeting with BOC Committees concerning evaluation on Committees performance in 2016	1	-	1
<b>TOTAL:</b>			<b>10</b>	<b>5</b>	<b>10</b>
<b>ATTENDANCE PERCENTAGE:</b>			<b>100%</b>	<b>50%</b>	<b>100%</b>
Note: IS: Irwan Sjarkawi AY: Armansyah Yamin NIP: Nugroho I. Purbowinoto					

### 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 2016, the Board of Commissioners and Board of Directors held 30 (thirty) Joint Meetings, with the following detailed agenda and attendance:

NO	DATE	AGENDA	BOC			BOD			
			IS	AY	NIP	BGU	AAP	DTW	YS
1.	21 Mar 2016	BOD report to BOC concerning PT Bakrie & Brothers Tbk Consolidated Financial Statement per December 31 <sup>st</sup> , 2015	1	1	1	1	1	1	1
2.	12 Apr 2016	Presentation of 1 <sup>st</sup> Quarter 2016 Operational and Financial Performance of PT Bakrie Building Industries	1	-	1	1	1	1	1
3.	12 Apr 2016	Presentation of 1 <sup>st</sup> Quarter 2016 Operational and Financial Performance of PT Multi Kontrol Nusantara	1	-	1	1	1	1	1

NO	DATE	AGENDA	BOC			BOD			
			IS	AY	NIP	BGU	AAP	DTW	YS
4.	12 Apr 2016	Presentation of 1 <sup>st</sup> Quarter 2016 Operational and Financial Performance of PT Bakrie Metal Industries and Subsidiaries	1	-	1	1	1	1	1
5.	13 Apr 2016	Presentation of 1 <sup>st</sup> Quarter 2016 Operational and Financial Performance of PT Bakrie Solusi Strategis	1	-	1	1	1	1	1
6.	13 Apr 2016	Presentation of 1 <sup>st</sup> Quarter 2016 Operational and Financial Performance of PT Bakrie Autoparts	1	-	1	1	1	1	1
7.	25 Apr 2016	Presentation of 1 <sup>st</sup> Quarter 2016 Operational and Financial Performance of PT Bakrie Indo Infrastructure	1	1	-	1	1	1	1
8.	25 Apr 2016	BOD report to BOC concerning PT Bakrie & Brothers Tbk Financial Statement per March 31st, 2016	1	1	-	1	1	1	1
9.	1 Jun 2016	Preparation for BNBR Annual General Meeting of Shareholders	1	1	1	1	1	1	1
10.	21 Jul 2016	Presentation of 1 <sup>st</sup> Semester 2016 Operational and Financial Performance of PT Bakrie Autoparts	1	-	1	1	1	1	1
11.	21 Jul 2016	Presentation of 1 <sup>st</sup> Semester 2016 Operational and Financial Performance of PT Bakrie Building Industries	1	-	1	1	1	1	1
12.	21 Jul 2016	Presentation of 1 <sup>st</sup> Semester 2016 Operational and Financial Performance of PT Bakrie Metal Industries	1	-	1	1	1	1	1
13.	22 Jul 2016	Presentation of 1 <sup>st</sup> Semester 2016 Operational and Financial Performance of PT Bakrie Solusi Strategis	1	-	-	1	1	1	1
14.	22 Jul 2016	Presentation of 1 <sup>st</sup> Semester 2016 Operational and Financial Performance of PT Bakrie Indo Infrastructure	1	-	-	1	1	1	1
15.	22 Jul 2016	Presentation of 1 <sup>st</sup> Semester 2016 Operational and Financial Performance of PT Multi Kontrol Nusantara	1	-	-	1	1	1	1
16.	27 Jul 2016	Discussion concerning BNBR Mid-Year Financial Report per June 30th, 2016	1	1	1	1	1	1	1
17.	19 Okt 2016	Presentation of 3 <sup>rd</sup> Quarter 2016 Performance and FY 2016 Estimate of PT Bakrie Solusi Strategis	1	1	1	1	-	1	1
18.	19 Okt 2016	Presentation of 3 <sup>rd</sup> Quarter 2016 Performance and FY 2016 Estimate of PT Bakrie Building Industries	1	1	1	1	-	1	1
19.	19 Okt 2016	Presentation of 3 <sup>rd</sup> Quarter 2016 Performance and FY 2016 Estimate of PT Bakrie Metal Industries	1	1	1	1	-	1	1
20.	20 Okt 2016	Presentation of 3 <sup>rd</sup> Quarter 2016 Performance and FY 2016 Estimate of PT Multi Kontrol Nusantara	1	-	1	1	1	1	1
21.	20 Okt 2016	Presentation of 3 <sup>rd</sup> Quarter 2016 Performance and FY 2016 Estimate of PT Bakrie Autoparts	1	-	1	1	1	1	1
22.	20 Okt 2016	Presentation of 3 <sup>rd</sup> Quarter 2016 Performance and FY 2016 Estimate of PT Bakrie Indo Infrastructure	1	-	1	1	1	1	1
23.	24 Okt 2016	BOD report to BOC concerning PT Bakrie & Brothers Tbk Financial Statement per September 30 <sup>th</sup> , 2016	1	-	-	-	1	1	1
24.	16 Nov 2016	Presentation of 2017 Budget and Strategic Plan for 2018-2021 of PT Bakrie Metal Industries	1	-	1	1	1	1	1

NO	DATE	AGENDA	BOC			BOD			
			IS	AY	NIP	BGU	AAP	DTW	YS
25.	23 Nov 2016	Presentation of 2017 Budget and Strategic Plan for 2018-2021 of PT Bakrie Indo Infrastructure	1	1	1	1	1	1	1
26.	23 Nov 2016	Presentation of 2017 Budget and Strategic Plan for 2018-2021 of PT Bakrie Solusi Strategis	1	-	1	1	1	1	1
27.	23 Nov 2016	Presentation of 2017 Budget and Strategic Plan for 2018-2021 of PT Bakrie Building Industries	1	-	1	1	1	1	1
28.	24 Nov 2016	Presentation of 2017 Budget and Strategic Plan for 2018-2021 of PT Multi Kontrol Nusantara	1	-	1	1	1	1	1
29.	24 Nov 2016	Presentation of 2017 Budget and Strategic Plan for 2018-2021 of PT Bakrie Autoparts	1	-	1	1	1	1	1
30.	24 Nov 2016	Presentation of 2017 Budget and Strategic Plan for 2018-2021 of PT Bakrie Pipe Industries	1	-	1	1	1	1	1
<b>TOTAL</b>			<b>30</b>	<b>9</b>	<b>24</b>	<b>29</b>	<b>27</b>	<b>30</b>	<b>30</b>
<b>Note:</b>									
IS: Irwan Sjarkawi		BGU: Bobby Gafur S. Umar							
AY: Armansyah Yamin		AAP: A. Amri Aswono Putro							
NIP: Nugroho I. Purbowinoto		DTW: Dody Taufiq Wijaya							
		YS: R.A. Sri Dharmayanti							

## 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
Irwan Sjarkawi	30	30	100%
Armansyah Yamin	30	9	30%
Nugroho I. Purbowinoto	30	24	80%

## 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.

- 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.
- Giving financial loans to anyone, except for or not including loans directly related to trading business activities.
- Binding the Company as guarantor.
- Hypothecating Company's assets.
- Selling or releasing and/or buying or acquiring immovable goods owned by the Company, including the rights on land.
- Conducting sharing and/or releasing the sharing in other Company.
- Proposing to issue the shares in the Company.
- Deciding the annual budget, business plans and preparing the business strategy of the Company.
- 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	WEIGHTING
1.	Review on company's longer-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%
<b>TOTAL</b>		<b>100%</b>

### THE BOARD OF COMMISSIONERS REMUNERATION

The Company regulates the remuneration stipulations of the Board of Commissioners in 2016, as follows:

POSITION	2016	2015
Board of Commissioners	Rp 11,170,922,091,380,-	Rp 11,572,920,922,-

## THE BOARD OF COMMISSIONERS ALLOWANCES AND FACILITIES

The Company regulates the allowances and facilities stipulations of the Board of Commissioners in 2016, 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 (five) 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 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 Chief Corporate Communication (CCC) in the Executive Management Team composition.

### Director & 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 June 18<sup>th</sup>, 2015, the composition and appointment of the Board of Directors up to the end of 2017, are as follows:

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



## 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 2016 there was no delegation of authority among Board of Directors members to attend meeting.

## INDEPENDENT DIRECTOR

Pursuant to Rule Number I-A Decision of the Board of Directors of The Indonesia Stock Exchange Inc Number Kep-00001/BEI/01-2014 stating that Listed Company must have at least 1 (one) Independent Director in its Board of Directors composition who can be firstly appointed in GMS held prior to Listing and shall be as Independent Director effective after the shares of the company are listed.

Independent Director must meets the following conditions:

1. Does not have any affiliate relation with the Listed Company Controller at least 6 (six) months prior to the appointment as the Independent Director;
2. Does not have any affiliate relation with any Commissioners or Board of Directors of the Prospective Listed Company;
3. Does not have any position as a member of Board of Directors in other company;
4. Has not been an Insider in the Capital Market Supporting Institution or Profession whose service is utilized by the Prospective Listed Company for 6 (six) months prior to the appointment as the Director.

Since June 19<sup>th</sup>, 2014 the Company has 1 (one) Independent Director, namely Dody Taufiq Wijaya; he has fully declared his independence to the Company's GMS

## 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 2016:

NAME	COMPANY	POSITION
Bobby Gafur S. Umar	PT Bakrie Telecom Tbk PT Bakrie Sumatra Plantations Tbk	Vice President Commissioner Vice President Commissioner
A. Amri Aswono Putro	-	-
Dody Taufiq Wijaya	-	-
R.A. Sri Dharmayanti	PT Bumi Resources Tbk	Director

## 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.

There was no shares ownership by the Board of Directors during 2016.

## 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 2016 there is no new member of Board of Directors, therefore the Induction Program was not executed.



## 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 2016 the Board of Commissioners attend several development and training activities held by external party.

NO	DATE	ATTENDANT	AGENDA	LOCATION
1	6-8 Sep 2016	Dody Taufiq Wijaya	<b>IIA Indonesia National Conference</b> The Art of Internal Audit: The Future of Internal Auditing in a Changing Landscape	The Westin Resort, Nusa Dua, Bali
2.	8-9 Dec 2016	Dody Taufiq Wijaya	Enterprise Risk Management Academy (ERMA) Bali International Conference	Sofitel Resort, Nusa Dua, Bali

## 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 43 (forty three) meetings during 2016, with the following details:

NO	DATE	AGENDA	BOD			
			BGU	AAP	DTW	YS
1.	20 Jan 2016	Update on Company's Recent Situation	1	1	1	1
2.	15 Feb 2016	Update on Company's Recent Situation	1	1	1	1
3.	8 Mar 2016	BOD Monthly Meeting	1	1	-	1
4.	14 Mar 2016	Update on Company's Recent Situation	1	1	1	1
5.	15 Mar 2016	Discussion concerning BNBR Subsidiaries	1	1	1	1
6.	21 Mar 2016	Discussion concerning PT Bakrie & Brothers Tbk Annual Financial Statement per December 31 <sup>st</sup> , 2015	1	1	1	1
7.	12 Apr 2016	Discussion concerning Presentation on Operational and Financial Performance 1 <sup>st</sup> Quarter 2016 of PT Bakrie Building Industries	1	1	1	1
8.	12 Apr 2016	Discussion concerning Presentation on Operational and Financial Performance 1 <sup>st</sup> Quarter 2016 of PT Multi Kontrol Nusantara	1	1	1	1
9.	12 Apr 2016	Discussion concerning Presentation on Operational and Financial Performance 1 <sup>st</sup> Quarter 2016 of PT Bakrie Metal Industries and Group	1	1	1	1
10.	13 Apr 2016	Discussion concerning Presentation on Operational and Financial Performance 1 <sup>st</sup> Quarter 2016 of PT Bakrie Solusi Strategis	1	1	1	1
11.	13 Apr 2016	Discussion concerning Presentation on Operational and Financial Performance 1 <sup>st</sup> Quarter 2016 of PT Bakrie Autoparts	1	1	1	1
12.	25 Apr 2016	Discussion concerning Presentation on Operational and Financial Performance 1 <sup>st</sup> Quarter 2016 of PT Bakrie Indo Infrastructure	1	1	1	1
13.	25 Apr 2016	Discussion concerning PT Bakrie & Brothers Tbk Financial Statement per March 31 <sup>st</sup> , 2016	1	1	1	1
14.	21 Jul 2016	Discussion concerning Presentation on Operational and Financial Performance 1 <sup>st</sup> Semester 2016 of PT Bakrie Autoparts	1	1	1	1
15.	21 Jul 2016	Discussion concerning Presentation on Operational and Financial Performance 1 <sup>st</sup> Semester 2016 of PT Bakrie Building Industries	1	1	1	1
16.	21 Jul 2016	Discussion concerning Presentation on Operational and Financial Performance 1 <sup>st</sup> Semester 2016 of PT Bakrie Metal Industries	1	1	1	1
17.	22 Jul 2016	Discussion concerning Presentation on Operational and Financial Performance 1 <sup>st</sup> Semester 2016 of PT Bakrie Solusi Strategis	1	1	1	1
18.	22 Jul 2016	Discussion concerning Presentation on Operational and Financial Performance 1 <sup>st</sup> Semester 2016 of PT Bakrie Indo Infrastructure	1	1	1	1
19.	22 Jul 2016	Discussion concerning Presentation on Operational and Financial Performance 1 <sup>st</sup> Semester 2016 of PT Multi Kontrol Nusantara	1	1	1	1
20.	28 Jul 2016	Discussion concerning BNBR Subsidiaries	1	1	1	1
21.	23 Aug 2016	Update on Company's Recent Situation	1	1	1	1
22.	6 Sep 2016	BOD Monthly Meeting	1	1	-	1
23.	19 Sep 2016	Discussion concerning BNBR Subsidiaries	1	1	1	1
24.	10 Okt 2016	BOD Monthly Meeting	1	1	-	1
25.	17 Okt 2016	Discussion concerning BNBR Subsidiaries	1	1	1	1
26.	19 Okt 2016	Discussion concerning Presentation on Performance 3 <sup>rd</sup> Quarter 2016 and FY 2016 Estimation of PT Bakrie Solusi Strategis	1	1	1	1

NO	DATE	AGENDA	BOD			
			BGU	AAP	DTW	YS
27.	19 Okt 2016	Discussion concerning Presentation on Performance 3 <sup>rd</sup> Quarter 2016 and FY 2016 Estimation of PT Bakrie Building Industries	1	1	1	1
28.	19 Okt 2016	Discussion concerning Presentation on Performance 3 <sup>rd</sup> Quarter 2016 and FY 2016 Estimation of PT Bakrie Metal Industries	1	1	1	1
29.	20 Okt 2016	Discussion concerning Presentation on Performance 3 <sup>rd</sup> Quarter 2016 and FY 2016 Estimation of PT Multi Kontrol Nusantara	1	1	1	1
30.	20 Okt 2016	Discussion concerning Presentation on Performance 3 <sup>rd</sup> Quarter 2016 and FY 2016 Estimation of PT Bakrie Autoparts	1	1	1	1
31.	20 Okt 2016	Discussion concerning Presentation on Performance 3 <sup>rd</sup> Quarter 2016 and FY 2016 Estimation of PT Bakrie Indo Infrastructure	1	1	1	1
32.	16 Nov 2016	Discussion concerning Presentation on 2017 Budget and Strategic Plan for 2018-2021 of PT Bakrie Metal Industries	1	1	1	1
33.	22 Nov 2016	Preparation for Annual Public Expose	1	1	1	1
34.	23 Nov 2016	Discussion concerning Presentation on 2017 Budget and Strategic Plan for 2018-2021 of PT Bakrie Indo Infrastructure	1	1	1	1
35.	23 Nov 2016	Discussion concerning Presentation on 2017 Budget and Strategic Plan for 2018-2021 of PT Bakrie Solusi Strategis	1	1	1	1
36.	23 Nov 2016	Discussion concerning Presentation on 2017 Budget and Strategic Plan for 2018-2021 of PT Bakrie Building Industries	1	1	1	1
37.	24 Nov 2016	Discussion concerning Presentation on 2017 Budget and Strategic Plan for 2018-2021 of PT Multi Kontrol Nusantara	1	1	1	1
38.	24 Nov 2016	Discussion concerning Presentation on 2017 Budget and Strategic Plan for 2018-2021 of PT Bakrie Autoparts	1	1	1	1
39.	24 Nov 2016	Discussion concerning Presentation on 2017 Budget and Strategic Plan for 2018-2021 of PT Bakrie Pipe Industries	1	1	1	1
40.	19 Des 2016	Presentation of 2017 Budget Revision and Strategic Plan for 2018-2021 of PT Bakrie Metal Industries	1	1	-	1
41.	20 Des 2016	Presentation of 2017 Budget Revision and Strategic Plan for 2018-2021 of PT Multi Kontrol Nusantara	1	1	-	1
42.	20 Des 2016	Presentation of 2017 Budget Revision and Strategic Plan for 2018-2021 of PT Bakrie Autoparts	1	1	-	1
43.	20 Des 2016	Presentation of 2017 Budget Revision and Strategic Plan for 2018-2021 of PT Bakrie Building Industries	1	1	-	1
<b>TOTAL</b>			<b>43</b>	<b>43</b>	<b>36</b>	<b>43</b>
<b>PERCENTAGE OF ATTENDANCE</b>			<b>100%</b>	<b>100%</b>	<b>83%</b>	<b>100%</b>

**Note:**

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

## DIRECTORS ATTENDANCE IN BOC-BOD JOINT MEETING

During 2016, the Board of Commissioners and Board of Directors held 30 (thirty) Joint Meetings, with detailed agenda and attendance as described in this Annual Report page 113-115.

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	30	29	97%
A. Amri Aswono Putro	30	27	90%
Dody Taufiq Wijaya	30	30	100%
R.A. Sri Dharmayanti	30	30	68%

## 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 functionals and individuals KPI. 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 functionals 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.

BOARD OF DIRECTORS KPI TABLE		
PARAMETER	KPI	BOBOT INDIKATOR
<b>Quantitative</b>		
A. Management Point of View	• Revenue Achievement	15
	• 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
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	
<b>Sub Total</b>		<b>90</b>
<b>Qualitative</b>		
	• Leadership	2
	• Integrity	2
	• Professionalism	2
	• Accountability	2
	• Reporting & Control System	2
<b>Sub Total</b>		<b>10</b>
<b>TOTAL</b>		<b>100</b>



### THE BOARD OF DIRECTORS REMUNERATION

The Company regulates the remuneration stipulations of the Board of Directors in 2016, as follows:

POSITION	2016	2015
Board of Directors	Rp 36.953.899.141.226,-	Rp 27.211.835.780.-

### THE BOARD OF DIRECTORS ALLOWANCES AND FACILITIES

The Company regulates the allowances and facilities stipulations of the Board of Directors in 2016, as follows:

NO.	ALLOWANCES & FACILITIES	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 (five) 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 poses 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	
Irwan Sjarkawi		✓		✓		✓		✓		✓		✓	–
Armansyah Yamin		✓		✓		✓		✓		✓		✓	–
Nugroho I.Purbowinoto		✓		✓		✓		✓		✓		✓	–
Bobby Gafur S. Umar		✓		✓		✓		✓		✓		✓	–
A. Amri Aswono Putro		✓		✓		✓		✓		✓		✓	–
Dody Taufiq Wijaya		✓		✓		✓		✓		✓		✓	–
R.A. Sri Dharmayanti		✓		✓		✓		✓		✓		✓	–

## 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 2016.

DIVERSITY BASED ON AGE				
	30 – 40 yr	40 – 50 yr	50 – 60 yr	60 yr<
Board of Commissioners	–	–	–	3
Board of Directors	–	2	2	–

DIVERSITY BASED ON GENDER		
	MALE	FEMALE
Board of Commissioners	3	–
Board of Directors	3	1

DIVERSITY BASED ON EXPERIENCE WITH EQUAL POSITION OF DIRECTORS AND OR COMMISSIONERS				
	5– 10 yr	10 – 15 yr	15 – 20 yr	20 yr<
Board of Commissioners	–	–	–	3
Board of Directors	–	1	3	–

## DIVERSITY BASED ON EDUCATION

	GRADUATES	POST GRADUATES	HONORARY DEGREE	HONORARY MEMBER
Board of Commissioners	2	1	–	1
Board of Directors	–	4	–	2

FUNCTIONS SUPPORTING THE  
BOARD OF COMMISSIONERS

Supporting organs of Board of Commissioners of PT Bakrie & Brothers Tbk consist of Secretary to BOC, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, and Corporate Governance Committee.

## 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,  
SE AK. MM. CA

*Secretary to the Board of Commissioners*

Lifransyah Gumay, an Indonesian, 55 years old. Began his career in 1986 with the Public Accounting Firm Drs. Santoso Harsokusumo (member of Arthur Young International). Appointed as the Company's Audit Committee's member since December 2013. He has served as manager level and board of directors in several companies as well as consultant in the General Election, Business Competition Supervisory Commission and expert staff of Parliament of RI and Audit Committee's Member of SOEs' Banks. He earned a Bachelor of Economics degree majoring in Accounting from the University of Indonesia in 1986 and Master degree in Management from the School of Management LPMI in 2003.





## 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 advice 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.

### 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. 32/SK-DEKOM/BNBR/VI/2015, as of June 18<sup>th</sup>, 2015, the Audit Committee's composition for the period of 2015-2016 is as follows:

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

#### Profile of Audit Committee Member

1. **Irwan Sjarkawi**  
(see profile of Board of Commissioners)
2. **Nugroho I. Purbowinoto**  
(see profile of Board of Commissioners)
3. **Lifransyah Gumay**  
(see profile of Secretary to the Board of Commissioners)
4. **Arief A. Dhani, SE, MM, CPA, CA**

### ARIEF A. DHANI, SE, MM, CPA, CA

#### *Audit Committee*

Arief A. Dhani, an Indonesian, 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.

#### 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 2016, 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 2016:

NO	DATE	AGENDA	AUDIT COMMITTEE			
			IS	NIP	LG	AD
1.	19 Jan 2016	Discussion with Public Accounting Firm concerning audit plan and progress on 2015 Financial Statement	1	1	1	1
2.	26 Jan 2016	Discussion concerning revision on internal audit charter	1	1	1	1
3.	22 Mar 2016	Discussion concerning Public Accounting Firm audit result on 2015 Financial Statement	1	1	1	1
4.	21 Jun 2016	Discussion concerning Internal Audit monitoring result	1	1	1	1
5.	16 Aug 2016	Discussion concerning Internal Audit monitoring result semester 1 year 2016	1	1	1	1
6.	25 Oct 2016	Discussion concerning 3rd quarter 2016 Financial Statement	1	1	1	1
7.	6 Dec 2016	Discussion concerning Internal Audit monitoring result semester 2 year 2016 and 2017 audit plan	1	1	1	1
8.	14 Dec 2016	Discussion with Public Accounting Firm concerning audit plan 2016 Financial Statement	1	1	1	1
<b>TOTAL:</b>			<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>Note:</b>						
IS: Irwan Sjarkawi		LG: Lifranyah Gumay				
NIP: Nugroho I. Purbowinoto		AD: Arief Dhani				

### 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 is assisted by the Nomination and Remuneration Committee.

#### 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 remunerations.
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 2015 to 2016 was stipulated based on the Board of Commissioners Decree No. 33/SK-DEKOM/BNBR/VII/2015 dated August 3<sup>rd</sup>, 2015 with the following composition:

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

### Profile of Nomination and Remuneration Committee Member

1. **Irwan Sjarkawi**  
(see profile of Board of Commissioners)
2. **Nugroho I. Purbowinoto**  
(see profile of Board of Commissioners)
3. **Okder Pendrian**



## OKDER PENDRIAN

### *Nomination and Remuneration Committee*

Okder Pendrian, an Indonesian, 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.

### 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	NR COMMITTEE		
			IS	NIP	OP
1.	21 Mar 2016	Evaluation of Company's Executive performance year 2015	1	1	1
2.	21 Jun 2016	Planning of performance improvement of Company's Executives	1	1	1
3.	27 Oct 2016	Update on new issues concerning duties and responsibilities of Nomination and Remuneration Committee	1	1	1
4.	22 Nov 2016	Performance review of Subsidiaries Directors and Company's Executives	1	1	1
<b>TOTAL:</b>			<b>4</b>	<b>4</b>	<b>4</b>
<b>Note:</b> IS: Irwan Sjarkawi NIP: Nugroho I. Purbowinoto OP: Okder Pendrian					

### 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.

### RISK MANAGEMENT COMMITTEE

The Risk Management Committee was established to develop, implement and regulate the risk management policies in the Company. The Committee duties also include supervisory on major risk aspects and for the assurance of risks anticipation and mitigation.

In implementing its duties, the Risk Management Committee cooperates with the Committees of the Board of Commissioners, Internal Audits and related operational units of the Company.

### Duties and Responsibilities of Risk Management Committee

Risk Management Committee has the duty of assisting Board of Commissioners in monitoring the Board of Directors and Company management in the following matters:

- Ensuring implementation of comprehensive company risk management ranging from formulation of policies, provision of resources and facilities, completeness of procedures and application practices, implemented efficiently and effectively in accordance with international standard and prevailing law.
- Conducting evaluation on risk management policies and assess the risk appetite and risk tolerance stipulated by Board of Directors.
- Conducting evaluation on adequacy of facilities, infrastructures, resources and

competencies to implement Enterprise Risk Management (ERM).

- Ensuring implementation of ERM program is in accordance with internationally acknowledged ERM standards.
- Requesting and collecting reports in a periodic basis from BOD concerning business risks encountered.
- Conducting discussion, evaluation, verification and recommendation on risk management reports from BOD and delivers the result to BOC.
- If deemed necessary the committee may request inputs and recommendations from experts on risk management implementation.

### Risk Management Committee Independence

Risk Management Committee is in an independent position to the Company, and is established to help the Board of Commissioners perform its duty of supervision over the management, especially the risk control management at every level in order to achieve the target and outcome that are aligned and consistent with the vision, mission, objectives and strategic planning of the Company.

### Risk Management Committee Membership Composition

The composition of Risk Management Committee for the period of 2015 to 2016 was stipulated based on the Board of Commissioners Decree No. 049/SK-DEKOM/BNBR/XI/2015 dated November 4, 2015 with the following composition:

- Chairman: Nugroho I. Purbowinoto
- Member: Armansyah Yamin
- Member: Arief A. Dhani
- Member: Lifransyah Gumay

### Profile of Risk Management Committee Member

1. Nugroho I. Purbowinoto (see profile of Board of Commissioners)
2. Armansyah Yamin (see profile of Board of Commissioners)
3. Arief A. Dhani (see profile of Audit Committee Member)
4. Lifransyah Gumay (see profile of Secretary to the Board of Commissioners)

### Risk Management Committee Duties Implementation

The 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 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.

### Risk Management Committee Members Meeting and Attendance

NO	DATE	AGENDA	MR COMMITTEE			
			NIP	AY	LG	AD
1.	16 Feb 2016	Discussion concerning implementation of risk management in 2015	1	1	1	1
2.	25 April 2016	Joint meeting of Committees to discuss Financial Statement 1st quarter 2016	1	1	1	1
3.	21 Jun 2016	Internal meeting of Risk Management Committee with various agendas	1	-	1	1
4.	16 Aug 2016	Discussion concerning implementation of risk management in 1st semester 2016	1	1	1	1
5.	25 Oct 2016	Discussion concerning Financial Statement 3rd quarter 2016	1	-	1	1
6.	29 Nov 2016	Discussion concerning implementation of risk management in year 2016	1	1	1	1
<b>TOTAL:</b>			<b>6</b>	<b>4</b>	<b>6</b>	<b>6</b>
<b>Note:</b> NIP: Nugroho I. Purbowinoto AY: Armansyah Yamin LG: Lifransyah Gumay AD: Arief Dhani						

### 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.

#### 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 2015 to 2016 was stipulated based on the Board of Commissioners Decree No. 048/SK-DEKOM/BNBR/XI/2015 dated November 4<sup>th</sup>, 2015 with the following composition:

1. Chairman : Nugroho I. Purbowinoto
2. Member : Irwan Sjarkawi
3. Member : Dody Taufiq Wijaya

### Profile of Corporate Governance Management Committee Member

1. **Nugroho I. Purbowinoto** (see profile of Board of Commissioners)
2. **Irwan Sjarkawi** (see profile of Board of Commissioners)
3. **Dody Taufiq Wijaya** (see profile of Board of Directors)

### 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.

**Corporate Governance Committee Members Meeting and Attendance**

NO	DATE	AGENDA	CG COMMITTEE		
			NIP	IS	DTW
1.	22 Mar 2016	Review of GCG implementation in 2016	1	1	1
2.	26 Apr 2016	Annual Report review year 2015	1	1	1
3.	19 May 2016	Meeting of Stipulating on GCG Manual Revision	1	1	1
4.	29 Nov 2016	Review on GCG implementation and socialisation of GCG soft structure in BNBR and Subsidiary Companies	1	1	1
<b>TOTAL:</b>			<b>4</b>	<b>4</b>	<b>4</b>
<b>Note:</b> NIP: Nugroho I. Purbowinoto IS: Irwan Sjarkawi DTW: Dody Taufiq Wijaya					

**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.

In 2015 there is a replacement of Corporate Secretary official, starting June 5<sup>th</sup>, 2015 the Corporate Secretary official of PT Bakrie & Brothers Tbk is Christofer A. Uktolseja, who replaced previous official namely R.A. Sri Dharmayanti. 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 5<sup>th</sup>, 2015, and has been informed to OJK through letter No.046/BNBR/CS-OJK/VI/15 dated June 8<sup>th</sup>, 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:
  - a. Information dissemination to the Board of Directors regarding the requirement of the Board of Commissioners, OJK, SRO and other Institutions.
  - b. 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 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).



### CORPORATE SECRETARY COMPETENCE DEVELOPMENT PROGRAM

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 2016 Corporate Secretary has attended the following development program:

NO	DATE	AGENDA	ORGANIZER	LOCATION
1.	11 Jan 2016	3 Hours 8+1 Investment Licensing Service Goods Import Service Through Green Line Acceleration	BKPM	BKPM Office
2.	27 Jan 2016	Socialization of OJK Rule No.32 concerning Corporate Governance Guideline of Public Company	ICSA	IDX
3.	1 Feb 2016	Seminar about Corporate Social Responsibility Talks for Leaders	IDX	IDX Seminar Room, Fl.1
4.	18 Feb 2016	<i>Neo Fish Pond on Agro Industry &amp; E-Commerce Reference</i>	Indonesia Business Competitive Conference (IBCC)	The Hall, Senayan City

NO	DATE	AGENDA	ORGANIZER	LOCATION
5.	15 Mar 2016	Socialization of OJK Rules Year 2016	AEI	Balai Kartini
6.	17 Oct 2016	Socialization of Business Competition Law in Indonesia: How to Comply the Competition Law & Regulation	ICSA	IDX
7.	26 Oct 2016	Merger and Acquisition in Business Competition Perspective and Trends in Global Economy	KPPU & IDX	Balai Sudirman
8.	9 Nov 2016	Indonesia Sectors Prospects & Challenges	Fitch Ratings	Ritz Carlton Pacific Place
9.	15 Nov 2016	Information Disclosure of Listed and Public Company Workshop	OJK	Hotel Borobudur
10.	23 Nov 2016	Indonesia Economic Outlook 2017	IDX	Mainhall IDX
11.	25 Nov 2016	ASEAN Corporate Governance Scorecard Workshop	OJK	Hotel Borobudur
12.	29 Nov 2016	Seminar on Transaction Material, Affiliation and Conflict of Interests – Case Study Approach	ICSA & IDX	Mainhall IDX

### CORPORATE SECRETARY DUTIES IMPLEMENTATION IN 2016

The Corporate Secretary activities in 2016 are as follows:

- 2016 Annual GMS preparation and implementation
- Held the Public Expose
- Conducted communication with the regulators and relevant institutions

### BNBR INFORMATION DISSEMINATION TO THE REGULATORS IN 2016

NO	DATE	ADDRESSED TO	SUBJECT	REGULATION
1.	8 Jan 2016	FSA	Submission of Debts/Liabilities Data in Foreign Exchange Per December 2015	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10 <sup>th</sup> , 2009
2.	8 Jan 2016	IDX	Monthly Report on Share Registrar Per December 31 <sup>st</sup> , 2015	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
3.	2 Feb 2016	IDX	Monthly Report on Share Registrar Per January 31 <sup>st</sup> , 2016	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
4.	10 Feb 2016	FSA	Submission of Debts/Liabilities Data in Foreign Exchange Per January 31 <sup>st</sup> 2016	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10 <sup>th</sup> , 2009
5.	1 Mar 2016	IDX	Respond to Request of Explanation Concerning Mass Media News	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
6.	2 Mar 2016	IDX	Monthly Report on Share Registrar Per February 29 <sup>th</sup> , 2016	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
7.	8 Mar 2016	FSA	Submission of Debts/Liabilities Data in Foreign Exchange Per February 29 <sup>th</sup> 2016	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10 <sup>th</sup> , 2009
8.	24 Mar 2016	FSA	Submission of BNBR Annual Financial Statement December 31 <sup>st</sup> , 2015	Bapepam Rule No. X.K.2 Concerning Obligation to Submit Periodic Financial Statement
9.	24 Mar 2016	FSA	Submission of Advertisement Proof for BNBR Annual Financial Statement December 31 <sup>st</sup> , 2015	Bapepam Rule No. X.K.2 Concerning Obligation to Submit Periodic Financial Statement

NO	DATE	ADDRESSED TO	SUBJECT	REGULATION
10.	6 Apr 2016	IDX	Monthly Report on Share Registrar Per March 31 <sup>st</sup> , 2016	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
11.	18 Apr 2016	FSA	Announcement of BNBR Annual and Extraordinary General Meeting of Shareholders Agenda	Financial Service Authority Regulation No. 32/POJK.04/2014 Concerning Planning and Conducting of General Meeting of Shareholders of Public Companies
12.	26 Apr 2016	IDX	Submission of Consolidated Interim Financial Statement BNBR and Subsidiaries Per March 31 <sup>st</sup> , 2016	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
13.	26 Apr 2016	FSA	Information Submission to Shareholders concerning Capital Increases Without Pre-Emptive Rights for Public Companies	Financial Service Authority Regulation No. 38/POJK.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
14.	26 Apr 2016	FSA	Submission of Debts/Liabilities Data in Foreign Exchange Per March 31 <sup>st</sup> , 2016	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009
15.	26 Apr 2016	FSA	Submission of Advertisement Proof for BNBR Annual and Extraordinary General Meeting of Shareholders Announcement	Financial Service Authority Regulation No. 32/POJK.04/2014 Concerning Planning and Conducting of General Meeting of Shareholders of Public Companies
16.	29 Apr 2016	IDX	Submission of PT Bakrie & Brothers Tbk Annual Report Fiscal Year 2015	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
17.	29 Apr 2016	FSA	Submission of PT Bakrie & Brothers Tbk Annual Report Fiscal Year 2015	Bapepam Rule No. X.K.6 Concerning Obligation to Submit Annual Report for Issuers or Public Companies
18.	9 May 2016	IDX	Monthly Report on Share Registrar Per April 30 <sup>th</sup> , 2016	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
19.	9 May 2016	FSA	Submission of Debts/Liabilities Data in Foreign Exchange Per April 30 <sup>th</sup> 2016	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009
20.	11 May 2016	FSA	Submission of Advertisement Proof for BNBR Annual and Extraordinary General Meeting of Shareholders Invitation	Financial Service Authority Regulation No. 32/POJK.04/2014 Concerning Planning and Conducting of General Meeting of Shareholders of Public Companies
21.	19 May 2016	IDX	Respond to Request of Explanation	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
22.	30 May 2016	IDX	Submission of Additional / Amendment of Information to BNBR Shareholders	Financial Service Authority Regulation No. 38/POJK.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
23.	1 Jun 2016	FSA	Submission of Additional / Amendment of Information to BNBR Shareholders	Financial Service Authority Regulation No. 38/POJK.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
24.	6 Jun 2016	FSA	Submission of BNBR Annual and Extraordinary General Meeting of Shareholders Resolution	Financial Service Authority Regulation No. 32/POJK.04/2014 Concerning Planning and Conducting of General Meeting of Shareholders of Public Companies
25.	6 Jun 2016	FSA	Submission of Advertisement Proof for BNBR Annual and Extraordinary General Meeting of Shareholders Resolution	Financial Service Authority Regulation No. 32/POJK.04/2014 Concerning Planning and Conducting of General Meeting of Shareholders of Public Companies

NO	DATE	ADDRESSED TO	SUBJECT	REGULATION
26.	7 Jun 2016	FSA	Submission of Debts/Liabilities Data in Foreign Exchange Per May 31 <sup>st</sup> , 2016	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10 <sup>th</sup> , 2009
27.	7 Jun 2016	IDX	Monthly Report on Share Registrar Per May 31 <sup>st</sup> , 2016	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
28.	8 Jun 2016	IDX	Respond to Request of Explanation Concerning Mass Media News	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
29.	30 Jun 2016	FSA	Submission of Minutes of PT Bakrie & Brothers Tbk General Meeting of Shareholders	Financial Service Authority Regulation No. 32/POJK.04/2014 Concerning Planning and Conducting of General Meeting of Shareholders of Public Companies
30.	14 Jul 2016	FSA	Submission of Debts/Liabilities Data in Foreign Exchange Per June 30 <sup>th</sup> 2016	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10 <sup>th</sup> , 2009
31.	15 Jul 2016	IDX	Monthly Report on Share Registrar Per June 30 <sup>th</sup> , 2016	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
32.	29 Jul 2016	FSA	Submission of Consolidated Mid-Year Financial Statement of BNBR and Subsidiaries Per June 30 <sup>th</sup> , 2016	Bapepam Rule No. X.K.2 Concerning Obligation to Submit Periodic Financial Statement
33.	29 Jul 2016	FSA	Submission of Advertisement Proof of Consolidated Mid-Year Financial Statement of BNBR and Subsidiaries Per June 30 <sup>th</sup> , 2016	Bapepam Rule No. X.K.2 Concerning Obligation to Submit Periodic Financial Statement
34.	3 Aug 2016	IDX	Monthly Report on Share Registrar Per July 31 <sup>st</sup> , 2016	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
35.	10 Aug 2016	FSA	Submission of Debts/Liabilities Data in Foreign Exchange Per July 31 <sup>st</sup> , 2016	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10 <sup>th</sup> , 2009
36.	22 Aug 2016	IDX	Respond to Request of Explanation Concerning Mass Media News	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
37.	7 Sep 2016	FSA	Submission of Debts/Liabilities Data in Foreign Exchange Per August 31 <sup>st</sup> , 2016	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10 <sup>th</sup> , 2009
38.	9 Sep 2016	IDX	Monthly Report on Share Registrar Per August 31 <sup>st</sup> , 2016	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
39.	5 Okt 2016	IDX	Respond to Request of Explanation Concerning Mass Media News	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
40.	7 Okt 2016	IDX	Monthly Report on Share Registrar Per September 30 <sup>th</sup> , 2016	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
41.	10 Okt 2016	FSA	Submission of Debts/Liabilities Data in Foreign Exchange Per September 30 <sup>th</sup> , 2016	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10 <sup>th</sup> , 2009
42.	28 Okt 2016	IDX	Submission of Financial Statement of BNBR and Subsidiaries Per September 30 <sup>th</sup> , 2016	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
43.	1 Nov 2016	IDX	Respond to Request of Explanation Concerning Volatility of Stock Transaction	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
44.	7 Nov 2016	IDX	Monthly Report on Share Registrar Per October 31 <sup>st</sup> , 2016	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
45.	9 Nov 2016	FSA	Submission of Debts/Liabilities Data in Foreign Exchange Per October 31 <sup>st</sup> 2016	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10 <sup>th</sup> , 2009

NO	DATE	ADDRESSED TO	SUBJECT	REGULATION
46.	10 Nov 2016	IDX	Announcement of BNBR Annual Public Expose Plan	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
47.	22 Nov 2016	IDX	Submission of BNBR Public Expose Material	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
48.	28 Nov 2016	IDX	Application for Listing of Additional Shares through Capital Increases Without Pre-Emptive Rights for Public Companies	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
49.	30 Nov 2016	IDX	Application for Pre-Listing of Mandatory Convertible Bonds for Additional Shares through Capital Increases Without Pre-Emptive Rights for Public Companies	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
50.	30 Nov 2016	IDX	Report on BNBR Annual Public Expose Execution	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
51.	5 Dec 2016	IDX	Submission of Additional Documents of Application for Pre-Listing of Mandatory Convertible Bonds for Additional Shares through Capital Increases Without Pre-Emptive Rights for Public Companies	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
52.	5 Dec 2016	IDX	Respond to Request of Explanation Concerning Mass Media News	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
53.	6 Dec 2016	IDX	Announcement of Capital Increases Without Pre-Emptive Rights Implementation and Submission of Proof for Announcement to Public	Financial Service Authority Regulation No. 38/POJK.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
54.	7 Dec 2016	IDX	Monthly Report on Share Registrar Per November 30 <sup>th</sup> , 2016	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
55.	8 Dec 2016	FSA	Submission of Debts/Liabilities Data in Foreign Exchange Per November 30 <sup>th</sup> 2016	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10 <sup>th</sup> , 2009
56.	19 Dec 2016	FSA	Announcement of Capital Increases Without Pre-Emptive Rights Implementation Result	Financial Service Authority Regulation No. 38/POJK.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for 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 Investor Relations Officer leads the Investor Relations. The Company appointed Indra Ginting as the Chief of Investor Relations Officer since February 2011, and he concurrently serves as Chief Strategic Business Development Officer since July 2012.

Profile of Indra Ginting can be seen in profile of Senior Management. Profil Indra Ginting dapat dilihat pada profil Manajemen Senior.

## INVESTMENT COMMITTEE

The Investment Committee is a supporting committee of the Board of Directors that established to assist in the evaluations, assessments and decisions on the Company's investment activity. The establishment of the Investment Committee is stipulated with the Investment Committee Charter, which regulated the following matters:

- Functions and Objectives of the Investment Committee.
- Duties and Authorities of the Investment Committee.
- Composition and position requirements of the Investment Committee.
- Reporting of the Investment Committee.
- Review of the Investment Committee's implementation guidelines and performance evaluations.
- Meetings mechanism and decision-making of the Investment Committee.
- Tenure and compensation of the members of the Investment Committee.
- Operational costs of the Investment Committee.
- Code of conduct of the Investment Committee.

### Duties and Responsibilities

The Investment Committee's duties and responsibilities is based on the Investment Committee Charter ratified by the Board Manual on July 2012. The duties of Investment Committee are to assist and/or represent the Board of Directors in reviewing and assessing the investment transactions, divestments and financing aspects, with the following details:

1. Reviewing the investment, divestment, and financing proposals, as well as extending the approval or decision to following-up or rejecting the proposals.
2. Extending the decisions on transaction limits and objectives.
3. Extending the decisions and stipulations on policies and directions/guidelines in managing

the capital resources efficiently and effectively to be implemented by the Board of Directors and Chief Investment Officer (CIO).

4. In extending the decisions on investment/divestment/financing, the Investment Committee considers the strategic risk, reputation risk, financial risk, and operational risk on the investment, divestment, and financing activity plans.
5. Providing periodical and/or on request reports to the Board of Directors, and only upon request to the Board of Commissioners.

### Investment Committee Qualifications

The Investment Committee consists of individu with integrity and commitment in the implementation of its duties, with adequate knowledge and expertise specifically on the investment management, finance, and prevailing investments system.

In addition, members of the Investment Committee shall have the supporting characters, as follows:

- Capability in strategic and comprehensive thinking
- Capability in elaborating the Company's vision and mission, as well as strategic policy in planning and investment/financing activity.
- Capability in analyzing and logical thinking.
- Adequate creativities and problem-solving orientations.

Members of the Investment Committee also shall have the professionalism and strongly hold the independence from any influences and pressures derived from several interests that may disturbed its duties implementation. Members of the Investment Committee shall not have personal interests/relations that may cause negative impacts and conflicts of interest towards the investment/financing decisions.

### Investment Committee Membership Composition

Investment Committee membership consists of at least 3 (three) permanent members, namely President Director & CEO as Chairman and Chief Financial Officer and Chief Investment Officer as members. The following are membership composition of Investment Committee as of December 31<sup>st</sup>, 2016:

1. Chairman : Bobby Gafur S. Umar
2. Member : A. Amri Aswono Putro
3. Member : Anandh R. Haridh

### Profile of Investment Committee Member

1. **Bobby Gafur S. Umar** (see profile of Board of Directors)
2. **A. Amri Aswono Putro** (see profile of Board of Directors)
3. **Anandh R. Haridh** (see profile of Senior Management)

### Rapat dan Kehadiran Anggota Komite Investasi

NO	DATE	AGENDA
1.	15 Mar 2016	Discussion concerning BNBR Subsidiaries
2.	3 Aug 2016	BOD Monthly Meeting

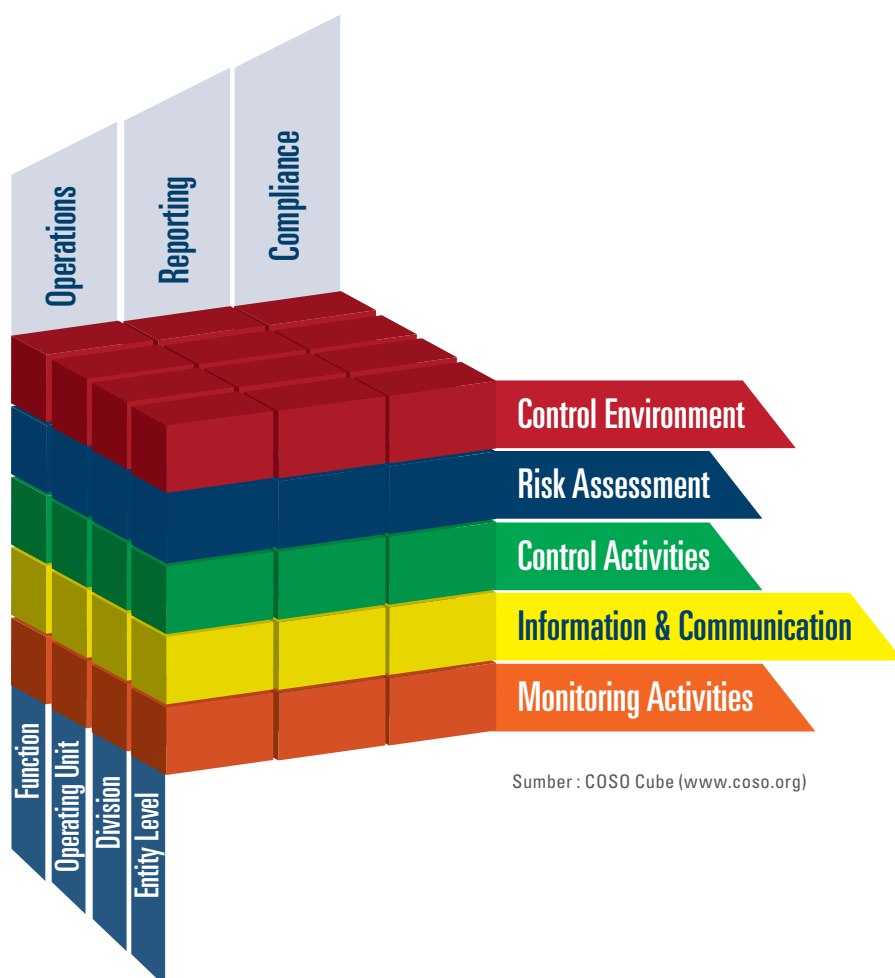
## INTERNAL CONTROL SYSTEM

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

### 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.



Sumber : COSO Cube ([www.coso.org](http://www.coso.org))

The objectives of the Company's Internal Control:

- Financial reporting reality.
- 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 polices 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 2016

BNBR's Internal Control System has conducted the following monitoring and control activity in 2016:

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 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.

## 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.

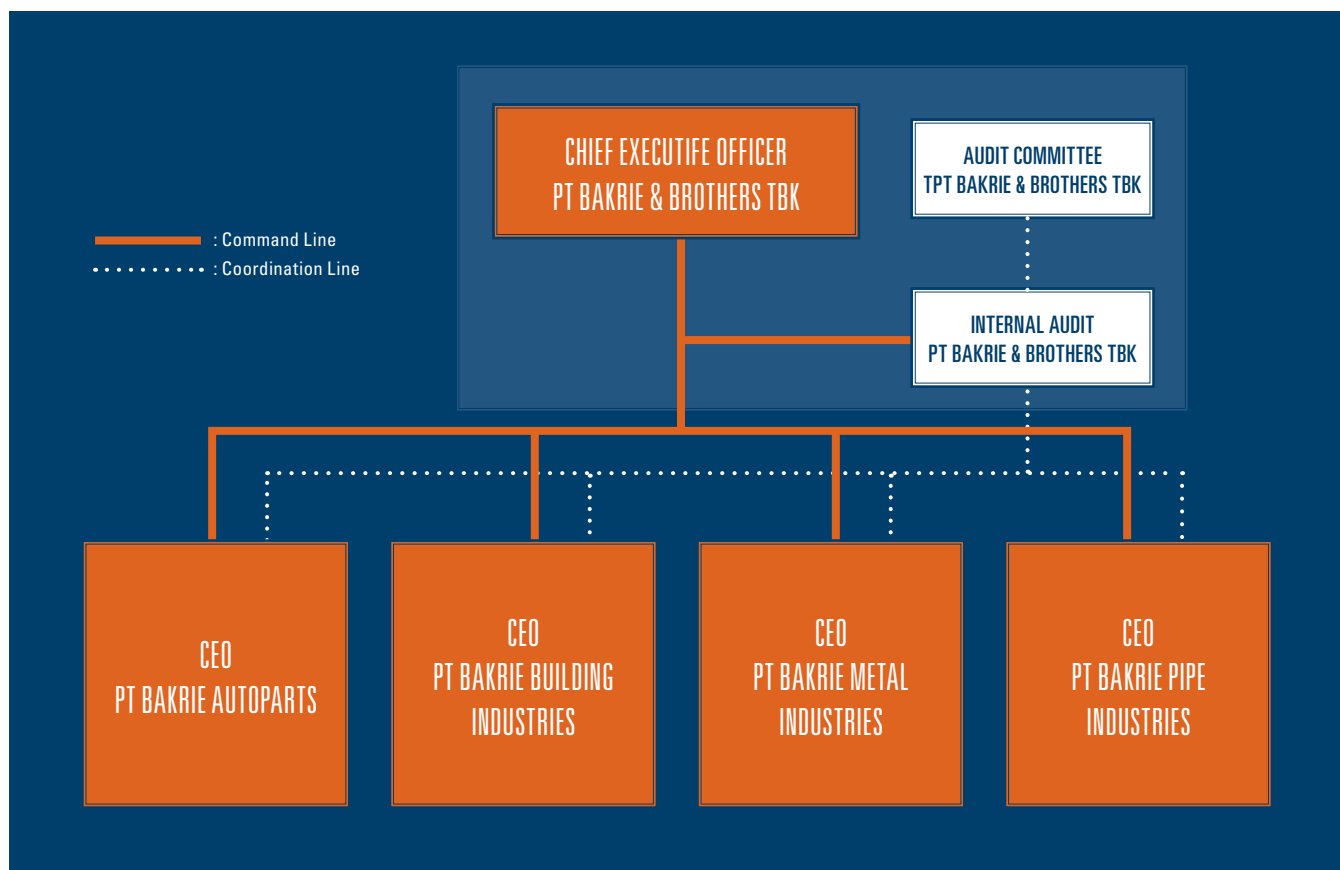
The Internal Audit activity of PT Bakrie & Brothers Tbk was intended to deliver added value and improve the organization's operations. The means and scopes of internal audit are assurance and consultation in the area of risk management process, control and organization's governance. The Company's commitment 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 Intenal 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 2016

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 2016 the Company conducted audits on subsidiaries. The Internal Audit can also conduct review if requested by the Company's management. In 2016 Internal Audit was specially assigned to do a review on Bakrie Pension Fund and Bakrie Amanah Foundation.

#### 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.



### JAKA FERDIYANTO

#### *Profile of Head of Internal Audit*

An Indonesian nationality, born in Subang on February 4<sup>th</sup>, 1972 and earned a D3 from State College of Accounting and holds a Bachelor of Economics degree majoring in Accounting from the Faculty of Economics Extensions, University of Indonesia. He joined the Internal Audit Unit of PT Bakrie & Brothers Tbk since July 2012. Prior to this position, he began his career as the auditors in the Directorate General of Tax.

#### 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 2016 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<sup>st</sup>, 2016. The Board of Commissioners has approved the appointment after taking into account the recommendation of Audit Committee.

2016 is the first year of Public Accounting Firm (KAP) Y. Santosa & Rekan in conducting the audit of the Company's Financial Statements. During 2016, 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.

### Assignment Period and Fee of External Auditors

DESCRIPTION	2015	2015	2014	2013	2012
KAP NAME	Y. Santosa & Rekan	Handoko Tomo Samuel Gunawan & Rekan (Moore's Rowland)	Samuel Gunawan (Moore's Rowland)	Tjiendradjaja & Handoko Tomo (Mazars)	Tjiendradjaja & Handoko Tomo (Mazars)
AUDIT FEE	Rp 3,500,000,000	Rp 2,135,000,000	Rp 1,494,000,000	USD 256,755	USD 186,912

## 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 11<sup>th</sup>, 2003, which was later amended by Decree No.BGU-739/Presdir-BB/XII/05, dated December 6<sup>th</sup>, 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 20<sup>th</sup>, 2010, on the Implementation of Enterprise Risk Management and no. 005/BNBR/II/2010, dated February 25<sup>th</sup>, 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 2016, 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 IMPLEMENTATION ROADMAP PT BAKRIE & BROTHERS TBK



Illustration 1: Company ERM Roadmap Implementation

### Enterprise Risk Management (ERM) Framework

In 2015, 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 BNR'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.

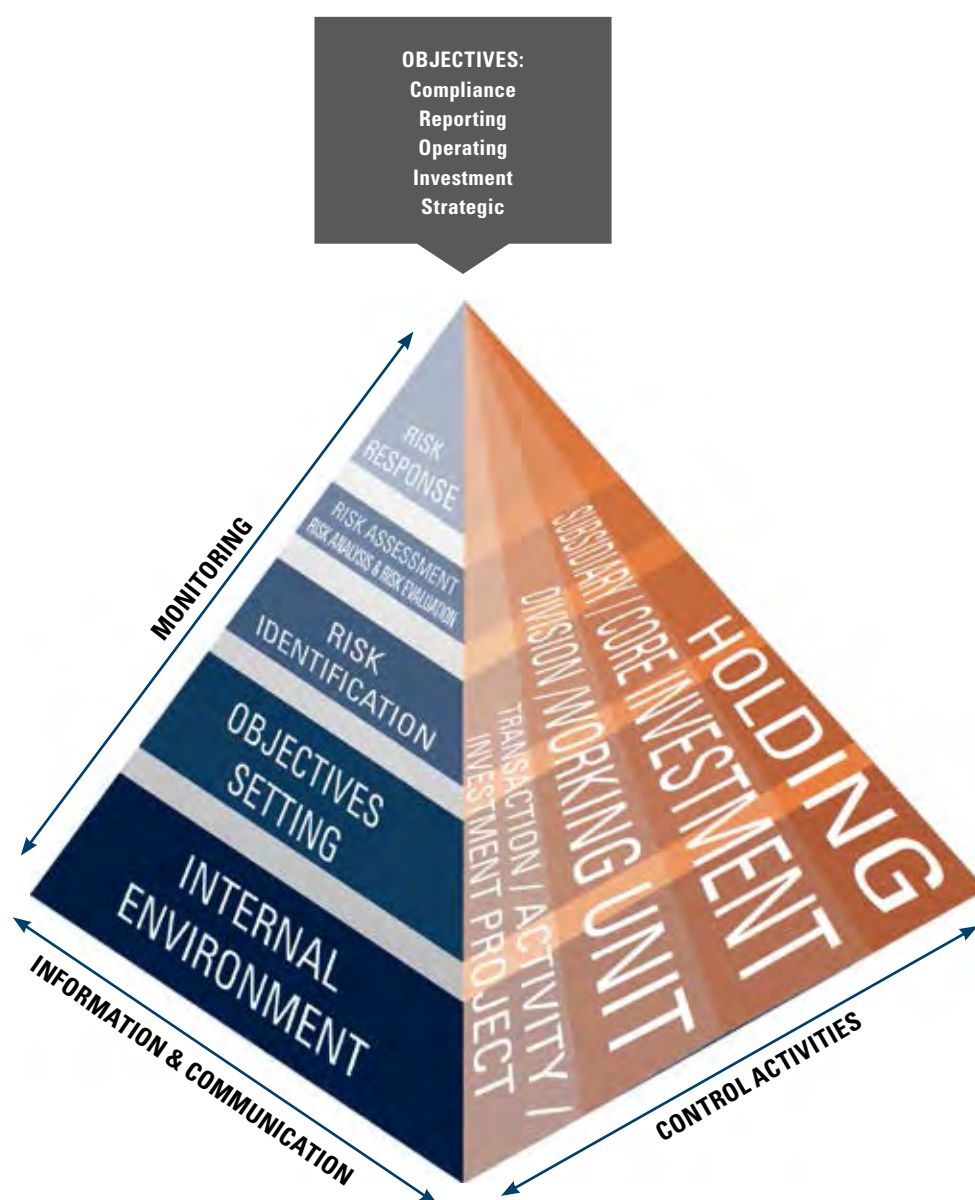


Illustration 2: ERM Framework "The Pyramid"

#### **A. 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.

#### **B. 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.

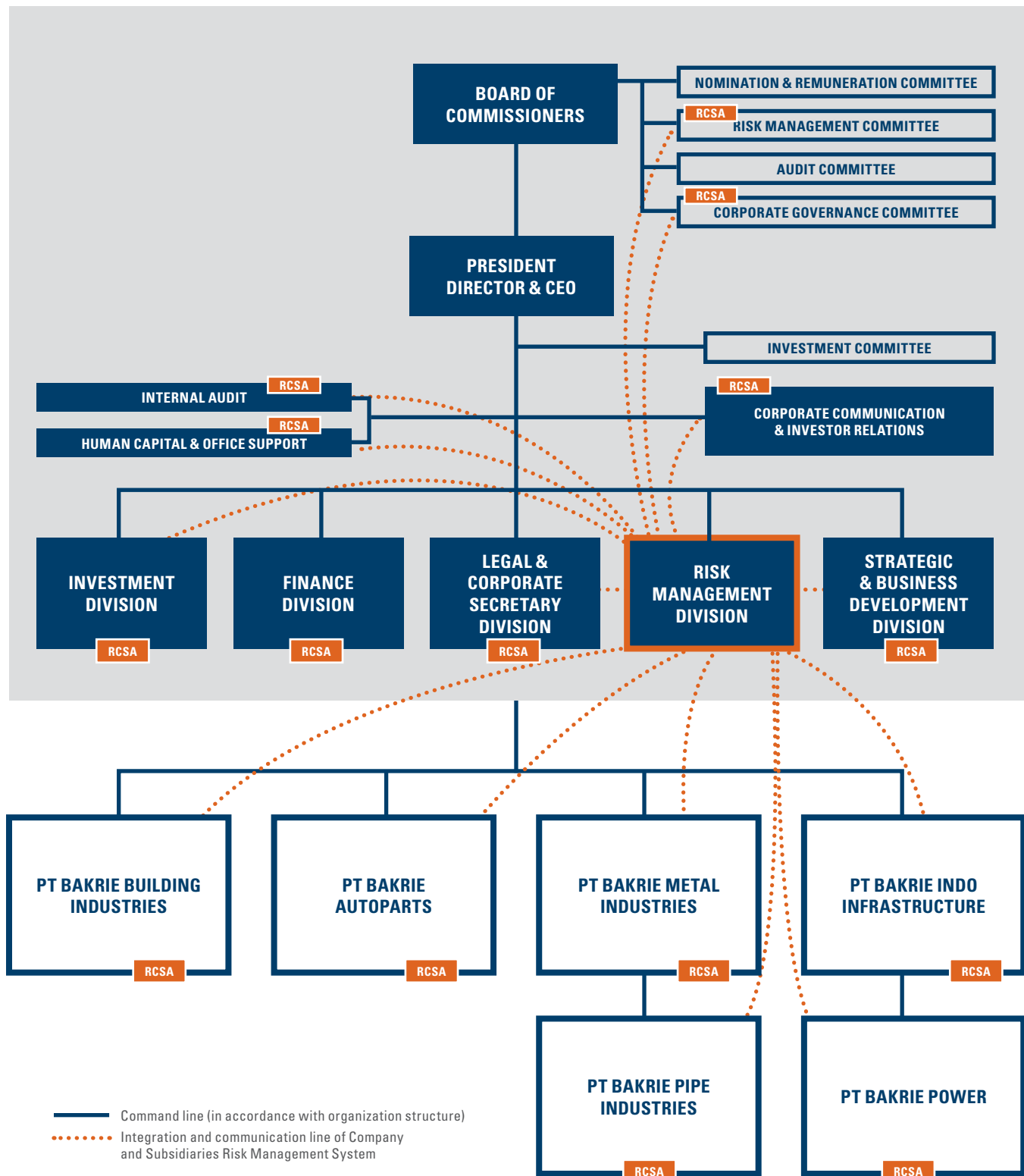
#### **C. SUPPORTING PROCESSES: (THE BASE AND THE HEIGHT FACES OF THE PYRAMID)**

- “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.

#### **D. 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.

# STRUKTUR TATA KELOLA MANAJEMEN RISIKO



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 2015 include:

##### a. Governance – Risk – Compliance (GRC) Day

The GRC Day 2016 event had the theme of 'Beyond Tax Amnesty' with Mr Yustinus Prastowo, Executive Director of Center for Indonesian Tax Analysis (CITA), as speaker. During GRC Day 2016 event, formal dissemination of the Company's Policies and Procedures was also conducted. In addition, a sharing session MS IEC/ISO 31010 Risk Management – Risk Assessment Techniques and presentation of Subsidiaries Insolvency Risk were given. The GRC Day 2016 was attended by the Board of Commissioners, Board of Directors and all of the

Company's employees, as well as some representatives from the Company's subsidiaries: the President Directors/CEOs and the staffs in charge of governance – risk – compliance in each Company's subsidiaries. The subsidiaries that were present in the event include PT Bakrie Metal Industries, PT Bakrie Pipe Industries, PT Bakrie Building Industries, PT Bakrie Autoparts and PT Bakrie Solusi Strategis.

#### 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 offices 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.

### Reports Produced by the Company's Corporate Risk Management Division

TYPE OF ACTIVITY AND/OR REPORT	NUMBER OF REPORTS	DESCRIPTION
Risk Outlook 2016	1 (yearly)	<ul style="list-style-type: none"> <li>• stock ownership</li> <li>• investment budget</li> <li>• dividend growth</li> <li>• subsidiary revenue</li> <li>• market risk analysis</li> <li>• financial risk analysis</li> <li>• operational risk analysis</li> <li>• macro-economic conditions</li> </ul>
Market and Industry Outlook (MIO)	52 (weekly)	<ul style="list-style-type: none"> <li>• Macro economic conditions including inflation, Bank Indonesia interest rates, foreign exchanges reserves, exchange rates.</li> <li>• Capital Market, formed of the Composite Index (JCI), average fluctuation and volatility.</li> <li>• Commodities.</li> <li>• 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.</li> <li>• Industry news related to the Company's portfolio.</li> </ul>
Market Risk Assessment (MRA)	12 (monthly)	<ul style="list-style-type: none"> <li>• macroeconomic conditions</li> <li>• commodities</li> <li>• core portfolio market risk analysis</li> <li>• risk evaluation</li> <li>• forecasting</li> <li>• risk mitigation</li> </ul>

TYPE OF ACTIVITY AND/OR REPORT	NUMBER OF REPORTS	DESCRIPTION
Financial Risk Report and Asset and Liability Management Position Monitoring	4 (per quarter)	Company and Subsidiary financial performance review reports explain the results of the Z-Score analysis test, Internal Credit Rating and Liquidity Analysis.  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.
Transaction-Based Risk Evaluation	3 (per project)	Reports on identification, evaluation and recommended mitigation of transaction-based risks at Company and Subsidiary level.  These reports cover: financing, investment, and operational transactions, reporting and compliance and investment proposals from subsidiaries, requiring the agreement of the Investment Committee, Board of Directors and/or Board of Commissioners.

### 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 FRM (Financial Risk Management) 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.

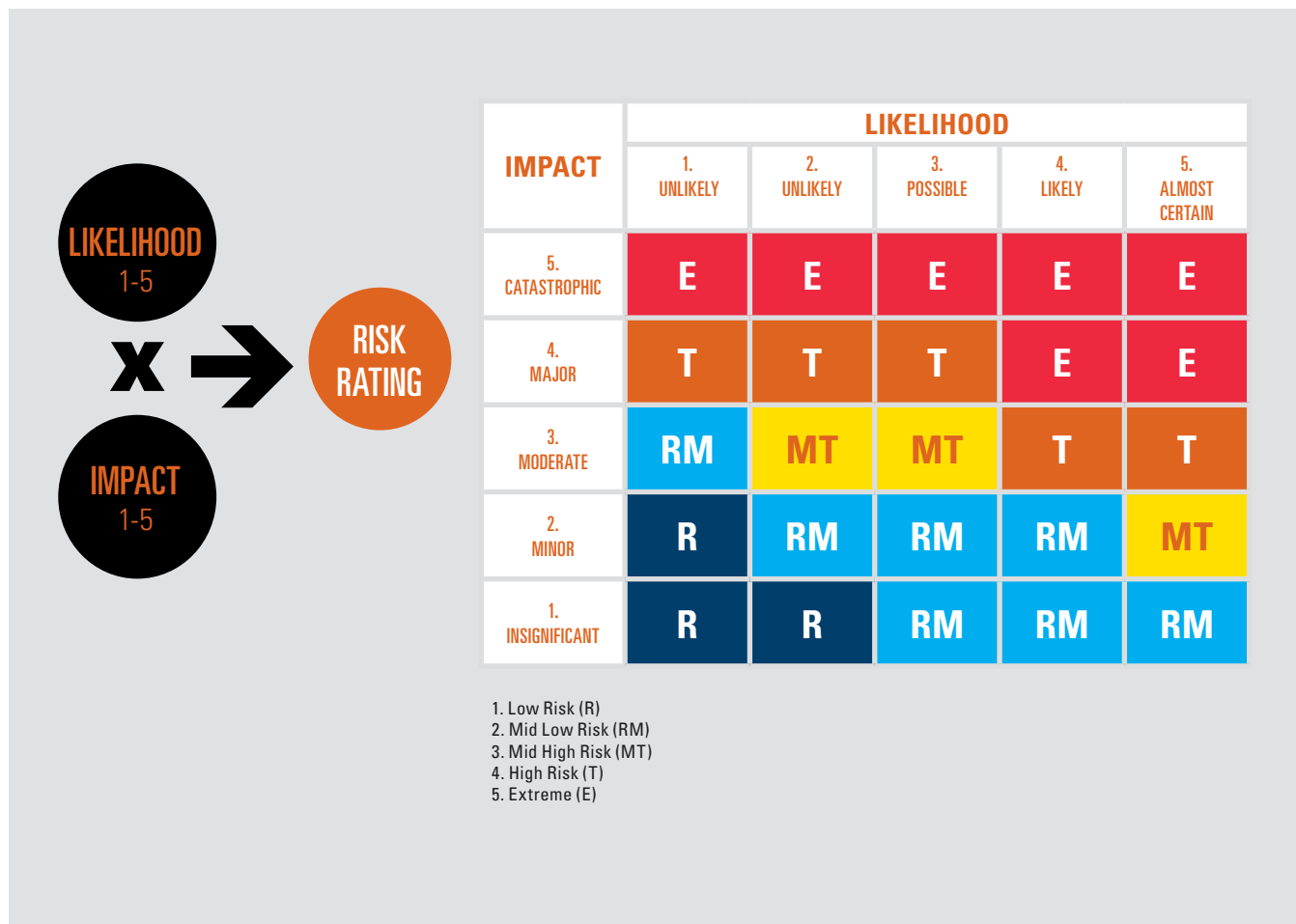
### 4. Corporate Risk Evaluation Matrix

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 2016, the CRM Division was active in three cross-divisional activities: Governance – Risk – Compliance (GRC) Day, the construction of the 2015 Annual Report, 2015 Sustainability Report and financial report studies in every financial reporting period.



### 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.

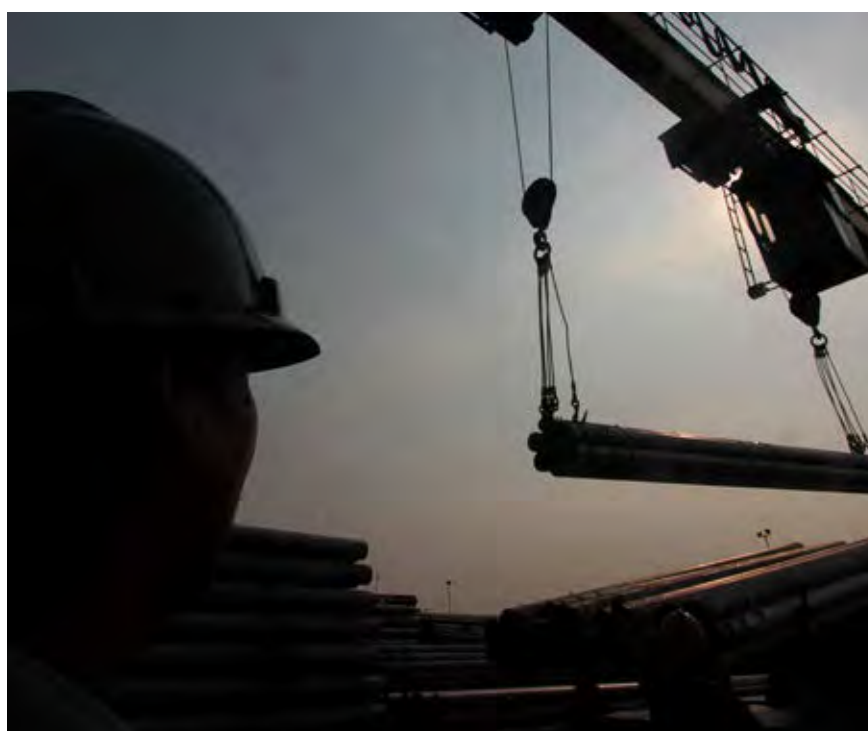


### INTEGRATED RISK MANAGEMENT AT COMPANY AND SUBSIDIARIES

#### 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.	<b>Strategic Risk</b>	<ul style="list-style-type: none"> <li>• A shortfall of revenues at the Company and/or consolidated subsidiaries level in a fiscal year.</li> <li>• 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.</li> <li>• The deterioration of the Company's reputation can be affected by the same issue experienced by other Bakrie Group Companies.</li> <li>• Changes in the composition of the Company's investment portfolio that may be less optimal due to unfulfilled macroeconomic condition assumptions.</li> <li>• Changes in the composition of financing constrained by the prevailing laws and regulations.</li> <li>• Failure to achieve synergy in marketing, finance, human resources and/or operational.</li> <li>• Inadequate good corporate governance practices, and/or</li> <li>• Unexpected changes to government policies and regulations, related to certain industries or to financial systems or fiscal or monetary policy of the country.</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Carry out discussion and assessment on every transaction through IFRL-WG (Investment, Finance, Risk &amp; Legal Working Group) to ensure completion of a transaction or project, operational monitoring and achievement of revenue target.</li> <li>• Continuously strive to build a unique and positive brand of Bakrie &amp; 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.</li> </ul>
2.	<b>Market Risk</b>	<p>Movements that are against the Company's expectation in:</p> <ul style="list-style-type: none"> <li>• stock price of assets,</li> <li>• interest rate of the financing,</li> <li>• exchange rate, and/or</li> <li>• commodity prices affecting the Company's business.</li> </ul>	<ul style="list-style-type: none"> <li>• Periodically calculates and review hedging process for certain risk factors if it is of beneficial value for the Company.</li> <li>• 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.</li> </ul>

NO.	RISK CLASSIFICATION	RISK REGISTER	RISK MITIGATION
		<p>Increased volatility associated to increased uncertainty in terms of:</p> <ul style="list-style-type: none"> <li>• stock price of the assets,</li> <li>• interest rate of the financing,</li> <li>• exchange rate,</li> <li>• commodity prices affecting the Company's business.</li> </ul>	<ul style="list-style-type: none"> <li>• Gradually reduce Company's share-based financing that are highly exposed to market risks.</li> </ul>
3.	<b>Liquidity Risk</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Liquidity risks mitigation steps are highly dependent on market risks mitigation steps.</li> <li>• Periodically perform quantitative method measurement, Cash Flow At Risk (CFAR), particularly for cash flow availability risks.</li> <li>• The Company strives to periodically perform stress testing process on its investment portfolio in particular scenarios as an early anticipation of liquidity risks occurrence.</li> </ul>
4.	<b>Insolvency Risk</b>	<ul style="list-style-type: none"> <li>• Risk that Company asset value is insufficient to meet all claims received by the Company, including long-term claims.</li> </ul>	<ul style="list-style-type: none"> <li>• Improve operational and financial performance to regain investors' trust towards Bakrie Group.</li> <li>• Realized internal and external Good Corporate Governance (GCG) practices through information disclosure for regulator, investors and media.</li> <li>• Perform a breakthrough or corporate action directly related with real investment activity in order to regain positive market sentiment towards Bakrie Group.</li> <li>• Settlement of default and gaining new financing source to fund investment projects in infrastructure and other sectors.</li> </ul>
5.	<b>Credit Risk</b>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	<p>Credit risks mitigation starts with assessment on:</p> <ul style="list-style-type: none"> <li>• Loan purpose and payment source.</li> <li>• Recent risk profile from debtor candidate.</li> <li>• Adequacy and quality of collateral/guarantee.</li> <li>• Repayment capacity analysis.</li> <li>• Internal business capacity analysis and benchmarking to similar industries.</li> <li>• 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</li> </ul>

NO.	RISK CLASSIFICATION	RISK REGISTER	RISK MITIGATION
6.	<b>Mismatch Risk</b>	<ul style="list-style-type: none"> <li>• Refinancing risk, in which the cost of refinancing in the future increases and exceeds the returns of the Company's investment activities, and</li> <li>• Reinvestment risk, in which returns to be reinvested shrunk below the cost of funds.</li> </ul>	<ul style="list-style-type: none"> <li>• Reprofitting investment and financing portfolio to reduce mismatch and continuously perform similar risk mitigation steps.</li> </ul>
7.	<b>Operational Risk</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Risk of poor decision-making or poor coordination between functions and structure within the Company</li> </ul>	<ul style="list-style-type: none"> <li>• Imposing sanctions for violations on system.</li> <li>• ERM work frame implementation in the Company.</li> <li>• 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.</li> <li>• Periodical risk profiling in each Division of the Company.</li> </ul>



### 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).

## Profil Risiko

NO	RISK CLASSIFICATION	RISK REGISTER	RISK MITIGATION
1.	<b>Strategic Risk</b>	<ul style="list-style-type: none"> <li>• Risk of lack of innovation on design and product development.</li> <li>• Risk of being unable to suppress pricing/margin.</li> <li>• Risk of being unable to compete with competitor.</li> <li>• Risk of lack of Human Resources planning based on talent and succession.</li> <li>• Risk of deterioration of Company and subsidiaries reputation as perceived by the stakeholders due to lack of execution of GCG principles based business activities.</li> <li>• Risk of tender loss.</li> <li>• Risk of shareholders' dissatisfaction.</li> <li>• Risk of environment pollution caused by company activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Perform periodical market research and peer review to identify and seize opportunities.</li> <li>• Prudent expenses planning of production support.</li> <li>• Perform periodical benchmarking through market research and planning.</li> <li>• Perform effective Human Resources planning and succession plan for decision makers and experts in each industry.</li> <li>• 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.</li> <li>• Partnership with other company; additional of expert human resources; improve internal control of financial condition; improve company business.</li> <li>• Perform shareholders and customer satisfaction survey.</li> <li>• Adherence to Environmental Impact Assessment Survey and increase responsiveness to external condition and complaints.</li> </ul>
2.	<b>Market Risk</b>	<ul style="list-style-type: none"> <li>• Risk of commodity or raw material price volatility.</li> <li>• Risk of instability of central bank rate and foreign exchange rate.</li> <li>• Risk of capital market volatility.</li> </ul>	<ul style="list-style-type: none"> <li>• Perform monitoring of related commodities price movement; perform planning for timely purchase of raw material; perform effective PPIC.</li> <li>• 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.</li> </ul>
3.	<b>Liquidity Risk</b>	<ul style="list-style-type: none"> <li>• Risk of production cost overrun which might disturb cash flow.</li> <li>• Risk of missing revenue target (including Company's revenue) due to insufficient working capital.</li> <li>• Risk of insufficient cash for operation activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Perform detailed and comprehensive financial planning.</li> <li>• Build synergy with other subsidiaries and companies in order to maximize resources.</li> <li>• Perform cash flow monitoring and internal control; review of related policies and procedures.</li> </ul>

NO	RISK CLASSIFICATION	RISK REGISTER	RISK MITIGATION
4.	<b>Insolvency Risk Profile</b>	<ul style="list-style-type: none"> <li>• Force majeure.</li> </ul>	<ul style="list-style-type: none"> <li>• Insurance</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of production cost overrun which initiate major loss.</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of default on major liabilities.</li> </ul>	
5.	<b>Credit Risk</b>	<ul style="list-style-type: none"> <li>• Risk of Bank credit facility extension (fine).</li> </ul>	<ul style="list-style-type: none"> <li>• Perform prudent loan planning and review on credit agreement by using pros and cons analysis.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of Bank loan delinquency.</li> </ul>	
		<ul style="list-style-type: none"> <li>• Risk of late payment of tax.</li> </ul>	<ul style="list-style-type: none"> <li>• Perform periodical tax payment planning.</li> </ul>
6.	<b>Mismatch Risk</b>	<ul style="list-style-type: none"> <li>• Risk of late payment by customers.</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of inadequate working capital for project execution.</li> </ul>	
		<ul style="list-style-type: none"> <li>• Risk of inadequate total loan to finance projects.</li> </ul>	
		<ul style="list-style-type: none"> <li>• Risk of unavailability of long term loan for investment financing.</li> </ul>	
7.	<b>Operational Risk</b>	<ul style="list-style-type: none"> <li>• Risk of construction damage.</li> </ul>	<ul style="list-style-type: none"> <li>• Perform periodic maintenance.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of reject products.</li> </ul>	<ul style="list-style-type: none"> <li>• Reinforce QC and SOP based review on production process.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of labor strike.</li> </ul>	<ul style="list-style-type: none"> <li>• Perform HR related policies and procedures monitoring; perform coordination with HR related parties; intensify supervision; socialization of HR &amp; GA issue and its resolutions.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of design and technology error.</li> </ul>	<ul style="list-style-type: none"> <li>• Perform thorough review and project planning with related parties concerning design development and technology utilization.</li> </ul>



NO	RISK CLASSIFICATION	RISK REGISTER	RISK MITIGATION
		<ul style="list-style-type: none"> <li>• Risk of legal views that are unsuitable, failed at problem solving, and unsupportive of Company business development.</li> </ul>	<ul style="list-style-type: none"> <li>• Perform second review for every internal and external legal review.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of Information Technology implementation that is unstructured and has deviated from Roadmap.</li> </ul>	<ul style="list-style-type: none"> <li>• Formation of IT implementation team according to master plan.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of material purchase error (wrong specification).</li> </ul>	<ul style="list-style-type: none"> <li>• Confirmation of completeness (detailed and specific) and accuracy of received RFQ by buyer; composing of PO matched with user requirement.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of sub-contractors not meeting specification.</li> </ul>	<ul style="list-style-type: none"> <li>• Perform review and implementation of policies and procedures for products and services procurement.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of unperforming career path.</li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of high work injuries.</li> </ul>	<ul style="list-style-type: none"> <li>• Periodical HSE socialization and strict supervision by HSE team.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of fraud and abuse of authority.</li> </ul>	<ul style="list-style-type: none"> <li>• Whistleblowing system implementation; signing of business conduct policy, code of ethics and integrity pact; internal control implementation.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of production failure caused by power outage.</li> </ul>	<ul style="list-style-type: none"> <li>• Perform power switching to genset; maintain genset condition..</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of unavailable spare part and raw material stock.</li> </ul>	<ul style="list-style-type: none"> <li>• ERP system implementation.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of machine failure and over-capacity caused by production activity.</li> </ul>	<ul style="list-style-type: none"> <li>• Perform scheduled maintenance program for machineries.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of late construction completion.</li> </ul>	<ul style="list-style-type: none"> <li>• Perform value engineering; perform inventory on additional work to enable billing; reinforce supervision and coordination.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of untimely operation.</li> </ul>	<ul style="list-style-type: none"> <li>• Coordination with related parties, strict and timely supervision on planned time frame.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of tort by related parties.</li> </ul>	<ul style="list-style-type: none"> <li>• Perform comprehensive and thorough review.</li> </ul>

### 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 2016 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 Holding level year 2016

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 2016

IMPACT	LIKELIHOOD				
	1. UNLIKELY	2. UNLIKELY	3. POSSIBLE	4. LIKELY	5. ALMOST CERTAIN
5. CATASTROPHIC	EXTREME : 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

Comparison of operational risk evaluation at each Department has varied, in 2016 total risk at every risk level category has increased compared to 2015 total of 68 risk register at Holding level. Total risk at Subsidiaries level in 2016 has also increased compared to 2015 total of 67 risk register. This was a result of Company support to 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) is capable of performing insightful risk management.

### 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 2016, the Company, Board of Commissioners, Directors and employees of BNBR are 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 Fl  
Rasuna Epicentrum  
JI H.R. Rasuna Said  
Jakarta 12940, Indonesia  
Telephone : (62 21) 2991 2222  
Fax : (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 asset 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 2016 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

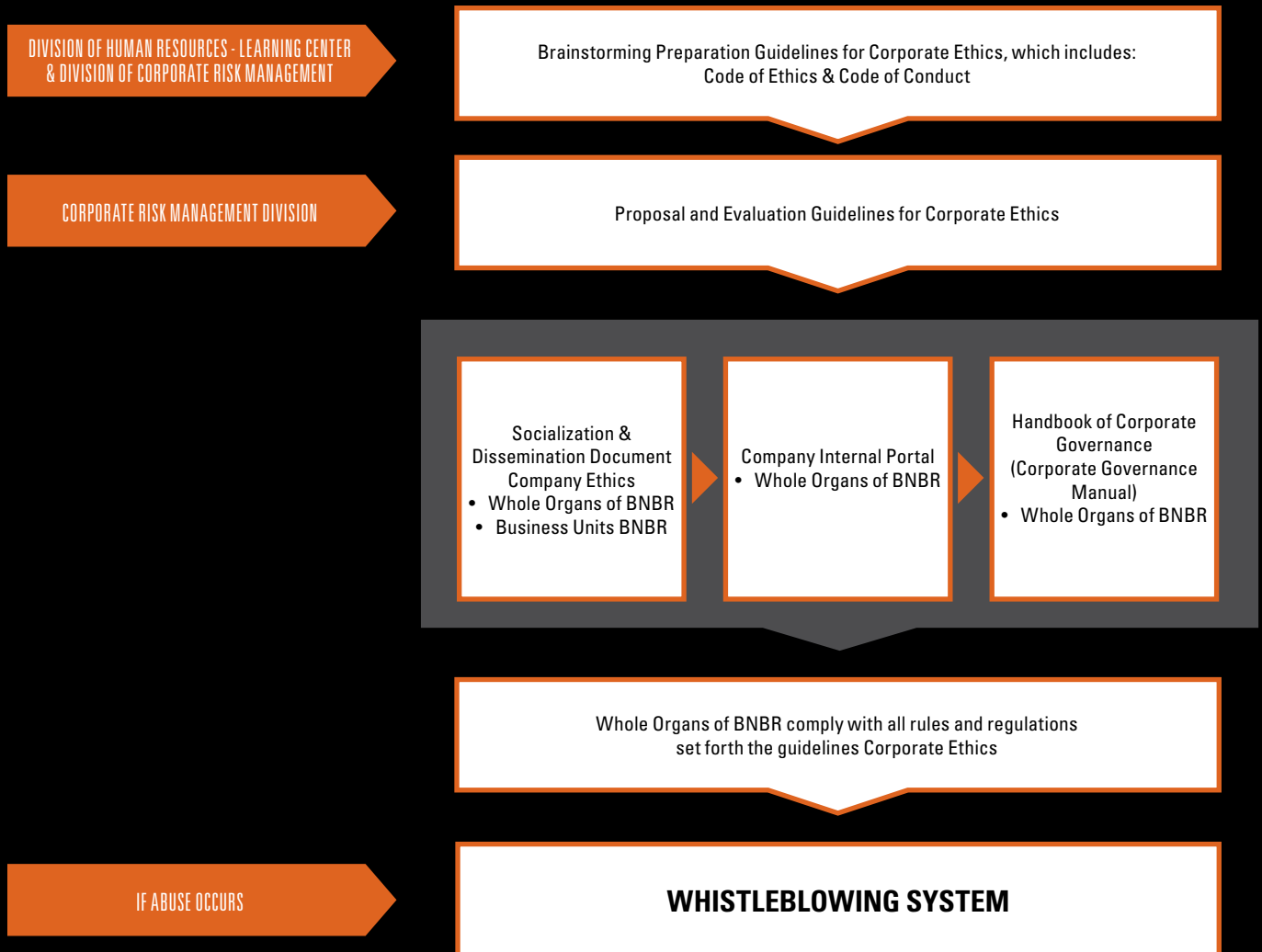
The code of conduct and business conduct policy contains full principles of the Company and covers the values and standard of manners of PT Bakrie & Brothers Tbk. Both conducts are applicable to all BNBR people in all level of Company's organization, and shall be used in day-to-day activities. These 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
- Board Manual
- Conflicts of Interest Guidelines
- Integrity Pacts
- Corporate Culture

**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 & Brothers 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 per diem, 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 effort 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.

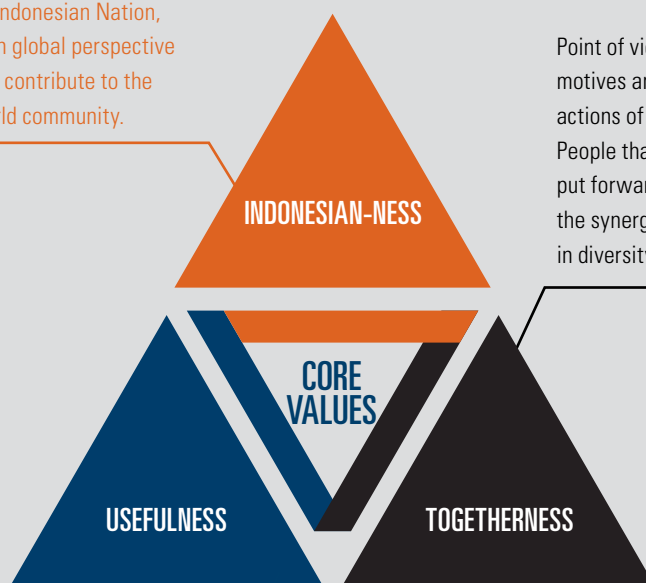
## CORPORATE CULTURE STATEMENTS

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

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.

Point of views, motives and actions of Bakrie  
People that put forward the synergy in diversity.



Point of views, motives and actions of Bakrie  
People that prioritizing the effectiveness and efficiency of resources to improve the quality of better life.

## 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 detections 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

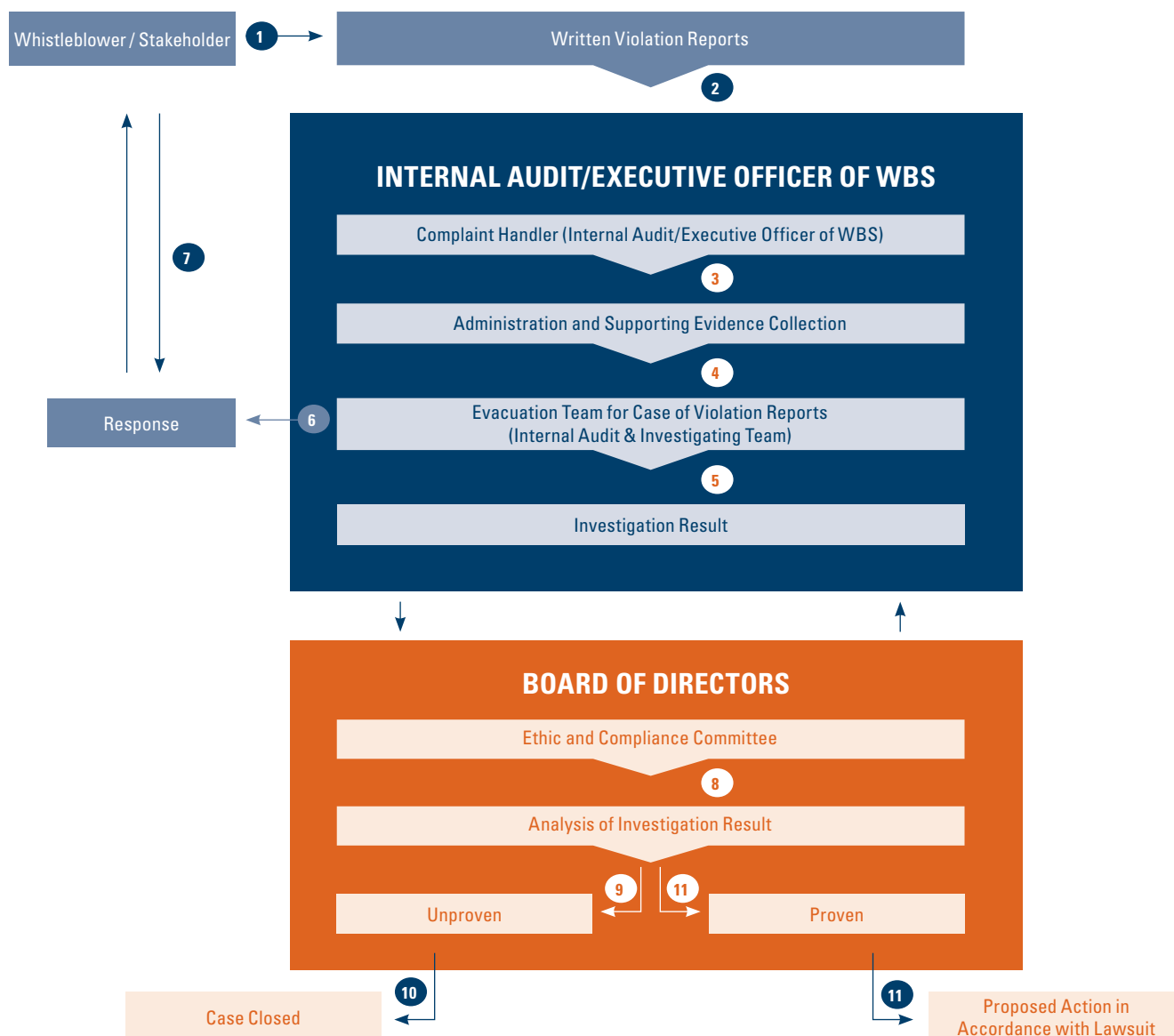
### REPORTING MANAGEMENT ON ALLEGED VIOLATIONS BY THE EMPLOYEES

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 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 conducted by the employees as illustrated below:

## WHISTLEBLOWING SYSTEM PROCEDURES CONDUCTED BY THE EMPLOYEES AS ILLUSTRATED BELOW:



### Reporting Management on Alleged Violations by the Board of Commissioners or Directors or WBS Managers

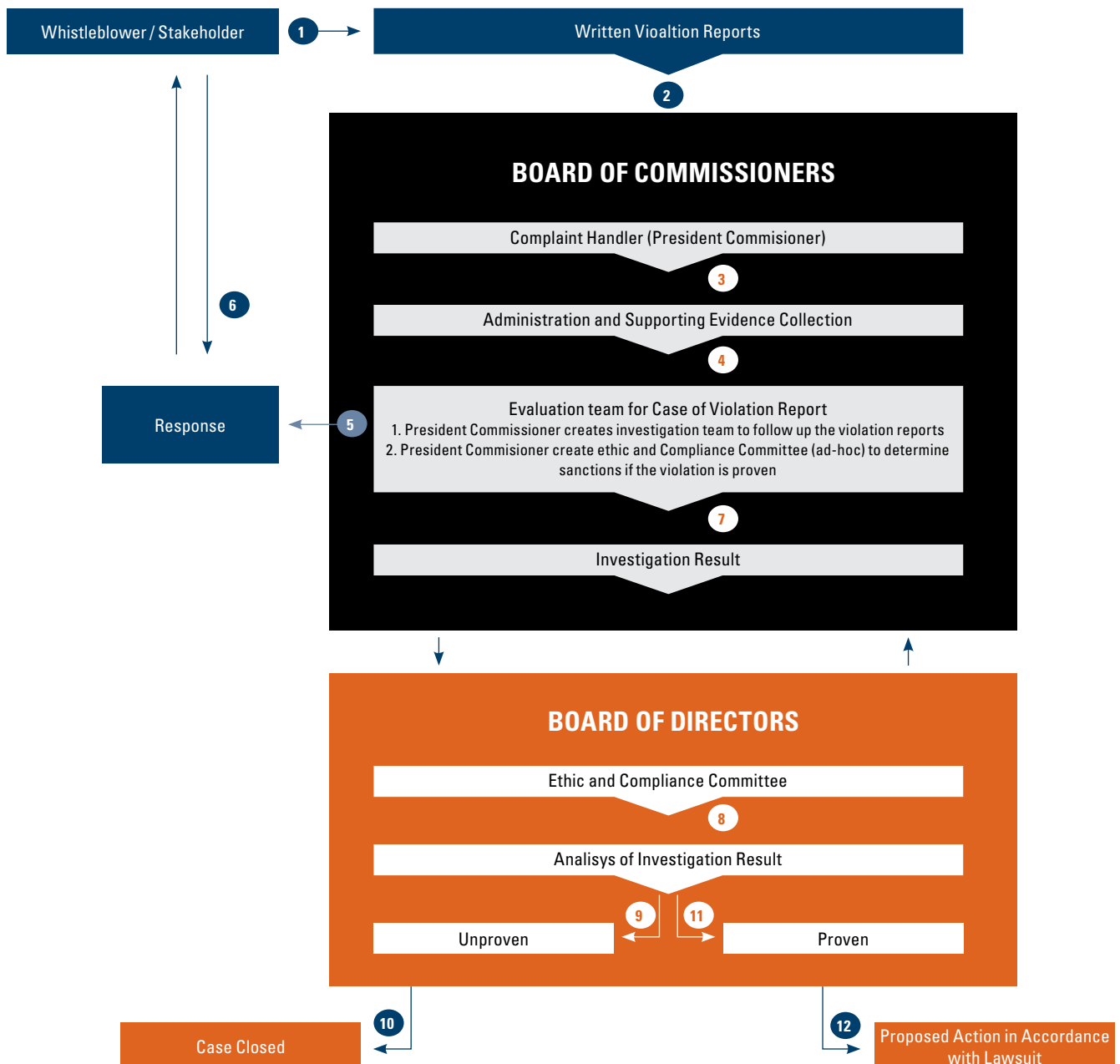
The following are procedures for the whistleblowing system by the Board of Commissioners/ Directors/ WBS Managers:

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 Directos, Presient 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:

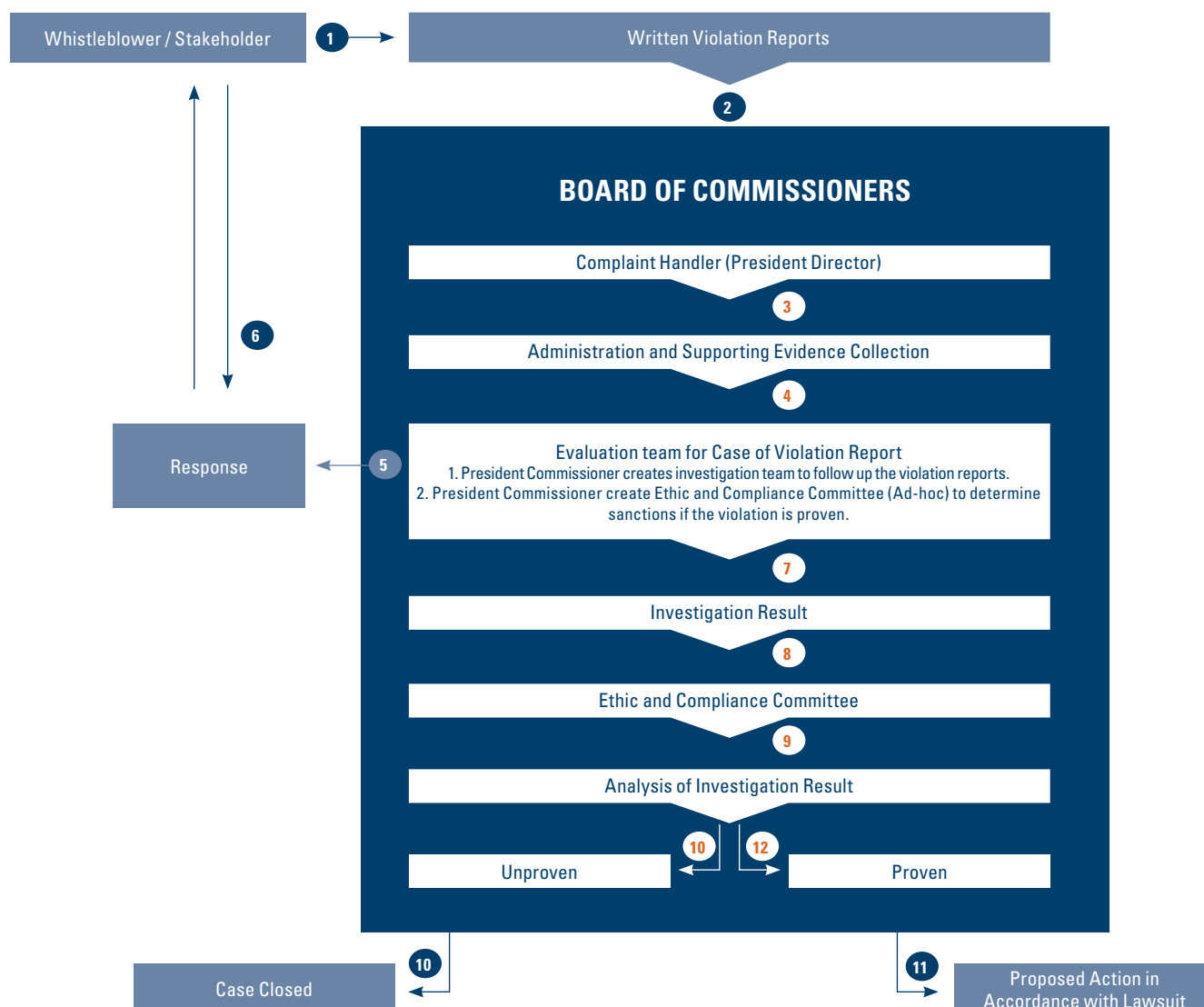
- Ethics & Compliance Committee stipulates sanctions and issued the Decree of Whistleblowing Sanctions to the Offenders.
- Ethics & Compliance Committee submits to the President Commissioner/ President Director for following up the Decree of Whistleblowing Sanctions.
- Ethics & Compliance Committee can submits to the Corporate Legal Department for every violations towards laws and regulations for follow up to the authorities.

**WHISTLEBLOWING SYSTEM PROCEDURES OF VIOLATIONS DONE BY THE BOARD OF DIRECTORS AS ILLUSTRATED BELOW:**





## 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.

### Violations During 2016

Since the policies and procedures of Whistleblowing System was developed and disseminated in March 2012 up to December 31<sup>st</sup>, 2016, the Company has not received any violation report.

## INFORMATION FOR INVESTORS

### CAPITAL INCREASE WITH NON PREEMPTIVE RIGHTS ("NPR")

Extraordinary General Meeting of Shareholders of PT Bakrie & Brothers Tbk ("The Company") held on June 2<sup>nd</sup>, 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<sup>th</sup>, 2016.

The Company conducted capital increase with Non Preemptive Rights in accordance with POJK No.38/POJK.04/2014, specifically according to point iii (b) that the Company has negative net working capital and has obligations greater than 80% of Company assets at the time EGMS was conducted and iii (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 Rp990,692,339,300 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 nominal 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.

On December 15<sup>th</sup>, 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.

On March 31<sup>st</sup>, 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. After the execution of capital increase with NPR total shares of PT Bakrie & Brothers Tbk that are listed on Indonesia Stock Exchange increased to 113,479,812,348 shares from 97,021,717,528 shares.

## ADAPTATION TO CORPORATE GOVERNANCE GUIDELINE OF PUBLIC COMPANY - OJK

No.	PRINCIPLES & RECOMMENDATIONS		ADAPTATION			Descriptions
			Full	Partial	Not Yet	
<b>A Relationship of Public Company with the Shareholders in Ensuring the Shareholders' Rights</b>						
<b>1. Improving the Value of General Meeting of Shareholders (GMS) Convention</b>						
1.1	Public Company has technical procedures for opened or closed voting that promote independency and shareholders' interest.	✓				Has been stipulated in Company's Articles of Association and Corporate Governance Manual.
1.2	All members of the Board of Directors and Board of Commissioners are present at Annual GMS.		✓			All members of Board of Commissioners were present at the AGMS held on June 2 <sup>nd</sup> , 2016.
1.3	Summary of GMS Minutes is available on Public Company's Website for no less than 1 (one) year.	✓				Summary of AGMS and EGMS are available on Company's website since June 6 <sup>th</sup> , 2016.
<b>2. Improving Communication Quality of Public Company with Shareholders or Investors</b>						
2.1	Public Company has a communication policy with shareholders or investors.	✓				The Company has stipulated and applied Policy & Procedure No. 015/BNBR/II/2010 concerning Information Disclosure to Capital Market Community
2.2	Public Company discloses its communication policy with shareholders or investors on its Website.	✓				The Company has uploaded Policy & Procedure No. 15/BNBR/II/2010 concerning Information Disclosure to Capital Market Community to Company's website.
<b>B Board of Commissioners' Function and Role</b>						
<b>3. Strengthening the Membership and Composition of Board of Commissioners</b>						
3.1	Determination of number of Board of Commissioners' member shall consider the condition of Public Company.	✓				Determination of total members of Board of Commissioners has complied with POJK No. 33/POJK.04/2014.
3.2	Determination of Composition of Board of Commissioners' member considers the variety of expertise, knowledge, and experiences required.	✓				Determination of Board of Commissioners members' composition diversity has been stipulated in Company's Articles of Association and Board Manual.
<b>4. Improving the Quality of Job and Responsibility Performance of Board of Commissioners</b>						
4.1	Board of Commissioners has self-assessment policy to assess the performance of Board of Commissioners.			✓		Board of Commissioners has enacted self-assessment policy which implementation is supported by committees under Board of Commissioners.
4.2	Self-assessment policy to assess the performance of Board of Commissioners is disclosed in Annual Report of Public Company.	✓				Has been disclosed in 2016 Annual Report book page 116.

No.	PRINCIPLES & RECOMMENDATIONS		ADAPTATION			Descriptions
			Full	Partial	Not Yet	
4.3	Board of Commissioners has a policy with respect to the resignation of the member of the Board of Commissioners if such member involved in financial crime.			✓		Has been disclosed in Board Manual
4.4	Board of Commissioners or Committee that conduct Nomination and Remuneration function arrange succession policy in Nomination process of Board of Directors member.			✓		The Company has put Nomination and Remuneration Committee into effect according to POJK No. 34/POJK.04/2014. Nomination and Remuneration Committee has formulated succession policy for Board of Directors member.
<b>C Board of Directors' Function and Role</b>						
<b>5. Strengthening the Membership and Composition of the Board of Directors</b>						
5.1	Determination of number of Board of Directors' member considers the condition of Public Company and the effectiveness of decision-making.		✓			Determination of total members of Board of Directors has complied with POJK No. 33/POJK.04/2014.
5.2	Determination of composition of Board of Directors' member considers the variety of expertise, knowledge, and experiences required.		✓			Determination of Board of Directors members' composition diversity has been stipulated in Company's Articles of Association and Board Manual.
5.3	Member of Board of Directors who is liable for accounting or finance has accounting expertise and/or knowledge.		✓			The Company has instated a Director who also holds the position of Chief Financial Officer and has capabilities in accounting field.
<b>6. Improving the Quality of Job and Responsibility Performance of Board of Directors</b>						
6.1	Board of Directors has self-assessment policy to assess performance of Board of Directors.		✓			The Company has stipulated and applied Policy & Procedure which regulates employees performance appraisal as described in Policy & Procedure No. 034/BNBR/XII/2012 concerning Position Evaluation.
6.2	Self-assessment policy to assess the performance of Board of Directors is disclosed in Annual Report of Public Company.		✓			Has been disclosed in 2016 Annual Report book page 123.
6.3	Board of Directors has a policy with respect to the resignation of the member of the Board of Directors if such member involved in financial crime.			✓		Has been disclosed in Board Manual.
<b>D Participation of Stakeholders</b>						
<b>7. Improving Corporate Governance Aspect through Participation of Stakeholders</b>						
7.1	Public Company has a policy to prevent insider trading.		✓			The Company has stipulated and applied Policy & Procedure No. 254/BNBR/XII/2014 concerning Stock Trading Activity.

No.	PRINCIPLES & RECOMMENDATIONS		ADAPTATION			Descriptions
			Full	Partial	Not Yet	
7.2	Public Company has anti-corruption and anti-fraud policy.		✓			The Company has stipulated and applied Policy & Procedure No. 264/BNBR/I/2016 concerning Anti-Fraud and Report of Gratuities Receiving.
7.3	Public Company has policies concerning selection and capability improvement of suppliers and vendors.			✓		The Company has stipulated and applied Policy & Procedure No. 076/BNBR/XII/2015 concerning Goods and Services Procurement.
7.4	Public Company has a policy concerning the fulfillment of creditor's right.			✓		The Company has stipulated and applied Risk Valuation Policy & Procedure towards loan undertaken by Company, described in Policy & Procedure No. 086/BNBR/IV/2015 concerning Fund Raising.
7.5	Public Company has a policy of whistleblowing system.		✓			The Company has stipulated and applied Policy & Procedure No. 258/BNBR/III/2012 concerning Whistleblowing System.
7.6	Public Company has long-term incentive policy for Board of Directors and employees.					The Company has formulated a share-based long-term incentive policy for Board of Directors and employees which will be carried out according to the stipulations of Company's Articles of Associations and Indonesia's Capital Market regulations.
<b>E Information Disclosure</b>						
<b>8. Improving the Implementation of Information Disclosure</b>						
8.1	Public Company takes benefit from the application of a broader information technology other than Website as information disclosure media.		✓			The Company has executed Information Disclosure through Company's website, IDX website, OJK website (not for public consumption), and Newspaper with nationwide circulation (for certain Information Disclosure according to prevailing Capital Market Regulations).
8.2	Annual Report of Public Company discloses beneficial owner in share ownership of Public Company of at least 5% (five percent), other than disclosure of beneficial owner in share ownership of Public Company through major and controlling shareholders.		✓			The Company has disclosed its beneficial owner by disclosing ownership of at least 5% (five percent) of Public Company shares but only until custody and/or securities level according to Share Registrar received through third party such as KSEI and Securities Administration Agency.

## REPORT OF ASEAN CORPORATE GOVERNANCE SCORECARD ASSESSMENT - IICD

No.	QUESTIONS	ANSWER			SCORE
		Yes	No	N/A	
<b>A</b>	<b>RIGHTS OF SHAREHOLDERS</b>				
<b>A.1</b>	<b>Basic Shareholder Rights</b>				
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 annual general meeting (AGM) for final dividends?			✓	<b>0</b>
<b>A.2</b>	<b>Rights to Participate in Decisions Concerning Fundamental Corporate Changes</b>				
	Do shareholders have the right to participate in:				
A.2.1	Amendments to the company's constitution?	✓			<b>1</b>
A.2.2	The authorization of additional shares?	✓			<b>1</b>
A.2.3	The transfer of all or substantially all assets, which in effect results in the sale of the company?	✓			<b>1</b>
<b>A.3</b>	<b>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</b>				
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?	✓			<b>1</b>
A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?	✓			<b>1</b>
A.3.3	Does the company allow shareholders to elect directors/commissioners individually?	✓			<b>1</b>
A.3.4	Does the company disclose the voting and vote tabulation procedures used, declaring both before the meeting proceeds?		✓		<b>0</b>
A.3.5	Do the minutes of the most recent AGM record that there was an opportunity allowing for shareholders to ask questions or raise issues?		✓		<b>0</b>
A.3.6	Do the minutes of the most recent AGM record questions and answers?		✓		<b>0</b>
A.3.7	Does the disclosure of the outcome of the most recent AGM include resolution(s)?		✓		<b>0</b>
A.3.8	Does the company disclose the voting results including approving, dissenting, and abstaining votes for each agenda items for the most recent AGM?		✓		<b>0</b>
A.3.9	Does the company disclose the list of board members who attended the most recent AGM?		✓		<b>0</b>
A.3.10	Did the chairman of the board of directors/commissioners attend the most recent AGM?		✓		<b>0</b>
A.3.11	Did the CEO/Managing Director/President attend the most recent AGM?		✓		<b>0</b>
A.3.12	Did the chairman of the Audit Committee attend the most recent AGM?		✓		<b>0</b>
A.3.13	Did the company organize their most recent AGM in an easy to reach location?	✓			<b>1</b>
A.3.14	Does the company allow for voting in absentia?	✓			<b>1</b>
A.3.15	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?		✓		<b>0</b>

No.	QUESTIONS	ANSWER			SCORE
		Yes	No	N/A	
A.3.16	Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?		✓		0
A.3.17	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM for all resolutions?		✓		0
A.3.18	Do companies provide at least 21 days notice for all resolutions?	✓			1
A.3.19	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?		✓		0
<b>A.4</b>	<b>Markets for Corporate Control should be Allowed to Function in an Efficient and Transparent Manner</b>				
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
<b>A.5</b>	<b>The Exercise of Ownership Rights by All Shareholders, including Institutional Investors, should be Facilitated</b>				
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>B</b>	<b>EQUITABLE TREATMENT OF SHAREHOLDERS</b>				
<b>B.1</b>	<b>Shares and Voting Rights</b>				
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>B.2</b>	<b>Notice of AGM</b>				
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	Has an explanation of the dividend policy been provided?		✓		0
B.2.6	Is the amount payable for final dividends disclosed?			✓	0
B.2.7	Documents required to be proxy/Were the proxy documents made easily available?	✓			1
<b>B.3</b>	<b>Insider Trading and Abusive Self-Dealing should be Prohibited</b>				
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

No.	QUESTIONS	ANSWER			SCORE
		Yes	No	N/A	
<b>B.4</b>	<b>Related Party Transactions by Directors and Key Executives</b>				
B.4.1	Are directors and commissioners required to disclose their interest in transactions and any other conflicts of interest?	✓			<b>1</b>
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?	✓			<b>1</b>
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?	✓			<b>1</b>
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?		✓		<b>0</b>
<b>B.5</b>	<b>Protecting Minority Shareholders from Abusive Actions</b>				
B.5.1	Were there any RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies?	✓			<b>1</b>
B.5.2	Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arm's length?		✓		<b>0</b>
B.5.3	In case of related party transactions requiring shareholders' approval, is the decision made by disinterested shareholders?	✓			<b>1</b>
<b>C</b>	<b>ROLE OF STAKEHOLDERS</b>				
<b>C.1</b>	<b>The Rights of Stakeholders that are Established by Law or Through Mutual Agreements are to be Respected</b>				
	Do the company disclose a policy that:				
C.1.1	Stipulates the existence and scope of the company's efforts to address customers' health and safety?	✓			<b>1</b>
C.1.2	Explains supplier/contractor selection practice?	✓			<b>1</b>
C.1.3	Describes the company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?	✓			<b>1</b>
C.1.4	Elaborates the company's efforts to interact with the communities in which they operate?	✓			<b>1</b>
C.1.5	Directs the company's anti-corruption programs and procedures?	✓			<b>1</b>
C.1.6	Describes how creditors' rights are safeguarded?	✓			<b>1</b>
	Does the company disclose the activities that it has undertaken to implement the above mentioned policies?				
C.1.7	Customer health and safety	✓			<b>1</b>
C.1.8	Supplier/Contractor selection and criteria	✓			<b>1</b>
C.1.9	Environmentally-friendly value chain	✓			<b>1</b>
C.1.10	Interaction with the communities	✓			<b>1</b>
C.1.11	Anti-corruption programs and procedures	✓			<b>1</b>
C.1.12	Creditors' rights	✓			<b>1</b>
C.1.13	Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?	✓			<b>1</b>



No.	QUESTIONS	ANSWER			SCORE
		Yes	No	N/A	
<b>C.2</b>	<b>Where Stakeholder Interests are Protected by Law, Stakeholders should Have the Opportunity to Obtain Effective Redress for Violation of Their Rights</b>				
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?	✓			<b>1</b>
<b>C.3</b>	<b>Performance-Enhancing Mechanisms for Employee Participation should be Permitted to Develop</b>				
C.3.1	Does the company explicitly disclose the health, safety, and welfare policy for its employees?	✓			<b>1</b>
C.3.2	Does the company publish data relating to health, safety and welfare of its employees?	✓			<b>1</b>
C.3.3	Does the company have training and development programs for its employees?	✓			<b>1</b>
C.3.4	Does the company publish data on training and development programs for its employees?	✓			<b>0</b>
C.3.5	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measure?		✓		<b>1</b>
<b>C.4</b>	<b>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</b>				
C.4.1	Does the company have procedures for complaints by employees concerning illegal (including corruption) and unethical behavior?	✓			<b>1</b>
C.4.2	Does the company have a policy or procedures to protect an employee/person who reveals illegal/unethical behavior from retaliation?	✓			<b>1</b>
<b>D.</b>	<b>DISCLOSURE AND TRANSPARENCY</b>				
<b>D.1</b>	<b>Transparent Ownership Structure</b>				
D.1.1	Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?	✓			<b>1</b>
D.1.2	Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?	✓			<b>1</b>
D.1.3	Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?		✓		<b>0</b>
D.1.4	Does the company disclose the direct and indirect (deemed) shareholdings of senior management?		✓		<b>0</b>
D.1.5	Does the company disclose details of the subsidiaries, associates, joint ventures and special purpose enterprises/vehicles (SPEs)/(SPVs)?	✓			<b>1</b>
<b>D.2</b>	<b>Quality of Annual Report</b>				
	Does the company's annual report disclose the following questions:				
D.2.1	Key risks	✓			<b>1</b>
D.2.2	Corporate objectives	✓			<b>1</b>
D.2.3	Financial performance indicators	✓			<b>1</b>
D.2.4	Non-financial performance indicators	✓			<b>1</b>
D.2.5	Dividend policy	✓			<b>1</b>
D.2.6	Details of whistle-blowing policy	✓			<b>1</b>

No.	QUESTIONS	ANSWER			SCORE
		Yes	No	N/A	
D.2.7	Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	✓			1
D.2.8	Training and/or continuing education program attended by each director/commissioner		✓		0
D.2.9	Number of board of directors/commissioners meeting held during the year	✓			1
D.2.10	Attendance details of each director/commissioner in respect of meetings held	✓			1
D.2.11	Details of remuneration of the CEO and each member of the board of directors/commissioners		✓		0
D.2.12	Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue?		✓		0
<b>D.3</b>	<b>Disclosure of Related Party Transactions (RPT)</b>				
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.3.3	Does the company disclose the nature and value for each material/significant RPT?	✓			1
<b>D.4</b>	<b>Directors and Commissioners Dealings in Shares of the Company</b>				
D.4.1	Does the company disclose trading in the company's shares by insiders?	✓			1
<b>D.5</b>	<b>External Auditor and Auditor Report</b>				
D.5.1	Are audit fees disclosed?	✓			1
D.5.2	Are the non-audit fees disclosed?	✓			1
D.5.3	Does the non-audit fees exceed the audit fees?		✓		0
<b>D.6</b>	<b>Medium of Communications</b>				
	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
<b>D.7</b>	<b>Timely Filing/Release of Annual/Financial Reports</b>				
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
<b>D.8</b>	<b>Company Website</b>				
	Does the company have a website disclosing up-to-date information on the following:				
D.8.1	Business operations	✓			1
D.8.2	Financial statements/reports (current and prior years)	✓			1
D.8.3	Materials provided in briefings to analysts and media	✓			1
D.8.4	Shareholding structure	✓			1

No.	QUESTIONS		ANSWER			SCORE
			Yes	No	N/A	
	D.8.5	Group corporate structure	✓			1
	D.8.6	Downloadable annual report	✓			1
	D.8.7	Notice of AGM and/or EGM	✓			1
	D.8.8	Minutes of AGM and/or EGM		✓		0
	D.8.9	Company's constitution (company's bylaws, memorandum and articles of association)		✓		0
<b>D.3</b>	<b>Investor Relations</b>					
	D.9.1	Does the company disclose the contact details (e.g. telephone, fax, and email) of the officer responsible for investor relations?	✓			1
<b>E.</b>	<b>RESPONSIBILITIES OF THE BOARD</b>					
<b>E.1</b>	<b>Duties and Responsibilities of the Board of Directors and Board of Commissioners:</b>					
	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
	Company Vision and Mission:					
	E.1.4	Does the company have a vision and mission statement?	✓			1
	E.1.5	Has the board review the vision and mission/strategy in the last financial year?		✓		0
	E.1.6	Does the board of directors monitor/oversee the implementation of the corporate strategy?	✓			1
<b>E.2</b>	<b>Board of Commissioners Structure</b>					
	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?	✓			1
	E.2.3	Does the company disclose how it 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	Are the independent directors/commissioners independent of management and major/substantial shareholders?	✓			1
	E.2.6	Does the company have a term limit of nine years or less for its independent directors/commissioners?		✓		0
	E.2.7	Has the company set a limit of five board seats that an individual independent/ non-executive director/commissioner may hold simultaneously?	✓			1
	E.2.8	Does the company have any independent directors/commissioners who serve on more than five boards of publicly-listed companies?		✓		0

No.	QUESTIONS	ANSWER			SCORE
		Yes	No	N/A	
Nominating Committee:					
E.2.9	Does the company have a Nominating Committee?	✓			1
E.2.10	Does the Nominating Committee comprise of a majority of independent directors/commissioners?		✓		0
E.2.11	Is the chairman of the Nominating Committee an independent director/commissioner?	✓			1
E.2.12	Does the company disclose the terms of reference/governance structure/charter of the Nominating Committee?	✓			1
E.2.13	Did the Nominating Committee meet at least twice during the year?	✓			1
E.2.14	Is the attendance of members at Nominating Committee meetings disclosed?	✓			1
Remuneration Committee/Compensation Committee:					
E.2.15	Does the company have a Remuneration Committee?	✓			1
E.2.16	Does the Remuneration Committee comprise of a majority of independent directors/commissioners?		✓		0
E.2.17	Is the chairman of the Remuneration Committee an independent director/commissioner?	✓			1
E.2.18	Does the company disclose the terms of reference/governance structure/charter of the Remuneration Committee?	✓			1
E.2.19	Did the Remuneration Committee meet at least twice during the year?	✓			1
E.2.20	Is the attendance of members at Remuneration Committee meetings disclosed?	✓			1
Audit Committee:					
E.2.21	Does the company have a Audit Committee?	✓			1
E.2.22	Does the Audit Committee comprise entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?	✓			1
E.2.23	Is the chairman of the Audit Committee an independent director/commissioner?	✓			1
E.2.24	Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?	✓			1
E.2.25	Does the Annual Report disclose the profile or qualifications of the Audit Committee member?	✓			1
E.2.26	Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)?	✓			1
E.2.27	Did the Audit Committee meet at least four times during the year?	✓			1
E.2.28	Is the attendance of members at Audit Committee meetings disclosed?	✓			1
E.2.29	Does the Audit Committee have primary responsibility for recommendation on the appointment, and removal of the external auditor?		✓		0
<b>E.3</b>	<b>Role of Board of Directors and Board of Commissioners</b>				
Meetings and Attendance of Board of Directors and 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?	✓			1
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

No.	QUESTIONS	ANSWER			SCORE
		Yes	No	N/A	
	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?	✓			1
	Appointment and Re-election of members of Board of Directors and Board of Commissioners				
E.3.9	Does the company disclose the criteria used in selecting new directors/commissioners	✓			1
E.3.10	Does the company disclose the process followed in appointing new directors/commissioners?		✓		0
E.3.11	Are all the directors/commissioners subject to re-election at least once every three years?		✓		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?		✓		0
E.3.14	Do the shareholders or the board of directors approve the remuneration on the executive directors and/or the senior executives?	✓			1
E.3.15	Do independent/non-executive directors/commissioners receive options, performance shares or 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 disclose the internal control procedures/ risk management systems it has in place?	✓			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 how key risks are managed?	✓			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

No.	QUESTIONS	ANSWER			SCORE
		Yes	No	N/A	
<b>E.4</b>	<b>Individuals in the Structure of Board of Directors and Board of Commissioners</b>				
	Board Chairman:				
E.4.1	Do different persons assume the roles of chairman and CEO?	✓			<b>1</b>
E.4.2	Is the chairman an independent director/commissioner?	✓			<b>1</b>
E.4.3	Is any of the directors a former CEO of the company in the past 2 years?		✓		<b>1</b>
E.4.4	Are the role and responsibilities of the chairman disclosed?	✓			<b>1</b>
	Skills and Competencies:				
E.4.5	Does at least one non-executive director/commissioner have prior working experience in the major sector that the company is operating in?	✓			<b>1</b>
E.4.6	Does the company disclose a board of directors/commissioners diversity policy?	✓			<b>1</b>
<b>E.5</b>	<b>Performance of Board of Directors and Board of Commissioners</b>				
	Training/Development of Board of Directors and Board of Commissioners:				
E.5.1	Does the company have orientation programs for new directors/commissioners?	✓			<b>1</b>
E.5.2	Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmes?	✓			<b>1</b>
	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 Director?		✓		<b>0</b>
E.5.4	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President Director?	✓			<b>1</b>
	Board of Directors and Board of Commissioners Appraisal:				
E.5.5	Is an annual performance assessment conducted on the board of directors/commissioners?	✓			<b>1</b>
E.5.6	Does the company disclose the process followed in conducting the board assessment?	✓			<b>1</b>
E.5.7	Does the company disclose the criteria used in the board assessment?		✓		<b>0</b>
	Members of Board of Directors and Board of Commissioners Appraisal:				
E.5.8	Is an annual performance assessment conducted on individual directors/commissioners?		✓		<b>0</b>
E.5.9	Does the company disclose the process followed in conducting the director/commissioner assessment?		✓		<b>0</b>
E.5.10	Does the company disclose the criteria used in the director/commissioner assessment?		✓		<b>0</b>
	Committees under Board of Directors and Board of Commissioners Appraisal:				
E.5.11	Is an annual performance assessment conducted on the board of directors/commissioners committees?		✓		<b>0</b>

## 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	WEIGHTAGE	SCORES OF EVERY PRINCIPLES
1.	A	RIGHTS OF SHAREHOLDERS	10	24	41,67%	10%	4,17
2.	B	EQUITABLE TREATMENT OF SHAREHOLDERS	9	16	56,25%	15%	8,44
3.	C	ROLE OF STAKEHOLDERS	20	21	95,24%	10%	9,52
4.	D	DISCLOSURE AND TRANSPARENCY	33	41	80,49%	25%	20,12
5.	E	RESPONSIBILITIES OF THE BOARD	54	74	72,97%	40%	29,19
6.		BONUS	-	-	-	-	2
7.		PENALTY	-	-	-	-	-2
<b>Jumlah Nilai Praktik Corporate Governance</b>							<b>71,44</b>

Total score of GCG practices earned by PT Bakrie & Brothers Tbk for year 2015 (ASEAN CG Scorecard 2016) amounted to **71,44**. Overall, assessment result of GCG implementation at PT Bakrie & Brothers Tbk gained the qualification **"FAIR"**



# CORPORATE SOCIAL RESPONSIBILITY



*“I am proud to be a part of BNBR family, a company with strong principles for Indonesia’s development. Through my work at PT Braja Mukti Cakra, I have proven that Indonesian made automotive component products are deemed highly competitive in the global market.”*

**Sofyansyah**

Production & Engineering Manager

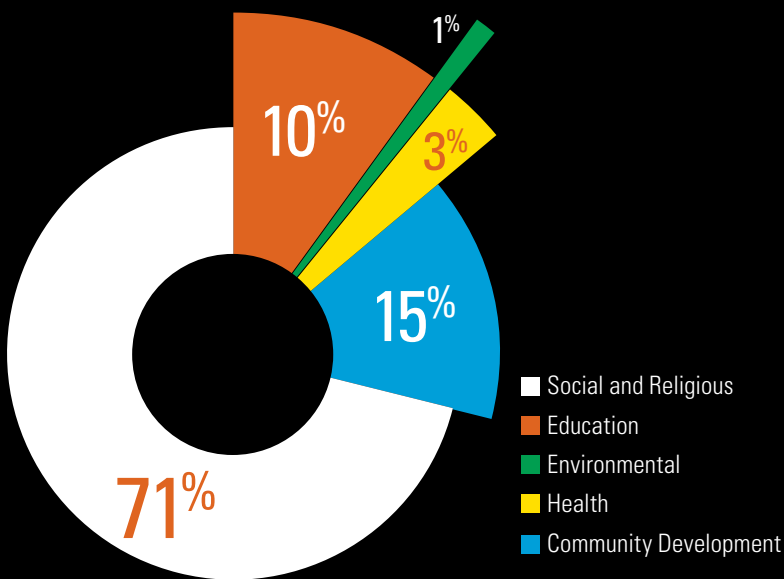
PT Braja Mukti Cakra

*Years of Service: 8 years*

## TOTAL EXPENDITURE FOR CHARITY BASED CSR DURING 2016 WAS

# RP 1.39 BILLION

CSR EXPENDITURE BASED ON ACTIVITY SECTOR



## POLICY ON OCCUPATIONAL HEALTH AND SAFETY WAS ENACTED SINCE 2013

## IN 2006 EMPLOYEE TURNOVER RATE WAS

# 1.9%



### OCCUPATIONAL HEALTH AND SAFETY

**BA** : OHSAS 18001: 2007 FROM  
CERTIFICATION BODY OF TÜV  
SÜD PSB PTE LTD

**BBI** : OHSAS 18001: 2007 FROM BRITISH  
STANDARDS INSTITUTION

**BCONS** : OHSAS 18001: 2007 FROM BUREAU  
VERITAS CERTIFICATION

**BMI** : OHSAS 18001: 2007 FROM AJA  
EUROPE LTD

**BPI** : OHSAS 18001: 2007 FROM ABS  
QUALITY EVALUATIONS



### CERTIFICATION IN ENVIRONMENT SECTOR



**BA** : ISO 14001:2004 FROM CERTIFICATION  
BODY OF TÜV SÜD PSB PTE LTD

**BBI** : ISO 14001:2004 FROM BRITISH  
STANDARDS INSTITUTION

**BCONS** : ISO 14001:2004 FROM BUREAU  
VERITAS CERTIFICATION

**BMI** : ISO 14001:2004 FROM AJA EUROPE LTD

# CORPORATE SOCIAL RESPONSIBILITY

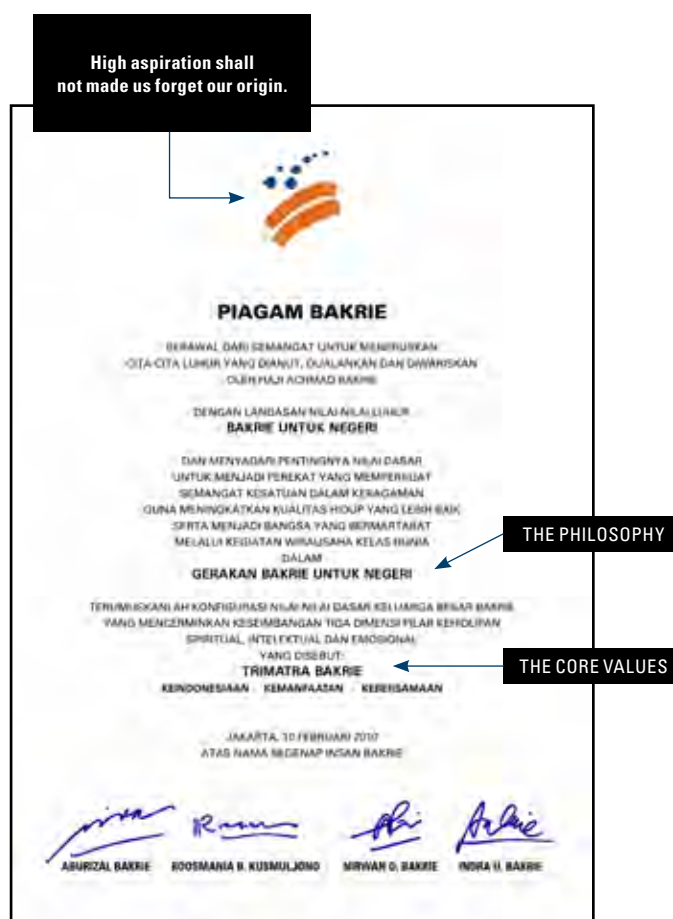
*BNBR is fully aware that sustainable business organization involves a commitment to development oriented toward enhancing added value in line with the Company's Philosophy and Basic Values, moral and ethical principles inscribed in the Business Conduct Guidelines as well as prevailing laws and regulations. Based on a spirit and a commitment to ensuring sustainability for all related stakeholders, the Company continues to drive the implementation of Corporate Social Responsibility in all Subsidiaries. Through the implementation of planned, structured and sustainable CSR activities, the Company expects that the presence of BNBR and its Subsidiaries will benefit all stakeholders, including the shareholders, as the company's majority stakeholders.*

## COMPANY CSR VISION AND MISSION

The implementation of CSR at BNBR and its subsidiaries is guided by the "Bakrie Untuk Negeri" philosophy and core values outlined in "Trimatra Bakrie", all stipulated in the Bakrie Charter. In order to ensure that this philosophy and these core values are observed and socialized to all Bakrie Group employees, including this Company, the Management Board for Bakrie Untuk Negeri (BP BUN) has been established. The Company sustains this board as a manifestation of its corporate social responsibility.

The Company's philosophy refers to the "Bakrie Untuk Negeri" core philosophy, which constitutes a modern interpretation of the mandate of the founder of Bakrie Group, H. Ahmad Bakrie (1916-1988), namely "Every rupiah earned by Bakrie must be beneficial to many people". This core philosophy is illustrated in the Company's logo, which represents the landscape of the earth and seven stars. This logo illustrates the Company's efforts to reach the highest possible aspiration with its feet firmly planted. No matter how grand, great and high its aspiration is, Bakrie will never forget where it was founded and must remain standing.

The "Trimatra Bakrie" core values consist of three dimensions, namely "Indonesian-ness", "Usefulness" and "Togetherness". Indonesian-ness is point of view, motivation and attitude of all Bakrie employees who are proud to be an Indonesian nation, with global insights and contributions to world society. Usefulness is point of view, motivation and attitude of all Bakrie employees who prioritize effectiveness and efficiency of resources to enhance better quality of life. Togetherness is point of view, motivation and attitude of all Bakrie employees who emphasize synergy in diversity.



In order to ensure its business sustainability, BNBR strives to ensure that all its business and operational decision have a positive effect on all stakeholders, from shareholders to wider community, whether directly or indirectly. In the Company’s opinion, this is the essence of CSR. As such, the Company has ratified the agreements stipulated at the Bakrie CSR Conference on June 10<sup>th</sup>, 2011, as a basic reference for all CSR implementation within PT Bakrie & Brothers Tbk.

The main agreement of the Bakrie CSR Conference was stipulated the implementation of Bakrie Group Corporate Social Responsibility, which is made up of business and non-business entities, will refer to the ISO 26000 SR standard.

### 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:

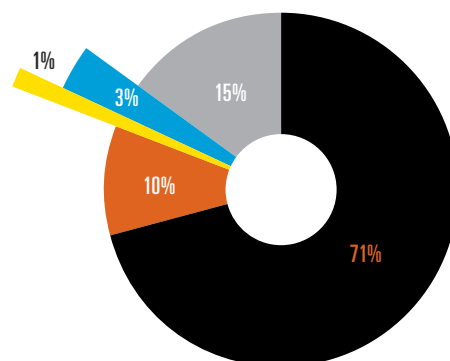


With the determination of ISO 26000 SR as its fundamental reference, CSR fulfillment is inseparable from the Company’s business activities. The first and most important aspect is related to organizational governance, followed by the community-related issues, in line with the seven core subjects of ISO 26000 SR.

Given that in this Annual Report, the organizational governance aspect has a separate dedicated chapter, this social responsibility chapter will only discuss aspects related to the environment, labour practices, social and community development, as well as responsibility to consumer.

BNBR’s charity-based CSR activities are carried out by subsidiaries as well as channeled through BP BUN. This board was established on August 17<sup>th</sup>, 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.

CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE		
CSR Program	Description	Expenditure (Rupiah)
<i>Peduli Untuk Negeri</i>	Social and religious sector	980,165,600
<i>Cerdas Untuk Negeri</i>	Formal and non-formal education sector	141,477,905
<i>Hijau Untuk Negeri</i>	Environmental sector	10,000,000
<i>Sehat Untuk Negeri</i>	Health sector	41,556,950
<i>Kemitraan Untuk Negeri</i>	Community development sector	214,090,608
<b>TOTAL</b>		<b>1,387,291,063</b>



## CORPORATE SOCIAL RESPONSIBILITY TOWARDS ENVIRONMENT

### POLICY OF IMPLEMENTATION OF SOCIAL RESPONSIBILITY TOWARDS ENVIRONMENT

CSR implementation in the environment sector has become an integral part of BNR and its subsidiaries' way of doing business with reference to Government Regulation UU No.32 year 2009 concerning Environment Conservation and Management which stated that management of environment is an integrated effort in utilizing, organizing, conservating, monitoring, controlling, restoring and developing environment with the principle of preserving environment capability in supporting sustainable development for human welfare improvement.

### USAGE OF RECYCLABLE MATERIAL

BNBR manufacturing subsidiaries have begun using recyclable material in some part of their production process. Bakrie Autoparts uses recycled material in the form of scrap from its machining process which is later utilized as raw material for its forging process. While Bakrie Building Industries operates its brick machine by using clean up excess and scrap from its main production process as raw material.

### WASTE MANAGEMENT

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 MANAGEMENT

BNBR manufacturing subsidiaries manage wastewater or liquid waste produced by manufacturing production process by performing suitable packaging for each type of waste for further processing by waste management partners; Bakrie Building Industries also utilizes Wastewater Treatment Installations (IPAL) with circulation or sedimentation to tanks (sludge retrieval) in processing both its industrial and domestic wastewater.

The Company always maintains the thresholds for wastewater quality and complies with quality standards set by the government prior to discharging the water into bodies of water.

### 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 also performs emission test on its operational machinery and vehicles at least once every six months.

**ENVIRONMENTAL CERTIFICATION**

The following are environmental certifications obtained by BNBR subsidiaries.

**ISO 14001:2004**

April 2014 – April 2017

PT Bakrie Autoparts (formerly PT Bakrie Tosanjaya) received Certificate of Environmental Management System ISO 14001:2004 for manufacture of casted and machined parts for automotive industry from the Certification Body of TÜV SÜD PSB Pte Ltd on April 9th, 2014; this certification is valid until April 8th, 2017.

**ISO 14001:2004**

June 2015 – May 2018

PT Bakrie Building Industries received Certificate of Environmental Management System ISO 14001:2004 for design and manufacture of fibercement product of building material (Harflex and Versa) from British Standards Institution (BSI) on June 1st, 2015; this certification is valid until May 31st, 2018.

**ISO 14001:2004**

January 2014 – January 2017

PT Bakrie Construction received Certificate of Environmental Management System ISO 14001:2004 for provision of fabrication and construction services for oil & gas onshore/offshore facilities, and mining from Bureau Veritas Certification on January 6th, 2011 and has been recertified on January 6th, 2014; this certification is valid until January 5th, 2017.

**SERTIFIKAT PROPER  
PERINGKAT BIRU**

June 2015 - July 2016

PT Bakrie Metal Industries obtained the Blue Proper Certificate from The Ministry of Environment and Forestry on June 2015 and is valid July 2016

**ISO 14001: 2004**

May 2015 – April 2018

PT Bakrie Construction received Environmental Management System ISO 14001:2004 from AJA Europe Ltd on May 27th, 2015; this certification is valid until May 15th, 2017.

## CORPORATE SOCIAL RESPONSIBILITY TOWARDS LABOR AND OCCUPATIONAL HEALTH AND SAFETY

### POLICY OF IMPLEMENTATION OF SOCIAL RESPONSIBILITY TOWARDS LABOR AND OCCUPATIONAL HEALTH 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<sup>th</sup>, 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 OHSAS implementation.

### INDUSTRIAL RELATIONS

BNBR seeks to ensure mutually respectful industrial relations, balance between fulfilling rights and meeting responsibilities through intensive communications and the involvement of both the Company and employees to achieve the Company's objectives. Therefore BNBR supports the activities of the Labor Union and ensures communications between management and the Labor Union are regularly held.

These constructive relations are formulated in the form of agreed points and regulations described in the Collective Labor Agreement (CLA) which are reviewed and renewed periodically.

### GENDER AND WORK OPPORTUNITY EQUALITY

As part of its Corporate Human Capital 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 newspapers.

### EMPLOYEE TURNOVER

BNBR 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.

During 2016 BNBR has employed 140 new employees. However a total of 79 people left the company, most of these people are outsourced employees.

### OCCUPATIONAL HEALTH AND SAFETY

In addition to preventing workplace accidents, BNBR is also fully committed to maintain the health of its employees. This commitment is demonstrated through the availability of health services for its employees, which are health facilities, medical cost as well as medical check-up. Other activities include health related topic socialization, especially those concerning serious illness.

BNBR and its subsidiaries are also committed to continuously provide a safe working environment for its employees. This commitment is demonstrated through routine inspection and repairment of factory facilities and working area of employees if needed. The Company is also diligent in promoting OHS culture to its employees through routine OHS related training and socialization.

**OCCUPATIONAL HEALTH AND SAFETY RELATED CERTIFICATION**

The following are OHS related certifications obtained by BNBR subsidiaries.

**BS OHSAS 18001:2007**

June 2015 – June 2018

PT Bakrie Autoparts (formerly PT Bakrie Tosanjaya) received Certificate of Occupational Health & Safety Management System BS OHSAS 18001:2007 for manufacture of casted and machined parts from the Certification Body of TÜV SÜD PSB Pte Ltd on June 18<sup>th</sup>, 2015; this certification is valid until June 18<sup>th</sup>, 2018

**BS OHSAS 18001:2007**

June 2015 – May 2018

PT Bakrie Building Industries received Certificate of Occupational Health & Safety Management System BS OHSAS 18001:2007 for design and manufacture of fibercement product of building material (Harflex and Versa) from British Standards Institution (BSI) on June 1<sup>st</sup>, 2015; this certification is valid until May 31<sup>st</sup>, 2018.

**OHSAS 18001:2007**

January 2014 – January 2017

PT Bakrie Construction received Certificate of Occupational, Health and Safety Management System OHSAS 18001:2007 for provision of fabrication and construction services for oil & gas onshore/offshore facilities, and mining from Bureau Veritas Certification on January 6<sup>th</sup>, 2011 and has been recertified on January 6<sup>th</sup>, 2014; this certification is valid until January 5<sup>th</sup>, 2017.

**OHSAS 18001:2007**

May 2015 – April 2018

PT Bakrie Construction received Occupational, Health and Safety Management System OHSAS 18001:2007 from AJA Europe Ltd on May 19<sup>th</sup>, 2015; this certification is valid until April 17<sup>th</sup>, 2018.

**OHSAS 18001:2007**

May 2013 – April 2016

PT Bakrie Pipe Industries received Certificate of Occupational, Health and Safety Management System OHSAS 18001:2007 for manufacture of fabricated steel pipes from ABS Quality Evaluations on April 2<sup>nd</sup>, 2007 and has been recertified on May 28<sup>th</sup>, 2013; this certification is valid until April 1<sup>st</sup>, 2016.

**OHSAS 18001:2007**

December 2013 – October 2016

PT South East Asia Pipe Industries received Certificate of Occupational, Health and Safety Management System OHSAS 18001:2007 for manufacture of fabricated steel pipes from ABS Quality Evaluations on October 15<sup>th</sup>, 2010 and has been recertified on December 4<sup>th</sup>, 2015; this certification is valid until October 14<sup>th</sup>, 2016.



## OCCUPATIONAL HEALTH AND SAFETY RELATED AWARDS

The following are OHS related awards obtained by BNBR subsidiaries.



### ZERO ACCIDENT AWARD

May 2016

PT Bakrie Construction was awarded the zero accident award for 9,023,497 man hours (observed between the period of November 1<sup>st</sup>, 2009 until November 30<sup>th</sup>, 2015) from the Ministry of Manpower of the Republic of Indonesia on May 1<sup>st</sup>, 2016.

## CORPORATE SOCIAL RESPONSIBILITY TOWARDS SOCIAL AND COMMUNITY DEVELOPMENT

### POLICY OF IMPLEMENTATION OF SOCIAL RESPONSIBILITY TOWARDS SOCIAL AND COMMUNITY DEVELOPMENT

The social and community development part of BNBR group's CSR activities is carried out through the "*Cerdas Untuk Negeri*", "*Sehat Untuk Negeri*", "*Peduli Untuk Negeri*" as well as "*Kemitraan Untuk Negeri*" 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.

### EMPOWERMENT OF SURROUNDING COMMUNITY

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 counselling in areas nearby BPI, blood donation and fogging of residential area around SEAPI factory. Total disbursement for "*Sehat Untuk Negeri*" program along 2016 is Rp 41.6 million.

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 for university and highschool students, as well as scholarship and career counselling for students with high achievements by BBI. Total disbursement for "*Cerdas Untuk Negeri*" program along 2016 is Rp 141 million.

### RENOVATION OF SOCIAL FACILITIES AND INFRASTRUCTURES

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 of BNBR group business location.

In social and religious sector, BNBR group routinely participate in various activities carried out by BP BUN, as well as supporting construction 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 2016 is Rp 980 million.

### PARTNERSHIP WITH SURROUNDING COMMUNITY

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.

One of the incidental activities carried out by BNBR group that are related with this theme are collaboration with local people in BPI area to manage waste and utilization of idle lands in SEAPI factory area. Total disbursement for "*Kemitraan Untuk Negeri*" program along 2016 is Rp 214 million.

## CORPORATE SOCIAL RESPONSIBILITY TOWARDS CUSTOMER

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.

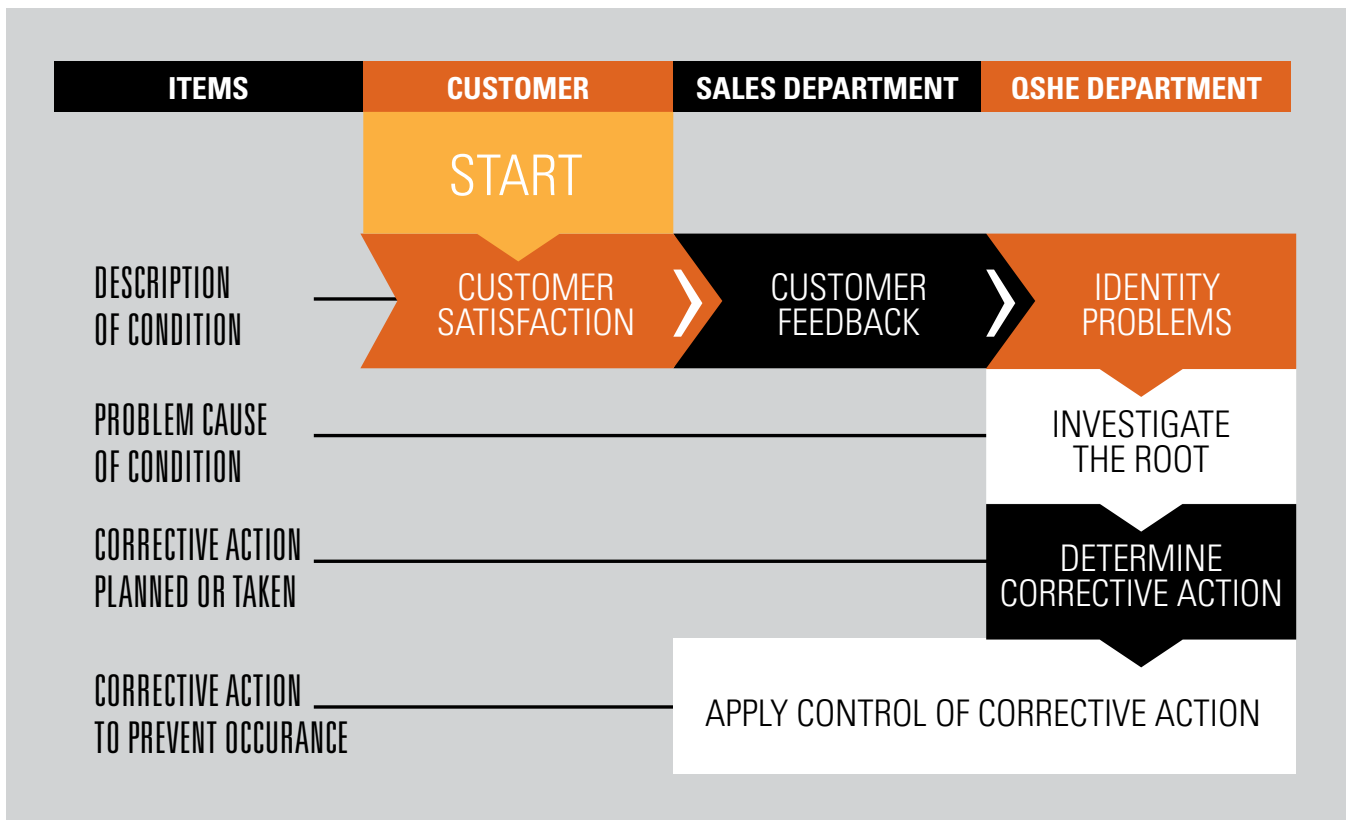
### INFORMATION AND RESPONSIBILITY OF PRODUCTS AND SERVICES

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.

### CUSTOMER COMPLAINT HANDLING

Customer complaint handling procedure is broadly illustrated below.



## CUSTOMER SERVICE CHANNELS

BNBR, through its subsidiaries, provides customer service channels which consists of a website, a call center and an email address, as detailed below:

### Bakrie Autoparts

**Website** : [www.bakrie-autoparts.com](http://www.bakrie-autoparts.com)  
**Call center** : (+62 21) 8897 6601  
**Email** : [info@bakrie-autoparts.com](mailto:info@bakrie-autoparts.com)  
[commercial@bakrie-autoparts.com](mailto:commercial@bakrie-autoparts.com)

### Bakrie Building Industries

**Website** : [www.bakrie-building.com](http://www.bakrie-building.com)  
**Call center** : (+62 21) 619 0208  
**Email** : [sales@bakrie-building.com](mailto:sales@bakrie-building.com)

### Bakrie Construction

**Website** : [www.bakrieconstruction.com](http://www.bakrieconstruction.com)  
**Call center** : (+62 254) 575 0351  
**Email** : [info\\_bcon@bakrieconstruction.com](mailto:info_bcon@bakrieconstruction.com)

### Bakrie Metal Industries

**Website** : [www.bakrie-metal.com](http://www.bakrie-metal.com)  
**Call center** : (+62 21) 2991 2120  
**Email** : [info@bakriemetal.co.id](mailto:info@bakriemetal.co.id)

### Bakrie Pipe Industries

**Website** : [www.bakrie-pipe.com](http://www.bakrie-pipe.com)  
**Call center** : (+ 62 21) 2994 1270  
**Email** : [commercial@bakrie-pipe.com](mailto:commercial@bakrie-pipe.com)



*“As a part of the Human Capital & General Affairs, I carry my duties with a firm belief that employees are company assets that needs constant nurturing and developing.”*

**Edwin Daniel**

Senior Human Capital & General Affairs Manager  
PT Bakrie Building Industries  
*Years of Service: 15 years*

**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  
Fax : (62 727) 331 348  
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.Desha 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  
Fax : (62 21) 590 0627  
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

**Marketing Office**

Rasuna Office Park, Ground Floor 02,  
Kawasan Rasuna Epicentrum, Jl. HR Rasuna Said,  
Jakarta 12960, Indonesia  
Phone : (62 21) 8379 7126

**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\\_](http://www.bakrie-brothers.com/#/our_business/infrastructure_projects)  
[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, 2<sup>nd</sup> Floor  
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

#### HADIPUTRANTO, HADINOTO & PARTNERS

The Indonesia Stock Exchange Building  
Tower II, 21st Floor  
Sudirman Central Business District  
Jl. Jend. Sudirman Kav. 52 53, Jakarta 12190  
Phone : (62 21) 2960 8888  
Fax : (62 21) 2960 8999

## SENIOR EXECUTIVES PROFILE

### 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 December 1989 and then obtained a Master's degree in International Management from University of Indonesia in October 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. 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.







## HENDRAYANTO MARTA SAKTI

*Executive Vice President of Corporate Finance*

Hendrayanto Marta Sakti was born in Jakarta in 1972 and obtained his Master degree in Business Administration from University of Missouri, USA.

He joined PT Bakrie & Brothers Tbk (BNBR) in 2016 as Executive Vice President and currently also serves as Commissioner in PT Madani Securities. He has over 20 years of experience in the finance and capital market industry. Prior to joining BNBR he held the position of Director in PT Capitalinc Investment Tbk (2013–2015), Commissioner in PT Batasa Capital (2005–2007), President Director in PT Batasa Capital (2001–2005), Vice President in PT Bhakti Capital Indonesia (2000–2001), Case Manager in Jakarta Initiative Task Force (JITF)—Finance Department, and Manager in PT Trimegah Securities Tbk (1996–1999).

## SENIOR EXECUTIVES PROFILE



## ANANDH HARIDH

*Chief Investment Officer*

Anand Haridh joined Bakrie & Brothers in August 2010. He holds an MBA from The Wharton School, University of Pennsylvania, M.S. in Chemical Engineering from Oklahoma State University and B.E. (Hons) in Chemical Engineering from B.I.T.S., Pilani, India.

He has two decades of global financial markets experience, split between New York, London and Singapore, to BNBR. He started his finance career on the derivatives trading desk at Merrill Lynch and subsequently held several positions within capital markets at Merrill Lynch, most recently running equity and equity linked capital markets for part of Asia. He was also a portfolio manager at a New York based hedge fund. Prior to his career in finance, he worked as a consulting engineer to oil companies in the Los Angeles region, United States of America.



# PT BAKRIE & BROTHERS TBK

## Senior Management



**Bachril Bachtarudin**

Head of Corporate  
Finance

**Bayu Bimo Nimpuno**

Head of Corporate  
Communications

**Ruddyar**

Head of Group Accounting

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.



**Christofer A Uktolseja**  
Head of Corporate Secretary &  
Corporate Legal

**Edwin Ridwan**  
Head of Equity Trading

**Okder Pendrian**  
Head of Human Capital & Office Support

**Andri Kabul**  
Act. Head of  
ERM Policy & Process

# PT BAKRIE METAL INDUSTRIES

## *Senior Management of Business Unit*

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 Sumunraja, 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.



**Mas Wigrantoro**  
Chief Executive Officer



**Indra P. Jacobalis**  
Chief Corporate Affair Officer

**Prama Prafitrarto**  
Chief Operations Officer

**Rachmat Harimurti**  
Chief Commercial Officer

# PT BAKRIE PIPE INDUSTRIES

## *Senior Management of Business Unit*

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.



**Iskandar I. Daulay**  
Chief Marketing Officer

**Esti Rochyati**  
General Manager  
Human Resources  
& Admissions





**Ira Wibisono**  
Chief Financial Officer

**R. Atok Hendrayanto**  
Chief Executive Officer

**Deddy Kurnia**  
Chief Operations Officer

**Arief Djoko P**  
Chief Logistic Officer



**Bambang Banyudoyo**

Director of Bakrie Oil & Gas Infrastructure

**Chandra Devi Muharam**

Head of Legal & Admin Bakrie Indo Infrastructure

**AD Erlangga**

Director of Bakrie Indo Infrastructure

# PT BAKRIE INDO INFRASTRUCTURE

*Senior Management of Business Unit*

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.



**Krisnaraga Syarfuan**  
Director of Bakrie Indo Infrastructure



**Yogi Pratomo Widhiarto**  
Chief Executive Officer



**Yayan Primayanto Apandi**  
General Manager Commercial



**Erti Sri Santi**  
General Manager Finance

# PT BAKRIE BUILDING INDUSTRIES

*Senior Management  
of Business Unit*

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.

**Cipto Firmansyah**  
General Manager  
Business Development

**Jisman Hutasoit**  
Chief of Technology &  
Operation Officer

# PT BAKRIE AUTOPARTS

*Senior Management  
of Business Unit*

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.



**Boy Andoko Purnadie**  
Director & CEO



**Mila Wijaya Kusuma**  
Chief Financial Officer

**Bambang Indra Maryono**  
Chief Strategic Business Development Officer

# 2016 OJK CROSS REFERENCE



## 2016 OJK CROSS REFERENCE

	CRITERIA	EXPLANATION	PAGE
<b>I</b>	<b>GENERAL</b>		
1.	The annual report is presented in proper Bahasa Indonesia and is recommended to also be presented in English.		✓
2.	The annual report is printed on brightly colored paper for readability and clarity		✓
3.	The annual report clearly publishes the company's identity.	The Name of Company and Year of Annual Report are displayed on the: <ol style="list-style-type: none"> <li>1. Cover</li> <li>2. Side</li> <li>3. Back Cover; and</li> <li>4. Every Page</li> </ol>	✓
4.	Annual report is displayed on the Company's website.	Covering the current and previous year's annual reports.	✓
<b>II</b>	<b>IMPORTANT FINANCIAL HIGHLIGHT</b>		
1.	Information on Company's results of operations in the form of three (3) years comparison or from the start of business, if the Company has conducted business activities for less than 3 (three) years.	Information includes, among others: <ol style="list-style-type: none"> <li>1. Sales / revenue</li> <li>2. Income (loss)</li> <li>3. Total comprehensive income (loss)</li> <li>4. Earnings (loss) per share</li> </ol>	25
2.	Information on Company's financial position in the form of three (3) years comparison or from the start of business, if the Company has conducted business activities for less than 3 (three) years.	Information includes, among others: <ol style="list-style-type: none"> <li>1. Total investments in associates and/or joint ventures</li> <li>2. Total Assets</li> <li>3. Total Liabilities, and</li> <li>4. Total equity</li> </ol>	25
3.	Financial ratio in the form of three (3) years comparison or from the start of business, if the Company has conducted business activities for less than 3 (three) years.	Information includes five (5) financial ratios that are general and relevant to the company.	25
4.	Stock price information in tables and charts.	<ol style="list-style-type: none"> <li>1. Information with tables and charts which expose:               <ol style="list-style-type: none"> <li>a. Total shares outstanding;</li> <li>b. Market Capitalization;</li> <li>c. Highest, lowest, and closing price of stock; and</li> <li>d. Quarterly trading volume for the last 2 (two) financial years (when available)</li> </ol> </li> <li>2. Information in the form of graphs that contains at least the closing price and trading volume of the stock.</li> </ol>	26

	CRITERIA	EXPLANATION	PAGE
5.	Information on outstanding bonds, sukuk or convertible bonds in the last two (2) financial years	The information includes: <ol style="list-style-type: none"> <li>Total of bonds/sukuk/convertible bonds outstanding.</li> <li>Interest Rate/Return</li> <li>Expiry date</li> <li>Bonds/sukuk rating</li> </ol>	N/A
<b>III REPORT OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS</b>			
1.	Report of the Board of Commissioners	Includes the following: <ol style="list-style-type: none"> <li>Assessment on the Board of Directors' Performance in Managing the Company;</li> <li>View on the Company's business prospect prepared by the Board of Directors</li> <li>Assesment on the performance of committees under the Board of Commissioners; and</li> <li>Changes in the Board of Commissioners' composition and its reasons (when available)</li> </ol>	39 39 40 41
2.	Report of the Board of Directors	<ol style="list-style-type: none"> <li>The Company's performance that include strategic policy, achieved results to target ratio, obstacles that the Company faced.</li> <li>Description on business prospects</li> <li>Implementation of good corporate governance</li> <li>Changes in the Board of Directors' composition and its reasons (when available)</li> </ol>	49 50 50 51
3.	Signatures of the Board of Directors and Board of Commissioners	Include the following: <ol style="list-style-type: none"> <li>Signatures are placed in a separate page</li> <li>A statement that the Board of Directors and Board of Commissioners are fully responsible for the accuracy of the Annual Report's content.</li> <li>Signed by all members of the Board of Commissioners and the Board of Directors, with name and title</li> <li>Written explanation in a separate letter in by any member of the Board of Commissioners or Directors who did not sign the annual report, or, written explanation in a separate letter by the other members should the written explanation is not available.</li> </ol>	58-59
<b>IV COMPANY PROFILE</b>			
1.	The Company's name and full address	Information which contain name and address, zip code, telephone & fax number, email, and website	6
2.	A brief history of the Company	Including: date/year of establishment, name, and change(s) to the Company's name (if any).  Note: please disclose if the company has never conducted the company name changes	6-7
3.	Business	Descriptions on, among others: <ol style="list-style-type: none"> <li>The Company's business activities according to the latest Articles of Association;</li> <li>Business activities; and</li> <li>Description of products and/or services;</li> </ol>	6

	CRITERIA	EXPLANATION	PAGE
4.	Organizational structure	With chart, including the name and position of at least up to one level below the Board of Directors	12-13
5.	Company's vision and mission	Includes: <ol style="list-style-type: none"> <li>1. The Company's vision;</li> <li>2. The Company's mission; and</li> <li>3. A statement declaring that the vision and mission has been approved by the Board of Directors/Board of Commissioners</li> </ol>	10
6.	Brief background information of the Board of Commissioners	Information includes, among others: <ol style="list-style-type: none"> <li>1. Name</li> <li>2. Positions (including position(s) in other companies or institutions)</li> <li>3. Age</li> <li>4. Education</li> <li>5. Working experience</li> <li>6. Date of first appointment as a member of the Board of Commissioners</li> </ol>	45-47     111
7.	Brief background information of the Board of Directors	Information includes, among others: <ol style="list-style-type: none"> <li>1. Name</li> <li>2. Positions (including position(s) in other companies or institutions)</li> <li>3. Age</li> <li>4. Education</li> <li>5. Working experience</li> <li>6. Date of first appointment as a member of the Board of Directors</li> </ol>	54-57     118
8.	Number of Employees (2 years comparison) and a description of competence development (eg. Employees' education and training)	Information includes, among others: <ol style="list-style-type: none"> <li>1. The number of employees for each level of the organization</li> <li>2. The number of employees for each level of education</li> <li>3. The number of employees based on employment status;</li> <li>4. Employee trainings that have been conducted to reflect equal opportunities to all employees</li> <li>5. Incurred costs.</li> </ol>	89 89 89 91 93
9.	Composition of Shareholders	Includes, among others: <ol style="list-style-type: none"> <li>1. Names of shareholders with 5% or more shares</li> <li>2. Directors and Commissioners who own shares; <ol style="list-style-type: none"> <li>a. Shareholders' name with 5% shares ownership</li> <li>b. Commissioners and Directors' name with ownership, and</li> <li>c. Group of public shareholders with less than 5% ownership</li> </ol> </li> <li>3. Groups of community stakeholders share ownership of less than 5% each, along with the ownership percentages</li> </ol>	27  27 27 27 27

	CRITERIA	EXPLANATION	PAGE
10.	List of Subsidiaries and/or Associates	Information includes, among others: <ol style="list-style-type: none"> <li>1. Name of Subsidiaries and/or Associates</li> <li>2. Percentage of share ownership</li> <li>3. Description of the Subsidiaries and/or Associates' business</li> <li>4. Information on Subsidiaries and/or Associates operational status (has yet operated or not)</li> </ol>	16-19
11.	Company's group structure	Company's group structure which describes the structure of subsidiaries, associates, joint ventures and special purpose vehicle (SPV), or a statement of no ownership of group.	14-15
12.	Share Listing Chronology	Includes the following: <ol style="list-style-type: none"> <li>1. Listing chronology of other securities</li> <li>2. Types of corporate actions that prompt changes in the number of other securities</li> <li>3. Changes of other total securities from the beginning of listing to the end of fiscal year</li> <li>4. Names of stock markets where the the securities are listed</li> </ol>	28
13.	Listing chronology of other securities	Includes the following: <ol style="list-style-type: none"> <li>1. Listing chronology of other securities</li> <li>2. Types of corporate actions that prompt changes in the number of other securities</li> <li>3. Changes of other total securities from the beginning of listing to the end of fiscal year</li> <li>4. Names of stock markets where the the securities are listed</li> <li>5. Securities rating</li> </ol>	N/A
14.	Name and address of capital market institutions and/or professionals	Includes the following: <ol style="list-style-type: none"> <li>1. Name and address of the Securities Administration Agency</li> <li>2. Name and address of the Public Accounting Firm</li> <li>3. Name and address of rating agency</li> </ol>	197
15.	Awards and/or certification received, both national and international	Includes the following: <ol style="list-style-type: none"> <li>1. Name of awards and/or certificates</li> <li>2. Year received</li> <li>3. Award and/or certification issuer</li> <li>4. Validity period (for certification)</li> </ol>	29-34
16.	Name and address of subsidiaries and/or branches or representative (if any)	Covering information among others: <ol style="list-style-type: none"> <li>1. Name and address of subsidiary; and</li> <li>2. Name and address of branch offices/representatives</li> </ol>	196
<b>V</b>	<b>MANAGEMENT'S DISCUSSION AND ANALYSIS ON THE COMPANY'S PERFORMANCE</b>		
1.	Review of operations per operational segment	Contains a description of: <ol style="list-style-type: none"> <li>1. Production/operations;</li> <li>2. Profitability; of each business segments, ie:               <ol style="list-style-type: none"> <li>a. Sales / revenue;</li> <li>b. The increase/decrease in production capacity.</li> </ol> </li> </ol>	63-66 63-66

	CRITERIA	EXPLANATION	PAGE
2.	Description of the Company's financial performance	Financial performance analysis that includes a comparison between the financial performance of the relevant year and with previous years (both in narrative and tables), which covers the following: <ol style="list-style-type: none"> <li>1. Current assets, non-current assets, and total assets;</li> <li>2. Short-term liabilities, long term liabilities and total liabilities</li> <li>3. Equity</li> <li>4. Sales/revenues, expenses, and net income (loss), other comprehensive income, and total Comprehensive Income (loss)</li> <li>5. Cash Flow</li> </ol>	69 69-70 70 69 71
3.	Discussion and analysis of the Company's solvability and receivable collectability level, by presenting the calculation of relevant ratios.	With details on: <ol style="list-style-type: none"> <li>1. Short and long term solvability</li> <li>2. Receivable Collectability Level</li> </ol>	71 72
4.	Discussion on capital structure and capital structure policy	With details on: <ol style="list-style-type: none"> <li>1. Capital structure,</li> <li>2. Capital structure policies</li> </ol>	72
5.	Discussion on capital goods investment material commitment	Explanation on: <ol style="list-style-type: none"> <li>1. The purpose of the commitment</li> <li>2. Expected source of fund to fulfil the respective commitments</li> <li>3. Currency of denomination</li> <li>4. Steps taken by the company to protect the risk against related foreign currency position.</li> </ol> Note: Should be disclosed if the company has no material ties in investments in capital goods.	72
6.	Discussion of capital investments that were realized in the last financial year	Explanation on: <ol style="list-style-type: none"> <li>1. Types of capital investments;</li> <li>2. The objectives of capital investments; and</li> <li>3. The value of capital investments incurred in the last financial year.</li> </ol> Note: please disclose if there is no realization on capital goods investments.	72
7.	Comparative information between target at the beginning of fiscal year with realization, and target or projection for next one year regarding revenue, income, capital structure, or other aspects considered significant for the Company	Information discloses, as follows: <ol style="list-style-type: none"> <li>1. Comparison between target at the beginning of fiscal year with the realization</li> <li>2. Implemented target or projection in the next one year</li> </ol>	73-74
8.	Material Information and facts subsequent to the accountant's reporting date	Description regarding significant events subsequent the accountant's reporting date, including their impact on future business performance and risks.  Note: Should be disclosed if there is no significant subsequent event after accountant's reporting date.	74

	CRITERIA	EXPLANATION	PAGE
9.	Description on Company's business prospect	Description on Company's business prospect related with industry and economy in general, supported with supporting quantitative data from accountable data sources.	75-79
10.	Marketing aspect description	Information regarding the marketing aspect of the company's products and services, namely marketing and market share strategy	80
11.	Description regarding the dividend policy as well as date and amount of cash dividend per share and amount of dividend per year as announced or paid during the past two (2) years	Contains information on: <ol style="list-style-type: none"> <li>1. Policy of dividend payout</li> <li>2. Amount of dividend</li> <li>3. Amount of cash dividend per share</li> <li>4. Payout ratio</li> <li>5. Date of announcement and cash dividend payout</li> </ol> Note: if there is no dividend payment, the reasons should be disclosed	80
12.	Share Ownership by Employees Program, and/or management conducted by the company (ESOP/MSOP)	Contains information on: <ol style="list-style-type: none"> <li>1. Amount of ESOP/MSOP shares and its realization;</li> <li>2. Time frame;</li> <li>3. Requirement for the rights of employee and/or management; and</li> <li>4. Exercise price.</li> </ol>	80
13.	IPO Proceeds realization (regarding the Company is obligated to disclose IPO proceeds realization report)	Contains information on: <ol style="list-style-type: none"> <li>1. Total funds acquired.</li> <li>2. IPO Proceeds plan.</li> <li>3. Details of IPO Proceeds</li> <li>4. Exercise price</li> <li>5. Outstanding Proceeds</li> <li>6. Date of GMS Approval on IPO Proceeds amendment (if any)</li> </ol>	80
14.	Material information, regarding investment, expansion, divestment, acquisition, debt/capital restructuring.	Contains information on: <ol style="list-style-type: none"> <li>1. The purpose of respective transaction;</li> <li>2. The transactions value or amount of fund restructured;</li> <li>3. Source of funds.</li> </ol> Note: if there are no such transactions, should be disclosed	80
15.	Information on material transactions with conflict of interest and/or transactions with related parties.	Contains information on: <ol style="list-style-type: none"> <li>1. Name of person performing the transaction and the nature of affiliated transaction;</li> <li>2. Transaction fairness statement</li> <li>3. Reason of the transaction</li> <li>4. Transaction realization in current period</li> <li>5. Company's policy related with transaction review mechanism;</li> <li>6. Compliance with regulation and related provision</li> </ol> Note: if there is no respective transaction, should be disclosed	81
16.	Explanation regarding changes in regulation that holds significant impact to the company	Description should contain, among others: any changes in regulation and its impact on the Company  Note: If there is no change in regulation which have a significant effect, should be disclosed	83

	CRITERIA	EXPLANATION	PAGE
17.	Explanation regarding changes in accounting policy applied by the Company on the last fiscal year	Description should contain among others: changes in accounting policy as well as its reason and impact to the financial statement  Note: if there is no change in accounting policy, should be disclosed	83
<b>VI</b>	<b>GOOD CORPORATE GOVERNANCE</b>		
1.	Board of Commissioners description	Description includes, as follows: 1. Description of the Board of Directors' duties 2. Remuneration policy disclosure 3. Remuneration structure indicating remuneration component for every Board of Commissioners member and per component nominal value for each Board of Commissioners member 4. Board of Commissioners meeting frequency and attendance level in the meetin 5. Training program to enhance Board of Commissioners' competency 6. Disclosure of the Board Charter (Board of Commissioners Manual) disclosure	110 116 116-117 113 113 110-111
2.	Information on Independent Commissioners	Includes the following: 1. Criteria for the assignment of an independent commissioner; and 2. Statement of independence of each Independent Commissioner.	111-112
3.	Board of Directors description	Description includes: 1. Scope of works and responsibilities of each member of the Board of Directors 2. Meeting frequency and Board of Directors attendance level in the Board of Directors meeting; 3. Meeting frequency and Board of Directors attendance level in the joint meeting of Board of Directors and Commissioners; 4. Training program to enhance Board of Directors' competency or orientation program for new Directors; 5. Disclosure of the Board Charter (Board of Directors Manual); and Policy on Directors' succession	118 121-122 113-115, 123 120 117
4.	Board of Commissioners and/or Board of Directors members assessment	The information should include: 1. Board of Commissioners and/or Board of Directors members' performance assessment implementation process. 2. Criteria used in carrying the assessment of Board of Commissioners and/or Board of Directors' members' performance. 3. Related party who performed the assessment	116,123 116,123 116, 123
5.	Board of Directors remuneration policy	Description includes, as follows: 1. Remuneration policy disclosure 2. Remuneration structure indicating short-term remuneration, post employment and/other long term Remuneration type and amount for every member of Board of Directors 3. Key performance indicators disclosure to assess Board of Directors' performance	124 124 124

	CRITERIA	EXPLANATION	PAGE
6.	Information regarding majority and controlling Shareholders both directly or indirectly, to individual ownership	In diagram or chart, except for the SOEs that fully owned by the government	14
7.	Disclosure of affiliated relationship between members Board of Directors, members of Board of Commissioners and/or Majority/Controlling Shareholders	Includes the following: <ol style="list-style-type: none"> <li>Affiliated relationship between Board of Directors and Board of Commissioners members</li> <li>Affiliated relationship between Board of Directors members with Majority and/or Controlling Shareholders</li> <li>Affiliated relationship between Board of Commissioners members</li> <li>Affiliated relationship between Board of Commissioners members with Majority/Controlling Shareholders</li> <li>Affiliated relations between members of the Board of Commissioners with the Major Shareholders and/or Controlling Shareholders</li> </ol> Note: should be disclosed if there is no respective affiliated relationship.	125
8.	Audit Committee	Includes the following: <ol style="list-style-type: none"> <li>Name and position of Audit Committee members</li> <li>Educational qualification and employment history of Audit Committee members</li> <li>Audit committee members independency</li> <li>Duties and responsibilities description</li> <li>Audit committee duties implementation report</li> <li>Meeting frequency and attendance of audit committee</li> </ol>	128 128 127 127 128 129
9.	Nomination and Remuneration Committee	Includes the following: <ol style="list-style-type: none"> <li>Name, position, and brief profile of Nomination and/or Remuneration Committee members</li> <li>Nomination and/or remuneration committee members' independency</li> <li>Description of duties and responsibilities</li> <li>Nomination and/or remuneration committee duties implementation report</li> <li>Nomination and/or remuneration committee meeting frequency and attendance level</li> <li>The Board of Directors' succession policy</li> </ol>	130 130 129 130 131 131
10.	Other committees under the Board of Commissioners	Includes the following: <ol style="list-style-type: none"> <li>Name, title, and brief profile of the members of the committees</li> <li>Independency of other committees' members</li> <li>Duties and responsibilities description</li> <li>Other committees' duties implementation report</li> <li>Other committees' meeting frequency and attendance level.</li> </ol>	131-134
11.	Corporate Secretary duties and function description	Includes the following: <ol style="list-style-type: none"> <li>Name and brief profile of Corporate Secretary officer</li> <li>Corporate Secretary duties implementation report</li> <li>Training program for competence development of corporate secretary</li> </ol>	135 134 135



	CRITERIA	EXPLANATION	PAGE
12.	Description of the previous year's General Meeting of Shareholders (GMS)	Includes, among others: <ol style="list-style-type: none"> <li>1. The previous year's GMS resolution;</li> <li>2. Realization of the GMS in fiscal year; and</li> <li>3. Reasons for any decisions of GMS that has not yet been realized.</li> </ol>	108-110
13.	Description regarding internal audit unit in the Company	Includes among others: <ol style="list-style-type: none"> <li>1. Name of the Head of internal audit</li> <li>2. Number of internal audit employees</li> <li>3. Qualification/certification as an internal audit professional</li> <li>4. Organizational structure or position of the internal audit</li> <li>5. Duties implementation report</li> <li>6. Respective party that appoints or dismisses the Head of Internal Audit</li> </ol>	142-144
14.	Corporate accountant	Information discloses, as follows: <ol style="list-style-type: none"> <li>1. Number of audit periods that the accountant has audited the Company's financial statements.</li> <li>2. Total period of Public Accounting Firm in conducting the audit of annual financial report</li> <li>3. The amount of audit or other attestation fee</li> <li>4. Other service provided by the accountant apart from financial audit service</li> </ol> Notes: if there is no other service, should be disclosed	145
15.	Description regarding the Company's Risk Management	Includes the following: <ol style="list-style-type: none"> <li>1. Explanation on Risk Management System</li> <li>2. Explanation on Evaluation of Risk Management Processes</li> <li>3. Explanation of the risks faced by the company</li> <li>4. Efforts to manage those risks</li> </ol>	145-150 150-151 154-159 154-159
16.	Explanation on Internal Controlling System	Includes the following: <ol style="list-style-type: none"> <li>1. Brief explanation regarding internal audit system, including operational and financial audit</li> <li>2. Explanation of internal audit system conformity with international recognized framework/COSO (control environment, risk assessment, control activities, information and communication, and monitoring activities)</li> <li>3. Explanation regarding evaluation on internal audit system effectiveness</li> </ol>	141 141 142
17.	Description regarding Corporate Social Responsibility on environment.	Information should include: <ol style="list-style-type: none"> <li>1. Policy determined by the management</li> <li>2. Activities performed related to the environmental program that related with Company's operational, such as environmentally friendly and recyclable materials and energy utilization, Company's waste management system; environmental aspect consideration in giving credit to customer and so forth.</li> <li>3. Certification on environmental sector (if any)</li> </ol>	187 187 188

	CRITERIA	EXPLANATION	PAGE
18.	Description regarding corporate social responsibility on labour and occupational health and safety.	Information should include: 1. Policy determined by the management; 2. Activities performed related to employment practice, occupational health and safety such as gender and work opportunity equality, occupational infrastructure and safety, employee turnover rate, occupational accident rate and so forth.	189 189-191
19.	Description regarding corporate social responsibility on social and community development.	Information should include: 1. Policy determined by the management 2. Activities performed 3. Costs incurred related to social and community empowerment activities such as employment of locals, surrounding community empowerment, social infrastructure improvement, donations and so forth.	191 191 191
20.	Description regarding corporate social responsibility to consumer.	Information should include: 1. Policy determined by the management 2. Activities performed related to product responsibility, consumer's health and safety, product information, facility, numbers of and response to consumer's complaints, and so forth.	192 192
21.	Litigation or legal cases faced by the Company, subsidiaries, members of Board of Directors and/or Board of Commissioners serving on the Annual Report period	Information should include: 1. Description of case/litigation 2. Case/litigation settlement status 3. Impacts on the Company's financial condition 4. Administration sanctions that have been applied to the entity, Board of Commissioners, Board of Directors, by relevant authorities (capital market, banking, or others) on the last fiscal year (or a statement of no administration sanction applied)  Notes: Should be disclosed if there's no litigations occurred	161
22.	Information access and corporate data	Description on access to corporate information and data to the public, for example through website, mass media, mailing list, bulletin etc	161
23.	Discussion on the Company's Code of Conduct	Containing descriptions, as follows: 1. Code of Conduct content 2. Disclosure that the Code of Conduct's is applicable for all organizational level 3. Dissemination of Code of Conduct 4. Code of Conduct enforcement effort and sanction on the violations of the code of ethics 5. Corporate Culture statement	162 162-163 163 163 163
24.	Disclosures of the whistleblowing system	Includes the whistleblowing system mechanism of: 1. Violation reporting 2. Protection for the whistleblower 3. Report handling 4. Report management 5. Result of report handling and report being processed at the last fiscal year and its follow-up	164 168 164-167 164-167 168

	CRITERIA	EXPLANATION	PAGE
25.	Composition diversity of the Board of Commissioners and the Board of Directors	Description of the company policy on the composition diversity of the Board of Commissioners and the Board of Directors in education (field study), working experience, age, and gender.  Note: if there is no policy as stated above, please disclose the reasons and considerations	125-126
<b>VII</b>	<b>FINANCIAL INFORMATION</b>		
1.	Board of Directors' statement regarding responsibility on the financial statement	Financial Statement compliance with related regulation	233-234
2.	Independent auditor's opinion on the financial statement.		236
3.	Independent auditor's opinion on the financial statement.	The description should contain: 1. Name and signature 2. Audit Report Date 3. Public Accountant Office and Individual Public Accountant license number	235-237
4.	Comprehensive financial statements	Covering a comprehensive financial report materials: 1. Financial position (balance sheet) report 2. Comprehensive income statement 3. Changes in Equity Report 4. Cash Flow Report 5. Notes on Financial Statements 6. Comparative Financial Position report at the beginning of period, presented when the respective entity implements particular accounting policy retrospectively or restates the financial report posts, or when the entity reclassifies the posts in their financial statement (if considered relevant)	238-240 241-243 244-245 246-247 248 362-366
5.	Profitability ratio comparison	Comparison of current year's profit/loss with previous year	241-243
6.	Cash flow report	Should comply with the following provisions: 1. Categorization of three activities: operating, investing, and financing activities 2. Using direct method to present cash flow from operating activity 3. Separating the presentation between cash acquisition and or cash expenses on operating, investing and financing activities in current year 4. Activity disclosure has to be presented in financial statement notes	246-247
7.	Accounting policy highlights	Should include at least: 1. Compliance with FAS 2. Financial statement measurement and preparation foundation 3. Income and expense recognition 4. Fixed Asset 5. Financial Instrument.	254-255 245-281 273-274 274-276 265-266
8.	Affiliated Party transaction disclosure	Several aspects disclosed, as follows: 1. Name of the affiliated parties, as well as the nature and relationship with the affiliated parties 2. Value of the transaction and the percentage on total related income or expenses 3. Total balance and the percentage towards total asset or liabilities.	337-341

	CRITERIA	EXPLANATION	PAGE
9.	Disclosure on any aspects related with Taxes	Several aspects that shall be disclosed, as follows: <ol style="list-style-type: none"> <li>1. Fiscal reconciliation and calculation of current tax</li> <li>2. Statement on the relation between Tax expense (income) and accounting income</li> <li>3. Taxable Profit as calculated through reconciliation is in accordance with the Tax Return statement</li> <li>4. Details of deferred tax assets and liabilities presented in the balance sheet in each period of presentation, and amount of deferred tax expense (income) recognized in the profit loss statement if the said amount is not evident in the asset or liability of deferred tax recognized in the financial position report</li> <li>5. Tax dispute disclosure or lack thereof.</li> </ol>	328-332
10.	Disclosure related to fixed assets	Must include disclosures on: <ol style="list-style-type: none"> <li>1. Depreciation method used</li> <li>2. Description of the accounting policies selected between the model and the cost model revaluation</li> <li>3. Methods and significant assumptions used in estimating the fair value of fixed assets (revaluation model) or disclosure of the fair value of fixed assets (for the cost model)</li> <li>4. A reconciliation of the gross carrying amount and accumulated depreciation of fixed assets at the beginning and end of the period that featuring: addition, subtraction and reclassification.</li> </ol>	297-300  362-363
11.	Disclosure related to segments of operations	Must include disclosures on: <ol style="list-style-type: none"> <li>1. General information which includes the factors used to identify the reported segments</li> <li>2. Information on profit and loss, assets, and the liabilities of the reported segments</li> <li>3. Reconciliation of the segments' total revenues, reported segments' profit and loss, assets, liabilities, and other materials towards relevant amount within the entity</li> <li>4. Disclosure in entity level, which covers information on product and/or services, geographical location, and major customers.</li> </ol>	341-344
12.	Disclosure regarding the Financial Instruments	Should disclose the following: <ol style="list-style-type: none"> <li>1. Accounting policy, requirement and condition for every financial instrument group</li> <li>2. Financial instrument classification</li> <li>3. Fair value for every financial instrument group</li> <li>4. Explanation of financial instrument inherent risk: market risk, credit risk and liquidity risk</li> <li>5. Quantitative analysis on every risk related to financial instrument.</li> </ol>	349-350
13.	Issuance of Financial Statements	Several aspects shall be disclosed, as follows: <ol style="list-style-type: none"> <li>1. Date of financial statements issuance</li> <li>2. Responsible parties in authorizing financial statements.</li> </ol>	237



“*My career and organization development has given me a chance to be involved in a growing company that continuously embody the Trimatra Bakrie philosophy by building oil and gas infrastructures in Indonesia.*”

**Romel Saab**

Talent Management Manager  
PT Bakrie Metal Industries  
*Years of Service: 7 years*

**FINANCIAL REPORT**



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**Laporan Keuangan Konsolidasian  
Beserta Laporan Auditor Independen  
31 Desember 2016 dan 2015, dan  
1 Januari 2015/31 Desember 2014, serta  
Untuk Tahun yang Berakhir Pada  
Tanggal-tanggal 31 Desember 2016 dan 2015**

***Consolidated Financial Statements  
With Independent Auditors' Report  
December 31, 2016 and 2015, and  
January 1, 2015/December 31, 2014, and  
For the Years Ended  
December 31, 2016 and 2015***

**PT BAKRIE & BROTHERS Tbk  
DAN ENTITAS ANAK**

***PT BAKRIE & BROTHERS Tbk  
AND SUBSIDIARIES***

## Daftar Isi

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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 2016**  
*PERIOD 31 DECEMBER 2016*  
**PT BAKRIE & BROTHERS TBK DAN ENTITAS ANAK**  
*PT BAKRIE & BROTHERS Tbk AND SUBSIDIARIES*

Guna memenuhi ketentuan Bapepam yang diatur dalam Lampiran Keputusan Ketua Bapepam Nomor: Kep-40/PM/2003 tanggal 22 Desember 2003 tentang Peraturan Nomor VIII.G.11: Tanggung Jawab Direksi Atas Laporan Keuangan, maka Kami yang bertanda tangan di bawah ini/*In order to fulfill the Bapepam Regulation stipulated in The Enclosure of Bapepam's Chairman Decision under Number Kep-40/PM/2003 dated December 22, 2003, concerning Regulation Number VIII.G.11: Responsibility of Directors Upon Financial Statements, We the undersigned:*

- |   |   |
|---|---|
| 1. Nama/Name                                  | : Ir. Gafur Sulistyو Umar, MBA  |
| Alamat Kantor/Office Address                  | : Bakrie Tower, Lt. 36,<br>Jl. H. R. Rasuna Said,<br>Jakarta 12940                                |
| Alamat Domisili<br><i>Address of Domicile</i> | : Jl. Brawijaya XII No. 3<br>RT/RW : 005/003,<br>Pulo, Kebayoran Baru,<br>Jakarta Selatan         |
| Nomor Telepon/Telephone Number                | : 021 – 2991 2222   |
| Jabatan/Position                              | : Direktur Utama / <i>President Director</i>  |
|   |   |
| 2. Nama/Name                                  | : Ir. A. Amri Aswono Putro  |
| Alamat Kantor/Office Address                  | : Bakrie Tower, Lt. 36,<br>Jl. H. R. Rasuna Said,<br>Jakarta 12940                                |
| Alamat Domisili<br><i>Address of Domicile</i> | : Perum Lb. Bulus Riveria No. 12<br>RT/RW : 008/002,<br>Lebak Bulus, Cilandak,<br>Jakarta Selatan |
| Nomor Telepon/Telephone Number                | : 021 – 2991 2222   |
| Jabatan/Position                              | : Direktur Keuangan/ <i>Finance Director</i>  |



PT Bakrie & Brothers Tbk

Bakrie Tower 35, 36, 37 floor  
Raanra Epicentrum  
Jl. H. R. Rasuna Said  
Jakarta 12940, Indonesia  
P.O. Box 669 IKTM

Telephone : (62 21) 2991 2222

Facsimile : (62 21) 2991 2333

Web : [www.bakrie-brothers.com](http://www.bakrie-brothers.com)

menyatakan bahwa/*state that* :

1. 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;*
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, 21 Maret 2017 / 21 March 2017  
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, 2<sup>nd</sup> Floor  
Jakarta 12120, Indonesia  
Tel: +62 21 720 2605 - Fax: +62 21 7278 8954

## Laporan Auditor Independen

Laporan No. AD17/P.TY1/03.21.01

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 2016, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan defisiensi modal, 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. AD17/P.TY1/03.21.01

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, 2016, and the consolidated statements of profit or loss and other comprehensive income, changes in capital deficiency, 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  
Registered Public Accountants  
Licence Number: 430/KM.1/2012

**Praxity**  
MEMBERS  
INDEPENDENT MEMBER

## 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 2016, 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 44 atas laporan keuangan konsolidasian, pada tanggal 31 Desember 2016, Kelompok Usaha telah mengalami defisiensi modal serta total liabilitas jangka pendek Kelompok Usaha telah melampaui total asetnya. Kondisi tersebut, bersama dengan hal-hal lain sebagaimana dijelaskan dalam Catatan 44, mengindikasikan adanya suatu ketidakpastian material yang dapat menyebabkan keraguan signifikan atas kemampuan Kelompok Usaha untuk mempertahankan kelangsungan usahanya. Catatan 44 juga mengungkapkan rencana manajemen untuk mengatasi kondisi 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, 2016, 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 44 to the consolidated financial statements, as of December 31, 2016, the Group has incurred capital deficiency and the total current liabilities of the Group have exceeded its total assets. These conditions, along with other matters as set forth in Note 44, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Note 44 also describes management's plans in regard to these matters.*

## Y. Santosa dan Rekan

- Seperti yang diungkapkan dalam Catatan 48 atas laporan keuangan konsolidasian, Kelompok Usaha menyajikan kembali dan mereklasifikasi beberapa akun dalam laporan keuangan konsolidasian untuk tahun yang berakhir pada tanggal 31 Desember 2015. Oleh karena itu, laporan keuangan konsolidasian tanggal 31 Desember 2015 dan untuk tahun yang berakhir pada tanggal tersebut serta laporan posisi keuangan konsolidasian tanggal 1 Januari 2015/31 Desember 2014 telah disajikan kembali.

Opini kami tidak dimodifikasi sehubungan dengan hal-hal tersebut.

### Hal lain

Laporan keuangan konsolidasian Perusahaan dan Entitas Anaknya tanggal 31 Desember 2015 dan untuk tahun yang berakhir pada tanggal tersebut sebelum disajikan kembali dan direklasifikasi diaudit oleh auditor independen lain yang menyatakan opini tanpa modifikasi atas laporan keuangan konsolidasian tersebut pada tanggal 23 Maret 2016. Laporan posisi keuangan konsolidasian tanggal 1 Januari 2015/31 Desember 2014 sebelum disajikan kembali dan direklasifikasi diambil dari laporan keuangan konsolidasian tanggal 31 Desember 2014 dan untuk tahun yang berakhir pada tanggal tersebut, yang diaudit oleh auditor independen lain yang menyatakan opini tanpa modifikasi atas laporan keuangan konsolidasian tersebut pada tanggal 20 Maret 2015.

- As disclosed in Note 48 to the consolidated financial statements, the Group restated and reclassified certain accounts in the consolidated financial statements for the year ended December 31, 2015. Accordingly, the consolidated financial statements as of December 31, 2015 and for the year then ended and consolidated statement of financial position as of January 1, 2015/December 31, 2014 have been restated.

*Our opinion is not qualified in respect of these matters.*

### Other matter

*The consolidated financial statements of the Company and its Subsidiaries as of December 31, 2015 and for the year then ended before restatement and reclassification were audited by other independent auditors who expressed unmodified opinion on such consolidated financial statements on March 23, 2016. The consolidated statement of financial position as of January 1, 2015/December 31, 2014 before restatement and reclassification was derived from the consolidated financial statement as of December 31, 2014 and for the year then ended, which were audited by other independent auditors who expressed an unmodified opinion on such consolidated financial statements on March 20, 2015.*

Y. Santosa dan Rekan  


Tjiendradjaja Yamin  
 Registrasi Akuntan Publik / Public Accountant Registration  
 No. AP.0384

21 Maret 2017 / March 21, 2017

### 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

**Praxity**  
 ANTAPE  
 PT. PRAXITY ANTAPE  
 JALAN JAYA 100  
 SURABAYA 60132

**PT BAKRIE & BROTHERS Tbk  
DAN ENTITAS ANAK  
LAPORAN POSISI KEUANGAN KONSOLIDASIAN  
31 DESEMBER 2016 DAN 2015, DAN  
1 JANUARI 2015/31 DESEMBER 2014  
(Angka dalam tabel disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)**

**PT BAKRIE & BROTHERS Tbk  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF  
FINANCIAL POSITION  
DECEMBER 31, 2016 AND 2015, AND  
JANUARY 1, 2015/DECEMBER 31, 2014  
(Amounts in tables are expressed in millions of Rupiah,  
unless otherwise stated)**

	Catatan/ Notes	31 Desember/ December 31,		1 Januari/ January 1, 2015/ 31 Desember/ December 31, 2014 *)	
		2016	2015 *)	2014 *)	
<b>ASET</b>					<b>ASSETS</b>
<b>ASET LANCAR</b>					<b>CURRENT ASSETS</b>
Kas dan setara kas	2d,2e,4	145.763	418.100	279.177	Cash and cash equivalents
Investasi jangka pendek - setelah dikurangi penyisihan kerugian atas penurunan nilai	2e,5				Short-term investments - net of allowance for impairment losses
Pihak ketiga		360.360	355.141	916.037	Third parties
Pihak berelasi	2f,36a	196.285	83.539	1.672.890	Related parties
Piutang usaha - setelah dikurangi penyisihan kerugian atas penurunan nilai	2e,6				Trade receivables - net of allowance for impairment losses
Pihak ketiga		1.032.236	1.136.867	1.556.898	Third parties
Pihak berelasi	2f,36b	14.280	24.770	23.038	Related parties
Piutang lain-lain - setelah dikurangi penyisihan kerugian atas penurunan nilai	2e,7				Other receivables - net of allowance for impairment losses
Pihak ketiga		445.498	309.754	51.048	Third parties
Persediaan - setelah dikurangi penyisihan persediaan usang	2g,8	680.133	629.595	911.627	Inventories - net of allowance for inventory obsolescence
Uang muka	9	133.950	146.643	130.275	Advance payments
Biaya dibayar dimuka	2h,10	8.730	11.276	9.813	Prepaid expenses
Pajak dibayar dimuka	2v,33a	83.808	101.392	36.462	Prepaid taxes
Kelompok lepasan yang diklasifikasikan sebagai dimiliki untuk dijual	2m,47	39.020	-	-	Disposal group classified as held for sale
<b>Total Aset Lancar</b>		<b>3.140.063</b>	<b>3.217.077</b>	<b>5.587.265</b>	<b>Total Current Assets</b>
<b>ASET TIDAK LANCAR</b>					<b>NON-CURRENT ASSETS</b>
Piutang pihak berelasi - setelah dikurangi penyisihan kerugian atas penurunan nilai	2e,2f,36c	224.062	226.158	365.655	Due from related parties - net of allowance for impairment losses
Investasi pada entitas asosiasi dan entitas pengendalian bersama - setelah dikurangi penyisihan kerugian atas penurunan nilai	2i,11	37.568	2.557.530	1.637.507	Investments in associated and jointly controlled entities - net of allowance for impairment losses
Investasi jangka panjang lain-lain	2e,2j,12	154.201	153.286	128.908	Other long-term investments
Aset tetap - setelah dikurangi dengan akumulasi penyusutan	2k,2l,2n,2o,13	2.509.218	2.455.787	2.606.380	Fixed assets - net of accumulated depreciation
Aset pajak tangguhan - neto	2v,33d	72.898	81.542	76.644	Deferred tax assets - net
Biaya pengembangan proyek - setelah dikurangi penyisihan kerugian atas penurunan nilai	2p,14	125.297	222.114	259.917	Project development costs - net of allowance for impairment losses
Biaya ditangguhkan - setelah dikurangi akumulasi amortisasi	2q,15	4.348	2.923	6.634	Deferred charges - net of accumulated amortization
Goodwill		-	-	3.763	Goodwill
Aset tidak lancar lainnya	2d,2e,2f,16	290.783	307.039	678.886	Other non-current assets
<b>Total Aset Tidak Lancar</b>		<b>3.418.375</b>	<b>6.006.379</b>	<b>5.764.294</b>	<b>Total Non-Current Assets</b>
<b>TOTAL ASET</b>		<b>6.558.438</b>	<b>9.223.456</b>	<b>11.351.559</b>	<b>TOTAL ASSETS</b>

\*) Telah disajikan kembali dan direklasifikasi (Catatan 48)

\*) As restated and reclassified (Note 48)

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 2016 DAN 2015, DAN  
1 JANUARI 2015/31 DESEMBER 2014**  
(Angka dalam tabel disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)

**PT BAKRIE & BROTHERS Tbk  
AND SUBSIDIARIES  
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FINANCIAL POSITION  
DECEMBER 31, 2016 AND 2015, AND  
JANUARY 1, 2015/DECEMBER 31, 2014**  
(Amounts in tables are expressed in millions of Rupiah,  
unless otherwise stated)

	Catatan/ Notes	31 Desember/ December 31,		1 Januari/ January 1, 2015/ 31 Desember/ December 31, 2014 *)		
		2016	2015 *)	2014 *)		
<b>LIABILITAS DAN DEFISIENSI MODAL</b>						<b>LIABILITIES AND CAPITAL DEFICIENCY</b>
<b>LIABILITAS JANGKA PENDEK</b>						<b>SHORT-TERM LIABILITIES</b>
Pinjaman jangka pendek	2e,17	1.712.927	2.290.237	3.584.652	Short-term loans	
Utang usaha	2e,18				Trade payables	
Pihak ketiga		578.746	486.794	1.027.177	Third parties	
Pihak berelasi	2f,36e	16.549	2.408	2.683	Related parties	
Utang lain-lain	2e,19				Other payables	
Pihak ketiga		54.991	93.321	88.555	Third parties	
Pihak berelasi	2f,36f	40.289	28.678	8.456	Related parties	
Beban masih harus dibayar	2e,2s,20	1.193.952	1.472.516	1.000.455	Accrued expenses	
Uang muka pelanggan dan pendapatan ditangguhkan	2s,21	44.213	33.872	290.915	Customer deposits and unearned revenues	
Utang pajak	2v,33b	50.842	102.210	160.326	Taxes payable	
Liabilitas derivatif	2e,39	4.476.613	4.244.382	3.383.980	Derivative liabilities	
Utang jangka panjang yang jatuh tempo dalam satu tahun :	2e				Current maturities of long-term liabilities :	
Pinjaman jangka panjang	22	3.438.208	2.880.238	2.263.865	Long-term loans	
Utang sewa pembiayaan	2n,23	661	1.983	2.153	Financing lease payables	
Liabilitas yang secara langsung berhubungan dengan aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual	2m,47	19.107	-	-	Liabilities directly associated with disposal group classified as held for sale	
Total Liabilitas Jangka Pendek		<u>11.627.098</u>	<u>11.636.639</u>	<u>11.813.217</u>	Total Short-Term Liabilities	
<b>LIABILITAS JANGKA PANJANG</b>						<b>LONG-TERM LIABILITIES</b>
Liabilitas pajak tangguhan - neto	2v,33d	197.905	148.302	141.356	Deferred tax liabilities - net	
Liabilitas imbalan kerja	2t,34	320.385	269.895	270.670	Employee benefits liabilities	
Utang pihak yang berelasi	2f,36g	311.900	204.750	128.970	Due to related parties	
Utang jangka panjang - setelah dikurangi bagian yang jatuh tempo dalam satu tahun :	2e				Long-term liabilities - net of current maturities :	
Pinjaman jangka panjang	22	151.316	870.497	1.143.914	Long-term loans	
Utang sewa pembiayaan	2n,23	1.855	942	1.928	Financing lease payables	
Total Liabilitas Jangka Panjang		<u>983.361</u>	<u>1.494.386</u>	<u>1.686.838</u>	Total Long-Term Liabilities	
Total Liabilitas		<u>12.610.459</u>	<u>13.131.025</u>	<u>13.500.055</u>	Total Liabilities	

\*) Telah disajikan kembali dan direklasifikasi (Catatan 48)

\*) As restated and reclassified (Note 48)

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  
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31 DESEMBER 2016 DAN 2015, DAN  
1 JANUARI 2015/31 DESEMBER 2014  
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**PT BAKRIE & BROTHERS Tbk  
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DECEMBER 31, 2016 AND 2015, AND  
JANUARY 1, 2015/DECEMBER 31, 2014  
(Amounts in tables are expressed in millions of Rupiah,  
unless otherwise stated)**

Catatan/ Notes	31 Desember/ December 31,		1 Januari/ January 1, 2015/ 31 Desember/ December 31,		
	2016	2015 *)	2014 *)		
<b>DEFISIENSI MODAL</b>				<b>CAPITAL DEFICIENCY</b>	
Ekuitas yang dapat diatribusikan kepada pemilik entitas induk				Equity attributable to owners of the Parent	
Modal saham - nilai nominal Rp2.850, Rp399, Rp114 dan Rp50 pada 31 Desember 2016 untuk masing-masing saham Seri A, Seri B Seri C dan Seri D dan Rp2.850, Rp399 dan Rp114 pada 31 Desember 2015 dan 2014 untuk masing-masing saham Seri A, Seri B dan Seri C				Share capital - Rp2,850, Rp399, Rp114 and Rp50 par value as of December 31, 2016 for each A Series, B Series, C Series and D Series shares and Rp2,850, Rp399 and Rp114 par value as of December 31, 2015 and 2014 for each A Series, B Series and C Series shares	
Modal dasar				Authorized capital	
451.451.975.120 saham pada 31 Desember 2016 dan 372.196.588.000 saham pada 31 Desember 2015 dan 2014				451,451,975,120 shares as of December 31, 2016 and 372,196,588,000 shares as of December 31, 2015 and 2014	
Modal ditempatkan dan disetor penuh				Issued and fully paid capital	
97.021.717.528 saham pada 31 Desember 2016 dan 93.721.717.528 saham pada 31 Desember 2015 dan 2014				97,021,717,528 shares as of December 31, 2016 and 93,721,717,528 shares December 31, 2015 and 2014	
Tambahan modal disetor	1b,24	12.428.548	12.263.548	12.263.548	Additional paid-in capital
Obligasi wajib konversi	2r,25	(2.256.948)	(2.559.844)	(2.380.597)	Mandatory convertible bonds
Cadangan modal lainnya	2e,26	822.905	-	-	Other capital reserves
Defisit (defisit sebesar Rp27,7 triliun pada 30 Juni 2011 telah dieliminasi melalui kuasi-reorganisasi - Catatan 43)	2e, 2t, 2u, 2v, 27	384.388	212.644	(9.303)	Deficit (deficit of Rp27.7 trillion as of June 30, 2011 was eliminated in connection with quasi-reorganization - Note 43)
Sub-total		(6.026.815)	(3.890.759)	(2.178.829)	Sub-total
Kepentingan nonpengendali	2a	(17.405.708)	(13.807.107)	(12.052.477)	Non-controlling interest
Defisiensi Modal - Neto	2b,28	(25.206)	(16.810)	30.333	Capital Deficiency - Net
<b>TOTAL LIABILITAS DAN DEFISIENSI MODAL</b>		<b>6.558.438</b>	<b>9.223.456</b>	<b>11.351.559</b>	<b>TOTAL LIABILITIES AND CAPITAL DEFICIENCY</b>

\*) Telah disajikan kembali dan direklasifikasi (Catatan 48)

\*) As restated and reclassified (Note 48)

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 2016 DAN 2015  
(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, 2016 AND 2015  
(Amounts in tables are expressed in millions of Rupiah,  
unless otherwise stated)**

	Catatan/ Notes	2016	2015 *)	
<b>PENDAPATAN NETO</b>	2s,29	2.075.909	3.337.258	<b>NET REVENUES</b>
<b>BEBAN POKOK PENDAPATAN</b>	2s, 30	1.979.810	2.711.114	<b>COST OF REVENUES</b>
<b>LABA BRUTO</b>		96.099	626.144	<b>GROSS PROFIT</b>
<b>BEBAN USAHA</b>	2s			<b>OPERATING EXPENSES</b>
Beban umum dan administrasi	31	271.818	310.772	<i>General and administrative expenses</i>
Beban karyawan	31	223.418	253.849	<i>Personnel expenses</i>
Beban penjualan	31	44.807	118.258	<i>Selling expenses</i>
Total Beban Usaha		540.043	682.879	<i>Total Operating Expenses</i>
<b>RUGI USAHA</b>		(443.944)	(56.735)	<b>LOSS FROM OPERATIONS</b>
<b>PENGHASILAN (BEBAN) LAIN-LAIN</b>				<b>OTHER INCOME (EXPENSES)</b>
Laba (rugi) selisih kurs - neto	2u	212.006	(722.172)	<i>Gain (loss) on foreign exchange - net</i>
Laba atas pelepasan saham	2b,1c	30.507	403.036	<i>Gain on divestment</i>
Bagian atas laba (rugi) neto pada entitas asosiasi dan pengendalian bersama	2i,11	(1.523.168)	874.589	<i>Share in net income (loss) of associated and jointly controlled entities</i>
Beban penyisihan penurunan nilai investasi	2e,5,11	(1.024.588)	(968.099)	<i>Provision for impairment losses of investments</i>
Perubahan nilai wajar derivatif - neto	2e,39	(340.359)	(462.841)	<i>Fair value changes of derivatives - net</i>
Beban bunga dan keuangan	32a	(268.591)	(543.538)	<i>Interest and financial expenses</i>
Beban penyisihan penurunan nilai biaya pengembangan proyek	2l,14	(100.231)	-	<i>Provision for impairment of project development costs</i>
Beban penghapusan dan penyisihan penurunan nilai piutang	2e,6,7	(94.597)	(65.157)	<i>Write-off and provision for impairment of receivables</i>
Beban pajak		(21.881)	(13.566)	<i>Tax expenses</i>
Rugi yang direalisasi atas perubahan nilai wajar investasi yang diperdagangkan	2e	-	(137.782)	<i>Realized loss on fair value fair value changes of trading investments</i>
Lain-lain	32b	(15.522)	40.356	<i>Others</i>
Beban Lain-Lain - Neto		(3.146.424)	(1.595.174)	<i>Other Expenses - Net</i>
<b>RUGI SEBELUM MANFAAT (BEBAN) PAJAK PENGHASILAN</b>		(3.590.368)	(1.651.909)	<b>LOSS BEFORE INCOME TAX BENEFIT (EXPENSE)</b>

\*) Telah disajikan kembali dan direklasifikasi (Catatan 48)

\*) As restated and reclassified (Note 48)

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  
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**PT BAKRIE & BROTHERS Tbk  
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unless otherwise stated)**

	Catatan/ Notes	2016	2015 *)	
<b>MANFAAT (BEBAN) PAJAK PENGHASILAN</b>				<b>INCOME TAX BENEFIT (EXPENSE)</b>
Kini	2v,33	(8.183)	(79.572)	Current
Tangguhan		<u>(63.067)</u>	<u>2.598</u>	Deferred
Beban Pajak Penghasilan - Neto		<u>(71.250)</u>	<u>(76.974)</u>	Income Tax Expense - Net
<b>RUGI NETO</b>		<u><b>(3.661.618)</b></u>	<u><b>(1.728.883)</b></u>	<b>NET LOSS</b>
<b>PENGHASILAN (RUGI) KOMPRESIF LAIN</b>				<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>
Pos-pos yang akan direklasifikasi ke laba rugi:				Items that will be reclassified to profit or loss:
Bagian atas penghasilan komprehensif lain pada entitas asosiasi dan pengendalian bersama	2i,11	27.794	63.040	Share in other comprehensive income of associated and jointly controlled entities
Selisih kurs karena penjabaran laporan keuangan	2u	101.405	33.097	Exchange differences due to financial statements translation
Aset keuangan tersedia untuk dijual	2e,5	125.078	40.174	Available-for-sale financial asset
Pos-pos yang tidak akan direklasifikasi ke laba rugi:				Items that will not be reclassified to profit or loss:
Pengukuran kembali laba (rugi) atas program imbalan kerja	2t,34	(20.919)	15.055	Remeasurement gain (loss) on employee benefits
Pajak penghasilan terkait pos-pos penghasilan komprehensif lain	2v,33	<u>5.081</u>	<u>(2.131)</u>	Income tax on items in other comprehensive income
<b>PENGHASILAN KOMPRESIF LAIN - SETELAH DIKURANGI PAJAK</b>		<u>238.439</u>	<u>149.235</u>	<b>OTHER COMPREHENSIVE INCOME - NET OF TAX</b>
<b>TOTAL RUGI KOMPRESIF</b>		<u><b>(3.423.179)</b></u>	<u><b>(1.579.648)</b></u>	<b>TOTAL COMPREHENSIVE LOSS</b>

\*) Telah disajikan kembali dan direklasifikasi (Catatan 48).

\*) As restated and reclassified (Note 48).

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

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	<u>Catatan/ Notes</u>	<u>2016</u>	<u>2015 *)</u>	
<b>LABA (RUGI) YANG DAPAT DIATRIBUSIKAN KEPADA</b>				<b>NET INCOME (LOSS) ATTRIBUTABLE TO</b>
Pemilik entitas induk		(3.598.601)	(1.754.630)	Owners of parent
Kepentingan nonpengendali	2b,28	<u>(63.017)</u>	<u>25.747</u>	Non-controlling interest
<b>Total</b>		<b><u>(3.661.618)</u></b>	<b><u>(1.728.883)</u></b>	<b>Total</b>
<b>TOTAL RUGI KOMPREHENSIF YANG DAPAT DIATRIBUSIKAN KEPADA</b>				<b>TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO</b>
Pemilik entitas induk		(3.414.783)	(1.532.580)	Owners of parent
Kepentingan nonpengendali	2b,28	<u>(8.396)</u>	<u>(47.068)</u>	Non-controlling interest
<b>Total</b>		<b><u>(3.423.179)</u></b>	<b><u>(1.579.648)</u></b>	<b>Total</b>
<b>RUGI NETO PER SAHAM DASAR/DILUSIAN DIATRIBUSIKAN KEPADA PEMILIK ENTITAS INDUK (Angka penuh)</b>	2x,35	<b><u>(37,09)</u></b>	<b><u>(18,72)</u></b>	<b>BASIC/DILUTED LOSS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE PARENT (Full amount)</b>

\*) Telah disajikan kembali dan direklasifikasi (Catatan 48)

\*) As restated and reclassified (Note 48)

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**PT BAKRIE & BROTHERS Tbk  
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LAPORAN PERUBAHAN DEFISIENSI MODAL KONSOLIDASIAN  
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**PT BAKRIE & BROTHERS Tbk  
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	Tambahan Modal Disetor/ Additional Paid-in Capital		Selisih Nilai Transaksi Restrukturisasi		Other Capital Reserves Cadangan Modal Lainnya		Defisiensi Modal		Kepentingan Nonpengendali/ Non-controlling Interest	Defisiensi Modal - Net/ Capital Deficiency - Net	Balances as of January 1, 2015 Net income (loss) for the year Restructuring transactions of entities under common control (Note 29)
	Selisih Penerimaan dari Penerbitan Saham atas Nilai Nominal/ Paid-in Capital in Excess of Par Value	Selisih atas Pengampunan Pajak/ Paid-in Capital from Tax Amnesty	Selisih Nilai Transaksi Restrukturisasi Entitas Sopengendali/ Difference in Restructuring of Entities Under Common Control	Selisih Kurs Penjabaran Laporan Keuangan/ Exchange Differences due to Financial Statements Translation	Kerugian Investasi jangka Pendek yang Belum Terealisasi/ Loss on Short-term Investments	Akumulasi Pengukuran Kembali atas Program Imbalan Kerja/ Cumulative Remeasurements on Employee Benefits	Ekuitas yang dapat Diatribusikan Kepada Pemilik Entitas Induk/ Capital Deficiency Attributable to Owners the Parent	Defisiensi Modal yang dapat Diatribusikan Kepada Pemilik Entitas Induk/ Capital Deficiency Attributable to Owners the Parent			
Saldo 1 Januari 2015	12.263.548	61.728	-	120.865	(40.174)	(89.994)	(2.178.829)	30.333	(2.148.496)		
Labai (rugi) tahun berjalan	-	-	(2.442.325)	-	-	-	(12.062.477)	25.747	(1.728.883)		
Transaksi restrukturisasi entitas sepengendali (Catatan 29)	-	-	(179.247)	-	-	-	(1.754.630)	-	(179.247)		
Penghasilan	-	-	-	-	-	-	-	-	-		
Kompensasi lain yang dikelompokkan menjadi laba atau rugi pada periode berikutnya	-	-	-	170.556	40.174	-	210.530	(74.219)	136.311		
Penghasilan	-	-	-	-	-	-	-	-	-		
Kompensasi lain yang tidak dikelompokkan menjadi laba atau rugi pada periode berikutnya	-	-	-	-	-	11.520	11.520	1.404	12.924		
Dekonsolidasi entitas anak	-	-	-	-	-	(103)	(103)	(75)	(178)		
<b>Saldo 31 Desember 2015</b>	<b>12.263.548</b>	<b>61.728</b>	<b>(2.621.572)</b>	<b>291.221</b>	<b>-</b>	<b>(78.577)</b>	<b>(3.890.759)</b>	<b>(16.810)</b>	<b>(3.907.569)</b>	<b>December 31, 2015</b>	

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

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	Tambahkan Modal Disetor/ Additional Paid-in Capital		Selisih Nilai Transaksi		Other Capital Reserves Cadangan Modal Lainnya				Defisiensi Modal Ekuitas		Balance as of January 1, 2016 Net Income (loss) for the year Issuance of mandatory convertible bonds (Note 26)
	Selisih dari Penerimaan Saham atas Nilai Nominal/ Paid-in Capital in Excess of Per Value	Selisih atas Pajak/ Paid-in Capital from Tax Amnesty	Restrukturisasi Entitas Difference in Restructuring of Entities Under Common Control	Selisih Kurs Penjabaran Laporan Keuangan/ Exchange Differences due to Financial Statements Translation	Kerugian Investasi Jangka Pendek yang Belum Terealisasi/ Unrealized Loss on Short-term Investments	Akumulasi Pengkuran Kembali atas Program Imbalan Kerja/ Cumulative Remeasurements on Employee Benefits	Defisit/ Deficit	Kepentingan Non-pengendali/ Non-controlling Interest	Defisiensi Modal Attributable to Owners	Defisiensi Modal - Net/ Capital Deficiency - Net	
Saldo 1 Januari 2016, Leba (ugi) tahun ber- jalan	12.263.548	61.728	-	281.221	-	(78.577)	(13.807.107)	(3.880.759)	(3.907.569)	(3.907.569)	
Penambahan obligasi wajib konversi (Catatan 26)	-	-	-	-	-	-	(3.598.601)	(3.598.601)	(3.598.601)	(3.598.601)	
Penghasilan komprehensif lain yang direklasifikasi menjadi laba atau rugi pada periode berikutnya Penghasilan komprehensif lain yang tidak direklasifikasi menjadi laba atau rugi pada periode berikutnya Dekonsolidasi entitas anak	165.000	-	-	-	-	-	-	987.905	987.905	987.905	
Tambahan modal disetor atas pengampunan pajak (Catatan 25)	-	302.896	-	-	-	-	-	-	-	-	
<b>Saldo 31 Desember 2016</b>	<b>12.428.548</b>	<b>61.728</b>	<b>(2.621.572)</b>	<b>350.057</b>	<b>125.078</b>	<b>(90.747)</b>	<b>(17.405.708)</b>	<b>(6.026.815)</b>	<b>(25.206)</b>	<b>(6.052.021)</b>	<b>Balance as of December 31, 2016</b>

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

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**PT BAKRIE & BROTHERS Tbk  
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**PT BAKRIE & BROTHERS Tbk  
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	<u>2016</u>	<u>2015</u>	
<b>ARUS KAS DARI AKTIVITAS OPERASI</b>			<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>
Penerimaan kas dari pelanggan	2.134.144	2.773.353	<i>Cash receipt from customers</i>
Pembayaran kas untuk pemasok dan karyawan	<u>(2.155.804)</u>	<u>(2.916.880)</u>	<i>Payments to suppliers and employees</i>
Kas neto yang digunakan untuk aktivitas operasi	(21.660)	(143.527)	<i>Net cash used in operating activities</i>
Penerimaan dari:			<i>Cash received from:</i>
Pajak	7.827	-	<i>Taxes</i>
Bunga	7.618	10.963	<i>Interest income</i>
Pembayaran untuk:			<i>Cash paid for:</i>
Pajak	(137.936)	(210.821)	<i>Taxes</i>
Bunga	(70.816)	(53.742)	<i>Interest expense</i>
Penerimaan dari (pembayaran untuk) aktivitas operasi lainnya	<u>10.374</u>	<u>(18.045)</u>	<i>Receipts from (payments for) other operating activities</i>
Kas Neto yang Digunakan untuk Aktivitas Operasi	<u>(204.593)</u>	<u>(415.172)</u>	<i>Net Cash Flows Used in Operating Activities</i>
<b>ARUS KAS DARI AKTIVITAS INVESTASI</b>			<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>
Penerimaan dari:			<i>Receipts from:</i>
Penjualan aset tetap	395	53.772	<i>Sale of fixed assets</i>
Penjualan investasi	-	555.050	<i>Sale of investments</i>
Pembayaran untuk:			<i>Payments for:</i>
Penambahan aset tetap	(80.347)	(122.095)	<i>Acquisition of fixed assets</i>
Investasi jangka pendek	(11.267)	(356.804)	<i>Short term investment</i>
Biaya pengembangan proyek	(7.441)	(831)	<i>Project development costs</i>
Uang muka investasi	-	(50.000)	<i>Advances for investment</i>
Kas neto Entitas Anak yang didekonsolidasi	(357)	(254)	<i>Net cash of deconsolidated Subsidiaries</i>
Pembayaran untuk aset tidak lancar lainnya	<u>(567)</u>	<u>(3.539)</u>	<i>Payments for other non-current assets</i>
Kas Neto yang Diperoleh dari (Digunakan untuk) Aktivitas Investasi	<u>(99.584)</u>	<u>75.299</u>	<i>Net Cash Flows Provided by (Used in) Investing Activities</i>

Lihat Catatan 45 atas laporan keuangan konsolidasian untuk informasi tambahan arus kas

See Note 45 to the consolidated financial statements for the supplementary cash flows information

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

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	<u>2016</u>	<u>2015</u>	
<b>ARUS KAS DARI AKTIVITAS PENDANAAN</b>			<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>
Penerimaan dari:			<i>Proceeds from:</i>
Utang jangka pendek	298.446	183.634	<i>Short-term loans</i>
Utang jangka panjang	16.890	87.419	<i>Long-term loans</i>
Transaksi dengan pihak berelasi	253	27.975	<i>Transaction with related parties</i>
Pembayaran untuk:			<i>Payments for:</i>
Utang jangka pendek	(270.987)	(197.110)	<i>Short-term loans</i>
Utang jangka panjang	(59.147)	(87.651)	<i>Long-term loans</i>
Transaksi dengan pihak berelasi	(2.584)	(1.424)	<i>Transaction with related parties</i>
Utang sewa pembiayaan	(2.066)	(1.541)	<i>Obligation under finance lease</i>
Penarikan kas di bank yang dibatasi penggunaannya - neto	59.951	438.006	<i>Withdrawals of restricted cash in banks - net</i>
			<i>Net Cash Flows Provided by Financing Activities</i>
Kas Neto yang Diperoleh dari Aktivitas Pendanaan	<u>40.756</u>	<u>449.308</u>	
<b>KENAIKAN (PENURUNAN) NETO KAS DAN SETARA KAS</b>	(263.421)	109.435	<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>
<b>DAMPAK PERUBAHAN SELISIH KURS TERHADAP KAS DAN SETARA KAS</b>	(8.916)	29.488	<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>
<b>KAS DAN SETARA KAS AWAL TAHUN</b>	<u>418.100</u>	<u>279.177</u>	<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>
<b>KAS DAN SETARA KAS AKHIR TAHUN</b>	<u><u>145.763</u></u>	<u><u>418.100</u></u>	<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>

Lihat Catatan 45 atas laporan keuangan konsolidasian untuk informasi tambahan arus kas

*See Note 45 to the consolidated financial statements for the supplementary cash flows information*

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

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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. Anggaran Dasar Perusahaan telah mengalami beberapa kali perubahan, terakhir berdasarkan Akta Notaris No. 179 tanggal 30 November 2016 oleh Humberg Lie, S.H., S.E., M.Kn., mengenai penerbitan saham Seri D. Perubahan ini telah disetujui oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan Surat No. AHU-0023059-AH.01.02.Tahun2016 tanggal 2 Desember 2016 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**

<u>Sifat Aksi Korporasi</u>	<u>Jumlah Saham/ Number of Shares</u>
Penawaran Umum Perdana di Bursa Efek Indonesia (BEI) (dahulu Bursa Efek Jakarta)	2.850.000
Pencatatan atas saham para pendiri Perusahaan dalam bentuk <i>Company Listing</i>	16.150.000

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**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. The Articles of Association have been amended several times, the most recent being based on Notarial Deed No. 179 dated November 30, 2016 by Humberg Lie, S.H., S.E., M.Kn. regarding the issuance of Series D shares. This amendment was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-0023059-AH.01.02.Tahun2016 dated December 2, 2016 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, 35<sup>th</sup>-37<sup>th</sup> 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**

<u>Tanggal Efektif/ Effective Date</u>	<u>Nature of Corporate Action</u>
28 Agustus 1989/ August 28, 1989	Initial Public Offering on the Indonesia Stock Exchange (IDX) (formerly Jakarta Stock Exchange)
9 Maret 1990/ March 9, 1990	Listed founders' shares in the form of Company Listing

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**1. UMUM (Lanjutan)**

<b>Sifat Aksi Korporasi</b>	<b>Jumlah Saham/ Number of Shares</b>	<b>Tanggal Efektif/ Effective Date</b>	<b>Nature of Corporate Action</b>
<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	<i>Rights Issue I with Pre-emptive Rights</i>
Saham Bonus I	31.590.000	22 Juni 1994/ June 22, 1994	<i>Bonus Shares I</i>
Penawaran Umum Terbatas II dengan Hak Memesan Efek Terlebih Dahulu	189.540.000	14 Juli 1994/ July 14, 1994	<i>Rights Issue II with Pre-emptive Rights</i>
Pemecahan Saham	242.190.000	7 Agustus 1995/ August 7, 1995	<i>Stock Split</i>
Saham Bonus II	1.453.140.000	7 Januari 1997/ January 17, 1997	<i>Bonus Shares II</i>
Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu	36.812.880.000	31 Oktober 2001/ October 31, 2001	<i>Additional Capital through Non-preemptive Rights</i>
Penggabungan Saham I	(31.000.320.000)	17 Maret 2005/ March 17, 2005	<i>Reverse Stock Split I</i>
Penawaran Umum Terbatas III dengan Hak Memesan Efek Terlebih Dahulu	19.220.198.400	6 Mei 2005/ May 6, 2005	<i>Rights Issue III with Pre-emptive Rights</i>
Penggabungan Saham II	(13.485.139.200)	6 Maret 2008/ March 6, 2008	<i>Reverse Stock Split II</i>
Penawaran Umum Terbatas IV dengan Hak Memesan Efek Terlebih Dahulu dan Waran Seri I	84.956.376.960	6 Maret 2008/ March 24, 2008	<i>Rights Issue IV with Pre-emptive Rights and Warrant Series I</i>
Akhir Periode Pelaksanaan Waran	(4.719.798.632)	1 April 2011/ April 1, 2011	<i>Expiry of Warrant Exercise Period</i>
Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu	3.300.000.000	30 November 2016/ November 30, 2016	<i>Additional Capital through Non-preemptive Rights</i>

**1. GENERAL (Continued)**

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**1. UMUM (Lanjutan)**

**c. Struktur Perusahaan dan Entitas Anak**

Perusahaan mempunyai kepemilikan saham secara langsung maupun tidak langsung pada Entitas Anak (selanjutnya secara bersama-sama disebut sebagai "Kelompok Usaha"):

Nama Entitas Anak/ Name of Subsidiaries	Domisili/ Domicile	Kegiatan Usaha Utama/ Principal Activity	Tahun Pendirian/ Operasi Komersial - Year of Establishment/ Commercial Operations	Persentase Kepemilikan/ Percentage of Ownership		Jumlah Aset Sebelum Eliminasi/ Total Assets Before Elimination	
				2016 (%)	2015 (%)	2016	2015
<b>Kepemilikan secara langsung/ Direct Ownership</b>							
PT Bakrie Building Industries (BBI)	Jakarta	Industri produk dari fiber semen/ Fiber cement building products	1974	99,99	99,99	839.596	918.473
PT Bakrie Metal Industries (BMI)	Bekasi	Pabrikasi baja bergelombang dan "multiplate"/ Corrugated metal products and multiplate	1982	99,99	99,99	2.455.336	2.301.503
PT Bakrie Autoparts (BA) (dahulu / formerly PT Bakrie Tosanjaya (BTJ))	Bekasi	Pabrikasi besi cor dan komponen otomotif/ Foundry and automotive component	1976	99,99	99,99	765.910	825.697
Bakrie International Finance Company BV (BIFC) *	Belanda/ Netherlands	Jasa pendanaan/ Financial services	1996	-	100,00	-	57
PT Bakrie Harper (BHP) (dahulu / formerly PT Bakrie Harper Corporation (BHC) )	Jakarta	Konstruksi baja/ Steel Construction	1996	70,00	70,00	37.728	664
Bestday Assets Limited (BAL) *	Mauritius	Investasi / Investment	2001	-	100,00	-	1.380
Blue Cape BV (BlueCape) *	Belanda/ Netherlands	Jasa pendanaan/ Financial services	2006	-	100,00	-	1.037
Infrastructure Capital International Limited (ICIL) *	British Virgin Islands	Jasa pendanaan/ Financial services	2007	-	100,00	-	118.557
PT Bakrie Indo Infrastructure (BIIN)	Jakarta	Pembangunan dan jasa/ Development and services	2008	99,99	99,96	422.126	1.343.448
Bakrie Fund Pte. Ltd. (BF) *	Singapura/ Singapore	Investasi / Investment	2008	-	100,00	-	423
Bakrie Investment Pte. Ltd. (BI) *	Singapura/ Singapore	Investasi / Investment	2008	-	100,00	-	-
Sebastopol Inc. (SI)	Cayman Islands	Investasi / Investment	2008	100,00	100,00	348.253	357.558
Bakrie Energy International Pte. Ltd. (dahulu / formerly Orange Assets Pte. Ltd.)	Singapura/ Singapore	Perdagangan / Trading	2009	100,00	100,00	53.752	1.846.069
Helix Investment Holding Ltd. (Helix) *	British Virgin Island	Investasi / Investment	2009	-	100,00	-	-
PT Bakrie Solusi Strategis (BSS) (dahulu / formerly PT Bakrie & Brothers Services (BNBS))	Jakarta	Perdagangan, Jasa, Industri/ Trading, Services, Industry	2010	99,99	99,99	4.983	4.508

\*) Telah didekonsolidasi pada tanggal 31 Desember 2016

\*) Deconsolidated as of December 31, 2016.

**1. GENERAL (Continued)**

**c. Structure of the Company and Subsidiaries**

The Company has direct and indirect share ownership in the following Subsidiaries (together with the Company hereinafter referred to as the "Group"):

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**1. UMUM (Lanjutan)**

**1. GENERAL (Continued)**

Nama Entitas Anak/ Name of Subsidiaries	Domisili/ Domicile	Kegiatan Usaha Utama/ Principal Activity	Tahun Pendirian/ Operasi Komersial - Year of Establishment/ Commercial Operation	Persentase Kepemilikan/ Percentage of Ownership		Jumlah Aset Sebelum Eliminasi/ Total Assets Before Elimination	
				2016 (%)	2015 (%)	2016	2015
<b>Kepemilikan secara tidak langsung / Indirect Ownership</b>							
<u>Melalui BMI / Through BMI</u>							
PT Bakrie Pipe Industries (BPI)	Jakarta	Pabrikasi pipa baja/ Steel pipe manufacturer	1979	99,99	99,99	1.807.926	1.719.099
PT Bakrie Construction (BCons)	Jakarta	Konstruksi baja/ Steel Construction	1986	97,57	97,57	431.805	375.356
PT Bina Inspeksi Ujiprima (BIU)	Jakarta	Laboratorium/ Laboratory service	2014	60,00	60,00	-	-
PT Bina Proteksiprima Pipabaja (BPP)	Jakarta	Jasa Pelapisan/ Coating Plant	2014	60,00	60,00	-	-
<u>Melalui BIIN / Through BIIN</u>							
PT Bakrie Gas (BG)	Jakarta	Perdagangan minyak dan gas bumi/ Oil and Gas Trading	2006	99,50	99,50	19.998	19.998
PT Bakrie Gasindo Utama (BGU)	Jakarta	Perdagangan minyak dan gas bumi/ Oil and Gas Trading	2006	99,50	99,50	19.998	19.998
PT Bakrie Java Energy (BJE)	Jakarta	Perdagangan minyak dan gas bumi/ Oil and Gas Trading	2006	99,99	99,99	498	498
PT Energas Daya Pratama (EDP)	Jakarta	Perdagangan minyak dan gas bumi/ Oil and Gas Trading	2006	99,50	99,50	9.998	9.998
PT Bakrie Power (BP)	Jakarta	Pembangkit tenaga Listrik/ Energy and electrical power	1994	99,99	99,99	404.080	1.319.893
PT Bangun Infrastruktur Nusantara (BIN)	Jakarta	Pembangunan dan jasa/ Development and Services	2008	99,99	99,99	17.990	10.940
PT Bakrie Oil & Gas Infrastructure (BOGI)	Jakarta	Pembangunan dan jasa/ Development and Services	2008	99,99	99,99	1	22.026
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	66.429
PT Bakrie Port Indonesia (BPort)	Jakarta	Pembangunan dan jasa/ Development and Services	2008	99,50	99,50	10.100	10.100
<u>Melalui BPI / Through BPI</u>							
PT South East Asia Pipe Industries (SEAPI)	Jakarta	Pabrikasi pipa baja/ Steel pipe manufacturer	2001	99,82	99,82	674.498	611.184
PT Bina Andalan Karya Inspeksi (BAKI)	Jakarta	Laboratorium/ Laboratory service	2014	99,99	99,99	8.789	7.146
PT Bina Karya Proteksi Pipabaja (BKPP)	Jakarta	Jasa Pelapisan/ Coating Plant	2014	99,99	99,99	52.021	52.994
<u>Melalui BA / Through BA</u>							
PT Bakrie Steel Industries (BSI)	Jakarta	Industri dan perdagangan/ Industries and trading	2007	99,99	99,99	7.806	14.517
PT Braja Mukti Cakra (BMC)	Bekasi	Industri suku cadang kendaraan bermotor/ Automotive components manufacturer	1986	50,00	50,00	235.271	238.949
PT Bina Usaha Mandiri Mizusawa (BUMM)	Tangerang	Industri suku cadang kendaraan bermotor/ Automotive components manufacturer	1986	99,90	99,90	102.064	94.803

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**1. UMUM (Lanjutan)**

**1. GENERAL (Continued)**

Nama Entitas Anak/ <i>Name of Subsidiaries</i>	Domisili/ <i>Domicile</i>	Kegiatan Usaha Utama/ <i>Principal Activity</i>	Tahun Pendirian/ Operasi Komersial - Year of Establishment/ Commercial Operations	Persentase Kepemilikan/ Percentage of Ownership		Jumlah Aset Sebelum Eliminasi (Dalam Jutaan)/ Total Assets Before Elimination (In Million)	
				2016 (%)	2015 (%)	2016	2015
<u>Melalui BEI / Through BEI</u>							
PT Bakrie Kimia Investama (BKIV)	Jakarta	Konsultasi manajemen/ <i>Management consultation</i>	2009	99,00	99,00	44.266	136.707
Bakrie AN International Pte. Ltd.	Singapura/ <i>Singapore</i>	Perdagangan amonium nitrat/ <i>Trading in ammonium nitrate</i>	2009	100,00	100,00	-	-
Bakrie Agro Commodity International Pte. Ltd.	Singapura/ <i>Singapore</i>	Perdagangan <i>Olein</i> / <i>Trading in Olein</i>	2009	100,00	100,00	-	-
<u>Melalui Helix / Through Helix *)</u>							
Jupiter Asia No. 1 Pte. Ltd. (Jupiter)	Singapura/ <i>Singapore</i>	Investasi / <i>Investment</i>	2009	-	100,00	-	-
<u>Melalui PT Bakrie Kimia Investama / Through PT Bakrie Kimia Investama</u>							
PT Batuta Chemical Industrial Park (BCIP)	Jakarta	Pembangunan dan Pengelolaan Kawasan Industri / <i>Industrial estated management</i>	2009	95,00	95,00	-	-
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 BP / Through BP</u>							
PT Sokoria Geothermal Indonesia (SGI)	Jakarta	Pembangkit tenaga Listrik/ <i>Energy and electrical power</i>	2009	53,00	53,00	-	31.892
PT Bakrie Darmakarya Energi (BDE)	Jakarta	Pembangkit tenaga Listrik/ <i>Energy and electrical power</i>	2011	98,00	98,00	422.428	415.859
PT Kuala Tanjung Power (KTP)	Jakarta	Pembangkit tenaga Listrik/ <i>Energy and electrical power</i>	2010	99,00	99,00	2.866	9.563
<u>Melalui KJU / Through KJU</u>							
PT Batuta Kimia Perdana (BKP)	Jakarta	Industri kimia dasar chlororganik / <i>Chemical Industries-organic chlor</i>	2009	55,00	55,00	-	-
<u>Melalui BBI / Through BBI</u>							
PT Bangun Bantala Indonesia (BBIn)	Jakarta	Perdagangan Umum/ <i>General Trading</i>	2013	99,02	99,02	52.891	29.002
PT Pilar Agra Unggul (PAU)	Jakarta	Perdagangan Umum/ <i>General Trading</i>	2015	99,04	-	902.062	-

\*) Telah didekonsolidasi pada tanggal 31 Desember 2016

\*) *Deconsolidated as of December 31, 2016.*

**Entitas Bertujuan Khusus**

Pada tanggal 31 Desember 2016, Kelompok Usaha menutup Bakrie International Finance Company BV, Bestday Assets Limited, Blue Cape BV, Infrastructure Capital International Limited, Bakrie Fund Pte Ltd, Bakrie Investment Pte Ltd, Helix Investment Holding Ltd.

Sehubungan penutupan tersebut, Kelompok Usaha mengakui keuntungan atas pelepasan saham dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian sebesar Rp30,5 miliar.

**Special Purpose Entities**

*On December 31, 2016, the Group strike-off Bakrie International Finance Company BV, Bestday Assets Limited, Blue Cape BV, Infrastructure Capital International Limited, Bakrie Fund Pte Ltd, Bakrie Investment Pte Ltd, Helix Investment Holding Ltd.*

*In connection with the above strike-off, the Group recognized gain on divestment in the consolidated statements of profit or loss and other comprehensive income amounting to Rp30.5 billion.*

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**1. UMUM (Lanjutan)**

PT Cimanggis Cibitung Tollways

Pada tanggal 13 Juli 2015, Perusahaan dan PT Bakrie Toll Indonesia (BTI) telah menandatangani Perjanjian Jual Beli atas kepemilikan saham di PT Cimanggis Cibitung Tollways (CCTW) kepada PT Waskita Toll Road (WTR) masing-masing sebesar 10% dan 80%. Setelah perjanjian tersebut, kepemilikan saham Perusahaan, BTI dan WTR di CCTW menjadi masing-masing sebesar 5%, 5% dan 90%. BTI telah kehilangan kendali dan pengaruh signifikan atas CCTW sehubungan dengan perubahan kepemilikan saham atas CCTW. Sejak saat itu, BTI tidak lagi mengkonsolidasi CCTW.

Sehubungan dekonsolidasi CCTW tersebut, Perusahaan dan BTI mengakui keuntungan atas penjualan saham dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian sebesar Rp406,87 miliar.

PT Aneka Banusakti

Pada tanggal 23 Desember 2015, BA telah menandatangani Perjanjian Jual Beli atas seluruh kepemilikan saham di Aneka Banusakti (ABS) kepada PT Suplindo Sejahtera sebesar 58% kepemilikan saham di ABS. Lebih lanjut, efektif tanggal tersebut, BA telah kehilangan kendali dan pengaruh signifikan atas ABS sehubungan dengan perubahan kepemilikan saham atas ABS. Sejak saat itu, BA tidak lagi mengkonsolidasi.

Sehubungan dekonsolidasi ABS tersebut, BA mengakui kerugian atas penjualan saham dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian sebesar Rp3,83 miliar.

**d. Dewan Komisaris dan Direksi, Komite Audit dan Karyawan**

Susunan Dewan Komisaris dan Direksi Perusahaan pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

	<u>2016</u>
<b>Dewan Komisaris</b>	
Komisaris Utama/ Independen	Irwan Sjarkawi
Komisaris	Armansyah Yamin
Komisaris	Nugroho I. Purbowinoto
<b>Direksi</b>	
Direktur Utama	Gafur Sulistyono Umar
Direktur	A. Amri Aswono Putro
Direktur Independen	Dody Taufiq Wijaya
Direktur	R.A. Sri Dharmayanti

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PT Cimanggis Cibitung Tollways

On July 13, 2015, the Company and PT Bakrie Toll Indonesia (BTI) entered into a Sale and Purchase Agreement of shares in PT Cimanggis Cibitung Tollways (CCTW) to PT Waskita Toll Road (WTR) equivalent to 10% and 80%, respectively. After this agreement, share ownership of the Company, BTI and WTR at CCTW are 5%, 5% and 90%, respectively. Furthermore, the BTI lost its control and significant influence over CCTW as a result of the change in ownership. Since then, BTI deconsolidated CCTW.

In connection with the deconsolidation of CCTW, the Company and BTI recognized gain on sale of investment in the consolidated statements of profit or loss and other comprehensive income amounting to Rp406.87 billion.

PT Aneka Banusakti

On December 23, 2015, BA entered into a Sale and Purchase Agreement of all shares in PT Aneka Banusakti (ABS) to PT Suplindo Sejahtera equivalent to 58% share ownership in ABS. Furthermore, effective date BA lost its control and significant influence over ABS as a result of the change in ownership. Since then, BA deconsolidated ABS.

In connection with the deconsolidation of ABS, BA recognized loss on sale of investment in the consolidated statements of profit or loss and other comprehensive income amounting to Rp3.83 billion.

**d. Boards of Commissioners and Directors, Audit Committee and Employees**

As of December 31, 2016 and 2015, the members of the Company's Boards of Commissioners and Directors were as follows:

	<u>2016</u>	<u>2015</u>	
<b>Dewan Komisaris</b>			<b>Board of Commissioners</b>
Komisaris Utama/ Independen	Irwan Sjarkawi	Irwan Sjarkawi	President/Independent Commissioner
Komisaris	Armansyah Yamin	Armansyah Yamin	Commissioner
Komisaris	Nugroho I. Purbowinoto	Nugroho I. Purbowinoto	Commissioner
<b>Direksi</b>			<b>Board of Directors</b>
Direktur Utama	Gafur Sulistyono Umar	Gafur Sulistyono Umar	President Director
Direktur	A. Amri Aswono Putro	A. Amri Aswono Putro	Director
Direktur Independen	Dody Taufiq Wijaya	Dody Taufiq Wijaya	Independent Director
Direktur	R.A. Sri Dharmayanti	R.A. Sri Dharmayanti	Director

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**1. UMUM (Lanjutan)**

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 2016 dan 2015 adalah sebagai berikut:

Ketua	Irwan Sjarkawi	Chairman
Anggota	Nugroho I. Purbowinoto	Member
Anggota	Lifransyah Gumay	Member
Anggota	Arief A. Dhani	Member

Pada tanggal 31 Desember 2016 dan 2015, Kelompok Usaha memiliki masing-masing 3,343 orang dan 3.416 orang pegawai (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 21 Maret 2017.

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN**

**a. Dasar Penyusunan Laporan Keuangan Konsolidasian dan 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).

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 2015, kecuali untuk penerapan amandemen pernyataan dan interpretasi baru yang berlaku efektif tanggal 1 Januari 2016 seperti yang diungkapkan dalam kebijakan akuntansi terkait.

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**1. GENERAL (Continued)**

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, 2016 and 2015, were as follows:

Chairman	Irwan Sjarkawi
Member	Nugroho I. Purbowinoto
Member	Lifransyah Gumay
Member	Arief A. Dhani

As of December 31, 2016 and 2015, the Group had 3,343 employees and 3,416 employees, respectively (unaudited).

**e. Completion of the Consolidated Financial Statements**

The management of the Company is responsible of the preparation of these consolidated financial statements which have been authorized for issue by the Board of Directors on March 21, 2017.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis of Preparation of Consolidated Financial Statements and 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).

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with the accounting policies in the preparation of the Group's consolidated financial statements for the year ended December 31, 2015, except for the adoption of amendments to statements and a new interpretation effective January 1, 2016 as described in the related accounting policies.



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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (Lanjutan)**

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 dicatat berdasarkan basis lain seperti yang diungkapkan pada kebijakan akuntansi masing-masing akun terkait.

Laporan arus kas konsolidasian disusun dengan menggunakan metode langsung, dan dikelompokkan ke dalam aktivitas operasi, investasi dan pendanaan.

Bagian penghasilan komprehensif lain menyajikan pos-pos untuk jumlah penghasilan komprehensif lain dalam periode berjalan, diklasifikasikan berdasarkan sifat (termasuk bagian penghasilan komprehensif lain dari entitas asosiasi dan ventura bersama yang dicatat menggunakan metode ekuitas) dan dikelompokkan menjadi pos-pos yang:

- a. tidak akan direklasifikasi lebih lanjut ke laba rugi; dan
- b. akan direklasifikasi lebih lanjut ke laba rugi ketika kondisi tertentu terpenuhi.

Kelompok Usaha menerapkan PSAK No. 25 (Penyesuaian 2015), "Kebijakan Akuntansi, Perubahan Estimasi Akuntansi dan Kesalahan", yang memberikan koreksi editorial tentang keterbatasan penerapan retrospektif. Ketika entitas menerapkan suatu kebijakan akuntansi secara retrospektif atau membuat penyajian kembali pos-pos laporan keuangan atau ketika entitas mereklasifikasi pos-pos dalam laporan keuangan maka laporan posisi keuangan pada awal periode komparatif disajikan.

Mata uang penyajian yang digunakan dalam penyusunan laporan keuangan konsolidasian adalah mata uang Rupiah ("Rp"), yang juga merupakan mata uang fungsional Perusahaan dan Entitas Anak tertentu.

**b. Prinsip-prinsip Konsolidasi**

Efektif tanggal 1 Januari 2016, Kelompok Usaha menerapkan Amandemen PSAK No. 15, "Investasi pada Entitas Asosiasi dan Ventura Bersama", PSAK No. 65, "Laporan Keuangan Konsolidasian", dan PSAK No. 67, "Pengungkapan Kepentingan dalam Entitas Lain", tentang Entitas Investasi: Penerapan Pengecualian Konsolidasi. Amandemen ini memberikan klarifikasi atas pengecualian dari penyajian laporan keuangan konsolidasian yang diterapkan pada entitas induk yang merupakan entitas anak dari entitas investasi, ketika entitas investasi tersebut mengukur semua entitas anaknya dengan nilai wajar melalui laba rugi.

Penerapan amandemen ini tidak berdampak terhadap laporan keuangan konsolidasian Kelompok Usaha.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (Continued)**

*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 basis described in the related accounting policies.*

*The consolidated statement of cash flows are prepared using the direct method, and classified into operating, investing and financing activities.*

*The other comprehensive income section shall present line items for amounts of other comprehensive income in the period, classified by nature (including share of the other comprehensive income of associates and joint ventures accounted for using the equity method) and grouped into items that:*

- a. will not be reclassified subsequently to profit or loss; and*
- b. will be reclassified subsequently to profit or loss when specific conditions are met.*

*The Group adopted PSAK No. 25 (Improvement 2015), "Accounting Policies, Changes in Accounting Estimates and Errors," which provides editorial correction on the limitation of retrospective application. When the entity adopts accounting policy retrospectively or restates items in its financial statements or the entity reclassifies the items in its financial statements, the statement of financial position at the beginning of comparative period are presented.*

*The presentation currency used in the preparation of the consolidated financial statements is Indonesian Rupiah ("Rp"), which is also the functional currency of the Company and its certain Subsidiaries.*

**b. Principles of Consolidation**

*Effective January 1, 2016, the Group applied Amendments to PSAK No. 15, "Investments in Associates and Joint Ventures," PSAK No. 65, "Consolidated Financial Statements," and PSAK No. 67, "Disclosures of Interests in Other Entities," on Investment Entities: Applying the Consolidation Exception. These amendments clarify that the exception from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity accounts for its subsidiaries at fair value through profit or loss.*

*The adoption of these amendments has no impact in the Group's consolidated financial statements.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (Lanjutan)**

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 mempengaruhi imbal hasil tersebut melalui kekuasaannya atas *investee*. Dengan demikian, *investor* mengendalikan *investee* jika dan hanya jika *investor* memiliki seluruh hal berikut ini:

- a. kekuasaan atas *investee*;
- b. eksposur atau hak atas imbal hasil variabel dari keterlibatannya dengan *investee*; dan
- c. kemampuan untuk menggunakan kekuasaannya atas *investee* untuk mempengaruhi 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:

- a. memperoleh dana dari satu atau lebih *investor* dengan tujuan memberikan *investor* tersebut jasa manajemen investasi;
- b. 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
- c. mengukur dan mengevaluasi kinerja dan seluruh investasinya berdasarkan nilai wajar.

Entitas induk yang adalah entitas investasi mengukur investasi dalam entitas anak pada nilai wajar melalui laba rugi.

Kepentingan nonpengendali mencerminkan bagian atas laba atau 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.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (Continued)**

An entity (the parent) that controls one or more other entities (subsidiaries) were present consolidated financial statements. Investors, apart of the nature of its involvement with an entity (investee), determine whether the investor is a parent by assessing whether the investor controls 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 the investor has all of the following:

- a. power over the investee;
- b. exposure or rights to variable returns from its involvement with the investee; and
- c. the ability to use its power over the investee to affect the amount of the investor's returns.

Investors reassess whether the investor controls the investee if facts and circumstances indicate that one or more of the three (3) control elements have changed.

Investee is consolidated from the date of the investor obtains control of investee and continues to be consolidated until the date that such control ceases.

A parent determines whether the parent entity is an investment entity. An investment entity is an entity that:

- a. obtains funds from one or more investors for the purpose of providing investment management services;
- b. provides commitment to investors that the business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- c. measures and evaluates the performance of its investments on a fair value basis.

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.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (Lanjutan)**

Seluruh penghasilan komprehensif diatribusikan pada 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 nilai 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:

- a. menghentikan pengakuan aset (termasuk setiap *goodwill*) dan liabilitas entitas anak terdahulu dari laporan posisi keuangan konsolidasian;
- b. 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.
- c. mengakui keuntungan atau kerugian terkait dengan hilangnya pengendalian yang dapat diatribusikan pada kepentingan pengendali terdahulu.

**c. Kombinasi Bisnis**

Efektif tanggal 1 Januari 2016, Kelompok Usaha menerapkan PSAK No. 22 (Penyesuaian 2015), "Kombinasi Bisnis". Penyesuaian ini mengklarifikasi:

- Pengaturan bersama, tidak hanya ventura bersama, adalah di luar dari ruang lingkup PSAK No. 22. Pengecualian ruang lingkup ini diterapkan hanya untuk akuntansi dalam laporan keuangan pengaturan bersama itu sendiri.
- Seluruh imbalan kontinjensi yang timbul dari kombinasi bisnis dan tidak diklasifikasi sebagai ekuitas diukur pada nilai wajar melalui laba rugi, terlepas apakah itu termasuk atau tidak dalam ruang lingkup PSAK No. 55, "Instrumen Keuangan: Pengakuan dan Pengukuran".

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (Continued)**

Total 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:

- a. derecognizes the assets (including goodwill) and liabilities of the former subsidiary from the consolidated statement of financial position.
- b. 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, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.
- c. recognizes the gain or loss associated with the loss of control attributable to the former controlling interest.

**c. Business Combinations**

Effective January 1, 2016, the Group applied PSAK No. 22 (Improvement 2015), "Business Combinations." The improvement clarifies:

- Joint arrangements, not just joint ventures, are outside the scope of PSAK No. 22. This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.
- All contingent consideration arrangements arising from a business combination that not classified as equity should be measured at fair value through profit or loss, whether or not they fall within the scope of PSAK No. 55, "Financial Instruments: Recognition and Measurement."

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (Lanjutan)**

Penerapan penyesuaian ini tidak berdampak terhadap laporan keuangan konsolidasian Kelompok Usaha.

Kombinasi bisnis dicatat dengan metode akuisisi. 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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**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (Continued)**

*The adoption of this improvement has no impact in the Group's consolidated financial statements.*

*Business combinations are accounted for using the acquisition method. 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, 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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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (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 laporan 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 laporan 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.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (Continued)**

If *goodwill* has been allocated to a cash-generating unit and part of the operation within that unit is disposed, the *goodwill* associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. *Goodwill* disposed in these circumstances is measured based on the relative values of the disposed 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 that are 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.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (Lanjutan)**

Pengukuran selanjutnya

- Aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi (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.

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 tersedia untuk dijual (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.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (Continued)**

Subsequent measurement

- *Financial assets at fair value through profit or loss (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 selling or repurchasing in the near term. Derivative assets are also classified as held for trading unless they are designated as effective hedging instruments.*

*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.*

- *Available-for-sale (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 is 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.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (Lanjutan)**

Penurunan nilai aset keuangan

Pada setiap tanggal pelaporan, Kelompok Usaha mengevaluasi apakah aset keuangannya mengalami penurunan nilai.

- Aset keuangan yang diukur pada biaya perolehan diamortisasi

Jika terdapat bukti objektif penurunan nilai, maka jumlah kerugian tersebut, yang diukur sebagai selisih antara nilai 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 tersedia untuk dijual (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.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (Continued)**

Impairment of financial assets

*The Group evaluates at each reporting date, whether any of its financial asset is impaired.*

- *Financial assets measured at amortised 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.*

- *Available-for-sale (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 shall derecognize financial assets, when and only when: 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 shall evaluate the extent to which it retains the risks and rewards of ownership of the financial asset.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (Lanjutan)**

**(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.

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 mengurangkan 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.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (Continued)**

**(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.

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.



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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (Lanjutan)**

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. 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 kadaluwarsa.

**(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.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (Continued)**

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. 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 amortised 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 when, and only when 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.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (Lanjutan)**

**(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.

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 (contoh, dokumen formal, penetapan dan pengukuran keefektifan transaksi) untuk diakui sebagai "Penghasilan Komprehensif Lainnya" sesuai dengan tipe akuntansi lindung nilai tertentu terpenuhi.

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 nilai 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.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
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**(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.*

*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 be 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.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
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**(6) Nilai wajar dari instrumen keuangan**

Efektif tanggal 1 Januari 2016, Kelompok Usaha menerapkan PSAK No. 68 (Penyesuaian 2015), "Pengukuran Nilai Wajar", yang mengklarifikasi bahwa pengecualian portofolio, yang memperkenankan entitas mengukur nilai wajar kelompok aset keuangan dan liabilitas keuangan secara neto, termasuk semua kontrak (termasuk kontrak nonkeuangan) dalam ruang lingkup PSAK No. 55.

Penerapan penyesuaian ini tidak berdampak terhadap laporan keuangan konsolidasian Kelompok Usaha.

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:

- a. di pasar utama (*principal market*) untuk aset atau liabilitas tersebut; atau
- b. jika tidak terdapat pasar utama, di pasar yang paling menguntungkan 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.

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.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
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**(6) Fair value of financial instruments**

Effective January 1, 2016, the Group applied PSAK No. 68 (Improvement 2015), "Fair Value Measurement," which clarifies that the portfolio exception, which permits an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, includes all contracts (including non-financial contracts) within the scope of PSAK No. 55.

The adoption of this improvement has no impact in the Group's consolidated financial statements.

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:

- a. in the principal market for the asset or liability; or
- b. 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.

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 in its highest and best use or by selling it to another market participant that would use the asset in 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.

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Hirarki nilai wajar dikategorikan dalam tiga (3) level input untuk teknik penilaian yang digunakan dalam pengukuran nilai wajar, sebagai berikut:

- a. *Input* Level 1 - harga kuotasian (tanpa penyesuaian) di pasar aktif untuk aset atau liabilitas yang identik yang dapat diakses entitas pada tanggal pengukuran.
- b. *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.
- c. *Input* Level 3 adalah *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 dengan Pihak-pihak Berelasi**

Efektif tanggal 1 Januari 2016, Kelompok Usaha menerapkan PSAK No. 7 (Penyesuaian 2015), "Pengungkapan Pihak-pihak Berelasi". Penyesuaian ini diterapkan secara retrospektif dan mengklarifikasi bahwa entitas manajemen, yang merupakan entitas yang menyediakan jasa personal manajemen kunci, adalah pihak berelasi yang tunduk kepada pengungkapan pihak berelasi. Disamping itu, entitas yang menggunakan entitas manajemen wajib mengungkapkan biaya yang terjadi atas jasa manajemen.

Penerapan penyesuaian ini tidak berdampak terhadap laporan keuangan konsolidasian Kelompok Usaha.

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.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (Continued)**

*Fair value hierarchy are categorized into three (3) levels the inputs to valuation techniques used to measure fair value, as follows:*

- a. *Level 1 inputs - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.*
- b. *Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.*
- c. *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**

*Effective January 1, 2016, the Group applied PSAK No. 7 (Improvement 2015), "Related Party Disclosures." The improvement is applied retrospectively and clarifies that a management entity, which is an entity that provides key management personnel services, is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.*

*The adoption of this improvement has no impact in the Group's consolidated financial statements.*

*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 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 statement.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
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**g. Persediaan**

Persediaan dinyatakan sebesar nilai yang lebih rendah antara biaya perolehan atau nilai realisasi neto (*lower of cost or net realizable value*), dimana biaya perolehan ditentukan dengan metode rata-rata tertimbang. Penyisihan persediaan usang ditentukan berdasarkan hasil penelaahan atas keadaan persediaan pada akhir tahun.

**h. Biaya Dibayar Dimuka**

Biaya dibayar dimuka diamortisasi sesuai masa manfaat masing-masing biaya dengan menggunakan metode garis lurus.

**i. Investasi pada Entitas Asosiasi dan Entitas  
Pengendalian Bersama**

Sebagaimana diungkapkan dalam Catatan 2b, efektif tanggal 1 Januari 2016, Kelompok Usaha menerapkan Amandemen PSAK No. 15 atas Entitas Investasi: Penerapan Pengecualian Konsolidasi.

Penerapan amandemen 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.

Efektif 1 Januari 2016, Kelompok Usaha menerapkan Amandemen PSAK No. 66, "Pengaturan Bersama", tentang Akuntansi Akuisisi Kepentingan dalam Operasi Bersama. Amandemen ini mensyaratkan bahwa seluruh prinsip kombinasi bisnis dalam PSAK No. 22 dan PSAK lain beserta persyaratan pengungkapannya dapat diterapkan untuk akuisisi kepentingan dalam operasi bersama, yang mana aktivitas dari operasi bersama merupakan bisnis, sepanjang tidak bertentangan dengan pedoman yang ada dalam PSAK No. 66. Amendemen ini juga mengklarifikasi bahwa kepentingan yang dimiliki sebelumnya dalam operasi bersama tidak diukur kembali atas akuisisi kepentingan tambahan dalam operasi bersama yang sama ketika pengendalian bersama ditahan. Disamping itu, ruang lingkup pengecualian atas PSAK No. 66 telah ditambahkan untuk menetapkan bahwa amandemen tidak diterapkan ketika para pihak yang berbagi pengendalian bersama, termasuk entitas pelapor, merupakan entitas sepengendali yang memiliki pihak pengendali terakhir yang sama.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (Continued)**

**g. Inventories**

*Inventories are valued at the lower of cost or net realizable value (NRV), whereby cost is determined by the weighted-average method. Allowance for inventory obsolescence is provided based on a review of the condition of inventories at the end of the year.*

**h. Prepaid Expenses**

*Prepaid expenses are amortized over the periods benefited using the straight-line method.*

**i. Investments in Associates and Jointly-Controlled  
Entities**

*As disclosed in Note 2b, effective January 1, 2016, the Group applied Amendment to PSAK No. 15 on Investment Entities: Applying the Consolidation Exception.*

*The adoption of this amendment has no impact in the Group's consolidated financial statements.*

*An associate is an entity, over which the Group has significant influence and that 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.*

*Effective January 1, 2016, the Group applied Amendment to PSAK No. 66, "Joint Arrangements," on Accounting for Acquisitions of Interest in Joint Operations. The amendment requires that all principles on business combinations accounting in PSAK No. 22 and other PSAKs and the disclosures requirements applicable to the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, to the extent that do not conflict with the guidance in PSAK No. 66. The amendment also clarifies that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to PSAK No. 66 to specify that the amendment does not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
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Penerapan amandemen ini tidak berdampak terhadap laporan keuangan konsolidasian Kelompok Usaha.

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.

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 dikurangi 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 nilai 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 bila 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.

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*The adoption of this amendment has no impact in the Group's consolidated financial statements.*

*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.*

*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 and 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 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.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
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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.

**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. Nilai 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 2016, Kelompok Usaha menerapkan Amandemen PSAK No. 16, "Aset Tetap", tentang Klarifikasi Metode yang Diterima untuk Penyusutan dan Amortisasi, serta PSAK No. 16 (Penyesuaian 2015), "Aset Tetap". Amandemen dan penyesuaian ini memberikan:

- tambahan penjelasan tentang indikasi perkiraan keusangan teknis atau komersial suatu aset.
- klarifikasi bahwa penggunaan metode penyusutan yang berdasarkan pada pendapatan adalah tidak tepat.
- klarifikasi terkait model revaluasi, bahwa ketika entitas menggunakan model revaluasi, jumlah tercatat aset disajikan kembali pada jumlah revaluasiannya.

Penerapan amandemen dan penyesuaian 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 berdasarkan taksiran masa manfaat ekonomis aset tetap 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

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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.

**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, 2016, the Group applied Amendment to PSAK No. 16, "Fixed Assets," on Clarification of the Accepted Method for Depreciation and Amortization, as well as PSAK No. 16 (Improvement 2015), "Fixed Assets." The amendment and improvement provide:

- additional explanation of the approximate indication of the technical or commercial obsolescence of an asset.
- clarification that use of the depreciation method based on revenue is not appropriate.
- clarification of the revaluation model, that when an entity uses the revaluation model, the carrying amount of the asset is restated at revalued amount.

The adoption of these amendment and improvement has no impact in the Group's consolidated financial statements.

The Group has chosen the cost model as the accounting policy for its fixed assets measurement.

Depreciation is computed using the straight-line method based on the estimated useful lives of the assets as follows:

	Tahun/Years	
Prasarana tanah	5 - 30	Land improvements
Bangunan dan prasarana	4 - 20	Buildings and improvements
Mesin dan peralatan	5 - 20	Machinery and equipment
Peralatan telekomunikasi	10 - 15	Telecommunication equipment
Alat-alat pengangkutan	3 - 20	Transportation equipment
Perabotan dan peralatan kantor	3 - 10	Office equipment

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
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Umur manfaat dan metode penyusutan aset ditelaah dan disesuaikan secara prospektif, pada setiap akhir tahun buku.

Penyusutan mesin dan peralatan BPI dan SEAPI dihitung dengan menggunakan metode unit produksi keluaran.

Tanah dinyatakan sebesar harga perolehan dan tidak disusutkan. Sedangkan hak atas tanah yang dimiliki SEAPI yang disusutkan selama 20 tahun dengan menggunakan metode garis lurus.

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. Laba atau rugi yang timbul dari penghentian pengakuan aset dimasukkan dalam laba rugi pada tahun aset tersebut dihentikan pengakuannya.

Aset dalam penyelesaian dinyatakan 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 berhenti pada saat aset selesai dan siap digunakan.

**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 nilai tercatatnya, nilai tercatat aset harus diturunkan menjadi sebesar jumlah terpulihkan. Kerugian penurunan nilai diakui segera dalam laba rugi.

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*The assets useful lives and methods of depreciation are reviewed, and adjusted prospectively if appropriated, at each financial year end.*

*The depreciation of BPI and SEAPI's machinery and equipment are computed using the unit of production output method.*

*Land is stated at cost and is not depreciated. While landrights owned by SEAPI are depreciated over 20 years using the straight method.*

*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 the asset is derecognized.*

*Construction progress is 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.*

**I. Impairment of Non-Financial 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.*



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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.

**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. 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.

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*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.*

**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. 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.*

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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 nilai 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.

**o. 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 mengalihkan tingkat kapitalisasi tertentu terhadap pengeluaran untuk aset kualifikasian tersebut.

**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. Beban Ditangguhkan**

Biaya yang timbul sehubungan dengan pengembangan produk ditangguhkan dan diamortisasi dengan menggunakan metode garis lurus selama perkiraan masa manfaat masing-masing biaya.

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*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.*

**o. 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.*

**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. Deferred Charges**

*Costs incurred in connection with the product development are deferred and amortized using the straight-line method based on the estimated beneficial periods.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
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**r. Selisih Nilai Transaksi dengan 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 "Tambahkan Modal Disetor" dalam laporan posisi keuangan konsolidasian.

**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 handal. 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.

**Pendapatan diterima dimuka**

Pendapatan sewa dan jasa ditagihkan di muka 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.

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**r. Difference in Value from Transaction with  
Entities 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.*

**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.*

**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 statement of financial position.*

**Other revenue**

*Revenues from other services are recognized when the services are rendered.*

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**Pengakuan beban**

Beban diakui pada saat terjadinya (basis akrual).

**t. Imbalan Kerja**

Efektif tanggal 1 Januari 2016, Kelompok Usaha menerapkan Amandemen PSAK No. 24, "Imbalan Kerja", tentang Program Imbalan Pasti: Iuran Pekerja, yang mensyaratkan entitas untuk mempertimbangkan iuran dari pekerja atau pihak ketiga ketika memperhitungkan program manfaat pasti. Ketika iuran tersebut sehubungan dengan jasa, iuran tersebut harus diatribusikan pada periode jasa sebagai imbalan negatif. Amandemen ini mengklarifikasi bahwa, jika jumlah iuran tidak bergantung pada jumlah tahun jasa, entitas diperbolehkan untuk mengakui iuran tersebut sebagai pengurang dari biaya jasa dalam periode ketika jasa terkait diberikan, daripada mengalokasikan iuran tersebut pada periode jasa.

Penerapan amandemen ini tidak berdampak terhadap laporan keuangan konsolidasian Kelompok Usaha.

PSAK No. 24 memberikan, antara lain, sebagai berikut:

- Laba dan rugi aktuarial kini diwajibkan diakui dalam penghasilan komprehensif lain dan dikeluarkan secara permanen dari laba rugi.
- Biaya jasa lalu yang belum vested tidak dapat ditangguhkan lagi dan diakui selama periode vesting masa depan. Sebaliknya, semua biaya jasa lalu akan diakui pada saat yang lebih dulu antara ketika amandemen/kurtailmen terjadi atau ketika Kelompok Usaha mengakui biaya restrukturisasi atau keputusan hubungan kerja terkait.

Kelompok Usaha menentukan liabilitas imbalan kerja 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.

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**Expenses recognition**

Expenses are recognized when incurred (accrual basis).

**t. Employee Benefits**

Effective January 1, 2016, the Group applied Amendment to PSAK No. 24, "Employee Benefits," on Defined Benefit Plans: Employee Contributions, which requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. When the contributions are linked to service, they should be attributed to periods of service as a negative benefit. This amendment clarify that, if the amount of the contributions is independent of the number of service years, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service.

The adoption of this amendment has no impact in the Group's consolidated financial statements.

PSAK No. 24 provides, among others, as follows:

- Actuarial gains and losses are now required to be recognized in other comprehensive income and excluded permanently from profit or loss.
- Unvested past service costs can no longer be deferred and recognized over the future vesting period. Instead, all past service costs will be recognized at the earlier of when the amendment/curtailment occurs or when the Group recognizes related restructuring or termination costs.

The Group determines its employee benefits liabilities 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.

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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 penyisihan atas kekurangannya.

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:

- a. biaya jasa dalam laba rugi;
- b. bunga neto atas liabilitas (aset) imbalan pasti neto dalam laba rugi; dan
- c. 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:

- a. keuntungan dan kerugian aktuarial;
- b. imbal hasil atas aset program, tidak termasuk jumlah yang dimasukkan dalam bunga neto atas liabilitas (aset) imbalan pasti neto; dan
- c. 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.

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*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.*

*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 SAKs require or permit such costs as the acquisition cost of the asset, as follows:*

- a. service cost in profit or loss;*
- b. net interest on net liability (asset) of defined benefits in profit or loss; and*
- c. remeasurement of the net liability (asset) of defined benefit in other comprehensive income.*

*Remeasurement on net liability (asset) of defined benefits 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 benefits consists of:*

- a. actuarial gains and losses;*
- b. return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and*
- c. 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.*

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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. 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.

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. Laba atau rugi 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.

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*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. Before determining the past service cost, gains or losses on the settlement, the Group shall remeasure the net liability (asset) of defined benefits 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.*

*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 benefits 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 resulted 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.*

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Kurs penutup yang digunakan pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

	<u>2016</u>	<u>2015</u>	
Pound Sterling	16.508	20.451	Pound Sterling
Euro	14.162	15.070	Euro
Dolar Amerika Serikat	13.436	13.795	US Dollar
Dolar Australia	9.724	10.064	Australian Dollar
Dolar Singapura	9.299	9.751	Singapore Dollar
Dolar Hongkong	1.732	1.780	Hongkong Dollar
Yen Jepang	115	115	Japanese Yen

**v. Perpajakan**

**(1) Pajak Penghasilan**

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.

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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (Continued)**

The closing exchange rates used as of December 31, 2016 and 2015, were as follows:

	<u>2016</u>	<u>2015</u>	
Pound Sterling	16.508	20.451	Pound Sterling
Euro	14.162	15.070	Euro
Dolar Amerika Serikat	13.436	13.795	US Dollar
Dolar Australia	9.724	10.064	Australian Dollar
Dolar Singapura	9.299	9.751	Singapore Dollar
Dolar Hongkong	1.732	1.780	Hongkong Dollar
Yen Jepang	115	115	Japanese Yen

**v. Taxation**

**(1) Income Taxes**

Current tax expense is provided based on the estimated taxable income 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.

Current tax assets and current tax liabilities are offset if, and only if, the entity has a legally enforceable right to set off the recognised 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.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (Lanjutan)**

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). Pernyataan ini berlaku efektif sejak tanggal pengesahan UU Pengampunan Pajak.

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 pos "Tambah 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.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
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*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 Law No. 11 Year 2016 on Tax Amnesty (Tax Amnesty Law). This statement becomes effective from the date of enactment of the Tax Amnesty Law.*

*The Group has 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 the 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.*



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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
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Pengukuran setelah Pengakuan Awal

Setelah pengakuan awal, Kelompok Usaha 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.

Penghentian Pengakuan

Aset dan liabilitas Pengampunan Pajak dihentikan pengakuannya sesuai dengan ketentuan SAK untuk masing-masing jenis aset dan liabilitas tersebut.

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.

**w. Informasi Segmen**

Efektif tanggal 1 Januari 2016, Kelompok Usaha menerapkan PSAK No. 5 (Penyesuaian 2015), "Segmen Operasi". Amandemen ini mengklarifikasi:

- Entitas mengungkapkan pertimbangan yang dibuat oleh manajemen dalam penerapan kriteria agregasi PSAK No. 5 paragraf 12 termasuk penjelasan singkat mengenai segmen operasi yang digabungkan dan karakteristik ekonomi.
- Pengungkapan rekonsiliasi aset segmen terhadap total aset jika rekonsiliasi dilaporkan kepada pengambil keputusan operasional, demikian juga untuk pengungkapan liabilitas 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.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
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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 SAKs 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.

Derecognition

Assets and liabilities under Tax Amnesty are derecognized in accordance with the provisions of SAKs for each type of asset and liability.

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.

**w. Segment Information**

Effective January 1, 2016, the Group applied PSAK No. 5 (Improvement 2015), "Operating Segments." The improvement clarifies that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of PSAK No. 5 including a brief description of operating segments that have been aggregated and the economic characteristics.
- Disclosure of the reconciliation of segment assets to total assets if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

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.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
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**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**

Efektif tanggal 1 Januari 2016, Kelompok Usaha menerapkan ISAK No. 30, "Pungutan", yang merupakan interpretasi atas PSAK No. 57, "Provisi, Liabilitas Kontinjensi dan Aset Kontinjensi". ISAK No. 30 mengklarifikasi akuntansi liabilitas untuk membayar pungutan, selain pajak penghasilan yang berada dalam ruang lingkup PSAK No. 46, "Pajak Penghasilan" serta denda lain atas pelanggaran perundang-undangan, kepada Pemerintah.

Penerapan interpretasi ini tidak berdampak terhadap laporan keuangan konsolidasian Kelompok Usaha.

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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**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
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**x. Earning or Loss per Share**

Basic earning or loss per share are calculated by dividing profit or loss 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 profit or loss 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**

Effective January 1, 2016, the Group applied ISAK No. 30, "Levies," which represents an interpretation of PSAK No. 57, "Provisions, Contingent Liabilities and Contingent Assets." ISAK No. 30 clarifies the accounting for liability to pay levy, other than income taxes within the scope of PSAK No. 46, "Income Taxes" and other penalties on violations of law to the Government.

The adoption of this interpretation has no impact in the Group's consolidated financial statements.

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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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
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**z. Dividen**

Pembagian dividen final diakui sebagai liabilitas ketika dividen tersebut disetujui Rapat Umum Pemegang Saham Perseroan. Pembagian dividen diakui sebagai liabilitas ketika dividen disetujui berdasarkan keputusan rapat Direksi sesuai dengan Anggaran Dasar Perseroan.

**aa. 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:

- a) cadangan umum;
- b) cadangan khusus;
- c) selisih penilaian aset dan liabilitas dan selisih penilaian yang sejenisnya;
- d) tambahan modal disetor dan sejenisnya; dan

- e) modal saham.

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 43, Perusahaan melakukan kuasi-reorganisasi pada tanggal 30 Juni 2011 mengikuti persyaratan dari PSAK di atas.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
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**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. 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:*

- a) legal reserve;*
- b) special reserve;*
- c) revaluation increment on assets and liabilities; and other revaluation increments*
- d) additional paid-in capital and the similar accounts, and*
- e) share capital.*

*In addition, under PSAK No. 38 (Revised 2012), the account balance of 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 43, the Company conducted quasi-reorganization as of June 30, 2011 following the provisions of the above PSAK.*

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**3. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG PENTING**

Penyusunan laporan keuangan konsolidasian sesuai, dengan Standar Akuntansi Keuangan di Indonesia, mewajibkan manajemen untuk membuat pertimbangan, estimasi dan asumsi yang mempengaruhi 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 asumsi dan estimasi pada parameter yang tersedia pada saat laporan keuangan konsolidasian disusun. Asumsi dan situasi mengenai perkembangan masa depan mungkin berubah akibat perubahan pasar atau situasi di luar kendali Kelompok Usaha. Perubahan tersebut dicerminkan dalam asumsi terkait pada saat terjadinya.

Pertimbangan, estimasi dan asumsi 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 mempengaruhi harga jual barang dan jasa; dari negara yang kekuatan persaingan dan peraturannya sebagian besar menentukan harga jual barang dan jasa entitas;
- yang paling mempengaruhi 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.

Berdasarkan substansi ekonomis dari kondisi yang sesuai dengan Kelompok Usaha, mata uang fungsional telah ditentukan berupa Rupiah (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 Rupiah.

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 2e.

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**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

*The preparation of consolidated financial statements, in conformity with Indonesian Financial Accounting Standards, requires management to make judgments, estimations and assumptions 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 assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions as they occur.*

*The following judgments, estimates and assumptions 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 labour, 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.*

*Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency has been determined to be Rupiah (Rp), as this reflected the fact that majority of the Group's businesses are influenced by primary economic environment in which the Group operates and sales prices for goods in Rupiah currency.*

*Determining classification of financial assets and financial liabilities*

*The Group determines 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 are accounted for in accordance with the Group's accounting policies disclosed in Note 2e.*

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**3. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG  
PENTING (Lanjutan)**

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 obyektif yang dapat diverifikasi, jumlah nilai wajar atau amortisasi dapat berbeda bila Kelompok Usaha menggunakan metodologi penilaian atau asumsi yang berbeda. Perubahan tersebut dapat mempengaruhi secara langsung laba atau rugi Kelompok Usaha. Penjelasan lebih rinci diungkapkan dalam Catatan 41.

Menilai jumlah terpulihkan dari aset keuangan

Kelompok Usaha mengevaluasi akun piutang tertentu yang diketahui bahwa pelanggan tertentu tidak dapat memenuhi kewajibannya. 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 mempengaruhi jumlah penyisihan atas penurunan nilai piutang. Penjelasan lebih rinci diungkapkan dalam Catatan 6 dan 7.

Menilai jumlah terpulihkan dari aset non-keuangan

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 mempengaruhi jumlah yang diestimasi. Penjelasan lebih rinci diungkapkan dalam Catatan 8.

Jumlah pemulihan atas 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 dan 14.

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**3. CRITICAL ACCOUNTING ESTIMATES AND  
JUDGMENTS (Continued)**

Determining fair value and calculation of cost  
amortization of financial instruments

The Group records certain financial assets and liabilities at fair values and at amortized costs, which requires 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 are disclosed in Note 41.

Assessing recoverable amounts of financial assets

The Group evaluates specific accounts receivable where it has information that certain customers are unable to meet their financial obligations. In these cases, the Group uses 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 reduce its receivable amounts that the Group expects to collect. These specific provisions are re-evaluated and adjusted as additional information received affects the provision for impairment. Further details are disclosed in Notes 6 and 7.

Assessing recoverable amounts of non-financial assets

Allowance for decline in market value and obsolescence of inventories is 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 are re-evaluated and adjusted as additional information received affects the amount estimated. Further details are disclosed in Note 8.

The recoverable amounts of fixed assets and project development costs are 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 are disclosed in Notes 13 and 14.

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**3. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG  
PENTING (Lanjutan)**

Menentukan metode penyusutan dan estimasi umur  
manfaat aset tetap

Biaya perolehan aset tetap disusutkan dengan menggunakan metode garis lurus, metode saldo menurun ganda dan unit produksi 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 mempengaruhi masa manfaat ekonomis dan nilai sisa aset, dan karenanya biaya penyusutan masa depan mungkin direvisi. Penjelasan lebih rinci diungkapkan dalam Catatan 2k dan 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 11.

Estimasi beban pensiun dan imbalan kerja

Penentuan kewajiban dan biaya pensiun dan liabilitas imbalan kerja Kelompok Usaha bergantung pada pemilihan asumsi yang digunakan oleh aktuaris independen dalam menghitung jumlah-jumlah tersebut. Asumsi tersebut termasuk antara lain, tingkat diskonto, tingkat kenaikan gaji tahunan, tingkat pengunduran diri karyawan tahunan, tingkat kecacatan, umur pensiun dan tingkat kematian. 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 mempengaruhi secara material liabilitas diestimasi atas pensiun dan imbalan kerja dan beban imbalan kerja neto. Penjelasan lebih rinci diungkapkan dalam Catatan 2t dan 34.

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 berdasarkan estimasi apakah akan terdapat tambahan pajak penghasilan badan. Penjelasan lebih rinci diungkapkan dalam Catatan 33.

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**3. CRITICAL ACCOUNTING ESTIMATES AND  
JUDGMENTS (Continued)**

Determining depreciation method and estimated useful  
lives of fixed assets

The costs of fixed assets are depreciated on a straight-line basis, double-decline balance and unit production basis over their estimated useful lives and the industry of each Subsidiary. Management estimates the useful lives of these fixed assets to be within 3 years to 30 years. These are common life expectancies applied in the industries in which the Group conducts 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 Notes 2k and 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 is the majority shareholder with the greater interest of other shareholders.
- has the power to participate in the financial and operating policy decisions.

Further details are disclosed in Note 11.

Estimation pension cost and employee benefits

The determination of the Group's obligations and cost for pension and employee benefits liabilities is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. These assumptions include among others, discount rates, annual salary increase rate, annual employee turnover rate, disability rate, retirement age and mortality rate. While the Group believes that its assumptions are reasonable and appropriate, significant differences in the Group's actual results or significant changes in the Group's assumptions may materially affect its estimated liabilities for pension and employee benefits and net employee benefits expense. Further details are disclosed in Notes 2t and 34.

Determining income taxes

Significant judgment is involved in determining provision for corporate income tax. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for expected corporate income tax issues based on estimates as to whether additional corporate income tax will be due. Further details are disclosed in Note 33.

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**3. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG PENTING (Lanjutan)**

Kelompok Usaha menelaah aset pajak tangguhan pada setiap tanggal pelaporan dan mengurangi nilai 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 33.

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 berdasarkan pertimbangan manajemen yang mungkin berubah akibat perubahan situasi di masa mendatang yang di luar kendali Kelompok Usaha. Penjelasan lebih rinci diungkapkan dalam Catatan 47.

**4. KAS DAN SETARA KAS**

	<u>2016</u>	<u>2015</u>
<b>Kas</b>		
Rupiah	1.078	1.034
Dolar AS	27	28
Dolar Singapura	<u>2</u>	<u>2</u>
<b>Total kas</b>	<u>1.107</u>	<u>1.064</u>

**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)**

The Group reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is 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 reviews the expected timing and tax rates upon reversal of temporary differences and adjusts the impact of deferred tax accordingly. Further details are disclosed in Note 33.

Evaluating provisions and contingencies

The Group exercises 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 are 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 are 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 are disclosed in Note 47.

**4. CASH AND CASH EQUIVALENTS**

**Cash on hand**  
Rupiah  
US Dollar  
Singaporean Dollar  
**Total cash on hand**

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**4. KAS DAN SETARA KAS (Lanjutan)**

**4. CASH AND CASH EQUIVALENTS (Continued)**

	<u>2016</u>	<u>2015</u>	
<b>Kas di bank</b>			<b>Cash in banks</b>
Rupiah			Rupiah
PT Bank Central Asia Tbk	31.127	24.936	PT Bank Central Asia Tbk
PT Bank Mandiri (Persero) Tbk	22.399	21.852	PT Bank Mandiri (Persero) Tbk
PT Bank Mega Tbk	14.836	429	PT Bank Mega Tbk
PT Bank Rakyat Indonesia (Persero) Tbk	7.964	18.379	PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank Negara Indonesia (Persero) Tbk	4.400	5.347	PT Bank Negara Indonesia (Persero) Tbk
PT Bank Muamalat Indonesia Tbk	3.269	4.169	PT Bank Muamalat Indonesia Tbk
PT Bank Negara Indonesia Syariah	3.182	5.312	PT Bank Negara Indonesia Syariah
PT Bank Bukopin Tbk	1.661	2.594	PT Bank Bukopin Tbk
PT Bank MNC Internasional Tbk	1.217	8.599	PT Bank MNC Internasional Tbk
PT Bank Permata Tbk	1.064	129	PT Bank Permata Tbk
PT Bank DKI	509	2.297	PT Bank DKI
PT Bank Artha Graha Tbk	266	1.123	PT Bank Artha Graha Tbk
Lain-lain (di bawah Rp1 miliar)	2.529	2.473	Others (below Rp1 billion)
Sub-total	<u>94.423</u>	<u>97.639</u>	Sub-total
Mata uang asing			Foreign currencies
PT Bank Mandiri (Persero) Tbk	14.541	160.364	PT Bank Mandiri (Persero) Tbk
PT Bank Rakyat Indonesia (Persero) Tbk	20.126	66.933	PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank Maybank Indonesia Tbk	7.136	579	PT Bank Maybank Indonesia Tbk
PT Bank Central Asia Tbk	2.193	2.436	PT Bank Central Asia Tbk
PT Bank Negara Indonesia (Persero) Tbk	1.287	2.407	PT Bank Negara Indonesia (Persero) Tbk
PT Bank Mega Tbk	833	13.255	PT Bank Mega Tbk
PT Bank Pembangunan Daerah Jawa Timur	-	7.028	PT Bank Pembangunan Daerah Jawa Timur
Lain-lain (di bawah Rp1 miliar)	3.513	4.317	Others (below Rp1 billion)
Sub-total	<u>49.629</u>	<u>257.319</u>	Sub-total
Total kas di bank	<u>144.052</u>	<u>354.958</u>	Total cash in banks
<b>Setara kas</b>			<b>Cash equivalents</b>
Deposito berjangka			Time deposits
Rupiah			Rupiah
Lain-lain (di bawah Rp1 miliar)	604	-	Others (below Rp1 billion)
Mata uang asing			Foreign currencies
PT Bank Mega Tbk	-	62.078	PT Bank Mega Tbk
Total setara kas	<u>604</u>	<u>62.078</u>	Total cash equivalents
<b>Total</b>	<u><b>145.763</b></u>	<u><b>418.100</b></u>	<b>Total</b>



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**4. KAS DAN SETARA KAS (Lanjutan)**

Kisaran suku bunga tahunan untuk deposito berjangka adalah sebagai berikut:

	<u>2016</u>	<u>2015</u>	
Rupiah	4,25% - 5,25%	-	Rupiah
Dolar AS	-	0,25% - 1,00%	US Dollar

Seluruh kas dan setara kas ditempatkan pada pihak ketiga.

**4. CASH AND CASH EQUIVALENTS (Continued)**

The annual interest rates of time deposits were as follows:

	<u>2016</u>	<u>2015</u>	
Rupiah	4,25% - 5,25%	-	Rupiah
Dolar AS	-	0,25% - 1,00%	US Dollar

All placements in cash and cash equivalents were with third parties.

Rincian kas dan setara kas berdasarkan mata uang adalah sebagai berikut:

Details of cash and cash equivalents based on currencies were as follows:

<u>Mata uang</u>	<u>2016</u>	<u>2015</u>	<u>Currencies</u>
Dolar AS	49.585	319.283	US Dollar
Rupiah	96.105	98.674	Rupiah
Yen Jepang	71	141	Japanese Yen
Dolar Singapura	2	2	Singaporean Dollar
<b>Total</b>	<b><u>145.763</u></b>	<b><u>418.100</u></b>	<b>Total</b>

**5. INVESTASI JANGKA PENDEK**

	<u>2016</u>	<u>2015</u>	
<b>Pihak Ketiga Dimiliki untuk diperdagangkan</b>			<b>Third parties Held-for-trading</b>
Dana investasi (USD)			Investment funds (USD)
Skytrend Investments Holdings Ltd.	900.132	900.132	Skytrend Investments Holdings Ltd.
Purple Rain Resources Ltd.	343.494	340.867	Purple Rain Resources Ltd.
Sub-total	<u>1.243.626</u>	<u>1.240.999</u>	Sub-total

<b>Saham yang diperdagangkan</b>			<b>Marketable securities</b>
PT Tambang Batubara Bukit Asam Tbk	1.250	-	PT Tambang Batubara Bukit Asam Tbk
PT Waskita Karya (Persero) Tbk	1.148	-	PT Waskita Karya (Persero) Tbk
PT Waskita Beton Precast Tbk	1.110	-	PT Waskita Beton Precast Tbk
PT United Tractors Tbk	1.063	1.392	PT United Tractors Tbk
PT Bank Rakyat Indonesia (Persero) Tbk	1.051	-	PT Bank Rakyat Indonesia (Persero) Tbk
PT PP London Sumatra Indonesia Tbk	1.046	-	PT PP London Sumatra Indonesia Tbk
Lain-lain (dibawah Rp1 miliar)	7.998	10.682	Others (Below Rp1 billion)
Sub-total	<u>14.666</u>	<u>12.074</u>	Sub-total

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**5. INVESTASI JANGKA PENDEK (Lanjutan)**

	2016	2015
<b>Pinjaman dan piutang</b>		
Deposito berjangka		
PT Bank Mandiri (Persero) Tbk	2.200	2.200
Total pihak ketiga	1.260.492	1.255.273
Dikurangi penyisihan penurunan nilai investasi	(900.132)	(900.132)
Neto pihak ketiga	360.360	355.141
<b>Pihak berelasi (Catatan 36a)</b>		
<b>Efek tersedia untuk dijual</b>		
Efek ekuitas tercatat		
PT Bumi Resources Tbk (BUMI)	157.178	27.429
PT Bakrie Sumatera Plantation Tbk (UNSP)	18.643	18.643
PT Darma Henwa Tbk (DEWA)	14.710	-
PT Bakrieland Development Tbk (ELTY)	3.597	3.601
PT Bakrie Telecom Tbk (BTEL)	2.152	32.278
PT Energi Mega Persada Tbk (ENRG)	5	1.588
Total pihak berelasi	196.285	83.539
<b>Neto</b>	<b>556.645</b>	<b>438.680</b>

Rincian investasi jangka pendek berdasarkan mata uang adalah sebagai berikut:

Mata uang	2016	2015
Dolar AS	343.494	340.867
Rupiah	213.151	97.813
<b>Total</b>	<b>556.645</b>	<b>438.680</b>

**Efek Tersedia untuk Dijual**

Perusahaan memiliki saham di BUMI, ELTY, ENRG, UNSP, BTEL dan DEWA masing-masing sejumlah 548,6 juta saham, 71,9 juta saham, 0,1 juta saham, 372,9 juta saham, 43,0 juta saham dan 294,2 juta saham. Dalam hal terjadi perbedaan jumlah kepemilikan dengan laporan keuangan BUMI, ELTY, ENRG, UNSP, BTEL dan DEWA, hal ini disebabkan oleh saham-saham yang dijadikan jaminan oleh Perusahaan ke kreditur telah berubah kepemilikan.

Sampai dengan tanggal 31 Desember 2016, sejumlah efek ekuitas pada BUMI dan UNSP masing-masing sebesar 548,6 juta saham dan 322,8 juta saham digunakan Perusahaan sebagai jaminan untuk utang jangka pendek (Catatan 17o dan 22g).

**5. SHORT-TERM INVESTMENTS (Continued)**

	2016	2015
<b>Loan and receivables</b>		
Time deposits		
PT Bank Mandiri (Persero) Tbk	2.200	2.200
Total third parties	1.260.492	1.255.273
Less allowance for impairment losses of investments	(900.132)	(900.132)
Net third parties	360.360	355.141
<b>Related parties (Note 36a)</b>		
<b>Available-for-sale securities</b>		
Quoted equity securities		
PT Bumi Resources Tbk (BUMI)	157.178	27.429
PT Bakrie Sumatera Plantation Tbk (UNSP)	18.643	18.643
PT Darma Henwa Tbk (DEWA)	14.710	-
PT Bakrieland Development Tbk (ELTY)	3.597	3.601
PT Bakrie Telecom Tbk (BTEL)	2.152	32.278
PT Energi Mega Persada Tbk (ENRG)	5	1.588
Total related parties	196.285	83.539
<b>Net</b>	<b>556.645</b>	<b>438.680</b>

Details of short-term investments based on currencies were as follows:

Currencies	2016	2015
US Dollar	343.494	340.867
Rupiah	213.151	97.813
<b>Total</b>	<b>556.645</b>	<b>438.680</b>

**Available-for-Sale Securities**

The Company has share ownership in BUMI, ELTY, ENRG, UNSP, BTEL and DEWA totaling 548.6 million shares, 71.9 million shares, 0.1 million shares, 372.9 million shares, 43.0 million shares and 294.2 million shares, respectively. Differences in the Company's ownership presented in the financial statements of BUMI, ELTY, ENRG, UNSP, BTEL and DEWA might arise due to shares pledged by the Company to the creditors wherein the ownership has been transferred.

As of December 31, 2016, certain number of equity securities in BUMI and UNSP totaling 548.6 million shares, and 322.8 million shares were used as collateral for the Company's short-term loans (Notes 17o and 22g).

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**5. INVESTASI JANGKA PENDEK (Lanjutan)**

Pada tahun 2015, manajemen Kelompok Usaha memutuskan untuk melakukan penurunan nilai atas efek ekuitas tersedia untuk dijual sehubungan dengan tren penurunan harga pasar saham selama 2 tahun terakhir. Sehingga, Perusahaan mengalihkan rugi yang belum terealisasi atas perubahan nilai investasi jangka pendek sebesar Rp40,1 juta dan mencatat rugi terealisasi yang jumlah tersebut di dalam laporan laba rugi dan penghasilan komprehensif lain.

Laba yang belum terealisasi atas perubahan nilai investasi jangka pendek yang disajikan sebagai bagian dari ekuitas pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar Rp125,1 miliar dan Rp40,2 miliar.

**Dimiliki untuk diperdagangkan**

Pada tanggal 31 Desember 2015, manajemen Kelompok Usaha memutuskan untuk melakukan penurunan nilai atas investasi di Skytrend Investment Holdings Ltd sehubungan dengan melemahnya perekonomian global serta tren penurunan harga komoditi unggulan dan harga pasar saham selama 2 tahun terakhir.

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 31 Desember 2016 dan 2015, nilai buku neto investasi dimiliki untuk perdagangan masing-masing sebesar Rp343,5 miliar (setara dengan USD25,6 juta) dan Rp340,9 miliar (setara dengan USD24,7 juta).

**Pinjaman dan piutang**

Deposito berjangka merupakan penempatan dana dengan jangka waktu empat (4) sampai dengan enam (6) bulan dengan tingkat bunga berkisar antara 5,5% sampai dengan 6,25% per tahun.

Manajemen berkeyakinan bahwa tidak terdapat kejadian-kejadian atau perubahan-perubahan keadaan yang mengindikasikan adanya penambahan penurunan nilai investasi jangka pendek pada tanggal 31 Desember 2016.

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**5. SHORT-TERM INVESTMENTS (Continued)**

*In 2015, the Group's management decided to impair the available-for-sale equity securities due to the downward trend of the market price of shares for the past 2 years. Thus, the Company reversed the unrealized loss for changes in value of short-term investments amounting to Rp40.1 million and recognized loss of the same amount in the statements of profit or loss and other comprehensive income.*

*Unrealized gain for changes in the value of short-term investments presented as part of equity as of December 31, 2016 and 2015 amounted to Rp125.1 billion and 40.2 billion, respectively.*

**Held-for-trading**

*As of December 31, 2015, the Group's management decided to impair the investment in Skytrend Investment Holdings Ltd due to broad economic slowdown, the downward trend of the main commodities's price and the market price of shares for the past 2 years.*

*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.*

*As of December 31, 2016 and 2015, net book value of investments held-for-trading amounted to Rp343.5 billion (equivalent to USD25.6 million) and Rp340.9 billion (equivalent to USD24.7 million), respectively.*

**Loan and receivables**

*Time deposits represent placements with a term of four (4) to six (6) months with interest rates ranging from 5.5% to 6.25% per annum.*

*The management believes that there were no events on changes in circumstances that indicate any additional impairment in the value of short-term investments as of December 31, 2016.*

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**6. PIUTANG USAHA****6. TRADE RECEIVABLES**

	<u>2016</u>	<u>2015</u>	
<b>Pihak ketiga</b>			<b>Third parties</b>
Piper Price & Company Limited	588.593	642.352	Piper Price & Company Limited
Husky CNOOC Madura Ltd	41.517	-	Husky CNOOC Madura Ltd
PT Alisan Catur Perkasa	28.796	20.017	PT Alisan Catur Perkasa
PT Catur Prima Perkasa	21.078	2.048	PT Catur Prima Perkasa
PT Varia Usaha	17.435	33.893	PT Varia Usaha
John Holland Pte. Ltd.	16.567	17.010	John Holland Pte. Ltd.
PT Hino Motors Manufacturing Indonesia	13.684	14.939	PT Hino Motors Manufacturing Indonesia
PT Punj Lloyd Indonesia	11.262	11.563	PT Punj Lloyd Indonesia
PT Bumi Kaya Steel	-	32.163	PT Bumi Kaya Steel
Lain-lain (di bawah Rp10 miliar)	341.572	403.129	Others (below Rp10 billion)
<b>Total</b>	<b>1.080.504</b>	<b>1.177.114</b>	<b>Total</b>
Dikurangi penyisihan kerugian atas penurunan nilai	(48.268)	(40.247)	Less allowance for impairment loss
<b>Sub-total</b>	<b>1.032.236</b>	<b>1.136.867</b>	<b>Sub-total</b>
<b>Pihak berelasi (Catatan 36b)</b>	<b>14.280</b>	<b>25.701</b>	<b>Related parties (Note 36b)</b>
Dikurangi penyisihan kerugian atas penurunan nilai	-	(931)	Less allowance for impairment losses
<b>Sub-total</b>	<b>14.280</b>	<b>24.770</b>	<b>Sub-total</b>
<b>Total</b>	<b>1.046.516</b>	<b>1.161.637</b>	<b>Total</b>

Mutasi penyisihan kerugian atas penurunan nilai untuk piutang usaha adalah sebagai berikut:

The movements in the allowance for impairment losses on trade receivables were as follows:

	<u>2016</u>	<u>2015</u>	
Saldo awal	41.178	37.395	Beginning balance
Perubahan selama tahun berjalan			Changes during the year
Penyisihan kerugian penurunan nilai	8.066	3.205	Provision for impairment losses
Penghapusan kerugian penurunan nilai	(10)	(3.030)	Write-off impairment losses
Selisih kurs	(966)	3.608	Foreign exchange translation
<b>Saldo Akhir</b>	<b>48.268</b>	<b>41.178</b>	<b>Ending Balance</b>

Rincian daftar umur piutang usaha adalah sebagai berikut:

Details of aging schedule of trade receivables were as follows:

	<u>2016</u>	<u>2015</u>	
Sampai dengan 1 bulan	751.217	738.352	Up to 1 month
1 bulan - 3 bulan	104.031	157.746	1 month - 3 months
3 bulan - 6 bulan	39.449	39.721	3 months - 6 months
6 bulan - 1 tahun	42.058	129.287	6 months - 1 year
Lebih dari 1 tahun	158.029	137.709	Over 1 year
<b>Total</b>	<b>1.094.784</b>	<b>1.202.815</b>	<b>Total</b>
Dikurangi penyisihan kerugian atas penurunan nilai	(48.268)	(41.178)	Less allowance for impairment losses
<b>Neto</b>	<b>1.046.516</b>	<b>1.161.637</b>	<b>Net</b>

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**6. PIUTANG USAHA (Lanjutan)**

Rincian piutang usaha berdasarkan mata uang adalah sebagai berikut:

<b>Mata uang</b>	<b>2016</b>	<b>2015</b>	<b>Currencies</b>
Rupiah	958.892	1.035.517	Rupiah
Dolar AS	87.624	126.120	US Dollar
<b>Total</b>	<b>1.046.516</b>	<b>1.161.637</b>	<b>Total</b>

**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 perpanjangan antara Perusahaan dan PPC, jadwal pembayaran telah diubah beberapa kali, terakhir tanggal 30 September 2017.

Saldo piutang dari PPC pada tanggal 31 Desember 2016 dan 2015 adalah sebesar Rp0,6 triliun.

Manajemen berkeyakinan bahwa penyisihan kerugian atas penurunan nilai piutang usaha adalah cukup untuk menutup kemungkinan kerugian atas tidak tertagihnya piutang usaha.

Pada tanggal 31 Desember 2016 dan 2015, beberapa Entitas Anak menggunakan piutang usaha sebagai jaminan atas pinjaman jangka pendek dan jangka panjang (Catatan 17 dan 22).

**6. TRADE RECEIVABLES (Continued)**

Details of trade receivables based on currencies were as follows:

**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, 2017.

The outstanding balance of receivable from PPC as of December 31, 2016 and 2015 amounted to Rp0.6 trillion.

The management believes that the allowance for impairment losses on trade receivables is adequate to cover any possible losses on uncollectible receivables.

As of December 31, 2016 and 2015, several Subsidiaries used trade receivables, as collateral for short-term and long-term loans (Notes 17 and 22).

**7. PIUTANG LAIN-LAIN**

	<b>2016</b>	<b>2015</b>
<b>Pihak ketiga</b>		
CV Inti Mandiri Sadaya	237.457	-
TJA Power Corporation (Asia) Ltd.	180.245	185.061
Pendapatan belum ditagih	44.119	38.182
PT Suplindo Sejahtera	15.035	19.035
Piutang retensi	7.203	14.842
Penghasilan bunga yang masih harus diterima	-	31.783
Lain-lain (dibawah Rp10 miliar)	40.496	29.626
<b>Total</b>	<b>524.555</b>	<b>318.529</b>
Dikurangi penyisihan kerugian atas penurunan nilai	(79.057)	(8.775)
<b>Neto</b>	<b>445.498</b>	<b>309.754</b>

**7. OTHER RECEIVABLES**

<b>Third parties</b>
CV Inti Mandiri Sadaya
TJA Power Corporation (Asia) Ltd.
Unbilled revenues
PT Suplindo Sejahtera
Retention receivables
Accrued interest income
Others (below Rp10 billion)
<b>Total</b>
Less allowance for impairment losses
<b>Net</b>

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**7. PIUTANG LAIN-LAIN (Lanjutan)**

Mutasi penyisihan kerugian atas penurunan nilai untuk piutang lain-lain adalah sebagai berikut:

	2016	2015
Saldo awal	8.775	9.825
Perubahan selama tahun berjalan		
Penyisihan penurunan nilai	70.282	-
Penghapusan penurunan nilai		(1.050)
<b>Saldo Akhir</b>	<b>79.057</b>	<b>8.775</b>

Rincian piutang lain-lain berdasarkan mata uang adalah sebagai berikut:

Mata uang	2016	2015	Currencies
Rupiah	257.140	108.766	Rupiah
Dolar AS	188.358	200.988	US Dollar
<b>Total</b>	<b>445.498</b>	<b>309.754</b>	<b>Total</b>

**CV Inti Mandiri Sadaya**

Pada tanggal 28 Oktober 2016, Perusahaan mengakui hak tagih dari CV Inti Mandiri Sadaya (IMS) sehubungan dengan layanan teknis yang disediakan oleh PT Bakrie Power (BP).

**TJA Power Corporation (Asia) Ltd.**

Pada tanggal 28 Maret 2012, Entitas Anak, BP memberikan fasilitas pinjaman kepada TJA Power Corporation (Asia) Ltd. (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 dirubah sebagai berikut:

- perpanjangan periode utang untuk dua tahun dan akan jatuh tempo pada tanggal 28 Maret 2016; dan
- bunga pinjaman menjadi 5,5 persen pada tahun kedua, 6,0 persen pada tahun ketiga dan 6,5 persen 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.

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**7. OTHER RECEIVABLES (Continued)**

The movements in the allowance for impairment losses on other receivables were as follows:

	2016	2015
Saldo awal	8.775	9.825
Perubahan selama tahun berjalan		
Provision for impairment losses	70.282	-
Write-off impairment losses		(1.050)
<b>Saldo Akhir</b>	<b>79.057</b>	<b>8.775</b>

Details of others receivables based on currencies were as follows:

Mata uang	2016	2015	Currencies
Rupiah	257.140	108.766	Rupiah
Dolar AS	188.358	200.988	US Dollar
<b>Total</b>	<b>445.498</b>	<b>309.754</b>	<b>Total</b>

**CV Inti Mandiri Sadaya**

On October 28, 2016, the Company recognized receivables from CV Inti Mandiri Sadaya (IMS) in relation to technical services provided by PT Bakrie Power (BP).

**TJA Power Corporation (Asia) Ltd.**

On March 28, 2012, BP, a subsidiary provided a loan facility to TJA Power Corporation (Asia) Ltd. (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 agreement providing a loan facility to TJA was amended as follows:

- extension of the loan period for another two years and will be due on March 28, 2016; and
- annual interest on the loan shall be 5.5 percent for the second year, 6.0 percent for the third year and 6.5 percent for the fourth year.

On August 20, 2015 TJA made assignment to BP of its advances to 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.

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**7. PIUTANG LAIN-LAIN (Lanjutan)**

Pada tanggal 31 Desember 2016 dan 2015, saldo pinjaman adalah sebesar USD13,4 juta (masing-masing setara dengan Rp180 miliar dan Rp185 miliar).

**Pendapatan belum ditagih**

Pendapatan belum ditagih merupakan piutang dari pelanggan atas penjualan barang yang belum ditagihkan.

Manajemen berkeyakinan bahwa penyisihan kerugian atas penurunan nilai piutang lain-lain adalah cukup untuk menutup kemungkinan kerugian atas tidak tertagihnya piutang lain-lain.

**8. PERSEDIAAN**

	<u>2016</u>	<u>2015</u>
Barang jadi	295.911	233.711
Bahan baku	227.264	273.777
Barang dalam proses	89.035	47.657
Bahan pembantu dan suku cadang	75.198	74.357
Lain-lain (dibawah Rp1 miliar)	103	111
Total	687.511	629.613
Dikurangi penyisihan persediaan usang	(7.378)	(18)
<b>Neto</b>	<b><u>680.133</u></b>	<b><u>629.595</u></b>

Berdasarkan hasil penelaahan atas kondisi persediaan, manajemen berkeyakinan bahwa penyisihan persediaan usang cukup untuk menutup kemungkinan kerugian atas penurunan nilai persediaan.

Pada tanggal 31 Desember 2016 dan 2015, persediaan bahan baku dan barang jadi yang dimiliki oleh BMI dan BA masing-masing sebesar Rp454,6 miliar dan Rp370,5 miliar digunakan sebagai jaminan atas pinjaman jangka pendek dan jangka panjang (Catatan 17 dan 22).

Manajemen mengasuransikan persediaan terhadap risiko kebakaran dan risiko lainnya melalui suatu paket polis. Jumlah nilai pertanggungan asuransi persediaan adalah sebesar Rp176,0 miliar dan USD4,0 juta pada tanggal 31 Desember 2016 serta Rp83,2 miliar dan USD6,6 juta pada tanggal 31 Desember 2015. 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 13). Manajemen berkeyakinan bahwa nilai pertanggungan tersebut cukup untuk menutup kemungkinan kerugian dari risiko kebakaran dan risiko tertentu lainnya atas persediaan yang dipertanggungkan.

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**7. OTHER RECEIVABLES (Continued)**

As of December 31, 2016 and 2015, outstanding balance of the loan facility amounted to USD13.4 million (equivalent to Rp180 billion and Rp185 billion, respectively).

**Unbilled revenues**

Unbilled revenues are receivables from customers for goods sold that are not yet billed.

The management believes that the allowance for impairment losses on other receivables is adequate to cover any possible losses on uncollectible other receivables.

**8. INVENTORIES**

	<u>2016</u>	<u>2015</u>
Barang jadi	295.911	233.711
Bahan baku	227.264	273.777
Barang dalam proses	89.035	47.657
Bahan pembantu dan suku cadang	75.198	74.357
Lain-lain (dibawah Rp1 miliar)	103	111
Total	687.511	629.613
Dikurangi penyisihan persediaan usang	(7.378)	(18)
<b>Neto</b>	<b><u>680.133</u></b>	<b><u>629.595</u></b>

Finished goods  
Raw materials  
Work-in-process  
Indirect materials and spare-parts  
Others (below Rp1 billion)  
Total  
Less allowance for inventory obsolescence  
Net

Based on review of the condition of inventories, the management believes that the allowance for inventory obsolescence is adequate to cover incurred losses due to the decline in the value of inventories.

As of December 31, 2016 and 2015, raw materials and finished goods owned by BMI and BA amounting to Rp454.6 billion and Rp370.5 billion, respectively, were pledged as collateral for short-term and long-term loans (Notes 17 and 22).

The management insured inventories against losses from fire and other risks under blanket policies. Total sum insured for inventories amounted to Rp176.0 billion and USD4.0 million, as of December 31, 2016 and Rp83.2 billion and USD6.6 million as of December 31, 2015. 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 13). The management believes that the total sum insured is adequate to cover possible losses from fire and certain other risks of the inventories insured.

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**9. UANG MUKA**

	<b>2016</b>	<b>2015</b>	
Uang muka pembelian	53.327	59.501	Advances for purchases
Uang muka investasi	51.384	51.399	Advances for investments
Uang muka proyek	7.494	4.995	Advances for projects
Uang muka operasional	5.851	8.045	Operational advances
Lain-lain (di bawah Rp1 miliar)	15.894	22.703	Others (below Rp1 billion)
<b>Total</b>	<b>133.950</b>	<b>146.643</b>	<b>Total</b>

Uang muka pembelian adalah uang muka yang berkaitan dengan pembelian bahan baku.

Advances for purchases relate to advances for the purchases of raw materials.

Uang muka investasi merupakan pembayaran uang muka untuk pembelian saham pada perusahaan yang diperdagangkan di bursa tetapi masih menunggu dialihkan saham pada tanggal penyelesaian laporan keuangan konsolidasian.

Advances for investments pertain to advances paid to acquire shares in listed companies that are still awaiting transfer of shares as of completion date of the consolidated financial statements.

**10. BIAYA DIBAYAR DIMUKA**

	<b>2016</b>	<b>2015</b>	
Asuransi	2.894	4.234	Insurance
Sewa	750	1.690	Rent
Lain-lain (di bawah Rp1 miliar)	5.086	5.352	Others (below Rp1 billion)
<b>Total</b>	<b>8.730</b>	<b>11.276</b>	<b>Total</b>

**9. ADVANCE PAYMENTS****10. PREPAID EXPENSES****11. INVESTASI PADA ENTITAS ASOSIASI DAN ENTITAS PENGENDALIAN BERSAMA**

Nilai tercatat dan mutasi investasi pada entitas asosiasi dan entitas pengendalian bersama adalah sebagai berikut:

**11. INVESTMENTS IN ASSOCIATED AND JOINTLY CONTROLLED ENTITIES**

Carrying value and changes of investment in associated and jointly controlled entities were as follows:

	<b>2016</b>				<b>Nilai Tercatat Akhir Tahun/ Carrying Value at the End of the Year</b>	
	<b>Nilai Tercatat Awal Tahun/ Carrying Value at the Beginning of the Year</b>	<b>Bagian Laba (Rugi) Neto/ Share in Net Income (Loss)</b>	<b>Penghasilan (Rugi) Komprehensif Lain/ Share in Other Comprehensive Income (Loss)</b>	<b>Penurunan Nilai/ Impairment</b>		
<b>Asosiasi</b>						<b>Asociates</b>
Bakrie Petroleum International Pte. Ltd.	1.706.142	(1.748.196)	48.026	-	5.972	Bakrie Petroleum International Pte. Ltd.
PT Bakrie Investa Eco Industri	10.000	-	-	-	10.000	PT Bakrie Investa Eco Industri
PT Petro Storindo Energi	1.275	-	-	-	1.275	PT Petro Storindo Energi
<b>Entitas Pengendalian Bersama</b>						<b>Jointly Controlled Entities</b>
PT Kalimantan Prima Power	754.806	202.498	(18.232)	(921.352)	17.720	PT Kalimantan Prima Power
PT Guruh Agung	84.486	22.305	(2.000)	(102.414)	2.377	PT Guruh Agung
PT Citra Prima Buana	821	225	-	(822)	224	PT Citra Prima Buana
<b>Total</b>	<b>2.557.530</b>	<b>(1.523.168)</b>	<b>27.794</b>	<b>(1.024.588)</b>	<b>37.568</b>	<b>Total</b>



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**11. INVESTASI PADA ENTITAS ASOSIASI DAN ENTITAS  
PENGENDALIAN BERSAMA (Lanjutan)**

**11. INVESTMENTS IN ASSOCIATED AND JOINTLY  
CONTROLLED ENTITIES (Continued)**

	2015				Nilai Tercatat Akhir Tahun/ Carrying Value at the End of the Year	
	Nilai Tercatat Awal Tahun/ Carrying Value at the Beginning of the Year	Bagian Laba Neto/ Share in Net Income	Penghasilan (Rugi) Komersial Lain/ Share in Other Comprehensive Income (Loss)	Pengurangan/ (Deduction)		
<b>Asosiasi</b>						<b>Associates</b>
Bakrie Petroleum International Pte. Ltd.	1.130.621	580.722	(5.201)	-	1.706.142	Bakrie Petroleum International Pte. Ltd.
PT Bakrie Investa Eco Industri	10.000	-	-	-	10.000	PT Bakrie Investa Eco Industri
PT Petro Storindo Energi	1.275	-	-	-	1.275	PT Petro Storindo Energi
PT Kalimantan Jawa Gas	13.321	-	-	(13.321)	-	PT Kalimantan Jawa Gas
PT Tanjung Jati Power Company	-	-	4.285	(4.285)	-	PT Tanjung Jati Power Company
<b>Entitas Pengendalian Bersama</b>						<b>Jointly Controlled Entities</b>
PT Kalimantan Prima Power	435.450	261.709	57.647	-	754.806	PT Kalimantan Prima Power
PT Guruh Agung	46.310	31.867	6.309	-	84.486	PT Guruh Agung
PT Citra Prima Buana	530	291	-	-	821	PT Citra Prima Buana
<b>Total</b>	<b>1.637.507</b>	<b>874.589</b>	<b>63.040</b>	<b>(17.606)</b>	<b>2.557.530</b>	<b>Total</b>

Pada tahun 2016, Kelompok Usaha mengakui kerugian penurunan nilai sebesar Rp1,0 triliun untuk mengurangi investasi di dalam entitas pengendalian bersama. Jumlah terpulihkan untuk investasi pada entitas pengendalian bersama pada tanggal 31 Desember 2016 adalah sebesar Rp20,3 miliar.

In 2016, the Group recognized impairment loss of Rp1.0 trillion for the write-down of the investment in jointly controlled entities. The recoverable amount of the investment in jointly controlled entities amounted to Rp20.3 billion.

Informasi keuangan entitas asosiasi dan entitas pengendalian bersama adalah sebagai berikut:

Financial information of associates and joint control entities were as follows:

	2016					Kepemilikan/ Ownership (%)
	Negara tempat domisili/ Country of domicile	Aset/ Assets	Liabilitas/ Liabilities	Pendapatan/ Revenue	Laba (rugi)/ Profit (loss)	
<b>Asosiasi / Associates</b>						
Bakrie Petroleum International Pte. Ltd.	Singapura/ Singapore	917.757	903.302	-	(4.554.394)	41%
<b>Entitas Pengendalian Bersama/ Jointly Controlled Entities</b>						
PT Kalimantan Prima Power	Indonesia	2.858.692	1.332.561	558.014	290.559	70%
PT Guruh Agung	Indonesia	20.844	1	-	(17)	7%
PT Citra Prima Buana	Indonesia	3.066	-	-	(9)	7%
	2015					
	Negara tempat domisili/ Country of domicile	Aset/ Assets	Liabilitas/ Liabilities	Pendapatan/ Revenue	Laba (rugi)/ Profit (loss)	Kepemilikan/ Ownership (%)
<b>Asosiasi / Associates</b>						
Bakrie Petroleum International Pte. Ltd.	Singapura/ Singapore	8.788.819	8.582.420	6.992.190	1.417.704	41%
<b>Entitas Pengendalian Bersama/ Jointly Controlled Entities</b>						
PT Kalimantan Prima Power	Indonesia	2.314.776	1.082.418	603.184	373.794	70%
PT Guruh Agung	Indonesia	21.426	9	-	(17)	7%
PT Citra Prima Buana	Indonesia	3.162	6	-	(6)	7%

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**11. INVESTASI PADA ENTITAS ASOSIASI DAN ENTITAS  
PENGENDALIAN BERSAMA (Lanjutan)**

**PT Tanjung Jati Power Company (TJPC)**

TJPC bergerak dalam bidang penyediaan tenaga listrik.

Pada tanggal 20 Agustus 2015, BP telah menandatangani Perjanjian Jual Beli atas kepemilikan tiga puluh persen (30%) saham di TJPC kepada YTL Jawa Energy B.V (YTL). BP mengakui keuntungan atas penjualan saham dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian sebesar Rp7,8 miliar.

Pada tanggal 31 Desember 2015, berdasarkan asesmen manajemen, Perusahaan tidak memiliki pengaruh signifikan atas investasi di PT Kalimantan Jawa Gas (KJG) dan TJPC meskipun persentase kepemilikan saham atas entitas tersebut sebesar 20%. Jumlah tercatat atas investasi KJG and TJPC telah direklasifikasi kepada investasi jangka panjang lain-lain (Catatan 12).

**12. INVESTASI JANGKA PANJANG LAIN-LAIN**

**a. Mutasi investasi jangka panjang lainnya**

	<u>2016</u>	<u>2015</u>
Nilai tercatat awal tahun	153.286	128.908
Penambahan	915	-
Reklasifikasi	-	24.378
<b>Total</b>	<b><u>154.201</u></b>	<b><u>153.286</u></b>

**b. Penyertaan saham**

<u>Penyertaan Saham</u>	<u>31 Desember/December 31, 2016</u>	
	<u>Persentase Kepemilikan/ Percentage of Ownership (%)</u>	<u>Jumlah/ Amount</u>
PT Seamless Pipe Indonesia Jaya	10.00	128.908
PT Kalimantan Jawa Gas (Catatan 14)	20.00	13.321
PT Cimanggis Cibitung Tollways	10.00	9.343
PT Tanjung Jati Power Company	20.00	1.714
PT Sarana Lampung Ventura	3.07	585
PT Sarana Papua Ventura	5.63	330
<b>Total</b>		<b><u>154.201</u></b>

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**11. INVESTMENTS IN ASSOCIATED AND JOINTLY  
CONTROLLED ENTITIES (Continued)**

**PT Tanjung Jati Power Company (TJPC)**

TJPC is engaged in electricity generating activities.

On August 20, 2015, BP entered into a Sale and Purchase Agreement for thirty percent (30%) of shares in TJPC to YTL Jawa Energy B.V (YTL). BP recognized gain on sale of investment in the consolidated statements of profit or loss and other comprehensive income amounting to Rp7.8 billion.

As of December 31, 2015, based on management's assessment, the Company had no significant influence related to the investments in PT Kalimantan Jawa Gas (KJG) and TJPC even though the percentage of share ownership in these entities corresponds to 20%. The carrying amounts of investments in KJG and TJPC were reclassified to other long-term investments (Note 12).

**12. OTHER LONG - TERM INVESTMENTS**

**a. Changes in other long-term investments**

Carrying value at  
beginning of the year  
Additions  
Reclassifications  
**Total**

**b. Investments in shares of stocks**

**Investment in Shares of Stock**  
PT Seamless Pipe Indonesia Jaya  
PT Kalimantan Jawa Gas (Note 14)  
PT Cimanggis Cibitung Tollways  
PT Tanjung Jati Power  
Company  
PT Sarana Lampung Ventura  
PT Sarana Papua Ventura

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**12. INVESTASI JANGKA PANJANG LAIN-LAIN (Lanjutan)**

**12. OTHER LONG - TERM INVESTMENTS (Continued)**

Penyertaan Saham	31 Desember/December 31, 2015		Investment in Shares of Stock
	Persentase Kepemilikan/ Percentage of Ownership (%)	Jumlah/ Amount	
PT Seamless Pipe Indonesia Jaya	10.00	128.908	PT Seamless Pipe Indonesia Jaya
PT Kalimantan Jawa Gas (Catatan 11 dan 14)	20.00	13.321	PT Kalimantan Jawa Gas (Notes 11 and 14)
PT Cimanggis Cibitung Tollways	10.00	9.343	PT Cimanggis Cibitung Tollways
PT Tanjung Jati Power Company (Catatan 11)	20.00	1.714	PT Tanjung Jati Power Company (Note 11)
<b>Total</b>		<b>153.286</b>	<b>Total</b>

Kelompok Usaha melakukan 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.

Pada 31 Desember 2016 dan 2015, manajemen berkeyakinan bahwa tidak terdapat penurunan nilai atas penyertaan saham pada investasi jangka panjang lainnya.

As of December 31, 2016 and 2015, the management believes that there is no impairment in value of other long-term investments.

**13. ASET TETAP**

**13. FIXED ASSETS**

Saldo dan mutasi aset tetap adalah sebagai berikut:

Balances and movements in fixed assets were as follows:

	Saldo 1 Januari/ Balance as of January 1, 2016	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	Selisih Kurs Penjabaran/ Translation Adjustment	Dekonsolidasi/ Deconsolidation	Saldo 31 Desember/ Balance as of December 31, 2016	
<b>Harga Perolehan</b>								<b>Acquisition Costs</b>
<b>Pemilikan langsung</b>								<b>Direct ownership</b>
Tanah	691.161	17.054	-	350	(1.101)	-	707.464	Land
Hak atas tanah	36.691	-	-	-	-	-	36.691	Landrights
Prasarana tanah	37.816	2.173	-	1.654	-	-	41.643	Land improvements
Bangunan dan prasarana	496.006	2.660	(45)	12.736	(1.612)	-	509.745	Buildings and improvements
Mesin dan peralatan	2.399.509	32.169	-	70.142	(3.343)	-	2.498.477	Machinery and equipment
Alat-alat pengangkutan	40.015	2.545	(947)	(1.996)	(159)	-	39.458	Transportation equipment
Perabotan dan peralatan kantoor	139.298	15.696	-	(4.284)	(1.389)	-	149.321	Office equipment furniture and fixtures
Sub-total	3.840.496	72.297	(992)	78.602	(7.604)	-	3.982.799	Sub-total
<b>Pemilikan tidak langsung</b>								<b>Indirect ownership</b>
<b>Aset sewaan</b>								<b>Leased assets</b>
Alat-alat telekomunikasi dan pengangkutan	8.052	496	-	-	-	-	8.548	Telecommunication and transportation equipment
<b>Aset dalam Penyelesaian</b>								<b>Construction in Progress</b>
Bangunan dan prasarana	9.539	11.629	(123)	(9.454)	-	-	11.591	Buildings and improvements
Mesin dan peralatan	70.692	16.508	-	(69.148)	-	-	18.052	Machinery and equipment
Perabotan dan peralatan kantoor	62	-	(62)	-	-	-	-	Office equipment furniture and fixtures
Sub-total	80.293	28.137	(185)	(78.602)	-	-	29.643	Sub-total
<b>Total Harga Perolehan</b>	<b>3.928.841</b>	<b>100.930</b>	<b>(1.177)</b>	<b>-</b>	<b>(7.604)</b>	<b>-</b>	<b>4.020.990</b>	<b>Total Acquisition Costs</b>

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## 13. ASET TETAP (Lanjutan)

## 13. FIXED ASSETS (Continued)

	Saldo 1 Januari/ Balance as of January 1, 2016	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	Selisih Kurs Penjabaran/ Translation Adjustment	Dekonsolidasi/ Deconsolidation	Saldo 31 Desember/ Balance as of December 31, 2016	
<b>Akumulasi Penyusutan</b>								<b>Accumulated Depreciation</b>
<u>Pemilikan langsung</u>								<u>Direct ownership</u>
Hak atas tanah	26.061	464	-	227	-	-	26.752	Landrights
Prasarana tanah	8.398	1.824	-	(227)	-	-	9.995	Land improvements
Bangunan dan prasarana	298.265	16.567	-	-	(1.534)	-	313.298	Buildings and improvements
Mesin dan peralatan	991.395	49.881	-	-	(46.643)	-	994.633	Machinery and equipment
Alat-alat pengangkutan	33.700	2.752	(947)	(470)	(152)	-	34.883	Transportation equipment
Perabotan dan peralatan kantoor	113.244	17.199	-	470	(1.467)	-	129.446	Office equipment furniture and fixtures
Sub-total	1.471.063	88.687	(947)	-	(49.796)	-	1.509.007	Sub-total
<u>Pemilikan tidak langsung</u>								<u>Indirect ownership</u>
<u>Aset sewaan</u>								<u>Leased assets</u>
Alat-alat telekomunikasi dan pengangkutan	1.991	774	-	-	-	-	2.765	Telecommunication and transportation equipment
<b>Total Akumulasi Penyusutan</b>	<b>1.473.054</b>	<b>89.461</b>	<b>(947)</b>	<b>-</b>	<b>(49.796)</b>	<b>-</b>	<b>1.511.772</b>	<b>Total Accumulated Depreciation</b>
<b>Nilai Tercatat</b>	<b>2.455.787</b>						<b>2.509.218</b>	<b>Carrying Amount</b>
	Saldo 1 Januari/ Balance as of January 1, 2015	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	Selisih Kurs Penjabaran/ Translation Adjustment	Dekonsolidasi/ Deconsolidation	Saldo 31 Desember/ Balance as of December 31, 2015	
<b>Harga Perolehan</b>								<b>Acquisition Costs</b>
<u>Pemilikan langsung</u>								<u>Direct ownership</u>
Tanah	714.131	-	(25.586)	-	4.156	(1.540)	691.161	Land
Hak atas tanah	36.691	-	-	-	-	-	36.691	Landrights
Prasarana tanah	37.855	361	(400)	-	-	-	37.816	Land improvements
Bangunan dan prasarana	487.649	4.545	(2.920)	6.435	6.065	(5.768)	496.006	Buildings and improvements
Mesin dan peralatan	2.278.552	31.333	(32.566)	120.057	11.906	(9.773)	2.399.509	Machinery and equipment
Alat-alat pengangkutan	36.007	2.231	(293)	1.789	602	(321)	40.015	Transportation equipment
Perabotan dan peralatan kantoor	131.998	3.068	(546)	1.255	5.247	(1.724)	139.298	Office equipment furniture and fixtures
Sub-total	3.722.883	41.538	(62.311)	129.536	27.976	(19.126)	3.840.496	Sub-total
<u>Pemilikan tidak langsung</u>								<u>Indirect ownership</u>
<u>Aset sewaan</u>								<u>Leased assets</u>
Alat-alat telekomunikasi dan pengangkutan	8.978	-	(695)	-	-	(231)	8.052	Telecommunication and transportation equipment
<u>Aset dalam Penyelesaian</u>								<u>Construction in Progress</u>
Bangunan dan prasarana	15.126	206	(850)	(2.851)	(2.092)	-	9.539	Buildings and improvements
Mesin dan peralatan	116.354	80.351	(429)	(125.584)	-	-	70.692	Machinery and equipment
Perabotan dan peralatan kantoor	1.163	-	-	(1.101)	-	-	62	Office equipment furniture and fixtures
Sub-total	132.643	80.557	(1.279)	(129.536)	(2.092)	-	80.293	Sub-total
<b>Total Harga Perolehan</b>	<b>3.864.504</b>	<b>122.095</b>	<b>(64.285)</b>	<b>-</b>	<b>25.884</b>	<b>(19.357)</b>	<b>3.928.841</b>	<b>Total Acquisition Costs</b>
<b>Akumulasi Penyusutan</b>								<b>Accumulated Depreciation</b>
<u>Pemilikan langsung</u>								<u>Direct ownership</u>
Hak atas tanah	25.067	994	-	-	-	-	26.061	Landrights
Prasarana tanah	6.742	1.691	(35)	-	-	-	8.398	Land improvements
Bangunan dan prasarana	246.693	49.671	(1.822)	-	5.796	(2.073)	298.265	Buildings and improvements
Mesin dan peralatan	845.445	152.138	(9.181)	-	10.530	(7.537)	991.395	Machinery and equipment
Alat-alat pengangkutan	30.416	3.421	(293)	-	486	(330)	33.700	Transportation equipment
Perabotan dan peralatan kantoor	102.012	9.120	(406)	-	4.229	(1.711)	113.244	Office equipment furniture and fixtures
Sub-total	1.256.375	217.035	(11.737)	-	21.041	(11.651)	1.471.063	Sub-total

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**13. ASET TETAP (Lanjutan)**

**13. FIXED ASSETS (Continued)**

	Saldo 1 Januari/ Balance as of January 1, 2015	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	Selisih Kurs Penjabaran/ Translation Adjustment	Dekonsolidasi/ Deconsolidation	Saldo 31 Desember/ Balance as of December 31, 2015	
Pemilikan tidak langsung Aset sewaan								Indirect ownership Leased assets
Alat-alat telekomunikasi dan pengangkutan	1.749	846	(604)	-	-	-	1.991	Telecommunication and transportation equipment
<b>Total Akumulasi Penyusutan</b>	<b>1.258.124</b>	<b>217.881</b>	<b>(12.341)</b>	<b>-</b>	<b>21.041</b>	<b>(11.651)</b>	<b>1.473.054</b>	<b>Total Accumulated Depreciation</b>
<b>Nilai Tercatat</b>	<b>2.606.380</b>						<b>2.455.787</b>	<b>Carrying Amount</b>

Alokasi beban penyusutan adalah sebagai berikut:

Allocation of depreciation expense was as follows:

	2016	2015	
Beban pokok pendapatan	65.063	135.945	Cost of revenues
Beban umum dan administrasi (Catatan 31)	24.398	81.936	General and administrative expenses (Note 31)
<b>Total</b>	<b>89.461</b>	<b>217.881</b>	<b>Total</b>

Rincian aset dalam penyelesaian adalah sebagai berikut:

Details of construction-in progress were as follows:

	Persentase Penyelesaian/ Percentage of Completion (%)	Nilai Tercatat/ Carrying Value (Rp)	Estimasi Tahun Penyelesaian/ Estimated Year of Completion	
<b>2016</b>				<b>2016</b>
Bangunan dan prasarana	51-95	11.591	2017	Building and improvements
Mesin dan peralatan	51-95	18.052	2017	Machinery and equipment
<b>Total</b>		<b>29.643</b>		<b>Total</b>
<b>2015</b>				<b>2015</b>
Bangunan dan prasarana	51-95	9.539	2017	Building and improvements
Mesin dan peralatan	51-95	70.754	2017	Machinery and equipment
<b>Total</b>		<b>80.293</b>		<b>Total</b>

Manajemen berkeyakinan bahwa tidak ada hambatan yang dapat mengganggu penyelesaian atas aset-aset tersebut.

The management believes that there are no obstacles that can interfere with the completion of these assets.

Pada tanggal 31 Desember 2016 dan 2015, 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 17 dan 22).

As of December 31, 2016 and 2015, 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 17 and 22).

Pada tanggal 31 Desember 2016 dan 2015, tidak terdapat nilai tercatat aset tetap yang tidak dipakai sementara dan aset tetap yang dihentikan dari penggunaan aktif yang tidak diklasifikasikan sebagai dimiliki untuk dijual.

As of December 31, 2016 and 2015, there were no temporarily idle fixed assets and fixed assets retired from active use that are classified as held for sale.

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**13. ASET TETAP (Lanjutan)**

Pada tanggal 31 Desember 2016 dan 2015, jumlah tercatat aset tetap bruto yang telah disusutkan penuh dan masih digunakan masing-masing adalah sebesar Rp610,1 miliar dan Rp517,7 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 Rp1,1 triliun dan USD85,7 juta pada tanggal 31 Desember 2016 serta Rp1,2 triliun dan USD116,2 juta pada tanggal 31 Desember 2015. Nilai pertanggungan asuransi atas aset tetap BMI, BPI, SEAPI, BBI, BA, BUMM dan BMC termasuk nilai pertanggungan asuransi atas persediaan (Catatan 8).

Manajemen berkeyakinan bahwa nilai pertanggungan tersebut telah memadai untuk menutup kemungkinan kerugian atas aset tetap yang dipertanggungjawabkan.

Berdasarkan penelaahan terhadap aset tetap, manajemen Kelompok Usaha berkeyakinan bahwa tidak terdapat indikasi penurunan nilai aset.

**14. BIAYA PENGEMBANGAN PROYEK**

Akumulasi ini terutama merupakan akumulasi biaya-biaya yang terjadi sehubungan dengan proyek-proyek sebagai berikut:

	<u>2016</u>	<u>2015</u>	
Pipa dan besi baja - Kertapati	200.792	200.792	Pipe and steel - Kertapati
Kalimantan Jawa Gas	96.724	96.724	Kalimantan Jawa Gas
Lain-lain	115.195	125.390	Others
Total	412.711	422.906	Total
Dikurang penyisihan kerugian atas penurunan nilai	<u>(287.414)</u>	<u>(200.792)</u>	Less allowance for impairment losses
<b>Neto</b>	<b><u>125.297</u></b>	<b><u>222.114</u></b>	<b>Net</b>

**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 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 38b).

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**13. FIXED ASSETS (Continued)**

As of December 31, 2016 and 2015, the gross carrying amount of fully depreciated fixed assets that were still used amounting to Rp610.1 billion and Rp517.7 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 Rp1.1 trillion and USD85.7 million as of December 31, 2016 and Rp1.2 trillion and USD116.2 million as of December 31, 2015. The insurance coverage for fixed assets of BMI, BPI, SEAPI, BBI, BA, BUMM and BMC includes sum insured for inventories (Note 8).

The management believes that the sum insured is adequate to cover the possible losses from these insured risks.

Based on review of fixed assets, the management of the Group believes that there was no condition or event indicating a decline in assets value.

**14. PROJECT DEVELOPMENT COSTS**

This account represents accumulated costs incurred in relation to the projects as follows:

**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 38b).

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**14. BIAYA PENGEMBANGAN PROYEK (Lanjutan)**

Pada tahun 2009, manajemen memutuskan untuk melakukan penyisihan penuh sejumlah Rp237,9 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.

Pada tahun 2014, nilai tanah berlokasi di Kertapati tidak termasuk dalam total biaya pengembangan proyek dan direklasifikasi dengan tanah sebagai bagian dari akun aset tetap.

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian ini, manajemen dan Pertamina masih berdiskusi untuk penyelesaian proyek tersebut.

**Kalimantan Jawa Gas**

Pada tanggal 27 Juli 2006, Perusahaan telah memenangkan lelang khusus ruas transmisi gas bumi Bontang (Kalimantan Timur) ke Semarang (Jawa Tengah) berdasarkan Surat Keputusan Kepala Badan Pengatur Hilir Minyak dan Gas Bumi (BPH Migas) No. 042/Kpts/PL/BPHMigas/Kom/VII/2006. Perusahaan akan memulai konstruksi fisik proyek setelah pemerintah memutuskan alokasi produksi gas bumi untuk kebutuhan dalam negeri dan ekspor.

Pada tanggal 11 Maret 2014, Perusahaan menandatangani perjanjian pemesanan saham dengan PT Permata Graha Nusantara dimana biaya pengembangan proyek yang dikeluarkan oleh Perusahaan akan ditransfer dan diubah sebagai investasi dalam saham di PT Kalimantan Jawa Gas (Catatan 12 dan 46).

**15. BIAYA DITANGGUHKAN**

	<u>2016</u>	<u>2015</u>	
Pengembangan pabrik dan produk	36.841	36.841	<i>Factory and product development Less accumulated amortization</i>
Dikurangi akumulasi amortisasi	<u>(32.493)</u>	<u>(33.918)</u>	
<b>Neto</b>	<b><u>4.348</u></b>	<b><u>2.923</u></b>	<b>Net</b>

Pengembangan pabrik dan produk merupakan biaya yang dikeluarkan sehubungan dengan perolehan sertifikasi untuk pabrik "New Submerged Arc Welded Pipe Mill" yang dikeluarkan oleh American Petroleum Institute dan beban lain yang berhubungan dengan pengembangan atas produk baru.

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**14. PROJECT DEVELOPMENT COSTS (Continued)**

*In 2009, the management decided to provide full allowance amounting to Rp237.9 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.*

*In 2014, the cost of the land located at Kertapati was excluded from the total project development costs and was reclassified as land and included as part of fixed assets account.*

*As of completion date of the consolidated financial statements, the management and Pertamina remains in discussion to resolve the settlement of the project.*

**Kalimantan Jawa Gas**

*On July 27, 2006, the Company was awarded a bid for natural gas transmission from Bontang (East Kalimantan) to Semarang (Central Java) according to Regulatory Agency for Oil and Gas Downstream (BPH Migas) Decree No. 042/Kpts/PL/BPHMigas/Kom/VII/2006. The Company will start the construction when the government has decided the gas allocation for domestic and export purposes.*

*On March 11, 2014, the Company entered into a share subscription agreement with PT Permata Graha Nusantara whereby project development costs incurred by the Company will be transferred and converted as investments in shares of stocks at PT Kalimantan Jawa Gas (Notes 12 and 46).*

**15. DEFERRED CHARGES**

*Factory and product development represents expenses incurred in respect of "New Submerged Arc Welded Pipe Mill" certification issued by American Petroleum Institute and other costs in relation to the development of a new product.*

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**16. ASET TIDAK LANCAR LAINNYA**

**16. OTHER NON-CURRENT ASSETS**

	<u>2016</u>	<u>2015</u>	
Kas di bank yang dibatasi penggunaannya			<i>Restricted cash in banks</i>
Rupiah			<i>Rupiah</i>
PT Bank Rakyat Indonesia (Persero) Tbk	14.320	13.534	<i>PT Bank Rakyat Indonesia (Persero) Tbk</i>
PT Bank MNC Internasional Tbk	13.409	20.909	<i>PT Bank MNC Internasional Tbk</i>
PT Bank Central Asia Tbk	1.410	10.465	<i>PT Bank Central Asia Tbk</i>
PT Bank Bukopin Tbk	500	-	<i>PT Bank Bukopin Tbk</i>
PT Bank Tabungan Negara Tbk	287	1.217	<i>PT Bank Tabungan Negara Tbk</i>
PT Bank Mandiri (Persero) Tbk	77	77	<i>PT Bank Mandiri (Persero) Tbk</i>
PT Bank Negara Indonesia Tbk	-	1.707	<i>PT Bank Negara Indonesia Tbk</i>
Sub-total	<u>30.003</u>	<u>47.909</u>	<i>Sub-total</i>
Mata uang asing			<i>Foreign currencies</i>
PT Bank MNC Internasional Tbk	96.739	99.324	<i>PT Bank MNC Internasional Tbk</i>
PT Bank Tabungan Negara Tbk	24.185	24.831	<i>PT Bank Tabungan Negara Tbk</i>
PT Bank Rakyat Indonesia (Persero) Tbk	3.182	36.836	<i>PT Bank Rakyat Indonesia (Persero) Tbk</i>
PT Bank Mandiri (Persero) Tbk	359	368	<i>PT Bank Mandiri (Persero) Tbk</i>
PT Bank Negara Indonesia Tbk	-	5.150	<i>PT Bank Negara Indonesia Tbk</i>
Sub-total	<u>124.465</u>	<u>166.509</u>	<i>Sub-total</i>
Total kas di bank yang dibatasi penggunaannya	154.468	214.418	<i>Total restricted cash in banks</i>
Taksiran restitusi pajak	109.921	26.543	<i>Estimated claims for tax refund</i>
Bank garansi	10.250	9.846	<i>Bank guarantee</i>
Piutang dari komisaris, direksi dan karyawan (Catatan 36d)	6.081	7.042	<i>Receivable from commissioners, directors and employees (Note 36d)</i>
Biaya riset dan pengembangan	4.288	39.891	<i>Research and development costs</i>
Jaminan	3.423	5.429	<i>Security deposits</i>
Lain-lain	2.352	3.870	<i>Others</i>
<b>Total</b>	<b><u>290.783</u></b>	<b><u>307.039</u></b>	<b>Total</b>

Dana dalam kas pada bank yang dibatasi penggunaannya merupakan jaminan untuk pembayaran pokok atas pinjaman bank jangka panjang dan sebagai jaminan atas kontrak jangka panjang dengan pemasok yang diterima Kelompok Usaha (Catatan 22). Seluruh kas di bank yang dibatasi penggunaannya ditempatkan pada pihak ketiga.

*Restricted cash in banks are used as collateral for payment of principal for long-term bank loans and guarantee for other long-term contracts with suppliers obtained by the Group (Note 22). All placements of restricted cash in banks were with third parties.*



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**17. PINJAMAN JANGKA PENDEK**

**17. SHORT-TERM LOANS**

	<b>2016</b>	<b>2015</b>	
<b>Pinjaman Bank dan Bukan Bank</b>			<b>Bank and Non Bank Loans</b>
<b>Rupiah</b>			<b>Rupiah</b>
Surat Sanggup Seri II, Indonesia	148.875	238.987	<i>Promissory Note II, Indonesia</i>
PT Bank MNC Internasional Tbk, Indonesia	66.537	76.043	<i>PT Bank MNC Internasional Tbk, Indonesia</i>
PT Bank Artha Graha Internasional Tbk, Indonesia	59.651	54.651	<i>PT Bank Artha Graha Internasional Tbk, Indonesia</i>
Surat Sanggup Seri I, Indonesia	39.662	62.035	<i>Promissory Note I, Indonesia</i>
PT Bank J Trust Indonesia, Indonesia (dahulu PT Bank Mutiara Tbk)	36.691	22.902	<i>PT Bank J Trust Indonesia, Indonesia (formerly known as PT Bank Mutiara Tbk)</i>
PT Bank Rakyat Indonesia Tbk, Indonesia	-	56.213	<i>PT Bank Rakyat Indonesia Tbk, Indonesia</i>
Indiana Ltd, Seychelles	-	128.930	<i>Indiana Ltd, Seychelles</i>
PT Pilar Agra Unggul, Indonesia	-	56.500	<i>PT Pilar Agra Unggul, Indonesia</i>
Lain-lain (di bawah Rp10 miliar)	11.786	17.070	<i>Others (each below Rp10 billion)</i>
<b>Sub-total</b>	<b>363.202</b>	<b>713.331</b>	<b>Sub-total</b>
<b>Mata uang asing (USD)</b>			<b>Foreign currency (USD)</b>
Credit Suisse AG, Singapura	1.166.456	1.197.622	<i>Credit Suisse AG, Singapore</i>
PT Bank MNC Internasional Tbk, Indonesia	88.986	98.579	<i>PT Bank MNC Internasional Tbk, Indonesia</i>
Daley Capital Ltd, Kepulauan Cayman	40.308	-	<i>Daley Capital Ltd, Cayman Island</i>
Winn Metals Corporation	21.130	13.795	<i>Winn Metals Corporation</i>
Harus Capital Pte Ltd, Kepulauan Virgin Britania Raya	-	82.770	<i>Harus Capital Pte Ltd, British Virgin Island</i>
Ecoline Invesment Limited, Seychelles	-	82.770	<i>Ecoline Invesment Limited, Seychelles</i>
Conic Invesment Limited, Kepulauan Virgin Britania Raya	-	60.092	<i>Conic Invesment Limited, British Virgin Island</i>
Lain-lain (di bawah Rp10 miliar)	5.845	14.278	<i>Others (each below Rp10 billion)</i>
<b>Sub-total</b>	<b>1.322.725</b>	<b>1.549.906</b>	<b>Sub-total</b>
<b>Repo</b>			<b>Repo</b>
<b>Rupiah</b>			<b>Rupiah</b>
PT Recapital Securities, Indonesia	27.000	27.000	<i>PT Recapital Securities, Indonesia</i>
<b>Total</b>	<b>1.712.927</b>	<b>2.290.237</b>	<b>Total</b>

Pinjaman jangka pendek dikenakan bunga per tahun sebagai berikut:

*Short-term loans bear annual interest rates as follows:*

	<b>2016 dan/and 2015</b>	
Rupiah	7,5 % - 20,5 %	Rupiah
Dolar AS	3 % - 20 %	US Dollar

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**17. 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 pemegang/pemberi pinjaman sebagai berikut:

Pemberi pinjaman	Surat Sanggup Seri II/Promissory Notes Series II		Nilai Penerbitan PN/ Nominal PN Issued	Lenders
	2016	2015		
PT Ciptadana Capital	73.258	73.258	-	PT Ciptadana Capital
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	118.722	150.508	Others
<b>Total</b>	<b>148.875</b>	<b>238.987</b>	<b>2.585.690</b>	<b>Total</b>

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 Rp57,0 miliar kepada PT Danpac Futures.

Pada tahun 2016, Perusahaan melakukan penyelesaian beberapa pemegang PN II melalui penerbitan obligasi wajib konversi.

Saldo surat sanggup ini pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar Rp148,9 miliar dan Rp239,0 miliar.

**b. PT Bank MNC Internasional Tbk (dahulu PT ICB Bumiputera Tbk)**

Rupiah dan Dolar AS

1. Pada tanggal 3 Desember 2009, Perusahaan, BPI, SEAPI, BCons, BMI, BBI, BA dan PT Multi Kontrol Nusantara (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, dengan rincian sebagai berikut:

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**17. 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 holders/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 Rp57.0 billion to PT Danpac Futures.

In 2016, the Company has settled outstanding balance from several PN II holders through issuance of mandatory convertible bond.

Outstanding balance of these notes as of December 31, 2016 and 2015 amounted to Rp148.9 billion and Rp239.0 billion, respectively.

**b. PT Bank MNC Internasional Tbk (formerly known as PT ICB Bumiputera Tbk)**

Rupiah and US Dollar

1. On December 3, 2009, the Company, BPI, SEAPI, BCons, BMI, BBI, BA and PT Multi Kontrol Nusantara (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, details were as follows:

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**17. PINJAMAN JANGKA PENDEK (Lanjutan)**

- 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 Dolar Amerika. *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 Rp136,4 miliar.

Fasilitas pinjaman ini telah mengalami beberapa kali perubahan, terakhir dengan perjanjian tanggal 27 November 2015, dimana perjanjian ini efektif diperpanjang sampai dengan tanggal 27 November 2016.

2. Pada tanggal 5 Februari 2013, Perusahaan, BA dan MKN mendapat penambahan fasilitas pinjaman masing-masing senilai 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).

Pada tahun 2016, Perusahaan telah membayar sejumlah Rp16,5 miliar.

Saldo pinjaman dalam Rupiah pada tanggal 31 Desember 2016 dan 2015, masing-masing sebesar Rp66,5 miliar dan Rp76,0 miliar. Saldo pinjaman dalam USD pada tanggal 31 Desember 2016 dan 2015 sebesar USD6,6 juta dan USD7,1 juta (masing-masing setara dengan sebesar Rp89,0 miliar dan Rp98,6 miliar).

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian ini, fasilitas tersebut masih dalam proses penyelesaian.

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**17. SHORT-TERM LOANS (Continued)**

- 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 dan/atau Usance Letter of Credit akan digunakan oleh Kelompok Usaha untuk membiayai modal kerja.*
- 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.*

*This loan facility has been amended several times, the latest being on November 27, 2015, wherein the agreement was extended and was due on November 27, 2016.*

2. *On February 5, 2013, the Company, BA and MKN received additional loan facility from MNC Bank amounting to Rp33.2 billion, Rp29.1 billion and Rp12.4 billion, respectively. This facility is a part of MNC Bank facility to the Group with a maximum amount of Rp50.0 billion and USD15.0 million (equivalent to Rp230.0 billion).*

*In 2016, the Company has paid a total of Rp16.5 billion.*

*The outstanding balance in Rupiah as of December 31, 2016 and 2015 amounted to Rp66.5 billion and Rp76.0 billion, respectively. The outstanding balance in USD as of December 31, 2016 and 2015 amounted to USD6.6 million and USD7.1 million, respectively (equivalent to Rp89.0 billion and Rp98.6 billion, respectively).*

*As of completion date of the consolidated financial statements, this loan facility is in the process of settlement.*

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**17. PINJAMAN JANGKA PENDEK (Lanjutan)**

**c. PT Bank Artha Graha Internasional Tbk**

Pada tanggal 23 April 2014, PT Bakrie Building Industries (BBI) memperoleh perpanjangan atas fasilitas pinjaman promes berulang dengan *sublimit* bank garansi dari PT Bank Artha Graha Internasional Tbk dengan batas atas kredit sebesar Rp60 miliar dengan bunga sebesar 15% per tahun dan jatuh tempo pada tanggal 21 April 2015.

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 tanggal 31 Desember 2016 dan 2015, saldo pinjaman masing-masing adalah sebesar Rp59,6 miliar dan Rp54,7 miliar.

**d. Surat Sanggup (PN) Seri I**

Pada tanggal 9 Februari 2012, Perusahaan bersama-sama dengan berbagai pihak, menandatangani Perjanjian Penerbitan Surat Sanggup Seri I tanpa bunga dengan jumlah nominal sebesar Rp642,2 miliar yang jatuh tempo dalam 45 hari kalender sejak tanggal penerbitan.

Dengan rincian pemegang/pemberi pinjaman sebagai berikut:

Pemberi pinjaman	Surat Sanggup Seri I/Promissory Notes Series I		Nilai Penerbitan PN/ Nominal PN Issued	Lenders
	2016	2015		
PT Ciptadana Capital	32.559	32.559	-	PT Ciptadana Capital
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	29.476	37.368	Others
<b>Total</b>	<b>39.662</b>	<b>62.035</b>	<b>642.191</b>	<b>Total</b>

Pada tanggal 11 September 2013, PT Ciptadana Securities mengalihkan Surat Sanggup Nomor BNR-PN003-I/2012 senilai Rp32,6 miliar kepada PT Ciptadana Capital.

Surat Sanggup ini digunakan untuk menyelesaikan utang Perusahaan dalam bentuk Surat Utang Jangka Menengah.

Pada tahun 2016, Perusahaan melakukan penyelesaian beberapa pemegang PN I melalui penerbitan obligasi wajib konversi.

Saldo Surat Sanggup pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar Rp40,0 miliar dan Rp62,0 miliar.

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**17. SHORT-TERM LOANS (Continued)**

**c. PT Bank Artha Graha Internasional Tbk**

On April 23, 2014, PT Bakrie Building Industries (BBI) obtained an extension on the existing revolving loan facility with *sublimit* bank guarantee from PT Bank Artha Graha Internasional Tbk having maximum amount of Rp60 billion with an interest rate of 15% per annum and matured on April 21, 2015.

This revolving loan facility has been extended several times, the latest being on April 27, 2016 and was due on February 21, 2017.

As of December 31, 2016 and 2015, the outstanding balance of this loan amounted to Rp59.6 billion and Rp54.7 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.

Details of holders/lenders were as follows:

On September 11, 2013, PT Ciptadana Securities transferred Promissory Notes No. BNR-PN003-I/2012 amounting to Rp32.6 billion to PT Ciptadana Capital.

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 mandatory convertible bond.

Outstanding balance of these Promissory Notes as of December 31, 2016 and 2015 amounted to Rp40.0 million and Rp62.0 million, respectively.

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**17. PINJAMAN JANGKA PENDEK (Lanjutan)**

**e. PT Bank J Trust Indonesia Tbk (dahulu PT Bank Mutiara Tbk)**

Pada tanggal 22 April 2013, PT Bakrie Autoparts (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 ini telah mengalami beberapa kali perpanjangan, terakhir telah diperpanjang sampai dengan tanggal 28 Maret 2016.

Pada tanggal 31 Desember 2016 dan 2015, saldo pinjaman masing-masing adalah sebesar Rp36,7 miliar dan Rp22,9 miliar.

**f. PT Bank Rakyat Indonesia (Persero) Tbk**

Pada tanggal 15 November 2007, PT Bakrie Metal Industries (BMI) mengadakan perjanjian pinjaman dengan PT Bank Rakyat Indonesia (Persero) Tbk (BRI) untuk menyediakan fasilitas pinjaman kredit modal kerja berbentuk Rekening Koran dan "Construction Withdrawal Approval" dengan batas pinjaman maksimum masing-masing sebesar Rp3,0 miliar dan Rp28,0 miliar dan fasilitas bank garansi dengan batas pinjaman maksimum sebesar Rp3,0 miliar.

Pada tanggal 31 Desember 2016 dan 2015, saldo pinjaman masing-masing adalah sebesar nihil dan Rp56,2 miliar.

**g. Credit Suisse AG, Cabang Singapura**

Pada tanggal 23 Maret 2014, Perusahaan telah menandatangani perjanjian kredit untuk menerima fasilitas pinjaman senilai USD86,8 juta dari Credit Suisse dan institusi keuangan lainnya (*Term Loan Facility I*). Fasilitas ini jatuh tempo dalam waktu delapan (8) bulan dan dijamin dengan saham Perusahaan dan beberapa Entitas Anak.

Pada tanggal 31 Desember 2016 dan 2015 saldo pinjaman ini masing-masing adalah sebesar USD87,0 juta (masing-masing setara dengan Rp1,2 triliun dan Rp1,2 triliun).

**h. Daley Capital Limited**

Pada tanggal 20 Juli 2016, Perusahaan mendapatkan fasilitas pinjaman dari Daley Capital Limited (Daley) sebesar USD3,0 juta. Pinjaman ini digunakan sebagai tambahan modal kerja dari Perusahaan dan akan jatuh tempo pada tanggal 20 Juli 2017. Fasilitas pinjaman ini tidak ada jaminan.

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**17. SHORT-TERM LOANS (Continued)**

**e. PT Bank J Trust Indonesia Tbk (formerly known as PT Bank Mutiara Tbk)**

On April 22, 2013, PT Bakrie Autoparts (BA) obtained 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 is 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 until March 28, 2016.

The outstanding loan balance as of December 31, 2016 and 2015, amounted to Rp36.7 billion and Rp22.9 billion, respectively.

**f. PT Bank Rakyat Indonesia (Persero) Tbk**

On November 15, 2007, PT Bakrie Metal Industries (BMI) entered into a loan agreement with PT Bank Rakyat Indonesia (Persero) Tbk (BRI) to provide working capital credit facility in the form of Bank Account and "Construction Withdrawal Approval" with a maximum credit limit amounting to Rp3.0 billion and Rp28.0 billion, respectively, and bank guarantee facility with a maximum credit limit amounting to Rp3.0 billion.

As of December 31, 2016 and 2015, the outstanding balance of these loans amounted to nil and Rp56.2 billion, respectively.

**g. Credit Suisse AG, Singapore Branch**

On March 23, 2014, the Company signed a credit agreement to obtain a loan facility from Credit Suisse and other financial institutions amounting to USD86.8 million (Term Loan Facility I). This facility is due within eight (8) months and secured with pledge on the Company and Subsidiaries' shares.

The outstanding balance of this loan as of December 31, 2016 and 2015 amounted to USD87.0 million (equivalent to Rp1.2 trillion and Rp1.2 trillion, respectively).

**h. Daley Capital Limited**

On July 20, 2016, the Company obtained a loan facility from Daley Capital Limited (Daley) amounting to USD3.0 million. This loan was used as additional working capital of the Company and will be due on July 20, 2017. This loan facility has no collateral.

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**17. PINJAMAN JANGKA PENDEK (Lanjutan)**

Berdasarkan perjanjian tersebut, Daley mempunyai hak untuk melakukan konversi jumlah pokok pinjaman dan denda (jika ada) menjadi saham biasa Perusahaan setelah mendapatkan persetujuan penuh dari pemegang saham Perusahaan.

Saldo pinjaman pada tanggal 31 Desember 2016 dan 2015 adalah sebesar USD3,0 juta (setara dengan Rp40,3 miliar) dan nihil.

**i. Winn Metals Corporation**

Pada tanggal 25 November 2014, Perusahaan telah menerima fasilitas pinjaman sebesar USD1,0 juta dari Winn Metals Corporation (Winn Metals) dan jatuh tempo dalam dua bulan.

Pada tanggal 29 Maret 2016, sisa saldo fasilitas pinjaman ini telah diselesaikan.

Pada tanggal 21 Maret 2016, Bakrie Construction (BCons) telah menerima fasilitas pinjaman dari Winn Metals dengan nilai maksimum USD2,0 juta. Pinjaman tersebut akan digunakan oleh BCons untuk membiayai progres pelaksanaan pekerjaan berdasarkan kontrak konstruksi dengan Husky CNOOC Madura Limited.

Saldo pinjaman pada tanggal 31 Desember 2016 dan 2015 adalah masing-masing sebesar Rp21,1 miliar (setara dengan USD3,0 juta) dan Rp13,8 miliar (setara dengan USD1,0 juta).

**j. Indiana Ltd.**

Pada tanggal 19 Desember 2011, Perusahaan mendapatkan fasilitas pinjaman dari Indiana Ltd. sebesar Rp562,0 miliar. Pinjaman ini digunakan untuk melunasi pinjaman yang diperoleh dari PT Sinarmas Sekuritas. Fasilitas ini jatuh tempo pada tanggal 19 Desember 2012 dan dijamin dengan 0,7 miliar saham BTEL.

Perjanjian ini telah mengalami beberapa kali perubahan, terakhir dengan perjanjian tanggal 19 Desember 2014, dimana perjanjian ini efektif diperpanjang sampai dengan 19 Desember 2015.

Pada tanggal 29 Maret 2016, sisa saldo fasilitas pinjaman ini telah diselesaikan melalui penerbitan obligasi wajib konversi.

Saldo pinjaman ini pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar nihil dan Rp128,9 miliar.

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**17. SHORT-TERM LOANS (Continued)**

Based on the agreement, Daley has the right to convert the principal amount and penalties (if any) into ordinary shares of the Company after obtaining approval from the Company's shareholders.

Outstanding balance as of December 31, 2016 and 2015 amounted to USD3.0 million (equivalent to Rp40.3 billion) and nil, respectively.

**i. Winn Metals Corporation**

On November 25, 2014, the Company obtained loan facility from Winn Metals Corporation (Winn Metals) amounting to USD1.0 million and was due within two months.

On March 29, 2016, remaining balance from this loan facility has been settled through issuance of mandatory convertible bonds.

On March 21, 2016, Bakrie Construction (BCons) obtained loan facility from Winn Metals with a maximum amount of USD2.0 million. The loan will be used by BCons to fund the performance of work progress obligation under its construction contract with Husky CNOOC Madura Limited.

Outstanding balance as of December 31, 2016 and 2015 amounted to Rp21.1 billion (equivalent to USD3.0 million) and Rp13.8 billion (equivalent to USD1.0 million), respectively.

**j. Indiana Ltd.**

On December 19, 2011, the Company obtained a loan facility from Indiana Ltd. amounting to Rp562.0 billion. This loan was used to pay the loan obtained from PT Sinarmas Sekuritas. This facility was due on December 19, 2012 and is secured by 0.7 billion BTEL shares.

The agreement has been amended several times, the latest being on December 19, 2014, wherein the agreement was extended effectively until December 19, 2015.

On March 29, 2016, remaining balance from this loan facility has been settled through issuance of mandatory convertible bond.

Outstanding balance of this loan as of December 31, 2016 and 2015 amounted to nil and Rp128.9 billion, respectively.

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**17. PINJAMAN JANGKA PENDEK (Lanjutan)**

**k. PT Pilar Agra Unggul**

Pada tanggal 10 Oktober 2014, PT Bakrie Building Industries (BBI) menandatangani perjanjian pinjaman dengan PT Pilar Agra Unggul (Pilar) untuk mendapatkan pinjaman sebesar Rp115,5 miliar untuk tujuan pembayaran kredit perbankan PT Multi Kontrol Nusantara dari PT Bank MNC Internasional Tbk dan digunakan sebagai tambahan modal kerja dari BBI. Perjanjian pinjaman ini berlaku sampai dengan tanggal 31 Desember 2014.

Berdasarkan perjanjian pinjaman, BBI akan memberikan aset tertentu seperti hak atas tanah yang terkait dengan bangunan No. 6335 seluas 17.775 meter persegi yang terletak di Jalan Daan Mogot KM 17,3, Kalideres, Jakarta Barat sebagai jaminan untuk pembayaran kembali pinjaman. Selain itu, perjanjian tersebut juga mencakup "Buy Guarantee Object" jaminan selama jangka waktu kredit, dimana Pilar memiliki opsi untuk membeli tanah yang digunakan sebagai jaminan menggunakan harga tetap berdasarkan perjanjian ini.

Pada tanggal 18 Februari 2015, BBI mendapatkan tambahan pinjaman dari Pilar sebesar Rp6,5 miliar.

Perjanjian ini telah mengalami beberapa kali perubahan, terakhir dengan perjanjian tanggal 31 Juli 2015, dimana perjanjian ini efektif diperpanjang sampai dengan 31 Juli 2016.

Pada tanggal 31 Desember 2016 dan 2015, saldo pinjaman adalah masing-masing sebesar nihil dan Rp56,5 miliar.

**l. Conic Investment Limited**

Pada tanggal 27 Desember 2011, Perusahaan mendapatkan fasilitas pinjaman dari Conic Investment Limited (Conic) sebesar USD0,7juta.

Sampai dengan tahun 2014, Perusahaan telah menerima tambahan fasilitas sebesar USD6,0 juta dan Rp42,0 miliar, serta telah melakukan total pembayaran sebesar USD1,3 juta dan Rp30,0 miliar.

Pada tahun 2015, Perusahaan telah menerima tambahan fasilitas sebesar USD0,2 juta dan Rp7,0 miliar, serta telah melakukan total pembayaran Rp22,5 miliar.

Pada tanggal 29 Maret 2016, sisa saldo fasilitas pinjaman ini telah diselesaikan melalui penerbitan obligasi wajib konversi.

Saldo pinjaman ini pada tanggal 31 Desember 2016 sebesar nihil dan saldo pinjaman ini pada tanggal 31 Desember 2015, saldo pinjaman sebesar Rp3,5 miliar dan USD4,4 juta (setara dengan Rp60,1 miliar)

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**17. SHORT-TERM LOANS (Continued)**

**k. PT Pilar Agra Unggul**

On October 10, 2014, PT Bakrie Building Industries (BBI) entered into a loan agreement with PT Pilar Agra Unggul (Pilar) to obtain loan amounting to Rp115.5 billion for the purpose of repayment of outstanding bank loan of PT Multi Kontrol Nusantara from PT Bank MNC Internasional Tbk and to be used as additional working capital of BBI. The loan agreement is valid until December 31, 2014.

Based on the loan agreement, BBI will provide certain assets such as landrights related to the building No. 6335 covering an area of 17,775 square meters located in Daan Mogot Street KM 17.3, Kalideres, West Jakarta as guarantee for repayment of the loan. Additionally, the agreement also include "Buy Guarantee Object" during the loan period, wherein Pilar has the option to buy the landrights used as guarantee using fixed price based on this agreement.

On February 18, 2015, the BBI obtained additional loan from Pilar amounting to Rp6.5 billion.

The agreement has been amended several times, the latest being on July 31, 2015, wherein the agreement was extended effectively until July 31, 2016.

As of December 31, 2016 and 2015, the outstanding balance of this loan amounted to nil and Rp56.5 billion, respectively.

**l. Conic Investment Limited**

On December 27, 2011, the Company obtained loan facility from Conic Investment Limited (Conic) amounting to USD0.7million.

Until 2014, the Company received additional facilities amounting to USD6.0 million and Rp42.0 billion and has paid a total of USD1.3 million and Rp30.0 billion.

In 2015, the Company received additional facilities amounting to USD0.2 million and Rp7.0 billion and has paid a total of Rp22.5 billion.

On March 29, 2016, remaining balance from these loans have been settled through issuance of mandatory convertible bond.

The outstanding loan balance as of December 31, 2016 amounted to nil and the outstanding loan balance as of December 31, 2015 amounted to Rp3.5 billion and USD4.4 million (equivalent to Rp60.1 billion)

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**17. PINJAMAN JANGKA PENDEK (Lanjutan)**

**m. Harus Capital Pte., Ltd.**

Pada tanggal 14 September 2009, Perusahaan mendapatkan fasilitas pinjaman dari Harus Capital Pte., Ltd., sebesar USD46,0 juta. Fasilitas pinjaman ini jatuh tempo dalam satu tahun. Perusahaan telah melakukan pembayaran sebesar USD40,0 juta.

Pinjaman ini telah mengalami beberapa kali perpanjangan, perpanjangan terakhir sampai dengan tanggal 14 September 2016.

Pada tanggal 29 Maret 2016, sisa saldo fasilitas pinjaman ini telah diselesaikan melalui penerbitan obligasi wajib konversi.

Pada tanggal 31 Desember 2016 dan 2015 saldo pinjaman ini masing-masing sebesar nihil dan USD6,0 juta (setara dengan Rp82,8 miliar).

**n. Ecoline Investment Limited**

Pada tanggal 25 Juni 2014, Eurofa mengalihkan sebagian Notes kepada Ecoline Investment Limited (Ecoline) sebesar USD6,0 juta termasuk denda yang masih harus dibayar sehubungan dengan Notes tersebut pada saat pengalihan sebesar USD0,5 juta (Catatan 22h).

Fasilitas pinjaman telah jatuh tempo pada tanggal 16 Desember 2015.

Pada tanggal 29 Maret 2016, sisa saldo fasilitas pinjaman ini telah diselesaikan melalui penerbitan obligasi wajib konversi.

Saldo pinjaman pada tanggal 31 Desember 2016 dan 2015 adalah masing-masing sebesar nihil dan USD6,0 juta (setara dengan Rp82,8 miliar).

**o. PT Recapital Securities**

Pada tanggal 17 Juni 2013, Perusahaan memperoleh fasilitas repo dari Recapital sebesar Rp35,0 miliar. Pada tahun 2013, Perusahaan mencatat fasilitas ini sebesar harga pembelian kembali sebesar Rp36,9 miliar. Fasilitas ini telah jatuh tempo pada 30 November 2013 dan dijamin dengan 322,8 juta saham UNSP dan telah diperpanjang sampai dengan tanggal 3 September 2014.

Pada tanggal 3 September 2014, Perusahaan telah melakukan pembayaran sebagian fasilitas repo ke Recapital sebesar Rp9,9 miliar.

Fasilitas pinjaman ini dengan nilai sisa sebesar Rp27,0 miliar telah diperpanjang beberapa kali, perpanjangan terakhir sampai dengan tanggal 2 Maret 2017.

Pada tanggal 31 Desember 2016 dan 2015, saldo fasilitas ini masing-masing sebesar Rp27 miliar.

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**17. SHORT-TERM LOANS (Continued)**

**m. Harus Capital Pte., Ltd.**

On September 14, 2009, the Company obtained a loan facility from Harus Capital Pte., Ltd., amounting to USD46.0 million. This loan facility will be due within one year. The Company has repaid a total amount of USD40.0 million.

This loan has been extended several times, the latest being until September 14, 2016.

On March 29, 2016, remaining balance from this loan facility has been settled through issuance of mandatory convertible bond.

The outstanding balance of this loan as of December 31, 2016 and 2015 amounted to nil and USD6.0 million (equivalent to Rp82.8 billion), respectively.

**n. Ecoline Investment Limited**

On June 25, 2014, Eurofa transferred partial Notes to Ecoline Investment Limited (Ecoline) amounting to USD6.0 million including the accrued penalty related to the Notes as transfer date amounting to USD0.5 million (Note 22h).

This loan facility was due on December 16, 2015.

On March 29, 2016, remaining balance from this loan facility has been settled through issuance of mandatory convertible bond.

Outstanding balance as of December 31, 2016 and 2015 amounted to nil and USD6.0 million (equivalent to Rp82.8 billion), respectively.

**o. PT Recapital Securities**

On June 17, 2013, the Company obtained repo facility from Recapital 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 and has been extended until September 3, 2014.

On September 3, 2014, the Company has partially settled the repo facility to Recapital amounting to Rp9.9 billion.

This loan facility with remaining balance amounting to Rp27.0 billion has been extended several times, the latest being until March 2, 2017.

As of December 31, 2016 and 2015, the outstanding balance of this facility amounted to Rp27 billion.



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**17. PINJAMAN JANGKA PENDEK (Lanjutan)**

Manajemen berkeyakinan bahwa seluruh pinjaman jangka pendek Kelompok Usaha telah memenuhi persyaratan sebagaimana diatur dalam perjanjian.

**17. SHORT-TERM LOANS (Continued)**

The management believes that all short-term loans of the Group have complied with the covenants stipulated in the agreements.

**18. UTANG USAHA**

**18. TRADE PAYABLES**

	<u>2016</u>	<u>2015</u>	
Pihak ketiga			<i>Third parties</i>
PT Bumi Kaya Steel	51.160	-	<i>PT Bumi Kaya Steel</i>
PT Indal Steel Pipe	48.831	57.322	<i>PT Indal Steel Pipe</i>
PT Steel Pipe Indonesia	46.916	-	<i>PT Steel Pipe Indonesia</i>
Worldwide Cargo Logistics Solution	16.762	-	<i>Worldwide Cargo Logistics Solution</i>
PT BMP Mandiri Sejahtera	16.242	10.108	<i>PT BMP Mandiri Sejahtera</i>
PT KHI Pipe Industry	8.905	88.594	<i>PT KHI Pipe Industry</i>
PT Subur Buana Raya	1.605	30.140	<i>PT Subur Buana Raya</i>
Lain-lain (di bawah Rp10 miliar)	388.325	300.630	<i>Others (below Rp10 billion)</i>
<b>Sub-total</b>	<b>578.746</b>	<b>486.794</b>	<b>Sub-total</b>
Pihak berelasi (Catatan 36e)	16.549	2.408	<i>Related parties (Note 36e)</i>
<b>Total</b>	<b><u>595.295</u></b>	<b><u>489.202</u></b>	<b>Total</b>

Rincian umur utang usaha sebagai berikut:

*Details of aging schedule of trade payables were as follows:*

	<u>2016</u>	<u>2015</u>	
Sampai dengan 1 bulan	170.444	124.113	<i>Up to 1 month</i>
1 bulan - 3 bulan	120.812	97.205	<i>1 month - 3 months</i>
3 bulan - 6 bulan	67.398	181.681	<i>3 months - 6 months</i>
6 bulan - 1 tahun	25.794	31.785	<i>6 months - 1 year</i>
Lebih dari 1 tahun	210.847	54.418	<i>over 1 year</i>
<b>Total</b>	<b><u>595.295</u></b>	<b><u>489.202</u></b>	<b>Total</b>

Rincian utang usaha berdasarkan mata uang adalah sebagai berikut:

*Details of trade payable based on currencies were as follows:*

<u>Mata uang</u>	<u>2016</u>	<u>2015</u>	<u>Currencies</u>
Dolar AS	198.875	242.664	<i>US Dollar</i>
Rupiah	396.244	246.044	<i>Rupiah</i>
Dolar Singapura	124	169	<i>Singapore Dollar</i>
Euro	8	164	<i>Euro</i>
Dolar Australia	44	161	<i>Australian Dollar</i>
<b>Total</b>	<b><u>595.295</u></b>	<b><u>489.202</u></b>	<b>Total</b>

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**19. UTANG LAIN-LAIN**

	<b>2016</b>	<b>2015</b>
Pihak ketiga	54.991	93.321
Pihak berelasi (Catatan 36f)		
Dana Pensiun Bakrie	38.913	24.484
Lain-lain (di bawah Rp1 miliar)	1.376	4.194
Sub-total	40.289	28.678
<b>Total</b>	<b>95.280</b>	<b>121.999</b>

**19. OTHER PAYABLES**

<i>Third parties</i>
<i>Related parties (Note 36f)</i>
<i>Dana Pensiun Bakrie</i>
<i>Others (below Rp1 billion)</i>
<i>Sub-total</i>
<b>Total</b>

**20. BEBAN MASIH HARUS DIBAYAR**

	<b>2016</b>	<b>2015</b>
Bunga	743.825	1.220.065
Denda	375.117	176.203
Gaji, upah dan tunjangan	18.674	14.059
Jasa profesional	3.787	7.527
Listrik, air dan telepon	2.446	2.597
Pajak dan asuransi	580	2.128
Proyek	282	1.478
Lain-lain (di bawah Rp1 miliar)	49.241	48.459
<b>Total</b>	<b>1.193.952</b>	<b>1.472.516</b>

**20. ACCRUED EXPENSES**

<i>Interest</i>
<i>Penalty</i>
<i>Salaries, wages and allowances</i>
<i>Professional fees</i>
<i>Electricity, water and telephone</i>
<i>Taxes and insurance</i>
<i>Projects</i>
<i>Others (below Rp1 billion)</i>
<b>Total</b>

**21. UANG MUKA PELANGGAN DAN PENDAPATAN DITANGGUHKAN**

	<b>2016</b>	<b>2015</b>
Uang muka pelanggan	44.213	32.445
Pendapatan ditangguhkan	-	1.427
<b>Total</b>	<b>44.213</b>	<b>33.872</b>

**21. CUSTOMER DEPOSITS AND UNEARNED REVENUES**

<i>Customer deposits</i>
<i>Unearned revenues</i>
<b>Total</b>

**22. PINJAMAN JANGKA PANJANG**

	<b>2016</b>	<b>2015</b>
<b>Rupiah</b>		
PT Bank Bukopin Tbk, Indonesia	53.934	76.281
PT Bank Rakyat Indonesia Syariah, Indonesia	46.032	48.132
PT Bank Negara Indonesia Syariah Indonesia	37.959	27.028
PT Bank Muamalat Tbk, Indonesia	37.044	50.847
PT Bank Rakyat Indonesia, Indonesia	24.030	-
PT Bank Artha Graha Internasional Tbk, Indonesia	21.524	37.667
PT Bank J Trust Indonesia, Indonesia	10.232	20.882
Sub-total	230.755	260.837

**22. LONG-TERM LOANS**

<b>Rupiah</b>
<i>PT Bank Bukopin Tbk, Indonesia</i>
<i>PT Bank Rakyat Indonesia Syariah, Indonesia</i>
<i>PT Bank Negara Indonesia Syariah Indonesia</i>
<i>PT Bank Muamalat Tbk, Indonesia</i>
<i>PT Bank Rakyat Indonesia, Indonesia</i>
<i>PT Bank Artha Graha Internasional Tbk, Indonesia</i>
<i>PT Bank J Trust Indonesia, Indonesia</i>
<b>Sub-total</b>

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**22. PINJAMAN JANGKA PANJANG (Lanjutan)**

**22. LONG-TERM LOANS (Continued)**

	<b>2016</b>	<b>2015</b>	
<b>Mata uang asing (USD)</b>			<b>Foreign currency (USD)</b>
Mitsubishi Corporation, Jepang	1.974.861	2.069.013	Mitsubishi Corporation, Japan
Eurofa Capital Investment Inc, Singapura	1.383.908	1.420.885	Eurofa Capital Investment Inc, Singapore
Sub-total	<u>3.358.769</u>	<u>3.489.898</u>	Sub-total
Total Utang Jangka Panjang	3.589.524	3.750.735	Total Long-Term Loans
Dikurangi:			Less:
Bagian jangka pendek	<u>(3.438.208)</u>	<u>(2.880.238)</u>	Current portion
<b>Bagian Jangka Panjang pada Biaya Perolehan Diamortisasi</b>	<b><u>151.316</u></b>	<b><u>870.497</u></b>	<b>Non-Current Portion at Amortized Cost</b>

Pinjaman jangka panjang dikenakan bunga per tahun sebagai berikut:

Long-term loans bear annual interest rates as follows:

	<b>2016 dan/and 2015</b>	
Rupiah	12 % - 15 %	Rupiah
Dolar AS	2,5 % - 7%	US Dollar

**a. 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 selama 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.

Fasilitas ini dijamin dengan 2 unit bangunan kantor yang berlokasi di Gedung Bakrie Tower lantai 34 nomor BT.34-A dan lantai 36 nomor BT.36-A di Jalan Taman Rasuna Said, Jakarta Selatan.

2. Pada tanggal 26 Juli 2013 dan 12 September 2013, PT Bakrie Autoparts (BA) dan PT Bina Usaha Mandiri Mizusawa (BUMM) menandatangani Perjanjian Fasilitas Kredit Investasi dengan Bukopin masing-masing sebesar Rp25,0 miliar yang jatuh tempo dalam 5 tahun. Fasilitas ini digunakan untuk pembelian 2 unit bangunan kantor.

Fasilitas ini dijamin dengan 2 unit bangunan kantor di Gedung Bakrie Tower lantai 35 nomor BT.35-A dan lantai 37 nomor BT.37-A di Jalan Taman Rasuna Said, Jakarta Selatan.

**a. 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 will mature 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.

These facilities are secured by 2 units of office building located at 34th floor number BT.34-A and 36th floor number BT.36-A, Bakrie Tower, Jalan Taman Rasuna Said, Jakarta Selatan.

2. On July 26, 2013 and September 12, 2013, PT Bakrie Autoparts (BA) and PT Bina Usaha Mandiri Mizusawa (BUMM) entered into a Credit Facility Investment Agreement with Bukopin amounting to Rp25.0 billion which will mature in 5 years. This facility is used to acquire 2 units of office building.

This facility is secured by 2 units of office building at 35th floor number BT.35-A and 37th floor number BT.37-A, Bakrie Tower, Jalan Taman Rasuna Said, Jakarta Selatan.

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**22. PINJAMAN JANGKA PANJANG (Lanjutan)**

Pada tahun 2016, Kelompok Usaha telah membayar sejumlah Rp22,3 miliar.

Saldo pinjaman ini pada tanggal 31 Desember 2016 dan 2015 masing-masing adalah sebesar Rp53,9 miliar dan Rp76,3 miliar.

**b. PT Bank Rakyat Indonesia Syariah**

Pada tanggal 5 Desember 2012, PT Bakrie Autoparts (BA) memperoleh fasilitas pinjaman dari PT Bank Rakyat Indonesia Syariah (BRI Syariah) dalam bentuk:

1. Fasilitas Murabahah dengan plafon sebesar Rp80,0 miliar dan akan jatuh tempo pada tanggal 5 Desember 2017.
2. Fasilitas Musyarakah dengan plafon sebesar Rp12,0 miliar dan telah jatuh tempo pada tanggal 5 Desember 2013. Perjanjian ini telah diperpanjang untuk jangka waktu 18 bulan terhitung sejak Desember 2013.

Fasilitas ini telah diperpanjang dengan jangka waktu 12 bulan sejak tanggal 25 Juni 2015 dengan perubahan plafon menjadi Rp10,0 miliar.

Fasilitas Murabahah digunakan untuk pembelian pabrik PT Korindo Casting yang terletak di Jl. Raya Serang KM 31, Kel. Gombong, Kec. Balaraja, Kab. Tangerang, Banten, dan fasilitas Musyarakah digunakan untuk kebutuhan modal kerja operasional Pabrik Casting.

Fasilitas ini dijamin dengan tanah BA seluas 77.660m<sup>2</sup> dan bangunan seluas 15.734m<sup>2</sup> yang berlokasi di Jl. Raya Serang KM 31, Tangerang, Banten.

Pada tahun 2016, BA telah membayar sejumlah Rp2,1 miliar.

Saldo pinjaman ini pada tanggal 31 Desember 2016 dan 2015 masing-masing adalah sebesar Rp46,0 miliar dan Rp48,1 miliar.

**c. PT Bank Negara Indonesia Syariah**

1. Pada tanggal 19 Desember 2014, PT Braja Mukti Cakra (BMC) memperoleh Fasilitas Murabahah dari PT Bank BNI Syariah dengan jumlah plafon maksimum sebesar Rp50,0 miliar. Fasilitas ini akan jatuh tempo dalam 60 bulan. Fasilitas ini digunakan untuk untuk *take over* pinjaman atas investasi mesin dan peralatan dari Bank J Trust Indonesia Tbk, *take over* pinjaman atas modal kerja dari Bank J Trust Indonesia Tbk, dan untuk investasi pembelian mesin dan modal kerja.

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**22. LONG-TERM LOANS (Continued)**

*In 2016, the Group has paid a total of Rp22.3 billion.*

*The outstanding balance as of December 31, 2016 and 2015 amounted to Rp53.9 billion and Rp76.3 billion, respectively.*

**b. PT Bank Rakyat Indonesia Syariah**

*On December 5, 2012, PT Bakrie Autoparts (BA) obtained loan facilities from PT Bank Rakyat Indonesia Syariah (BRI Syariah) in the form of:*

1. *Murabahah Facility with a ceiling of Rp80.0 billion and will mature on December 5, 2017.*
2. *Musyarakah Facility with a ceiling of Rp12.0 billion and matured on December 5, 2013. This facility has been extended for 18 months since December 2013.*

*This facility has been extended for 12 month since June 25, 2015 with amendment plafond to be Rp10.0 billion.*

*The Murabahah facility was used to buy the factory of PT Korindo Casting which is located in Jl. Raya Serang KM 31, Kel. Gombong, Kec. Balaraja, Kab. Tangerang, Banten, and the Musyarakah facility was used for working capital of the Casting plant operations.*

*These facilities are secured by BA's land of 77,660m<sup>2</sup> and building of 15,734m<sup>2</sup> located in Jl. Raya Serang KM 31, Tangerang, Banten.*

*In 2016, BA has paid a total of Rp2.1 billion.*

*Outstanding balance as of December 31, 2016 and 2015 amounted to Rp46.0 billion and Rp48.1 billion, respectively.*

**c. PT Bank Negara Indonesia Syariah**

1. *On December 19, 2014, PT Braja Mukti Cakra (BMC) obtained Murabahah Facility from PT Bank BNI Syariah with ceiling of amounting to Rp50.0 billion. This facility will mature in 60 months. This facility was used to take over of machinery and equipment investment loan from Bank J Trust Indonesia Tbk, take over of working capital loan from Bank J Trust Indonesia Tbk, and as investment in machinery purchasing and working capital.*

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**22. PINJAMAN JANGKA PANJANG (Lanjutan)**

Fasilitas ini dijamin dengan:

- a. Segala harta yang bergerak maupun tidak bergerak;
  - b. sebidang tanah, SHGB No. 3219 dan No. 4080 atas nama PT Braja Mukti Cakra yang berlokasi di Jl. Harapan Kita No. 4, Kelurahan Harapan Jaya, Kecamatan Bekasi Utara, Kota Bekasi, Propinsi Jawa Barat;
  - c. rangkaian mesin dan perlengkapan yang diikat dengan fidusia senilai Rp60,8 miliar; dan
  - d. obyek pembiayaan berupa persediaan yang dibiayai Bank akan diikat fidusia minimal senilai Rp10 miliar.
2. Pada tanggal 29 Februari 2016, PT Bina Usaha Mandiri Mizusawa (BUMM) memperoleh Fasilitas Musyarakah dari PT Bank BNI Syariah dengan jumlah plafon maksimum sebesar Rp5,0 miliar. Fasilitas ini akan jatuh tempo dalam 36 bulan. Fasilitas ini digunakan untuk modal kerja pembelian bahan baku.

Fasilitas ini dijamin dengan:

- a. Segala harta yang bergerak maupun tidak bergerak;
- b. sebidang tanah, SHGB No. 291 dan No. 5340 atas nama PT Bina Usaha Mandiri Mizusawa yang berlokasi di Jl. KH. EZ. Muttaqien, Kelurahan Alam Jaya, Kecamatan Jatiuwung, Kota Tangerang, Propinsi Banten;
- c. rangkaian mesin dan perlengkapan yang diikat dengan fidusia senilai Rp9,0 miliar; dan
- d. obyek pembiayaan berupa persediaan yang dibiayai Bank akan diikat fidusia minimal senilai Rp5 miliar.

Pada tahun 2016, BMC dan BUMM telah membayar sejumlah Rp15,5 miliar.

Saldo fasilitas ini pada tanggal 31 Desember 2016 dan 2015, adalah masing-masing sebesar Rp38,0 miliar dan Rp27,0 miliar.

**d. PT Bank Muamalat Indonesia Tbk**

Pada tanggal 6 Maret 2013, PT Braja Mukti Cakra (BMC), memperoleh fasilitas pinjaman dari PT Bank Muamalat Indonesia Tbk dalam bentuk Fasilitas Murabahah dengan jumlah maksimum sebesar Rp14,0 miliar yang akan jatuh tempo dalam waktu 48 bulan. Fasilitas ini digunakan untuk pembelian tanah dan bangunan pabrik.

Pada tahun 2014, BMC memperoleh tambahan fasilitas Murabahah dengan jumlah sebesar Rp38,2 miliar dengan margin Muqosah sebesar Rp15,0 miliar. Fasilitas ini akan jatuh tempo dalam enam puluh (60) bulan. Fasilitas ini digunakan untuk membeli mesin produksi dan mesin tersebut juga sebagai jaminan.

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**22. LONG-TERM LOANS (Continued)**

*This facility is secured by:*

- a. All of movable property and non-movable property;
  - b. land, SHGB No. 3219 and No. 4080 on behalf of PT Braja Mukti Cakra that located in Jl. Harapan Kita No. 4, Kelurahan Harapan Jaya, Kecamatan Bekasi Utara, Kota Bekasi, Provinsi Jawa Barat;
  - c. a series engine and equipment with that tied by fiduciary duty amounting to Rp60.8 billion; and
  - d. financing object as inventory that will be financed by Bank with fiduciary duty with a total minimum amounting to Rp10 billion.
2. On February 29, 2016, PT Bina Usaha Mandiri Mizusawa (BUMM) obtained Musyarakah Facility from PT Bank BNI Syariah with ceiling amounting to Rp5.0 billion. This facility will mature in 36 months. This facility was used to working capital purchase raw material.

*This facility is secured by:*

- a. All of movable property and non-movable property;
- b. land, SHGB No. 291 and No. 5340 on behalf of PT Bina Usaha Mandiri Mizusawa that located in Jl. KH. EZ. Muttaqien, Kelurahan Alam Jaya, Kecamatan Jatiuwung, Kota Tangerang, Provinsi Banten;
- c. a series engine and equipment with that tied by fiduciary duty amounting to Rp9.0 billion; and
- d. financing object as inventory that will be financed by Bank with fiduciary duty with a total minimum amounting to Rp5 billion.

*In 2016, the BMC and BUMM has paid a total of Rp15.5 billion.*

*Outstanding balance as of December 31, 2016 and 2015, amounted to Rp38.0 billion and Rp27.0 billion, respectively.*

**d. PT Bank Muamalat Indonesia Tbk**

*On March 6, 2013, PT Braja Mukti Cakra (BMC), obtained loan facility from PT Bank Muamalat Indonesia Tbk in the form of Murabahah Facility with a maximum amount of Rp14.0 billion and will mature in 48 months. This facility was used to purchase land and factory building.*

*In 2014, BMC obtained additional Murabahah facility with total amount of Rp38.2 billion with a margin of Muqosah amounting to Rp15.0 billion. This facility will mature in sixty (60) months. These loans were used to purchase production machines and the machines are used as collateral.*

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**22. PINJAMAN JANGKA PANJANG (Lanjutan)**

Pada tahun 2015, BMC, memperoleh Fasilitas Pinjaman Murabahah dengan jumlah sebesar Rp29,5 miliar dengan margin Rp13,3 miliar. Fasilitas ini akan jatuh tempo dalam enam puluh (60) bulan.

Berdasarkan perjanjian pinjaman, BMC tidak diperkenankan melakukan kegiatan-kegiatan berikut tanpa persetujuan tertulis terlebih dahulu dari bank, 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 2016, BMC telah membayar sejumlah Rp13,8 miliar.

Saldo pinjaman ini pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar Rp37,0 miliar dan Rp50,8 miliar.

**e. PT Bank Rakyat Indonesia (Persero) Tbk**

Pada tanggal 29 November 2016, PT Bakrie Metal Industries (BMI) mengubah fasilitas kredit menjadi sebesar Rp8,0 miliar, untuk fasilitas Rekening Koran (KMK R/K), "Construction Withdrawal Approval" (KMK Konstruksi W/A), Rp23,0 miliar untuk Surat Kredit Berdokumen Dalam Negeri (KMK/PJ SKBDN) dan fasilitas bank garansi dengan batas pinjaman maksimum sebesar Rp3,0 miliar (Catatan 17f).

Fasilitas pinjaman ini dijamin dengan piutang usaha, persediaan, tanah dan bangunan, mesin-mesin dan peralatan dan deposito milik BMI. Fasilitas pinjaman ini tersedia untuk BMI dari tanggal 14 November 2016 sampai 14 November 2018.

Saldo pinjaman ini pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar Rp24,0 miliar dan nihil.

**f. PT Bank Artha Graha Internasional Tbk**

Pada tanggal 24 April 2014, berdasarkan Akta Perjanjian Kredit No. 172, PT Bakrie Building Industries (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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**22. LONG-TERM LOANS (Continued)**

In 2015, BMC, obtained various Murabahah Loan Facility with a total amount of Rp29.5 billion and total margin of Rp13.3 billion. This facility will mature in sixty (60) months.

Based on the loan agreement, BMC shall not perform transactions to carryout the following activities without the prior written approval from the bank, 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 2016, BMC has paid a total of Rp13.8 billion.

Outstanding balance as of December 31, 2016 and 2015 amounted to Rp37.0 billion and Rp50.8 billion, respectively.

**e. PT Bank Rakyat Indonesia (Persero) Tbk**

On November 29, 2016, PT Bakrie Metal Industries (BMI) amended the existing loan agreement with changes pertaining to increase in the credit facility to become Rp8.0 billion, for the Bank Account, "Construction Withdrawal Approval", Rp23.0 billion for the Local Letter of Credit Facility, and bank guarantee facility with a maximum credit limit amounting to Rp3.0 billion. (Note 17f).

This loan facility is secured with BMI's trade receivables, inventories, land and building, machinery and equipment and time deposit. This loan facility is available to BMI from November 14, 2016 until November 14, 2018.

Outstanding balance as of December 31, 2016 and 2015 amounted to Rp24.0 billion and nil, respectively.

**f. PT Bank Artha Graha Internasional Tbk**

On April 24, 2014, PT Bakrie Building Industries (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 will mature on April 24, 2018. The loan is collateralized by land, building and facilities owned by BBI located in Kalideres, Jakarta.

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**22. PINJAMAN JANGKA PANJANG (Lanjutan)**

Selama periode pinjaman, BBI tidak diperbolehkan untuk melaksanakan kegiatan-kegiatan berikut tanpa persetujuan tertulis dari BAG, antara lain:

- a. Melakukan merger atau konsolidasi dengan entitas lain;
- b. Mengubah bisnis usaha;
- c. Menjadi penjamin dan menyerahkan aset yang telah diagunkan dari BAG kepada pihak ketiga;
- d. Mendapatkan tambahan pinjaman dari lembaga keuangan lain yang terkait dengan agunan yang telah ditunjuk oleh BAG.

Pada tahun 2016, BBI telah membayar sejumlah Rp16,1 miliar.

Saldo pinjaman ini pada tanggal 31 Desember 2016 dan 2015 masing-masing adalah sebesar Rp21,5 miliar dan Rp37,7 miliar.

**g. PT Bank J Trust Indonesia Tbk**

1. Pada tanggal 13 Juni 2011, PT Bina Usaha Mandiri Mizusawa (BUMM) memperoleh fasilitas pinjaman dari PT Bank J Trust Indonesia Tbk dengan jumlah maksimum sebesar Rp30,0 miliar.

Pinjaman ini digunakan untuk pembelian tanah dan bangunan termasuk mesin dan peralatan di Jl. E.Z. Muttaqqien Kelurahan Alam Jaya, Jatiuwung, Tangerang, Banten. Fasilitas ini akan jatuh tempo dalam 60 bulan.

Fasilitas ini dijamin dengan:

- a. Tanah, SHGB No. 5340 dan SHGB No. 291 atas nama BUMM, termasuk bangunan pabrik berlokasi di Jl. E.Z. Muttaqqien Kel. Gembor, Kec. Jatiuwung, Tangerang, Banten.
- b. Semua sarana dan prasarana.
- c. Mesin dan peralatan berlokasi di Jatiuwung, Tangerang, Banten.
- d. Jaminan perusahaan dari BA.

2. Pada tanggal 22 Maret 2011, BA memperoleh fasilitas pinjaman investasi dari PT Bank J Trust Indonesia Tbk dengan jumlah maksimum sebesar Rp20,0 miliar yang akan digunakan untuk pembelian tanah dan bangunan termasuk mesin dan peralatan di Cakung, Jakarta Timur. Fasilitas ini akan jatuh tempo dalam 60 bulan.

Fasilitas ini dijamin dengan:

- a. Tanah dengan luas 29.953m<sup>2</sup> berlokasi di Jl. Tipar Cakung, Kel. Cakung Barat, Kec. Cakung, Jakarta Timur.
- b. Bangunan berlokasi di Cakung, Jakarta Timur.
- c. Mesin dan peralatan berlokasi di Cakung, Jakarta Timur.

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**22. 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:

- a. Execute merger or consolidation with other entities;
- b. Change the core business;
- c. Act as a guarantor and pledge the assets that have been designated as collateral by BAG to third parties;
- d. Obtain an additional loan from another financial institution in respect of the collateral designated by BAG.

In 2016, the BBI has paid a total of Rp16.1 billion.

Outstanding balance as of December 31, 2016 and 2015 amounted to Rp21.5 billion and Rp37.7 billion, respectively.

**g. PT Bank J Trust Indonesia Tbk**

1. On June 13, 2011, PT Bina Usaha Mandiri Mizusawa (BUMM) obtained a loan facility from PT Bank J Trust Indonesia Tbk with total maximum amount of Rp30.0 billion.

This loan was used to purchase land and building including machinery and equipment at Jl. E.Z. Muttaqqien Kelurahan Alam Jaya, Jatiuwung, Tangerang, Banten. This facility will mature within 60 months.

This facility is secured by:

- a. Land SHGB No. 5340 and SHGB No. 291 under the name of BUMM, including factory building, located at Jl. E.Z. Muttaqqien Kel. Gembor, Kec. Jatiuwung, Tangerang, Banten.
- b. All structure and infrastructure.
- c. Machinery and equipment located at Jatiuwung, Tangerang, Banten.
- d. Corporate guarantee from BA.

2. On March 22, 2011, BA obtained an investment loan facility from PT Bank J Trust Indonesia Tbk with total maximum amount of Rp20.0 billion that will be used to purchase land and building including machinery and equipment in Cakung, East Jakarta. This facility will mature within 60 months.

This facility is secured by:

- a. Land of 29,953m<sup>2</sup> located in Jl. Tipar Cakung, Kel. Cakung Barat, Kec. Cakung, East Jakarta.
- b. Building located in Cakung, East Jakarta.
- c. Machinery and equipment located in Cakung, East Jakarta.

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**22. PINJAMAN JANGKA PANJANG (Lanjutan)**

Pada tahun 2016, BA dan BUMM telah membayar sejumlah Rp10,7 miliar.

Saldo pinjaman ini pada tanggal 31 Desember 2016 dan 2015 masing-masing adalah sebesar Rp10,2 miliar dan Rp20,9 miliar.

**h. 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 yang telah diakuisisi.

Pada tahun 2016, Perusahaan telah membayar sejumlah USD3,0 juta (setara dengan Rp40,3 miliar).

Saldo pinjaman ini pada tanggal 31 Desember 2016 dan 2015 masing-masing adalah sebesar USD147,0 juta (setara dengan Rp2,0 triliun) dan USD150,0 juta (setara dengan Rp2,0 triliun).

**i. 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 akan jatuh tempo pada tanggal 16 Desember 2015. Perusahaan harus membayar Eurofa *upfront fee* sebesar USD6,4 juta.

Berdasarkan perjanjian tersebut, Eurofa mempunyai hak untuk melakukan konversi jumlah pokok pinjaman menjadi saham biasa Perusahaan setiap saat pada atau 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
- Gagal bayar terjadi dan terus berlanjut.

Pada tanggal 25 Juni 2014, Eurofa mengalihkan sebagian *Notes* kepada Ecoline Investment Limited sebesar USD6,0 juta (Catatan 17n).

Saldo pinjaman ini pada tanggal 31 Desember 2016 dan 2015 adalah sebesar USD103,0 juta (setara dengan Rp1,4 triliun).

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**22. LONG-TERM LOANS (Continued)**

In 2016, BA and BUMM has paid a total of Rp10.7 billion.

Outstanding balance as of December 31, 2016 and 2015 amounted to Rp10.2 billion and Rp20.9 billion, respectively.

**h. 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 is secured by the pledge of acquired BUMI shares

In 2016, the Company has paid a total of USD3.0 million (equivalent to Rp40.3 billion).

Outstanding balance as of December 31, 2016 and 2015 amounted to USD147.0 million (equivalent to Rp2.0 trillion) and USD150.0 million (equivalent to Rp2.0 trillion), respectively.

**i. 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 will mature on December 16, 2015. The Company paid Eurofa an upfront fee of USD6.4 million.

Based on the agreement, Eurofa has the right to convert the principal amount into ordinary shares of the Company at any time on or 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 (Note 17n).

Outstanding balance as of December 31, 2016 and 2015 amounted to USD103.0 million (equivalent to Rp1.4 trillion).



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**22. PINJAMAN JANGKA PANJANG (Lanjutan)**

Pada tanggal 31 Desember 2016 dan 2015, manajemen berkeyakinan bahwa seluruh pinjaman jangka panjang Kelompok Usaha telah memenuhi persyaratan dan pembatasan yang diwajibkan sebagaimana diatur dalam perjanjian kredit.

**23. UTANG SEWA PEMBIAYAAN**

Kelompok Usaha memiliki utang sewa pembiayaan kepada:

<b>Perusahaan sewa pembiayaan</b>	<b>2016</b>	<b>2015</b>	<b>Lessors</b>
PT Astra Sedaya Finance	1.071	-	PT Astra Sedaya Finance
PT CIMB Niaga Auto Finance	834	-	PT CIMB Niaga Auto Finance
PT Dipo Star Finance	330	161	PT Dipo Star Finance
PT Bank Internasional Indonesia Finance	108	215	PT Bank Internasional Indonesia Finance
PT Verena Multi Finance	-	2.282	PT Verena Multi Finance
Lain-lain (di bawah Rp100 juta)	173	267	Others (below Rp100 million)
<b>Total</b>	<b>2.516</b>	<b>2.925</b>	<b>Total</b>

Utang sewa pembiayaan dijamin dengan aset yang dibiayai oleh utang ini (Catatan 13).

**22. LONG-TERM LOANS (Continued)**

As of December 31, 2016 and 2015, the management believes that all long-term loans of the Group have met the terms and conditions as stipulated in the loan agreements.

**23. FINANCING LEASE PAYABLES**

The Group had finance lease payables as follows:

Finance lease payables are collateralized by assets financed by these payables (Note 13).

Pembayaran sewa pembiayaan minimum di masa depan adalah sebagai berikut:

Future minimum lease payments were as follows:

	<b>2016</b>		
	<b>Pembayaran minimum sewa pembiayaan di masa depan/ Future minimum lease payments</b>	<b>Nilai kini pembayaran minimum sewa pembiayaan di masa depan/ Present value of future minimum lease payments</b>	
Tidak lebih dari 1 tahun	786	661	Not later than 1 year
Lebih dari 1 - 5 tahun	1.861	1.855	Over 1- 5 years
<b>Jumlah</b>	<b>2.647</b>	<b>2.516</b>	<b>Total</b>
Disajikan sebagai:			Presented as:
Liabilitas jangka pendek		661	Short-term liabilities
Liabilitas jangka panjang		1.855	Long-term liabilities
<b>Jumlah</b>		<b>2.516</b>	<b>Total</b>

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### 23. UTANG SEWA PEMBIAYAAN

### 23. FINANCING LEASE PAYABLES

	2015		
	Pembayaran minimum sewa pembiayaan di masa depan/ <i>Future minimum lease payments</i>	Nilai kini pembayaran minimum sewa pembiayaan di masa depan/ <i>Present value of future minimum lease payments</i>	
Tidak lebih dari 1 tahun	2.436	1.983	Not later than 1 year
Lebih dari 1 - 5 tahun	1.230	942	Over 1- 5 years
<b>Jumlah</b>	<b>3.666</b>	<b>2.925</b>	<b>Total</b>
Disajikan sebagai:			Presented as:
Liabilitas jangka pendek		1.983	Short-term liabilities
Liabilitas jangka panjang		942	Long-term liabilities
<b>Jumlah</b>		<b>2.925</b>	<b>Total</b>

### 24. MODAL SAHAM

### 24. SHARE CAPITAL

Pemegang Saham	2016			Shareholders
	Jumlah Saham Ditempatkan dan Disetor Penuh (dalam angka penuh)/ <i>Number of Shares Issued and Fully Paid (full amount)</i>	Persentase Kepemilikan/ <i>Percentage of Ownership (%)</i>	Jumlah/ <i>Amount (Rp)</i>	
Credit Suisse AG, Cabang Singapura S/A Bright Ventures Pte. Ltd.	20.251.500.000	20,87%	2.308.671	Credit Suisse AG, Singapore Branch S/A Bright Ventures Pte. Ltd.
BNYM S/A For Mackenzie Cundill Recovery Fd	8.530.000.000	8,79%	972.420	BNYM S/A For Mackenzie Cundill Recovery Fd
Interventures Capital Pte. Ltd.	4.814.695.351	4,96%	548.875	Interventures Capital Pte. Ltd.
PT Solusi Sarana Sejahtera	3.300.000.000	3,40%	165.000	PT Solusi Sarana Sejahtera
PT Prima Elok Makmur	1.739.132.255	1,79%	198.261	PT Prima Elok Makmur
Reksa Dana Pinnacle Dana Prima	1.722.438.500	1,78%	196.358	Reksa Dana Pinnacle Dana Prima
DBS Bank Ltd. SG-PB Clients	1.499.010.889	1,55%	170.887	DBS Bank Ltd. SG-PB Clients
JPMCB-New World Fund, Inc.	1.332.820.100	1,37%	531.795	JPMCB-New World Fund, Inc.
HSBC Ltd. Cabang Singapura	991.011.652	1,02%	395.414	HSBC Ltd. Singapore Branch
PT Bakrie Investindo	24.541.151	0,03%	69.942	PT Bakrie Investindo
Aburizal Bakrie	665.950	0,00%	1.898	Aburizal Bakrie
Armansyah Yamin	167.989	0,00%	479	Armansyah Yamin
E J Abidin Monot	79.995	0,00%	228	E J Abidin Monot
Reginald Edward Kreefft	75.996	0,00%	217	Reginald Edward Kreefft
Dewi Asmara Hamizar	40.595	0,00%	116	Dewi Asmara Hamizar
Indra Usmansyah Bakrie	550	0,00%	2	Indra Usmansyah Bakrie
Masyarakat	52.815.536.555	54,44%	6.867.985	Public
<b>Total</b>	<b>97.021.717.528</b>	<b>100,00%</b>	<b>12.428.548</b>	<b>Total</b>

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**24. MODAL SAHAM (Lanjutan)**

**24. SHARE CAPITAL (Continued)**

<b>2015</b>				
<b>Pemegang Saham</b>	<b>Jumlah Saham Ditempatkan dan Disetor Penuh (dalam angka penuh)/ Number of Shares Issued and Fully Paid (full amount)</b>	<b>Persentase Kepemilikan/ Percentage of Ownership (%)</b>	<b>Jumlah/ Amount (Rp)</b>	<b>Shareholders</b>
Credit Suisse AG, Cabang Singapura S/A				Credit Suisse AG, Singapore Branch S/A
Bright Ventures Pte. Ltd.	20.251.500.000	21,61%	2.308.671	Bright Ventures Pte. Ltd.
BNYM S/A For Mackenzie Cundill Recovery Fd	8.750.000.000	9,34%	997.500	BNYM S/A For Mackenzie Cundill Recovery Fd
Interventures Capital Pte. Ltd.	4.814.695.351	5,14%	548.875	Interventures Capital Pte. Ltd.
DBS Bank Ltd. SG-PB Clients	1.519.010.889	1,62%	173.167	DBS Bank Ltd. SG-PB Clients
JPMCB-New World Fund, Inc.	1.332.820.100	1,42%	151.941	JPMCB-New World Fund, Inc.
PT Asuransi Jiwasraya	1.196.560.000	1,28%	136.408	PT Asuransi Jiwasraya
HSBC Ltd. Cabang Singapura	992.011.652	1,06%	395.813	HSBC Ltd. Singapore Branch
PT Bakrie Investindo	24.541.151	0,03%	69.942	PT Bakrie Investindo
Aburizal Bakrie	665.950	0,00%	1.898	Aburizal Bakrie
Armansyah Yamin	167.989	0,00%	479	Armansyah Yamin
E J Abidin Monot	79.995	0,00%	228	E J Abidin Monot
Reginald Edward Kreefft	75.996	0,00%	217	Reginald Edward Kreefft
Dewi Asmara Hamizar	40.595	0,00%	116	Dewi Asmara Hamizar
Indra Usmansyah Bakrie Masyarakat	550 54.839.547.310	0,00% 58,51%	2 7.478.291	Indra Usmansyah Bakrie Public
<b>Total</b>	<b>93.721.717.528</b>	<b>100,00%</b>	<b>12.263.548</b>	<b>Total</b>

Susunan pemegang saham Perusahaan diatas pada tanggal 31 Desember 2016 dan 2015, berdasarkan catatan yang dibuat oleh PT EDI Indonesia, Biro Administrasi Efek.

The abovementioned composition of the Company's shareholders as of December 31, 2016 and 2015, were maintained by PT EDI Indonesia, Securities Administration Agency.

Rincian modal dasar Perusahaan pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

Details of the Company's authorized share capital as of December 31, 2016 and 2015 were as follows:

<b>2016</b>				
<b>Saham</b>	<b>Jumlah Saham/ Number of Shares</b>	<b>Nilai Nominal (angka penuh)/ Par Value (full amount)</b>	<b>Jumlah/ Amount</b>	<b>Shares</b>
Modal dasar				Authorized Capital
Seri A	775.008.000	2850	2.208.773	Series A
Seri B	3.681.288.000	399	1.468.834	Series B
Seri C	367.740.292.000	114	41.922.393	Series C
Seri D	79.255.387.120	50	3.962.769	Series D
<b>Total</b>	<b>451.451.975.120</b>		<b>49.562.769</b>	<b>Total</b>

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**24. MODAL SAHAM (Lanjutan)**

**24. SHARE CAPITAL (Continued)**

Saham	2016			Shares
	Jumlah Saham/ Number of Shares	Nilai Nominal (angka penuh)/ Par Value (full amount)	Jumlah/ Amount	
Modal ditempatkan dan disetor				<i>Issued and fully paid capital</i>
Seri A	193.752.000	2850	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	3.300.000.000	50	165.000	Series D
<b>Total</b>	<b>97.021.717.528</b>		<b>12.428.548</b>	<b>Total</b>

Saham	2015			Shares
	Jumlah Saham/ Number of Shares	Nilai Nominal (angka penuh)/ Par Value (full amount)	Jumlah/ Amount	
Modal dasar				<i>Authorized Capital</i>
Seri A	775.008.000	2850	2.208.773	Series A
Seri B	3.681.288.000	399	1.468.834	Series B
Seri C	367.740.292.000	114	41.922.393	Series C
<b>Total</b>	<b>372.196.588.000</b>		<b>45.600.000</b>	<b>Total</b>
Modal ditempatkan dan disetor				<i>Issued and fully paid capital</i>
Seri A	193.752.000	2850	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
<b>Total</b>	<b>93.721.717.528</b>		<b>12.263.548</b>	<b>Total</b>

**Perubahan Modal Disetor**

Sehubungan dengan kuasi-reorganisasi untuk mengeliminasi defisit, Perusahaan menurunkan nilai nominal sahamnya sebesar Rp9,3 triliun (Catatan 43).

Dalam Penawaran Umum Terbatas IV (PUT IV), setiap 17 saham hasil Hak Memesan Efek Terlebih Dahulu (HMETD) melekat 1 Waran Seri I, dengan harga pelaksanaan Rp620 per lembar saham. Waran seri I adalah efek yang diberikan kepada pemegangnya untuk membeli saham yang bernilai nominal Rp200 per lembar, yang dapat dilaksanakan selama periode 2 Oktober 2008 hingga 1 April 2011. Setelah periode pelaksanaan waran berakhir, jumlah waran yang telah dieksekusi menjadi saham sebanyak 88 lembar (Catatan 1b).

**Changes in Paid-up Capital**

*In relation to the quasi-reorganization, the Company reduced the par value of its shares by Rp9.3 trillion to eliminate the deficit (Note 43).*

*In connection with the Limited Public Offering IV (LPO IV), each 17 shares from pre-emptive rights included 1 Warrant Series I with exercise price of Rp620 per share. Warrant Series I are securities given to holders to buy Company's shares with par value of Rp200 per share, which can be exercised from October 2, 2008 up to April 1, 2011. Up to the end of warrant exercise date, total warrants exercised was 88 shares (Note 1b).*

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**25. TAMBAHAN MODAL DISETOR**

	<b>2016</b>	<b>2015</b>
Selisih penerimaan dari penerbitan saham atas nilai nominal	61.728	61.728
Selisih atas pengampunan pajak	302.896	-
Selisih nilai transaksi restrukturisasi entitas sepengendali	<u>(2.621.572)</u>	<u>(2.621.572)</u>
<b>Total</b>	<b><u>(2.256.948)</u></b>	<b><u>(2.559.844)</u></b>

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.

Selisih atas pengampunan pajak

Kelompok Usaha mencatat sebesar Rp302,9 miliar yang merupakan aset Pengampunan Pajak (Catatan 33f).

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 dikontrol oleh Kelompok Usaha Bakrie, Perusahaan mengakui perbedaan antara harga jual sebesar Rp512,3 miliar dan nilai tercatat sebesar Rp2,93 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 di *net off* dengan piutang dari LHH.

Atas kedua transaksi tersebut, Perusahaan mencatat "Selisih Nilai Transaksi Restrukturisasi Entitas Sepengendali" sebesar Rp179,2 miliar.

**26. OBLIGASI WAJIB KONVERSI**

Berdasarkan Perjanjian Penerbitan Obligasi Wajib Konversi (OWK) dan Akta Notaris No.20 tanggal 20 Juni 2016 dari Humberg Lie, S.H., S.E., M.Kn., Perusahaan menerbitkan OWK yang disetujui oleh Rapat Umum Pemegang Saham Luar Biasa pada tanggal 2 Juni 2016.

**25. ADDITIONAL PAID-IN CAPITAL**

	<b>2016</b>	<b>2015</b>
		<i>Paid-in capital in excess of par value</i>
		<i>Paid-in capital from tax amnesty</i>
		<i>Difference in restructuring of entities under common control</i>
<b>Total</b>		<b>Total</b>

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 has recorded Rp302.9 billion representing the Tax Amnesty assets (Note 33f).*

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 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 Value from Restructuring Transactions of Entities Under Common Control" amounting to Rp179.2 billion.*

**26. MANDATORY CONVERTIBLE BONDS**

*Based on Mandatory Convertible Bond (MCB) Issuance Agreement and Notarial Deed No. 20 dated June 2, 2016 of Humberg Lie, S.H., S.E., M.Kn., the Company issued MCB that was approved in the Extraordinary Shareholders Meeting on June 2, 2016.*

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**26. OBLIGASI WAJIB KONVERSI (Lanjutan)**

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.

Dana yang diperoleh dari hasil penerbitan OWK akan dipergunakan untuk pembayaran dan/atau modal kerja Perusahaan.

Pada tanggal 20 Juni 2016, Perusahaan telah menerbitkan OWK sebesar Rp987,9 miliar kepada beberapa kreditur termasuk Daley Capital Limited, Interventures Capital Pte Ltd, Smart Treasures Limited, Harus Capital Limited and Maybank Kim Eng Securities.

Pada tanggal 14 Desember 2016, Perusahaan memperoleh surat dari PT EDI Indonesia mengenai pelaksanaan proses penambahan modal tanpa hak memesan efek terlebih dahulu Perusahaan sejumlah 3.300.000.000 saham.

Pada tanggal 31 Desember 2016, saldo OWK Perusahaan yang diterbitkan sebesar Rp822,9 miliar adalah sebagai berikut:

<b>Kreditur</b>	<b>Tanggal/ Date</b>	<b>Jumlah OWK/ MCB Amount (Rp)</b>	<b>Creditors</b>
Interventures Capital Pte Ltd	Juni/June 20, 2016	373.755	Interventures Capital Pte Ltd
Daley Capital Limited	Juni/June 20, 2016	265.370	Daley Capital Limited
Smart Treasures Limited	Juni/June 20, 2016	90.836	Smart Treasures Limited
Harus Capital Limited	Juni/June 20, 2016	81.000	Harus Capital Limited
PT Maybank Kim Eng Securities	Juni/June 20, 2016	11.944	PT Maybank Kim Eng Securities
<b>Total</b>		<b>822.905</b>	<b>Total</b>

**27. CADANGAN MODAL LAINNYA**

	<b>Selisih Kurs Penjabaran Laporan Keuangan/ Exchange Differences due to Financial Statements Translation</b>	<b>Keuntungan (Kerugian) Investasi Jangka Pendek yang Belum Terealisasi/ Unrealized Gain (Loss) on Short-term Investments</b>	<b>Akumulasi Pengukuran Kembali atas Program Imbalan Kerja/ Cumulative Remeasurements on Employee Benefits</b>	<b>Cadangan Modal Lainnya/ Other Capital Reserves</b>	
Saldo 1 Januari 2015	120.865	(40.174)	(89.994)	(9.303)	Balance as of January 1, 2015
Selisih kurs penjabaran laporan keuangan	170.356	-	-	170.356	Exchange differences due to financial statements translation
Pengukuran kembali atas program imbalan kerja	-	-	11.520	11.520	Remeasurements on employee benefits
Kenaikan neto nilai wajar aset keuangan tersedia untuk dijual	-	40.174	-	40.174	Net increase in fair value of available-for-sale financial assets
Dekonsolidasi entitas anak	-	-	(103)	(103)	Deconsolidation of subsidiary
Saldo 31 Desember 2015	291.221	-	(78.577)	212.644	Balance as of December 31, 2015

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**26. MANDATORY CONVERTIBLE BONDS (Continued)**

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.

The fund from the issuance of MCB will be used for loan repayment and/or working capital of the Company.

As of June 20, 2016, the Company has issued MCB amounting to Rp987.9 billion several creditors including Daley Capital Limited, Interventures Capital Pte Ltd, Smart Treasures Limited, Harus Capital Limited and Maybank Kim Eng Securities.

On December 14, 2016, the Company obtained letter from PT EDI Indonesia with regards to the additional share capital without pre-emptive right of 3,300,000,000 shares.

As of December 31, 2016, the outstanding MCB issued by the Company amounted to Rp822.9 billion with details as follows:

**27. OTHER CAPITAL RESERVES**

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**27. CADANGAN MODAL LAINNYA (Lanjutan)**

	Selisih Kurs Penjabaran Laporan Keuangan/ Exchange Differences due to Financial Statements Translation	Keuntungan (Kerugian) Investasi Jangka Pendek yang Belum Terealisasi/ Unrealized Gain (Loss) on Short-term Investments	Akumulasi Pengukuran Kembali atas Program Imbalan Kerja/ Cumulative Remeasurements on Employee Benefits	Cadangan Modal Lainnya/ Other Capital Reserves	
Saldo 31 Desember 2015	291.221	-	(78.577)	212.644	Balance as of December 31, 2015
Selisih kurs penjabaran laporan keuangan	70.910	-	-	70.910	Exchange differences due to financial statements translation
Pengukuran kembali atas program imbalan kerja	-	-	(12.170)	(12.170)	Remeasurements on employee benefits
Kenaikan neto nilai wajar aset keuangan tersedia untuk dijual	-	125.078	-	125.078	Net increase in fair value of available-for-sale financial assets
Dekonsolidasi entitas anak	(12.074)	-	-	(12.074)	Deconsolidation of subsidiary
<b>Saldo 31 Desember 2016</b>	<b>350.057</b>	<b>125.078</b>	<b>(90.747)</b>	<b>384.388</b>	<b>Balance as of December 31, 2016</b>

**27. OTHER CAPITAL RESERVES (Continued)**

**28. KEPENTINGAN NONPENGENDALI**

Rincian hak kepentingan nonpengendali aset neto Entitas Anak adalah sebagai berikut:

	2016	2015	
PT Bakrie Autoparts	36.009	49.714	PT Bakrie Autoparts
PT Bakrie Harper	(68.348)	(68.315)	PT Bakrie Harper
Lain-lain	7.133	1.791	Others
<b>Total</b>	<b>(25.206)</b>	<b>(16.810)</b>	<b>Total</b>

**28. NON-CONTROLLING INTEREST**

Details of non-controlling interest in net assets of Subsidiaries were as follows:

Kepentingan nonpengendali atas laba atau rugi neto Entitas Anak masing-masing sebesar Rp63,0 miliar dan Rp25,7 miliar untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015.

Non-controlling interest in net income or loss of Subsidiaries amounted to Rp63.0 billion and Rp25.7 billion for the years ended December 31, 2016 and 2015, respectively.

Kepentingan nonpengendali atas total rugi komprehensif Entitas Anak masing-masing sebesar Rp8,4 miliar dan Rp47,1 miliar untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015.

Non-controlling interest in total comprehensive loss of Subsidiaries amounted to Rp8.4 billion and Rp47.1 billion for the years ended December 31, 2016 and 2015, respectively.

**29. PENDAPATAN NETO**

	2016	2015	
Infrastruktur dan manufaktur	2.072.391	3.273.886	Infrastructure and manufacturing
Perdagangan, jasa, dan investasi	3.518	63.372	Trading, services, and investment
<b>Total</b>	<b>2.075.909</b>	<b>3.337.258</b>	<b>Total</b>

Untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015, Kelompok Usaha tidak memiliki pelanggan/pembeli dengan total penjualan lebih dari 10% dari total pendapatan konsolidasian Kelompok Usaha.

For the years ended December 31, 2016 and 2015, the Group has no customer/buyer with total sales of more than 10% of total consolidated revenues of the Group.

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**30. BEBAN POKOK PENDAPATAN**

	<u>2016</u>	<u>2015</u>
<b>Infrastruktur dan manufaktur</b>		
Bahan baku yang digunakan	1.200.124	1.725.547
Tenaga kerja langsung	160.213	132.477
Overhead	<u>722.004</u>	<u>610.262</u>
Total beban produksi	2.082.341	2.468.286
Barang dalam proses		
Awal	47.657	82.356
Akhir	(89.035)	(47.657)
Barang jadi		
Awal	233.711	430.953
Akhir	<u>(295.911)</u>	<u>(233.711)</u>
Total infrastruktur dan manufaktur	<u>1.978.763</u>	<u>2.700.227</u>
<b>Perdagangan, jasa dan investasi</b>		
Biaya pelayanan dan pemasangan	<u>1.047</u>	<u>10.887</u>
<b>Total Beban Pokok Pendapatan</b>	<u><b>1.979.810</b></u>	<u><b>2.711.114</b></u>

Untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015, Kelompok Usaha tidak memiliki *supplier* dengan total beban pokok pendapatan lebih dari 10% dari total beban pokok pendapatan konsolidasian Kelompok Usaha.

**30. COST OF REVENUES**

<b>Infrastructure and manufacturing</b>
Raw materials used
Direct labor
Overhead
Total production costs
Work-in-process
Beginning
Ending
Finished goods
Beginning
Ending
Total infrastructure and manufacturing
<b>Trading, services and investment</b>
Service and installation costs
<b>Total Cost of Revenues</b>

For the years ended December 31, 2016 and 2015, the Group has no supplier with total cost of revenues more than 10% of total consolidated cost of revenues of the Group.

**31. BEBAN PENJUALAN, UMUM DAN ADMINISTRASI**

	<u>2016</u>	<u>2015</u>
<b>Beban penjualan</b>		
Gaji, upah dan kesejahteraan karyawan	15.949	14.285
Transportasi	11.148	70.914
Iklan, pameran dan promosi	5.230	7.433
Denda penjualan	1	10.214
Lain-lain	<u>12.479</u>	<u>15.412</u>
<b>Total</b>	<u><b>44.807</b></u>	<u><b>118.258</b></u>
<b>Beban karyawan</b>		
Gaji, upah dan kesejahteraan karyawan	<u><b>223.418</b></u>	<u><b>253.849</b></u>

**31. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES**

<b>Selling expenses</b>
Salaries, wages and employee benefits
Transportation
Advertising, exhibition and promotion
Sales penalties
Others
<b>Total</b>
<b>Personnel expenses</b>
Salaries, wages and employees' benefits



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31. BEBAN PENJUALAN, UMUM DAN ADMINISTRASI  
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31. SELLING, GENERAL AND ADMINISTRATIVE  
EXPENSES (Continued)

	2016	2015	
<b>Beban umum dan administrasi</b>			<b>General and administrative expenses</b>
Penyusutan (Catatan 13)	24.398	81.936	Depreciation (Note 13)
Perjalanan dinas	20.330	13.739	Transportation and travel
Pajak dan asuransi	19.432	21.603	Taxes and insurance
Honorarium tenaga ahli	10.159	13.206	Professional fees
Pemeliharaan dan perbaikan	7.799	8.204	Repairs and maintenance
Listrik, air dan telepon	7.208	9.104	Electricity, water and telephone
Pos dan alat tulis	5.243	3.513	Postage and stationery
Representasi dan jamuan	2.968	2.245	Representation and entertainment
Sumbangan, hadiah dan hubungan masyarakat	2.440	1.321	Donations, gifts and public relations
Sewa	2.421	3.091	Rent
Latihan kerja dan penerimaan karyawan	1.716	2.319	Training and recruitment of employees
Lain-lain	167.704	150.491	Others
<b>Total</b>	<b>271.818</b>	<b>310.772</b>	<b>Total</b>

32. BEBAN BUNGA DAN KEUANGAN SERTA LAIN-LAIN

32. INTEREST AND FINANCIAL CHARGES AND OTHERS

a. Beban bunga dan keuangan

a. Interest and Financial Charges

	2016	2015	
Beban bunga pinjaman	160.463	445.486	Interest from loan
Denda keterlambatan bayar	94.796	89.210	Penalty from late payment
Beban bank dan lain-lain	13.332	8.842	Bank charges and others
<b>Total</b>	<b>268.591</b>	<b>543.538</b>	<b>Total</b>

b. Penghasilan (Beban) Lain-lain

b. Other Income (Expenses)

	2016	2015	
Penghasilan bunga	7.790	26.179	Interest income
Laba atas penjualan aset tetap	395	20.862	Gain on sale of fixed assets
Lain-lain	(23.707)	(6.685)	Others
<b>Total</b>	<b>(15.522)</b>	<b>40.356</b>	<b>Total</b>

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### 33. PERPAJAKAN

#### a. Pajak dibayar dimuka

	2016	2015	
Pajak Pertambahan Nilai	83.808	67.474	Value-Added Tax
Pajak penghasilan			Income taxes
Pasal 21	-	777	Article 21
Pasal 22	-	8	Article 22
Pasal 23	-	245	Article 23
Pasal 25	-	32.888	Article 25
<b>Total</b>	<b>83.808</b>	<b>101.392</b>	<b>Total</b>

#### b. Utang pajak

	2016	2015	
Pajak penghasilan:			Income taxes:
Pasal 4 (2)	3.394	2.656	Article 4 (2)
Pasal 21	17.446	14.441	Article 21
Pasal 22	-	208	Article 22
Pasal 23 dan 26	1.411	2.107	Article 23 and 26
Pasal 25	73	5.257	Article 25
Pasal 29	539	12.688	Article 29
Pajak Pertambahan Nilai	27.979	61.059	Value-Added Tax
Retribusi Pajak Daerah	-	3.794	Regional Tax
<b>Total</b>	<b>50.842</b>	<b>102.210</b>	<b>Total</b>

c. Rekonsiliasi antara rugi sebelum 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 expense as shown in the consolidated statements of profit or loss and other comprehensive income and the estimated fiscal loss was as follows:

	2016	2015	
Rugi sebelum manfaat (beban) pajak penghasilan menurut laporan laba rugi dan penghasilan komprehensif lain konsolidasian	(3.590.368)	(1.651.909)	Loss before income tax benefit (expense) per consolidated statements of profit or loss and other comprehensive income
Dikurangi:			Deduct:
Laba Entitas Anak sebelum beban pajak penghasilan dan transaksi eliminasi	(8.233)	(102.716)	Income of the Subsidiaries before income tax expense and elimination transactions
Rugi komersial sebelum taksiran beban pajak penghasilan, yang dapat diatribusikan ke Perusahaan	(3.598.601)	(1.754.625)	Commercial loss before income tax expense attributable to the Company

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**33. PERPAJAKAN (Lanjutan)**

**33. TAXATION (Continued)**

	<u>2016</u>	<u>2015</u>	
Beda temporer			<i>Temporary differences</i>
Penyusutan aset tetap	8.300	1.911	<i>Depreciation of fixed assets</i>
Penyisihan imbalan kerja karyawan	(1.898)	(975)	<i>Retirement benefits</i>
Beda tetap			<i>Permanent differences</i>
Bagian atas rugi neto entitas asosiasi	3.094.429	223.207	<i>Equity in net loss of associated entities</i>
Beban kesejahteraan karyawan	4.361	4.044	<i>Employee benefits expenses</i>
Jamuan dan sumbangan	-	1.565	<i>Entertainment and donations</i>
Penghasilan bunga yang pajaknya bersifat final	(3.697)	(3.689)	<i>Interest income subjected to final tax</i>
Bunga dan denda atas keterlambatan pembayaran pajak	406	462	<i>Interest and penalties for late payment of tax</i>
Taksiran rugi fiskal Perusahaan sebelum rugi fiskal periode sebelumnya	(496.700)	(1.528.100)	<i>Estimated fiscal loss of the Company before fiscal loss of the previous periods</i>
Rugi fiskal periode sebelumnya			<i>Fiscal loss of the previous periods</i>
Tahun fiskal 2011	-	(382.003)	<i>Fiscal year of 2011</i>
Tahun fiskal 2012	-	(257.132)	<i>Fiscal year of 2012</i>
Tahun fiskal 2013	-	(9.914.818)	<i>Fiscal year of 2013</i>
Tahun fiskal 2014	-	(2.068.298)	<i>Fiscal year of 2014</i>
Akumulasi rugi fiskal	(496.700)	(14.150.351)	<i>Accumulated fiscal loss</i>
Beban pajak penghasilan - kini			<i>Income tax expense - current</i>
Perusahaan	-	-	<i>Company</i>
Entitas Anak	8.183	79.572	<i>Subsidiaries</i>
Total Beban Pajak Penghasilan - Kini	8.183	79.572	<i>Total Income Tax Expense - Current</i>
Pajak penghasilan dibayar dimuka			<i>Prepayment of income taxes</i>
Perusahaan	-	-	<i>Company</i>
Entitas Anak	(7.644)	(66.884)	<i>Subsidiaries</i>
Total pajak penghasilan dibayar dimuka	(7.644)	(66.884)	<i>Total prepayment of income taxes</i>
Utang pajak penghasilan - Pasal 29			<i>Income tax payable - Article 29</i>
Perusahaan	-	-	<i>Company</i>
Entitas Anak	539	12.688	<i>Subsidiaries</i>
<b>Total</b>	<b>539</b>	<b>12.688</b>	<b>Total</b>

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**33. PERPAJAKAN (Lanjutan)**

**d. Pajak tangguhan**

Rincian aset dan liabilitas pajak tangguhan Kelompok Usaha adalah sebagai berikut:

		2016						
	Pada awal tahun/ At beginning of year	Dikreditkan/ (dibebankan) ke laba rugi Credited/ (charged) to profit or loss	Dikreditkan/ (dibebankan) ke penghasilan komprehensif lain/ Credited/ (charged) to other comprehensive income	Selisih kurs karena penjabaran laporan keuangan dalam valuta asing/ Exchange difference on translation of financial statements in foreign currencies	Dekonsolidasi/ Deconsolidation	Pada akhir tahun/ At end of year		
<b>Aset (liabilitas) pajak tangguhan</b>							<b>Deferred tax assets (liabilities)</b>	
Rugi fiskal	18.429	(7.632)	-	(261)	-	10.536	Fiscal loss	
Liabilitas imbalan kerja	39.442	5.457	5.008	-	-	49.907	Employee benefits liabilities	
Penyisihan penurunan nilai piutang	1.045	3.019	-	-	-	4.064	Allowance for impairment of receivables	
Penyisihan penurunan nilai persediaan	-	1.840	-	-	-	1.840	Allowance for inventory obsolescence	
Aset tetap	22.626	(16.075)	-	-	-	6.551	Fixed assets	
<b>Aset pajak tangguhan</b>	<b>81.542</b>	<b>(13.391)</b>	<b>5.008</b>	<b>(261)</b>	<b>-</b>	<b>72.898</b>	<b>Deferred tax assets</b>	
<b>Aset (liabilitas) pajak tangguhan</b>							<b>Deferred tax assets (liabilities)</b>	
Rugi fiskal	44.197	(44.197)	-	-	-	-	Fiscal loss	
Liabilitas imbalan kerja	14.240	333	73	-	-	14.646	Employee benefits liabilities	
Biaya ditangguhkan	2.439	(2.439)	-	-	-	0	Deferred charges	
Penyisihan piutang tak tertagih	1.923	100	-	-	-	2.023	Allowance for impairment of receivables	
Aset tetap	(211.101)	(3.473)	-	-	-	(214.574)	Fixed assets	
<b>Liabilitas pajak tangguhan</b>	<b>(148.302)</b>	<b>(49.676)</b>	<b>73</b>	<b>-</b>	<b>-</b>	<b>(197.905)</b>	<b>Deferred tax liabilities</b>	
		2015						
	Pada awal tahun/ At beginning of year	Dikreditkan/ (dibebankan) ke laba rugi Credited/ (charged) to profit or loss	Dikreditkan/ (dibebankan) ke penghasilan komprehensif lain/ Credited/ (charged) to other comprehensive income	Selisih kurs karena penjabaran laporan keuangan dalam valuta asing/ Exchange difference on translation of financial statements in foreign currencies	Dekonsolidasi/ Deconsolidation	Pada akhir tahun/ At end of year		
<b>Aset (liabilitas) pajak tangguhan</b>							<b>Deferred tax assets (liabilities)</b>	
Rugi fiskal	14.641	5.220	-	1.171	(2.603)	18.429	Fiscal loss	
Liabilitas imbalan kerja	39.722	4.253	(3.788)	-	(745)	39.442	Employee benefits liabilities	
Penyisihan penurunan nilai piutang	1.315	(270)	-	-	-	1.045	Allowance for impairment of receivables	
Penyisihan penurunan nilai persediaan	250	(250)	-	-	-	-	Allowance for inventory obsolescence	
Aset tetap	20.716	2.248	-	-	(338)	22.626	Fixed assets	
<b>Aset pajak tangguhan</b>	<b>76.644</b>	<b>11.201</b>	<b>(3.788)</b>	<b>1.171</b>	<b>(3.686)</b>	<b>81.542</b>	<b>Deferred tax assets</b>	

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**33. PERPAJAKAN (Lanjutan)**

**33. TAXATION (Continued)**

	2015					Pada akhir tahun/ At end of year	
	Pada awal tahun/ At beginning of year	Dikreditkan/ (dibebankan) ke laba rugi Credited/ (charged) to profit or loss	Dikreditkan/ (dibebankan) ke penghasilan komprehensif lain/ Credited/ (charged) to other comprehensive income	Selisih kurs karena penjabaran laporan keuangan dalam valuta asing/ Exchange difference on translation of financial statements in foreign currencies	Dekonsolidasi/ Deconsolidation		
<b>Aset (liabilitas) pajak tangguhan</b>							<b>Deferred tax assets (liabilities)</b>
Rugi fiskal	44.394	(197)	-	-	-	44.197	Fiscal loss
Liabilitas imbalan kerja	12.708	(125)	1.657	-	-	14.240	Employee benefits liabilities
Biaya ditangguhkan	2.431	8	-	-	-	2.439	Deferred charges
Penyisihan piutang tak tertagih	2.004	(81)	-	-	-	1.923	Allowance for impairment of receivables
Penyisihan penurunan nilai persediaan	-	-	-	-	-	-	Allowance for inventory obsolescence
Aset tetap	(202.893)	(8.208)	-	-	-	(211.101)	Fixed assets
<b>Liabilitas pajak tangguhan</b>	<b>(141.356)</b>	<b>(8.603)</b>	<b>1.657</b>	<b>-</b>	<b>-</b>	<b>(148.302)</b>	<b>Deferred tax liabilities</b>

Perusahaan dan beberapa Entitas Anak telah menyediakan penyisihan atas kerugian fiskal seluruhnya karena manajemen berkeyakinan bahwa tidak ada kemungkinan laba kena pajak yang cukup untuk mengkompensasi sebagian atau seluruh aset pajak tangguhan.

The Company and certain Subsidiaries provided full valuation allowances for fiscal loss since management believes that it is no longer probable that sufficient taxable profits will be available for the deferred tax assets to be utilized.

**e. Surat Ketetapan Pajak dan Surat Tagihan Pajak**

**e. Tax Assessment Letters and Tax Collection Letters**

**Entitas Anak**

**Subsidiaries**

Pada tanggal 31 Desember 2016, BPI, BCons and BMC memiliki Surat Ketetapan Pajak (SKP) dan Surat Tagihan Pajak (STP) sebagai berikut:

As of December 31, 2016, BPI, BCons and BMC have Tax Assessment Letters (SKP) and Tax Collection Letters (STP) as follows:

	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							Fiscal years
2011	-	-	-	-	4	4	2011
2012	293	97	1	98	119	608	2012
2013	321	70	6	72	19	488	2013
2014	1	-	5.928	-	1	5.930	2014
2015	3.125	13	-	9	1	3.148	2015
<b>Total</b>	<b>3.740</b>	<b>180</b>	<b>5.935</b>	<b>179</b>	<b>144</b>	<b>10.178</b>	<b>Total</b>

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian ini, BPI, BCons dan BMC (Entitas Anak) telah melakukan pembayaran sebagian kewajibannya atas SKP dan STP sebesar Rp8,5 miliar dan sisanya akan dibayar sesuai dengan ketentuan yang diajukan Entitas Anak kepada Kantor Pajak.

As of completion date of the consolidated financial statements, BPI, BCons and BMC settled liability from the above-mentioned SKP and STP amounting to Rp8.5 billion and the remaining balance will be paid in accordance with the proposed terms with Tax Office.

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**33. PERPAJAKAN (Lanjutan)**

**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 sebesar Rp21,8 miliar, yang dicatat sebagai bagian dari akun "Beban Usaha". Kelompok Usaha telah menerima Surat Keterangan Pengampunan Pajak dari DJP. Jumlah yang diakui sebagai aset Pengampunan Pajak sebesar Rp302,9 miliar dan dicatat sebagai bagian dari akun "Tambahan Modal Disetor" (Catatan 25).

**34. LIABILITAS IMBALAN KERJA**

Kelompok Usaha yang berkedudukan di Indonesia menyelenggarakan program manfaat pensiun manfaat pasti untuk seluruh karyawan tetap yang memenuhi syarat. Jumlah manfaat pensiun yang akan dibayarkan kepada karyawan dihitung berdasarkan gaji pokok terakhir dan 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 kerja dihitung oleh aktuaris independen sebagai berikut:

	<b>Nama Aktuaris/ Actuary Name</b>
2016	PT Sienco Aktuarindo Utama PT Emerald Delta Consulting PT Sigma Prima Solusindo
2015	PT Sienco Aktuarindo Utama PT Emerald Delta Consulting PT Sigma Prima Solusindo

Liabilitas imbalan kerja dihitung dengan menggunakan metode "Project Unit Credit" dengan mempertimbangkan beberapa asumsi sebagai berikut:

	<b>2016</b>
Tingkat diskonto	8,10% - 8,30% per tahun/per annum
Tingkat kenaikan gaji	6,00% - 12,00% per tahun/per annum

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**33. TAXATION (Continued)**

**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 Rp21.8 billion, which was recorded as part of "Operating Expenses" account. The Group has already received the Tax Amnesty Certificate from the DGT. The amounts recognized as Tax Amnesty assets amounted to Rp302.9 billion which was also recorded as part of "Additional Paid-in Capital" account (Note 25).

**34. EMPLOYEE BENEFITS LIABILITIES**

The Group has defined retirement benefit plans for all of their eligible permanent employees. On this funding program, retirement benefits are computed based on the last basic salaries and remaining working lives of the employees. Contribution to the retirement fund is computed at 5.5% of the basic salaries of the employees covered by the plan and fully borne by the Group.

The plan assets of the Group are being managed by Dana Pensiun Bakrie, established based on the Decision Letter of the Minister of Finance of the Republic of Indonesia No. KEP 423/KM.17/1995 dated December 11, 1995.

Employee benefits liabilities were calculated by independent actuary as follows:

	<b>Tanggal Laporan/ Date of Report</b>	
2016	2 Februari/February 2, 2017 9 Januari/January 9, 2017 31 Januari/January 31, 2017	2016
2015	9 Februari/February 9, 2016 10 Maret/March 10, 2016 1 Februari/February 1, 2016	2015

Employee benefits liabilities were calculated using the "Projected Unit Credit" method with consideration of the following assumptions:

	<b>2015</b>	
	8,90% - 9,20% per tahun/per annum	Discount rate
	8,00% - 12,00% per tahun/per annum	Salary growth rate

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**34. LIABILITAS IMBALAN KERJA (Lanjutan)**

Analisa sensitivitas kuantitatif kewajiban imbalan pasti terhadap perubahan asumsi utama tertimbang pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

	2016		2015		
	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	402.519	460.753	199.946	230.707	<i>Increase in interest rate in 100 basis point</i>
Penurunan suku bunga dalam 100 basis poin	459.788	401.205	222.023	188.911	<i>Decrease in interest rate in 100 basis point</i>

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 tipe asumsi yang digunakan dalam menyiapkan analisa sensitivitas tidak berubah dari periode sebelumnya.

Liabilitas imbalan kerja karyawan adalah sebagai berikut:

	2016	2015	
Nilai kini liabilitas imbalan kerja	429.095	376.938	<i>Present value of benefits liability</i>
Nilai wajar atas aset program	(108.710)	(107.043)	<i>Fair value of plan assets</i>
<b>Liabilitas Imbalan Kerja</b>	<b>320.385</b>	<b>269.895</b>	<b><i>Employee Benefits Liabilities</i></b>

Mutasi liabilitas imbalan kerja karyawan adalah sebagai berikut:

	2016	2015	
Saldo awal tahun	269.896	270.670	<i>Beginning of the year</i>
Beban diakui pada laporan konsolidasian:			<i>Expenses charged in the consolidated statements of:</i>
Laba rugi	58.793	48.525	<i>Profit or loss</i>
Penghasilan komprehensif lain	20.919	(15.055)	<i>Other comprehensive income</i>
Pembayaran manfaat	(18.884)	(28.417)	<i>Benefits paid</i>
Kontribusi Kelompok Usaha	(10.339)	(3.008)	<i>Contribution of the Group</i>
Dekonsolidasi Entitas Anak	-	(2.820)	<i>Deconsolidation of Subsidiaries</i>
<b>Liabilitas Imbalan Kerja</b>	<b>320.385</b>	<b>269.895</b>	<b><i>Employee Benefits Liabilities</i></b>

**34. EMPLOYEE BENEFITS LIABILITIES (Continued)**

*The quantitative sensitivity analysis of the defined benefits obligation to the changes in the weighted principal assumptions as of December 31, 2016 and 2015 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.*

*Employee benefits liabilities were as follows:*

*Movements of employee benefits liabilities were as follows:*

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**34. LIABILITAS IMBALAN KERJA (Lanjutan)**

Jumlah yang diakui dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian sehubungan dengan liabilitas imbalan kerja adalah sebagai berikut:

	<b>2016</b>	<b>2015</b>
<b>Laba rugi</b>		
Biaya jasa kini	34.449	30.679
Biaya bunga	31.961	23.301
Biaya jasa lalu	419	156
Efek kurtailmen	-	(2.889)
Penghasilan bunga dari aset program	(8.971)	(2.233)
Pengukuran kembali liabilitas imbalan pasti - neto	935	(489)
<b>Sub-total</b>	<b>58.793</b>	<b>48.525</b>
<b>Penghasilan komprehensif lain</b>		
Kerugian (keuntungan) aktuarial pengukuran kembali liabilitas imbalan pasti - neto	7.423	(5.876)
Kerugian (keuntungan) aktuarial terdiri dari:		
Penyesuaian asumsi liabilitas program	14.326	9.398
Asumsi demografik	-	(374)
Asumsi keuangan	4.905	(19.950)
Hasil yang diharapkan dari aset program	(5.735)	1.747
<b>Sub-total</b>	<b>20.919</b>	<b>(15.055)</b>
<b>Total</b>	<b>79.712</b>	<b>33.470</b>

Mutasi nilai kini liabilitas imbalan pasti adalah sebagai berikut:

	<b>2016</b>	<b>2015</b>
Saldo awal tahun	376.938	376.889
Beban diakui pada laporan konsolidasian:		
Laba rugi	67.762	56.237
Penghasilan komprehensif lain	16.893	(16.802)
Pembayaran manfaat	(32.498)	(37.143)
Kontribusi Kelompok Usaha	-	577
Dekonsolidasi Entitas Anak	-	(2.820)
<b>Liabilitas Imbalan Kerja</b>	<b>429.095</b>	<b>376.938</b>

**34. EMPLOYEE BENEFITS LIABILITIES (Continued)**

Amounts recognized in the consolidated statements of profit or loss and other comprehensive income in respect to employee benefits liabilities were as follows:

	<b>2016</b>	<b>2015</b>
<b>Profit or loss</b>		
Current service costs	34.449	30.679
Interest costs	31.961	23.301
Past service costs	419	156
Effect of curtailment	-	(2.889)
Interest income from plan assets	(8.971)	(2.233)
Remeasurement of employee benefits liabilities - net	935	(489)
<b>Sub-total</b>	<b>58.793</b>	<b>48.525</b>
<b>Other comprehensive income</b>		
Actuarial loss (gain) from remeasurement of the defined benefits liability - net	7.423	(5.876)
Actuarial loss (gain) arising from:		
Experience assumptions from liability program	14.326	9.398
Demographic assumptions	-	(374)
Financial assumptions	4.905	(19.950)
Expected return on plan assets	(5.735)	1.747
<b>Sub-total</b>	<b>20.919</b>	<b>(15.055)</b>
<b>Total</b>	<b>79.712</b>	<b>33.470</b>

Movements of the present value of the defined benefits liabilities were as follows:

	<b>2016</b>	<b>2015</b>
Beginning of the year	376.938	376.889
Expenses charged in the consolidated statements of:		
Profit or loss	67.762	56.237
Other comprehensive income	16.893	(16.802)
Benefits paid	(32.498)	(37.143)
Contribution of the Group	-	577
Deconsolidation of Subsidiaries	-	(2.820)
<b>Employee Benefits Liabilities</b>	<b>429.095</b>	<b>376.938</b>



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**34. LIABILITAS IMBALAN KERJA (Lanjutan)**

Mutasi nilai wajar aset program adalah sebagai berikut:

	<b>2016</b>	<b>2015</b>
Saldo awal tahun	107.043	106.219
Penghasilan bunga	8.971	8.270
Pengukuran kembali untuk hasil yang diharapkan dari aset program	5.735	(1.747)
Pembayaran manfaat luran pemberi kerja	(23.352)	(18.720)
	10.313	13.021
<b>Saldo Akhir</b>	<b>108.710</b>	<b>107.043</b>

Aset program terdiri dari:

	<b>2016</b>				
	<b>Dikutip/ Quoted</b>	<b>Tidak dikutip/ Unquoted</b>	<b>Total/ Total</b>	<b>%</b>	
Obligasi	47.224	-	47.224	48,66%	Corporate Bonds
Deposito Berjangka	33.105	-	33.105	34,11%	Time Deposits
Surat Berharga Negara	-	5.716	5.716	5,89%	Government Bonds
Saham	3.879	-	3.879	4,00%	Shares of Stocks
Reksadana	3.822	-	3.822	3,94%	Investment Funds
Sukuk	2.434	-	2.434	2,51%	Islamic Bonds
Deposito On Call	876	-	876	0,90%	On Call Deposits
	<b>91.340</b>	<b>5.716</b>	<b>97.056</b>	<b>100,00%</b>	

	<b>2015</b>				
	<b>Dikutip/ Quoted</b>	<b>Tidak dikutip/ Unquoted</b>	<b>Total/ Total</b>	<b>%</b>	
Obligasi	54.181	-	54.181	53,54%	Corporate Bonds
Deposito Berjangka	19.037	10.739	29.776	29,42%	Time Deposits
Surat Berharga Negara	-	5.618	5.618	5,55%	Government Bonds
Reksadana	3.279	-	3.279	3,24%	Investment Funds
Saham	3.096	-	3.096	3,06%	Shares of Stocks
Deposito On Call	2.807	-	2.807	2,77%	On Call Deposits
Sukuk	2.441	-	2.441	2,41%	Islamic Bonds
	<b>84.841</b>	<b>16.357</b>	<b>101.198</b>	<b>100,00%</b>	

Kontribusi yang diharapkan untuk aset program untuk tahun yang berakhir pada tanggal 31 Desember 2016 sebesar Rp23,1 miliar.

Kelompok Usaha menghadapi sejumlah risiko signifikan terkait program imbalan pasti, sebagai berikut:

- (a) Perubahan tingkat diskonto  
Penurunan pada tingkat diskonto menyebabkan kenaikan liabilitas program.
- (b) Tingkat kenaikan gaji  
Liabilitas imbalan pasti berhubungan dengan tingkat kenaikan gaji, dimana semakin tinggi tingkat kenaikan gaji akan menyebabkan semakin besarnya liabilitas.

**34. EMPLOYEE BENEFITS LIABILITIES (Continued)**

Movements of the fair value of plan assets were as follows:

	<b>2016</b>	<b>2015</b>
Saldo awal tahun	107.043	106.219
Penghasilan bunga	8.971	8.270
Pengukuran kembali untuk hasil yang diharapkan dari aset program	5.735	(1.747)
Pembayaran manfaat luran pemberi kerja	(23.352)	(18.720)
	10.313	13.021
<b>Saldo Akhir</b>	<b>108.710</b>	<b>107.043</b>

Plan assets consist of:

	<b>2016</b>				
	<b>Dikutip/ Quoted</b>	<b>Tidak dikutip/ Unquoted</b>	<b>Total/ Total</b>	<b>%</b>	
Obligasi	47.224	-	47.224	48,66%	Corporate Bonds
Deposito Berjangka	33.105	-	33.105	34,11%	Time Deposits
Surat Berharga Negara	-	5.716	5.716	5,89%	Government Bonds
Saham	3.879	-	3.879	4,00%	Shares of Stocks
Reksadana	3.822	-	3.822	3,94%	Investment Funds
Sukuk	2.434	-	2.434	2,51%	Islamic Bonds
Deposito On Call	876	-	876	0,90%	On Call Deposits
	<b>91.340</b>	<b>5.716</b>	<b>97.056</b>	<b>100,00%</b>	

	<b>2015</b>				
	<b>Dikutip/ Quoted</b>	<b>Tidak dikutip/ Unquoted</b>	<b>Total/ Total</b>	<b>%</b>	
Obligasi	54.181	-	54.181	53,54%	Corporate Bonds
Deposito Berjangka	19.037	10.739	29.776	29,42%	Time Deposits
Surat Berharga Negara	-	5.618	5.618	5,55%	Government Bonds
Reksadana	3.279	-	3.279	3,24%	Investment Funds
Saham	3.096	-	3.096	3,06%	Shares of Stocks
Deposito On Call	2.807	-	2.807	2,77%	On Call Deposits
Sukuk	2.441	-	2.441	2,41%	Islamic Bonds
	<b>84.841</b>	<b>16.357</b>	<b>101.198</b>	<b>100,00%</b>	

Expected contributions to plan assets for the year ended December 31, 2016 amounted to Rp23.1 billion.

The Group was exposed to a number of significant risks related to its defined benefit plans, as follows:

- (a) Changes in discount rate  
A decrease in discount rate will increase plan liabilities.
- (b) 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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**34. LIABILITAS IMBALAN KERJA (Lanjutan)**

Analisa jatuh tempo yang diharapkan dari pensiun dan imbalan kerja tidak terdiskonto adalah sebagai berikut:

	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	-	45.033	47.213	292.233	<i>Pension benefits</i>
Imbalan pascakerja	-	20.166	39.343	618.513	<i>Post-employment benefits</i>
<b>Total</b>	<b>-</b>	<b>65.199</b>	<b>86.556</b>	<b>910.746</b>	<b>Total</b>

Perbandingan nilai kini kewajiban imbalan kerja dan penyesuaian (efek perbedaan antara asumsi aktuarial sebelumnya dan apa yang sebenarnya terjadi) yang timbul pada liabilitas program selama 5 tahun terakhir adalah sebagai berikut:

	2016	2015	2014	2013	2012	
Kewajiban imbalan pasti	429.095	376.938	376.889	314.999	(349.529)	<i>Defined benefit obligation</i>
Aset program	(108.710)	(107.043)	(106.219)	(100.402)	96.361	<i>Plan assets</i>
Surplus (defisit)	320.385	269.895	270.670	214.597	(253.168)	<i>Surplus (deficit)</i>
Penyesuaian liabilitas program		(31.627)	(31.627)	(18.936)	(4.379)	<i>Plan liabilities</i>
Penyesuaian aset program		(3.090)	(3.090)	(2.564)	1.212	<i>Plan assets</i>

**34. EMPLOYEE BENEFITS LIABILITIES (Continued)**

*Expected maturity analysis of undiscounted pension and employee benefits liabilities is as follows:*

	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	-	45.033	47.213	292.233	<i>Pension benefits</i>
Imbalan pascakerja	-	20.166	39.343	618.513	<i>Post-employment benefits</i>
<b>Total</b>	<b>-</b>	<b>65.199</b>	<b>86.556</b>	<b>910.746</b>	<b>Total</b>

*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:*

**35. RUGI PER SAHAM**

**a. Rugi/Dilusian Per Saham Dasar**

	2016	2015
Rugi neto diatribusikan kepada pemilik entitas induk	(3.598.601)	(1.754.630)
Jumlah rata-rata tertimbang saham untuk perhitungan rugi per saham dasar	97.021.717	93.721.717
<b>Rugi Neto per Saham Dasar/Dilusian Diatribusikan kepada Pemilik Entitas Induk (Angka penuh)</b>	<b>(37,09)</b>	<b>(18,72)</b>

b. Informasi terkait dengan klasifikasi efek untuk laba atau rugi per saham dilusian.

*Equity Linked Notes* yang diterbitkan pada tanggal 16 Desember 2010 dianggap berpotensi saham biasa dan telah disertakan dalam perhitungan laba atau rugi per saham dilusian. Rincian terkait *Equity Linked Notes* dijelaskan dalam Catatan 22.

**35. 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 22.

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**35. RUGI PER SAHAM (Lanjutan)**

Obligasi konversi diasumsikan telah dikonversi ke saham biasa, untuk itu laba atau rugi neto disesuaikan untuk mengeliminasi beban bunga dikurangi dampak pajak. Rincian terkait dengan obligasi konversi dijelaskan dalam Catatan 26.

Untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015, potensi konversi dari *Equity Linked Notes* dan obligasi konversi menjadi saham biasa dari Perusahaan bersifat antidilutif, sehingga tidak termasuk dalam perhitungan rugi per saham dilusian.

**36. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI**

Dalam kegiatan usaha normal, Kelompok Usaha melakukan transaksi dengan pihak-pihak berelasi. Transaksi-transaksi tersebut adalah sebagai berikut:

**a. Investasi jangka pendek (Catatan 5)**

			Persentase terhadap Jumlah Aset Konsolidasian/ Percentage to Total Consolidated Assets		
	2016	2015	2016	2015	
PT Bumi Resources Tbk	157.178	27.429	2,40%	0,30%	PT Bumi Resources Tbk
PT Bakrie Sumatera Plantations Tbk	18.643	18.643	0,28%	0,20%	PT Bakrie Sumatera Plantations Tbk
PT Darma Henwa Tbk	14.710	-	0,22%	0,00%	PT Darma Henwa Tbk
PT Bakrieland Development Tbk	3.597	3.601	0,05%	0,04%	PT Bakrieland Development Tbk
PT Bakrie Telecom Tbk	2.152	32.278	0,03%	0,35%	PT Bakrie Telecom Tbk
PT Energi Mega Persada Tbk	5	1.588	0,00%	0,02%	PT Energi Mega Persada Tbk
<b>Total</b>	<b>196.285</b>	<b>83.539</b>	<b>2,98%</b>	<b>0,91%</b>	<b>Total</b>

**b. Piutang usaha - pihak berelasi (Catatan 6)**

			Persentase terhadap Jumlah Aset Konsolidasian/ Percentage to Total Consolidated Assets		
	2016	2015	2016	2015	
Lain-lain (di bawah Rp1 miliar)	14.280	25.701	0,22%	0,28%	Others (below Rp1 billion)
Dikurangi penyisihan kerugian atas penurunan nilai	-	(931)	-	-0,01%	Less allowance for impairment losses
<b>Neto</b>	<b>14.280</b>	<b>24.770</b>	<b>0,22%</b>	<b>0,27%</b>	<b>Net</b>

Manajemen Kelompok Usaha berkeyakinan bahwa piutang-piutang yang ada masih dapat ditagih dan penyisihan kerugian atas penurunan nilai cukup untuk menutup kemungkinan kerugian atas tidak tertagihnya piutang pihak berelasi tersebut.

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**35. LOSS PER SHARE (Continued)**

The convertible bonds are 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 the convertible bonds are disclosed in Note 26.

For the years ended December 31, 2016 and 2015, the potential conversion of the *Equity Linked Notes* and convertible bonds into ordinary shares of the Company is considered antidilutive, thus not included in the calculation of the diluted loss per share.

**36. 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. Short-term investments (Note 5)**

			Persentase terhadap Jumlah Aset Konsolidasian/ Percentage to Total Consolidated Assets		
	2016	2015	2016	2015	
PT Bumi Resources Tbk	157.178	27.429	2,40%	0,30%	PT Bumi Resources Tbk
PT Bakrie Sumatera Plantations Tbk	18.643	18.643	0,28%	0,20%	PT Bakrie Sumatera Plantations Tbk
PT Darma Henwa Tbk	14.710	-	0,22%	0,00%	PT Darma Henwa Tbk
PT Bakrieland Development Tbk	3.597	3.601	0,05%	0,04%	PT Bakrieland Development Tbk
PT Bakrie Telecom Tbk	2.152	32.278	0,03%	0,35%	PT Bakrie Telecom Tbk
PT Energi Mega Persada Tbk	5	1.588	0,00%	0,02%	PT Energi Mega Persada Tbk
<b>Total</b>	<b>196.285</b>	<b>83.539</b>	<b>2,98%</b>	<b>0,91%</b>	<b>Total</b>

**b. Trade receivables - related parties (Note 6)**

			Persentase terhadap Jumlah Aset Konsolidasian/ Percentage to Total Consolidated Assets		
	2016	2015	2016	2015	
Lain-lain (di bawah Rp1 miliar)	14.280	25.701	0,22%	0,28%	Others (below Rp1 billion)
Dikurangi penyisihan kerugian atas penurunan nilai	-	(931)	-	-0,01%	Less allowance for impairment losses
<b>Neto</b>	<b>14.280</b>	<b>24.770</b>	<b>0,22%</b>	<b>0,27%</b>	<b>Net</b>

The Group's management believes that the receivables can be collected and the allowance for impairment losses is adequate to cover possibility of losses from non-collection of receivables from related parties.

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**36. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI  
(Lanjutan)**

**c. Piutang pihak berelasi**

			Persentase terhadap Jumlah Aset Konsolidasian/ Percentage to Total Consolidated Assets		
	2016	2015	2016	2015	
PT Tanjung Jati Power Company	201.624	204.680	3,07%	2,23%	PT Tanjung Jati Power Company
PT Bakrie Anugerah					PT Bakrie Anugerah
Batu Alam Industry	21.724	21.724	0,33%	0,24%	Batu Alam Industry
PT Batuta Kimia Perdana	12.751	12.741	0,19%	0,14%	PT Batuta Kimia Perdana
PT Long Haul Holdings	2.328	2.328	0,03%	0,03%	PT Long Haul Holdings
PT Bakrie Mira Satmakura	1.344	1.344	0,02%	0,01%	PT Bakrie Mira Satmakura
Lain-lain (di bawah Rp1 miliar)	7.964	7.029	0,12%	0,08%	Others (below Rp1 billion)
Total	247.735	249.846	3,76%	2,73%	Total
Dikurangi penyisihan kerugian atas penurunan nilai	(23.673)	(23.688)	-0,25%	-0,26%	Less allowance for impairment losses
<b>Neto</b>	<b>224.062</b>	<b>226.158</b>	<b>3,50%</b>	<b>2,47%</b>	<b>Net</b>

Rincian piutang pihak berelasi berdasarkan mata uang adalah sebagai berikut:

Mata uang	2016	2015	Currencies
Dolar AS	20.306	19.373	US Dollar
Rupiah	203.756	206.785	Rupiah
<b>Total</b>	<b>224.062</b>	<b>226.158</b>	<b>Total</b>

- Piutang pihak berelasi berasal dari pemberian pinjaman dana (uang muka) dan penggantian biaya kepada pihak berelasi. Piutang-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. Piutang kepada Komisaris, Direktur dan Karyawan (Catatan 16)**

Kelompok Usaha memberikan pinjaman tanpa bunga kepada direksi dan karyawan lainnya untuk pembelian rumah dan kendaraan bermotor. Saldo pinjaman kepada komisaris, direksi dan karyawan pada tanggal 31 Desember 2016 dan 2015, masing-masing sebesar Rp6,0 miliar dan Rp7,0 miliar, yang disajikan sebagai bagian dari "Aset Tidak Lancar Lainnya" dalam laporan posisi keuangan konsolidasian.

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**36. TRANSACTIONS WITH RELATED PARTIES  
(Continued)**

**c. Due from related parties**

Persentase terhadap  
Jumlah Aset Konsolidasian/  
Percentage to  
Total Consolidated Assets

			Persentase terhadap Jumlah Aset Konsolidasian/ Percentage to Total Consolidated Assets		
	2016	2015	2016	2015	
PT Tanjung Jati Power Company	201.624	204.680	3,07%	2,23%	PT Tanjung Jati Power Company
PT Bakrie Anugerah					PT Bakrie Anugerah
Batu Alam Industry	21.724	21.724	0,33%	0,24%	Batu Alam Industry
PT Batuta Kimia Perdana	12.751	12.741	0,19%	0,14%	PT Batuta Kimia Perdana
PT Long Haul Holdings	2.328	2.328	0,03%	0,03%	PT Long Haul Holdings
PT Bakrie Mira Satmakura	1.344	1.344	0,02%	0,01%	PT Bakrie Mira Satmakura
Lain-lain (di bawah Rp1 miliar)	7.964	7.029	0,12%	0,08%	Others (below Rp1 billion)
Total	247.735	249.846	3,76%	2,73%	Total
Dikurangi penyisihan kerugian atas penurunan nilai	(23.673)	(23.688)	-0,25%	-0,26%	Less allowance for impairment losses
<b>Neto</b>	<b>224.062</b>	<b>226.158</b>	<b>3,50%</b>	<b>2,47%</b>	<b>Net</b>

Details of due from related parties based on currencies were as follows:

- 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. Receivable from Commissioners, Directors and Employees (Note 16)**

The Group extended non-interest bearing loans to directors and other employees for the purchase of houses and cars. The balances of the loans to commissioners, directors and employees as of December 31, 2016 and 2015, were Rp6.0 billion and Rp7.0 billion, respectively, and are presented as part of "Other Non-Current Assets" in the consolidated statements of financial position.

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**36. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI  
(Lanjutan)**

**36. TRANSACTIONS WITH RELATED PARTIES  
(Continued)**

**e. Utang usaha - pihak berelasi (Catatan 18)**

**e. Trade payables - related parties (Note 18)**

			Persentase terhadap Total Liabilitas Konsolidasian/ Percentage to Total Consolidated Liabilities		
	2016	2015	2016	2015	
Lain-lain (dibawah Rp1 miliar)	16.549	2.408	0,13%	0,02%	Others (below Rp 1 billion)

**f. Utang lainnya kepada pihak yang berelasi  
(Catatan 19)**

**f. Other payables to related parties (Note 19)**

			Persentase terhadap Jumlah Liabilitas Konsolidasian/ Percentage to Total Consolidated Liabilities		
	2016	2015	2016	2015	
Dana Pensiun Bakrie	38.913	24.484	0,31%	0,19%	Dana Pensiun Bakrie
Lain-lain (di bawah Rp1 miliar)	1.376	4.194	0,01%	0,03%	Others (below Rp1 billion)
<b>Total</b>	<b>40.289</b>	<b>28.678</b>	<b>0,33%</b>	<b>0,23%</b>	<b>Total</b>

Saldo utang lainnya kepada pihak berelasi berasal dari pinjaman modal kerja, pembelian saham, iuran dana pensiun dan biaya sewa.

The balance of other payables - related parties arose from working capital loan, purchase of shares, contributions of retirement benefits and rent expenses.

**g. Utang pihak berelasi**

**g. Due to related parties**

			Persentase terhadap Total Liabilitas Konsolidasian/ Percentage to Total Consolidated Liabilities		
	2016	2015	2016	2015	
PT Petromine Energy Trading	115.258	116.054	0,91%	0,88%	PT Petromine Energy Trading
PT Cimanggis Cibitung Tollways	69.697	69.697	0,55%	0,53%	PT Cimanggis Cibitung Tollways
PT Sokoria Geothermal Indonesia	21.235	-	0,17%	-	PT Sokoria Geothermal Indonesia
PT Bakrie Capital Indonesia	10.000	10.053	0,08%	0,08%	PT Bakrie Capital Indonesia
PT Kalimantan Prima Power	6.311	6.311	0,05%	0,05%	PT Kalimantan Prima Power
Lain-lain (di bawah Rp1 miliar)	89.399	2.635	0,78%	0,10%	Others (below Rp1 billion)
<b>Total</b>	<b>311.900</b>	<b>204.750</b>	<b>2,54%</b>	<b>1,64%</b>	<b>Total</b>

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.

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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**36. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI**  
(Lanjutan)

**e. Utang usaha - pihak berelasi (Catatan 18)**

	2016	2015
Lain-lain (dibawah Rp1 miliar)	<u>16.549</u>	<u>2.408</u>

**f. Utang lainnya kepada pihak yang berelasi**  
(Catatan 19)

	2016	2015
Dana Pensiun Bakrie	38.913	24.484
Lain-lain (di bawah Rp1 miliar)	<u>1.376</u>	<u>4.194</u>
<b>Total</b>	<b><u>40.289</u></b>	<b><u>28.678</u></b>

Saldo utang lainnya kepada pihak berelasi berasal dari pinjaman modal kerja, pembelian saham, iuran dana pensiun dan biaya sewa.

**g. Utang pihak berelasi**

	2016	2015
PT Petromine Energy Trading	115.258	116.054
PT Cimanggis Cibitung Tollways	69.697	69.697
PT Sokoria Geothermal Indonesia	21.235	-
PT Bakrie Capital Indonesia	10.000	10.053
PT Kalimantan Prima Power	6.311	6.311
Lain-lain (di bawah Rp1 miliar)	<u>89.399</u>	<u>2.635</u>
<b>Total</b>	<b><u>311.900</u></b>	<b><u>204.750</u></b>

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.

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**36. TRANSACTIONS WITH RELATED PARTIES**  
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**e. Trade payables - related parties (Note 18)**

Persentase terhadap Total Liabilitas Konsolidasian/ Percentage to Total Consolidated Liabilities	
2016	2015
<u>0,13%</u>	<u>0,02%</u>

*Others (below Rp 1 billion)*

**f. Other payables to related parties (Note 19)**

Persentase terhadap Jumlah Liabilitas Konsolidasian/ Percentage to Total Consolidated Liabilities	
2016	2015
0,31%	0,19%
<u>0,01%</u>	<u>0,03%</u>
<b><u>0,32%</u></b>	<b><u>0,22%</u></b>

*Dana Pensiun Bakrie  
Others (below Rp1 billion)*

**Total**

*The balance of other payables - related parties arose from working capital loan, purchase of shares, contributions of retirement benefits and rent expenses.*

**g. Due to related parties**

Persentase terhadap Total Liabilitas Konsolidasian/ Percentage to Total Consolidated Liabilities	
2016	2015
0,91%	0,88%
0,55%	0,53%
0,17%	-
0,08%	0,08%
0,05%	0,05%
<u>0,78%</u>	<u>0,10%</u>
<b><u>2,54%</u></b>	<b><u>1,64%</u></b>

*PT Petromine Energy Trading  
PT Cimanggis Cibitung Tollways  
PT Sokoria Geothermal  
Indonesia  
PT Bakrie Capital Indonesia  
PT Kalimantan Prima Power  
Others (below Rp1 billion)*

**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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**36. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI  
(Lanjutan)**

**h. Kompensasi manajemen kunci**

Manajemen kunci Kelompok Usaha terdiri dari Dewan Komisaris, Direksi Perusahaan dan para *Chief Officer* sebagai personil manajemen kunci lainnya. Total remunerasi dan imbalan lainnya yang diberikan kepada personil manajemen sebagai berikut:

	2016				
	Dewan Komisaris/ <i>Board of Commissioners</i>	Direksi/ <i>Board of Directors</i>	Personil Manajemen Kunci lainnya/ <i>Other Key Management Personnel</i>	Total/ <i>Total</i>	
Imbalan kerja jangka pendek	11.171	28.013	11.458	50.642	Short-term employment benefits
Imbalan pascakerja	-	18.753	15.372	34.125	Post-employment benefits
Imbalan kerja jangka panjang lainnya	-	1.071	5.650	6.721	Other long-term benefits
<b>Total</b>	<b>11.171</b>	<b>47.837</b>	<b>32.480</b>	<b>91.488</b>	<b>Total</b>

	2015				
	Dewan Komisaris/ <i>Board of Commissioners</i>	Direksi/ <i>Board of Directors</i>	Personil Manajemen Kunci lainnya/ <i>Other Key Management Personnel</i>	Total/ <i>Total</i>	
Imbalan kerja jangka pendek	11.573	27.212	10.143	48.928	Short-term employment benefits
Imbalan pascakerja	-	6.759	1.698	8.457	Post-employment benefits
Imbalan kerja jangka panjang lainnya	-	4.608	1.057	5.665	Other long-term benefits
<b>Total</b>	<b>11.573</b>	<b>38.579</b>	<b>12.898</b>	<b>63.050</b>	<b>Total</b>

**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.

Karena memiliki sifat hubungan istimewa, 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.

**37. 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.

**36. TRANSACTIONS WITH RELATED PARTIES  
(Continued)**

**h. Key management compensation**

The Group's key management personnel consists of the Company's Boards of Commissioners, 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.

Because of these relationships, it is possible that the terms and conditions of these transactions are not the same as those that would result from transactions with third parties, such as employee loans.

**37. OPERATING SEGMENT**

The Group classifies its products and services into two core business segments namely infrastructure and manufacturing as well as trading, services and investment.

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**37. SEGMENT OPERASI (Lanjutan)**

Informasi tentang Kelompok Usaha menurut segmen adalah sebagai berikut:

<b>Nama Divisi</b>	<b>Aktivitas</b>
Infrastruktur dan manufaktur	Jasa konstruksi dan teknis, pembangkit tenaga listrik, infrastruktur, produksi pipa baja bergelombang, cetakan besi dan baja untuk industri komponen otomotif serta bahan bangunan dari serat semen
Perdagangan, jasa dan investasi	Perdagangan bahan bakar minyak, jasa manajemen dan konsultasi serta melakukan investasi pada perusahaan-perusahaan lain baik dalam bentuk penyertaan saham, mendirikan atau mengambil bagian atas saham-saham perusahaan lain secara langsung maupun tidak langsung, perdagangan surat berharga dan kegiatan investasi lainnya

**37. OPERATING SEGMENT (Continued)**

Information concerning the Group business segments is as follows:

<b>Activity</b>	<b>Name of Divisions</b>
Construction and technical services, powerplant, infrastructure, production of steel pipes, corrugated metal products, cast iron products for automotive parts industry and fiber cement building products	Infrastructure and manufacturing
Trading of fuel, management and consultation services, and making investment in other companies in the form of equity placement, establish or acquire stocks of other companies both directly and indirectly, trading marketable securities and other investment activities	Trading, services and investment

	2016				
	<b>Infrastruktur dan Manufaktur/ Infrastructure and Manufacturing</b>	<b>Perdagangan, Jasa dan Investasi/ Trading, Services, and Investment</b>	<b>Eliminasi/ Elimination</b>	<b>Konsolidasian/ Consolidated</b>	
<b>PENDAPATAN NETO</b>	2.071.370	4.539	-	2.075.909	<b>NET REVENUES</b>
<b>BEBAN POKOK PENDAPATAN</b>	1.978.764	1.047	-	1.979.810	<b>COST OF REVENUES</b>
<b>LABA KOTOR</b>	92.606	3.492	-	96.099	<b>GROSS PROFIT</b>
<b>BEBAN USAHA</b>					<b>OPERATING EXPENSES</b>
Beban umum dan administrasi	229.162	42.656	-	271.818	General and administrative expenses
Beban karyawan	154.837	68.581	-	223.418	Personnel expenses
Beban penjualan	44.157	650	-	44.807	Selling expenses
Total Beban Usaha	428.156	111.887	-	540.043	Total Operating Expenses
<b>RUGI USAHA</b>	(335.550)	(108.395)	-	(443.944)	<b>LOSS FROM OPERATIONS</b>
<b>PENGHASILAN (BEBAN) LAIN-LAIN</b>					<b>OTHER INCOME (EXPENSES)</b>
Laba (rugi) selisih kurs - neto	(10.280)	222.286	-	212.006	Gain (loss) on foreign exchange - net
Laba atas pelepasan saham	-	30.507	-	30.507	Gain on divestment
Bagian atas laba neto pada entitas asosiasi dan pengendalian bersama	225.029	(4.842.626)	3.094.429	(1.523.168)	Share in net income of associated and jointly controlled entities
Beban bunga dan keuangan	(43.585)	(225.006)	-	(268.591)	Interest and financial expenses
Penyisihan penurunan nilai investasi	(1.024.588)	-	-	(1.024.588)	Provision for impairment losses of investments
Perubahan nilai wajar derivatif - neto	-	(340.359)	-	(340.359)	Fair value changes of derivatives - net
Beban penyisihan penurunan nilai biaya pengembangan proyek	(13.609)	(86.622)	-	(100.231)	Provision for impairment of project development costs
Beban penghapusan dan penyisihan					Write-off and provision for



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**37. SEGMEN OPERASI (Lanjutan)**

**37. OPERATING SEGMENT (Continued)**

	2016				
	<b>Infrastruktur dan Manufaktur/ Infrastructure and Manufacturing</b>	<b>Perdagangan, Jasa dan Investasi/ Trading, Services, and Investment</b>	<b>Eliminasi/ Elimination</b>	<b>Konsolidasian/ Consolidated</b>	
kerugian atas penurunan nilai	(94.597)	-	-	(94.597)	impairment losses
Beban pajak	(20.931)	(950)	-	(21.881)	Tax expenses
Lain-lain	(3.042)	(12.480)	-	(15.522)	Others
Penghasilan (Beban) Lain-lain - Neto	(985.603)	(5.255.250)	3.094.429	(3.146.424)	Other Income (Expense) - Net
<b>LABA (RUGI) SEBELUM MANFAAT (BEBAN) PAJAK PENGHASILAN</b>	<b>(1.321.153)</b>	<b>(5.363.645)</b>	<b>3.094.429</b>	<b>(3.590.368)</b>	<b>INCOME (LOSS) BEFORE INCOME TAX BENEFIT (EXPENSE)</b>
<b>MANFAAT (BEBAN) PAJAK PENGHASILAN</b>					<b>INCOME TAX BENEFIT (EXPENSE)</b>
Kini	(8.183)	-	-	(8.183)	Current
Tangguhan	(63.067)	-	-	(63.067)	Deferred
Beban Pajak Penghasilan - Neto	(71.250)	-	-	(71.250)	Income Tax Expense - Net
<b>RUGI NETO</b>	<b>(1.392.403)</b>	<b>(5.363.645)</b>	<b>3.094.429</b>	<b>(3.661.618)</b>	<b>NET LOSS</b>
Aset tetap - neto	2.184.376	42.775	282.067	2.509.218	Fixed assets - net
Aset segmen lainnya	2.434.515	2.592.447	(1.015.310)	4.011.652	Other assets per segment
Investasi pada entitas asosiasi dan entitas pengendalian bersama - neto	20.368	2.296.213	(2.279.013)	37.568	Investments in associated and jointly controlled entities - net
<b>TOTAL ASET</b>	<b>4.639.259</b>	<b>4.931.435</b>	<b>(3.012.256)</b>	<b>6.558.438</b>	<b>TOTAL ASSETS</b>
<b>TOTAL LIABILITAS</b>	<b>2.077.749</b>	<b>11.192.771</b>	<b>(660.061)</b>	<b>12.610.459</b>	<b>TOTAL LIABILITIES</b>
	2015				
	<b>Infrastruktur dan Manufaktur/ Infrastructure and Manufacturing</b>	<b>Perdagangan, Jasa dan Investasi/ Trading, Services, and Investment</b>	<b>Eliminasi/ Elimination</b>	<b>Konsolidasian/ Consolidated</b>	
<b>PENDAPATAN NETO</b>	3.273.886	63.372	-	3.337.258	<b>NET REVENUES</b>
<b>BEBAN POKOK PENDAPATAN</b>	2.700.227	10.887	-	2.711.114	<b>COST OF REVENUES</b>
<b>LABA KOTOR</b>	573.659	52.485	-	626.144	<b>GROSS PROFIT</b>
<b>BEBAN USAHA</b>					<b>OPERATING EXPENSES</b>
Beban umum dan administrasi	271.400	39.372	-	310.772	General and administrative expenses
Beban karyawan	170.916	82.933	-	253.849	Personnel expenses
Beban penjualan	117.411	847	-	118.258	Selling expenses
Total Beban Usaha	559.727	123.152	-	682.879	Total Operating Expenses
<b>RUGI USAHA</b>	13.932	(70.667)	-	(56.735)	<b>LOSS FROM OPERATIONS</b>
<b>PENGHASILAN (BEBAN) LAIN-LAIN</b>					<b>OTHER INCOME (EXPENSES)</b>
Bagian atas laba neto pada entitas asosiasi dan pengendalian bersama	293.809	357.573	223.207	874.589	Share in net income of associated and jointly controlled entities
Laba (rugi) selisih kurs - neto	74.556	(796.728)	-	(722.172)	Gain (loss) on foreign exchange - net
Beban bunga dan keuangan	(126.321)	(417.217)	-	(543.538)	Interest and financial expenses
Perubahan nilai wajar derivatif - neto	-	(462.841)	-	(462.841)	Fair value changes of derivatives - net
Beban penghapusan dan penyisihan kerugian atas penurunan nilai	(30.077)	(35.080)	-	(65.157)	Write-off and provision for impairment losses
Laba (rugi) atas pelepasan saham	(71.195)	474.231	-	403.036	Gain (loss) on divestment
Beban pajak	(13.105)	(461)	-	(13.566)	Tax expenses
Penyisihan penurunan nilai investasi	-	(968.099)	-	(968.099)	Provision for impairment losses of investments

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**37. SEGMENT OPERASI (Lanjutan)**

**37. OPERATING SEGMENT (Continued)**

	2015				
	Infrastruktur dan Manufaktur/ <i>Infrastructure and Manufacturing</i>	Perdagangan, Jasa dan Investasi/ <i>Trading, Services, and Investment</i>	Eliminasi/ <i>Elimination</i>	Konsolidasian/ <i>Consolidated</i>	
Rugi yang direalisasi atas perubahan nilai wajar investasi yang diperdagangkan	-	(137.782)	-	(137.782)	Realized loss on fair value changes of trading investments
Lain-lain	146.474	(106.118)	-	40.356	Others
Beban Lain-lain - Neto	274.141	(2.092.522)	223.207	(1.595.174)	Other Expense - Net
<b>RUGI SEBELUM MANFAAT (BEBAN)</b>					<b>LOSS BEFORE INCOME TAX</b>
<b>PAJAK PENGHASILAN</b>	288.073	(2.163.189)	223.207	(1.651.909)	<b>BENEFIT (EXPENSE)</b>
<b>MANFAAT (BEBAN) PAJAK PENGHASILAN</b>					<b>INCOME TAX</b>
Kini	(79.572)	-	-	(79.572)	Current
Tanggung	7.239	(4.641)	-	2.598	Deferred
Beban Pajak Penghasilan - Neto	(72.333)	(4.641)	-	(76.974)	Income Tax Expense - Net
<b>RUGI NETO</b>	<b>215.740</b>	<b>(2.167.830)</b>	<b>223.207</b>	<b>(1.728.883)</b>	<b>NET LOSS</b>
Aset tetap - neto	2.433.138	22.649	-	2.455.787	Fixed assets - net
Aset segmen lainnya	2.275.006	3.338.672	(1.403.539)	4.210.139	Other assets per segment
Investasi pada entitas asosiasi dan entitas pengendalian bersama - neto	840.160	6.218.672	(4.501.302)	2.557.530	Investments in associated and jointly controlled entities - net
<b>TOTAL ASET</b>	<b>5.548.304</b>	<b>9.579.993</b>	<b>(5.904.841)</b>	<b>9.223.456</b>	<b>TOTAL ASSETS</b>
<b>TOTAL LIABILITAS</b>	<b>2.150.927</b>	<b>12.027.752</b>	<b>(1.047.654)</b>	<b>13.131.025</b>	<b>TOTAL LIABILITIES</b>

**38. PERJANJIAN DAN IKATAN YANG SIGNIFIKAN**

Kelompok Usaha memiliki perjanjian dan ikatan yang signifikan, sebagai berikut:

**Pihak Ketiga**

- a. Perjanjian Pengangkutan Gas antara PT Perusahaan Listrik Negara (PLN) (Persero), Perusahaan dan Petronas Carigali Miurah Ltd. (PCM) untuk Pembangkit Listrik Tambak Lorok

Perusahaan bersama PLN dan PCM, menandatangani Gas Transportation Agreement (GTA) ruas Kepodang-Tambak Lorok di Kantor Badan Pengelolaan Hulu (BPH-Migas).

**38. SIGNIFICANT AGREEMENTS AND COMMITMENTS**

The Group had outstanding significant agreements and commitments, as follows:

**Third Parties**

- 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).

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**38. PERJANJIAN DAN IKATAN YANG SIGNIFIKAN  
(Lanjutan)**

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**

1. 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.
2. Pada tanggal 20 November 1996, BHP mengadakan perjanjian dengan Pertamina untuk melaksanakan pembangunan, pengoperasian, penyewaan dan pemeliharaan PIPANISASI Kertapati - Jambi. Sesuai dengan perjanjian tersebut, BHP akan membangun jaringan pipa dari Kertapati ke Jambi, dan bila pembangunan jaringan pipa tersebut telah selesai, Pertamina akan menyewa dan mengoperasikannya dengan masa sewa sepuluh (10) tahun terhitung sejak selesainya pekerjaan. Sebagai imbalan, Pertamina membayar biaya sewa sebesar USD16,8 juta per semester di luar PPN, termasuk beban pemeliharaan sebesar USD2,3 juta.

Berdasarkan Surat Pertamina No. 1396/ F000/ 98-55 tanggal 1 Desember 1998, Pertamina ingin melakukan negosiasi ulang persyaratan dalam Proyek PIPANISASI Kertapati - Jambi yang mengakibatkan ditundanya pembangunan proyek tersebut. Pada tanggal 27 September 2000, Pertamina menerbitkan Surat No. 1576/F0300/ 200-S5 mengenai maksud Pertamina untuk menegosiasikan kembali proyek tersebut (Catatan 14).

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**38. SIGNIFICANT AGREEMENTS AND COMMITMENTS  
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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**

1. 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.
2. On November 20, 1996, BHP entered into a cooperation agreement with Pertamina in connection with the construction, operation, rental and maintenance of the pipeline from Kertapati - Jambi. In the agreement, it is stated that BHP has to construct a pipeline from Kertapati to Jambi, and once completed, Pertamina will lease the network from BHP and operate it for ten (10) years from the date of completion. As compensation, Pertamina will pay a rental fee of USD16.8 million per semester including the maintenance expense of USD2.3 million excluding VAT.

Based on Pertamina Letter No. 1396/ F000/98-55 dated December 1, 1998, Pertamina intended to renegotiate the terms of the Kertapati - Jambi Pipeline Project, which has resulted in the postponement of the project. On September 27, 2000, Pertamina issued Letter No. 1576/F0300/ 200-S5 regarding its intention to renegotiate the project (Note 14).

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**38. PERJANJIAN DAN IKATAN YANG SIGNIFIKAN  
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Perusahaan dan Pertamina telah menunjuk Deloitte Touche Tohmatsu (DTT) untuk menilai kewajiban Pertamina kepada BHP. Berdasarkan laporan DTT pada tanggal 25 Oktober 2001, Pertamina memiliki kewajiban kepada BHP sebesar USD90,1 juta. Namun, karena adanya ketidakpastian atas tertagihnya dana yang telah dikeluarkan untuk membiayai proyek tersebut, manajemen memutuskan untuk membentuk penyisihan penuh atas nilai proyek tersebut (Catatan 14).

3. Pada tanggal 27 Juli 2006, Perusahaan telah memenangkan lelang khusus ruas transmisi gas bumi Bontang (Kalimantan Timur) ke Semarang (Jawa Tengah) berdasarkan Surat Keputusan Kepala Badan Pengatur Hilir Minyak dan Gas Bumi (BPH Migas) No. 042/Kpts/PL/BPHMigas/Kom/VII/2006. Perusahaan akan memulai konstruksi fisik proyek setelah keputusan pemerintah atas alokasi produksi gas bumi untuk kebutuhan dalam negeri dan ekspor ditetapkan.

Pada tanggal 10 Maret 2014, Perusahaan mengadakan Perjanjian Pemesanan Saham dengan PT Permata Graha Nusantara untuk saham yang beredar dari PT Kalimantan Jawa Gas (KJG). Sejak tahun 2006, Perusahaan melakukan penyertaan untuk membiayai aset KJG seperti yang diverifikasi oleh penilai independen yang akan dikonversi menjadi 20% kepemilikan di Perusahaan.

Pada tanggal 11 November 2014, Anggaran Dasar KJG telah diubah dengan meningkatkan modal dasar dari Rp40 miliar menjadi Rp266,43 miliar, dimana saham KJG yang ada akan dimusnahkan dan akan menerbitkan saham yang baru. Pada waktu yang sama, Perusahaan mengalihkan biaya proyek yang dikeluarkan oleh Perusahaan untuk membiayai aset KJG yang akan mewakili kepemilikan saham 20% di KJG.

**c. Perjanjian pemegang saham PT Kalimantan Jawa Gas**

Pada tanggal 11 November 2014, Perusahaan dan PT Permata Graha Nusantara telah menandatangani Perjanjian Antar Pemegang Saham di dalam PT Kalimantan Jawa Gas ("KJG"), sehubungan dengan hak dan tanggung jawab Perusahaan sebagai pemilik 20% saham dalam KJG.

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**38. SIGNIFICANT AGREEMENTS AND COMMITMENTS  
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*The Company and Pertamina have appointed Deloitte Touche Tohmatsu (DTT) to evaluate Pertamina's obligation to BHP. Based on DTT's report dated October 25, 2001, Pertamina had an obligation to BHP amounting to USD90.1 million. However, due to uncertainty of collecting the funds utilized to finance the project, the management decided to provide full allowance on the project value (Note 14).*

3. *On July 27, 2006, the Company was awarded a bid for natural gas transmission from Bontang (East Kalimantan) to Semarang (Central Java) according to Regulatory Agency for Oil and Gas Downstream (BPH Migas) Decree No. 042/Kpts/PL/BPHMigas/Kom/VII/2006. The Company will start the construction when the government has decided the gas allocation for domestic and export purposes.*

*On March 10, 2014, the Company entered into a Share Subscription Agreement with PT Permata Graha Nusantara for outstanding shares of PT Kalimantan Jawa Gas (KJG). Since 2006, the Company made certain investments to finance KJG's assets as verified by an independent valuer which will be converted into 20% ownership in the Company.*

*On November 11, 2014, the Articles of Association of KJG have been amended to increase the authorized capital from Rp40 billion to become Rp266.43 billion, whereby the existing shares of KJG will be disposed and new shares will be issued. Concurrently, the Company transferred project development costs incurred to finance the assets of KJG in exchange for 20% share ownership in KJG.*

**c. Shareholder Agreement PT Kalimantan Jawa Gas**

*On November 11, 2014, the Company and PT Permata Graha Nusantara have signed Shareholder Agreement in PT Kalimantan Jawa Gas ("KJG") in regard to its rights and obligation as the holder of 20% ownership in KJG.*

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**38. PERJANJIAN DAN IKATAN YANG SIGNIFIKAN  
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Pada tanggal yang sama, Perusahaan juga memberikan jaminan gadai 20% saham dalam KJG kepada PT Perusahaan Gas Negara (Persero), Tbk ("PGN") sehubungan dengan fasilitas pinjaman yang diberikan PGN kepada KJG.

**d. Perjanjian Kontrak Konstruksi antara Husky, CNOOC Madura dan BCons**

Perjanjian kontrak konstruksi dengan *Husky dan CNOOC Madura limited* dimana BCons bagian dari pihak konsorsium. Bentuk kontrak tersebut adalah jasa tehnik, pengadaan, konstruksi dan instalasi ("EPCI") dengan nomor kontrak 332004201. Kontrak tersebut dimulai pada tanggal 12 November 2015, untuk periode dua puluh enam (26) bulan. Nilai kontrak awal dan varians sebesar USD34,9 juta (tidak termasuk PPN).

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, proyek tersebut sudah selesai sampai 61%.

**39. 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 sampai dengan tanggal 31 Desember 2016 dan 2015 masing-masing adalah sebesar Rp4,5 triliun dan Rp4,2 triliun. Perubahan atas nilai wajar dari liabilitas derivatif dicatat dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian masing-masing rugi sebesar Rp340,4 miliar pada tahun 2016 dan rugi sebesar Rp462,8 miliar pada tahun 2015.

**40. ASET DAN LIABILITAS MONETER DALAM MATA UANG ASING**

Kelompok Usaha memiliki aset dan liabilitas dalam mata uang asing sebagai berikut:

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**38. SIGNIFICANT AGREEMENTS AND COMMITMENTS  
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*On the same date, the Company has pledge 20% of share at KJG to PT Perusahaan Gas Negara (Persero), Tbk ("PGN") in relation to loan facility that has been provided by PGN to KJG.*

**d. Construction Contract Agreement between Husky, CNOOC Madura and BCons**

*Construction contract agreement between Husky and CNOOC Madura Limited wherein BCons is part of the consortium. Forms of the contract are engineering, procurement, construction and installation ("EPCI") with contract number 332004201. The contract was supposed to commence on November 12, 2015, for period of twenty-six (26) months. The original contract and variation amounted to USD34.9 million (exclude VAT).*

*As of completion date of the consolidated financial statements, the project is 61% completed.*

**39. 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, 2016 and 2015 amounting to Rp4.5 trillion and Rp4.2 trillion, respectively. Net changes in fair value of derivative liability recognized in the consolidated statements of profit or loss and other comprehensive income amounted to loss of Rp340.4 billion in 2016 and loss of Rp462.8 billion in 2015, respectively.*

**40. MONETARY ASSETS AND LIABILITIES IN FOREIGN CURRENCIES**

*The Group had monetary assets and liabilities in foreign currencies as follows:*

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**40. ASET DAN LIABILITAS MONETER DALAM MATA  
UANG ASING (Lanjutan)**

**40. MONETARY ASSETS AND LIABILITIES IN FOREIGN  
CURRENCIES (Continued)**

	2016		2015		
	Mata Uang Asing/ Original Currency	Setara Rupiah/ Equivalent Rupiah	Mata Uang Asing/ Original Currency	Setara Rupiah/ Equivalent Rupiah	
<b>Aset</b>					<b>Assets</b>
Kas dan setara kas					Cash and cash equivalents
Dolar AS	3.690.458	49.585	23.144.834	319.283	US Dollar
Yen Jepang	613.499	71	1.238.278	141	Japanese Yen
Dolar Singapura	165	2	162	2	Singaporean Dollar
Investasi jangka pendek					Short-term investments
Dolar AS	25.565.198	343.494	24.709.444	340.867	US Dollar
Piutang usaha					Trade receivables
Dolar AS	6.521.658	87.624	9.142.440	126.120	US Dollar
Piutang pihak berelasi					Due from related parties
Dolar AS	15.164.930	203.756	14.989.883	206.785	US Dollar
Piutang lain-lain					Other receivables
Dolar AS	14.018.905	188.358	14.569.639	200.988	US Dollar
Kas yang dibatasi penggunaannya					Restricted cash in bank
Dolar AS	9.260.197	124.420	7.200.000	99.324	US Dollar
Yen Jepang	388.904	45	-	-	Japanese Yen
Dolar AS	74.221.346	997.237	93.756.241	1.293.367	US Dollar
Yen Jepang	1.002.403	116	1.238.278	141	Japanese Yen
Dolar Singapura	165	2	162	2	Singaporean Dollar
<b>Total Aset</b>		<b>997.355</b>		<b>1.293.510</b>	<b>Total Assets</b>
<b>Liabilitas</b>					<b>Liabilities</b>
Utang usaha					Trade payables
Dolar AS	14.801.652	198.875	17.590.718	242.664	US Dollar
Euro	587	8	10.872	164	Euro
Dolar Singapura	13.376	124	17.262	168	Singapore Dollar
Dolar Australia	4.547	44	16.023	161	Australian Dollar
Utang lain-lain					Other payables
Dolar AS	697.082	9.366	1.569.409	21.650	US Dollar
Euro	-	-	1.860	28	Euro
Biaya masih harus dibayar					Accrued expenses
Dolar AS	86.827.776	1.166.618	62.024.386	855.626	US Dollar
Dolar Hongkong	-	-	1.013	2	Hongkong Dollar
GBP	9.400	155	9.400	192	Pound Sterling
Dolar Singapura	421	4	4.218	41	Singapore Dollar
Pinjaman jangka pendek					Short-term loans
Dolar AS	98.446.265	1.322.724	112.352.736	1.549.906	US Dollar
Liabilitas derivatif					Derivative liabilities
Dolar AS	333.180.485	4.476.613	307.675.414	4.244.382	US Dollar
Pinjaman jangka panjang					Long-term loans
Dolar AS	249.982.807	3.358.769	252.982.780	3.489.897	US Dollar
Dolar AS	783.936.067	10.532.965	754.195.442	10.404.125	US Dollar
Euro	587	8	12.732	192	Euro
Dolar Singapura	13.797	128	21.480	209	Singapore Dollar
GBP	9.400	155	9.400	192	Pound Sterling
Dolar Australia	4.547	44	16.023	162	Australian Dollar
Dolar Hongkong	-	-	1.013	2	Hongkong Dollar
<b>Total Liabilitas</b>		<b>10.533.300</b>		<b>10.404.882</b>	<b>Total Liabilities</b>
<b>Aset (Liabilitas) - Neto</b>		<b>(9.535.945)</b>		<b>(9.111.372)</b>	<b>Net Assets (Liabilities)</b>

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**41. INSTRUMEN KEUANGAN**

Tabel berikut menyajikan nilai tercatat dan taksiran nilai wajar dari instrumen keuangan Kelompok Usaha yang dicatat di laporan posisi keuangan konsolidasian:

	Tercatat/ Carrying Amounts	Wajar/ Fair values	Tercatat/ Carrying Amounts	Wajar/ Fair values	
<b>Aset keuangan</b>					<b>Financial assets</b>
<u>Dimiliki untuk diperdagangkan</u>					<u>Held-for-trading</u>
Dana investasi	343.494	343.494	340.867	340.867	Investment fund
Saham yang diperdagangkan	14.666	14.666	12.074	12.074	Marketable securities
Sub-total	<u>358.160</u>	<u>358.160</u>	<u>352.941</u>	<u>352.941</u>	Sub-total
<u>Pinjaman yang diberikan dan piutang</u>					<u>Loans and receivables</u>
Kas dan setara kas	145.763	145.763	418.100	418.100	Cash and cash equivalents
Deposito berjangka	2.200	2.200	2.200	2.200	Time deposit
Piutang usaha					Trade receivables
Pihak ketiga	1.032.236	1.032.236	1.136.867	1.136.867	Third parties
Pihak berelasi	14.280	14.280	24.770	24.770	Related parties
Piutang lain-lain - pihak ketiga	445.498	445.498	309.754	309.754	Other receivables - third parties
Piutang pihak berelasi	224.062	224.062	226.158	226.158	Due from related parties
Aset keuangan tidak lancar lainnya					Other non-current financial assets
Kas di bank yang dibatasi penggunaannya	154.468	154.468	214.418	214.418	Restricted cash in banks
Piutang dari komisaris, direksi dan karyawan	6.081	6.081	7.042	7.042	Receivable from commissioners, directors and employees
Jaminan	3.423	3.423	5.429	5.429	Security deposits
Sub-total	<u>2.028.011</u>	<u>2.028.011</u>	<u>2.344.738</u>	<u>2.344.738</u>	Sub-total
<u>Aset keuangan tersedia untuk dijual</u>					<u>Available-for-sale financial assets</u>
Efek ekuitas tercatat	196.285	196.285	83.539	83.539	Quoted equity securities
Efek ekuitas tidak tercatat	154.201	154.201	153.286	153.286	Unquoted equity securities
Sub-total	<u>350.486</u>	<u>350.486</u>	<u>236.825</u>	<u>236.825</u>	Sub-total
<b>Jumlah aset keuangan</b>	<b><u>2.736.657</u></b>	<b><u>2.736.657</u></b>	<b><u>2.934.504</u></b>	<b><u>2.934.504</u></b>	<b>Total financial assets</b>
<b>Liabilitas keuangan</b>					<b>Financial liabilities</b>
Liabilitas keuangan pada FVTPL					Financial liability at FVTPL
Liabilitas derivatif	4.476.613	4.476.613	4.244.382	4.244.382	Derivative liabilities
<u>Liabilitas keuangan yang diukur pada biaya perolehan</u>					<u>Financial liabilities at amortized cost</u>
Pinjaman jangka pendek	1.712.927	1.712.927	2.290.237	2.290.237	Short-term loan
Utang usaha					Trade payables
Pihak ketiga	578.746	578.746	486.794	486.794	Third parties
Pihak berelasi	16.549	16.549	2.408	2.408	Related parties
Utang lain-lain					Other payables
Pihak ketiga	54.991	54.991	93.321	93.321	Third parties
Pihak berelasi	40.289	40.289	28.678	28.678	Related parties
Beban masih harus dibayar	1.193.952	1.193.952	1.472.516	1.472.516	Accrued expenses
Pinjaman jangka panjang	3.589.524	3.589.524	3.750.735	3.750.735	Long-term loans
Utang sewa pembiayaan	2.516	2.516	2.925	2.925	Obligation under capital lease
Utang pihak berelasi	311.900	311.900	204.750	204.750	Due to related parties
Sub-total	<u>7.501.394</u>	<u>7.501.394</u>	<u>8.332.364</u>	<u>8.332.364</u>	Sub-total
<b>Jumlah Liabilitas Keuangan</b>	<b><u>11.978.007</u></b>	<b><u>11.978.007</u></b>	<b><u>12.576.746</u></b>	<b><u>12.576.746</u></b>	<b>Total Financial Liabilities</b>

Metode dan asumsi berikut ini digunakan untuk mengestimasi nilai wajar untuk setiap kelompok instrumen keuangan yang praktis untuk memperkirakan nilai tersebut:

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:

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:

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**41. INSTRUMEN KEUANGAN (Lanjutan)**

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:

- 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).

- Aset keuangan tidak lancar lainnya.

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.

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**41. FINANCIAL INSTRUMENTS (Continued)**

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:

- 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).

- Other non-current financial assets.

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.



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#### 42. MANAJEMEN 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 mempengaruhi 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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#### 42. FINANCIAL RISK MANAGEMENT

*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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**42. MANAJEMEN RISIKO KEUANGAN (Lanjutan)**

- Berkaitan dengan risiko ini, dapat dilihat 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 yang hilang (*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 50 basis poin dibandingkan tingkat bunga pada tanggal 31 Desember 2016 dan 2015.

Jika selama 31 Desember 2016 dan 2015 suku bunga lebih tinggi/rendah 50 basis poin dengan seluruh variabel lain tetap, maka dampak terhadap laba/rugi sebelum pajak pada tanggal 31 Desember 2016 dan 2015 akan berupa peningkatan/penurunan beban bunga sekitar Rp6,6 miliar dan Rp32,4 miliar.

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**42. FINANCIAL RISK MANAGEMENT (Continued)**

- 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 50 basis points, compared to the interest rate at December 31, 2016 and 2015.

If during December 31, 2016 and 2015 interest rate had been 50 basis points higher/lower with all other variables held constant, the effect on December 31, 2016 and 2015 income/loss before tax would have been an increase/a decrease of interest expense by approximately Rp6.6 billion and Rp32.4 billion, respectively.

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**42. 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, 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 0,4% dan 3,5% dibandingkan dengan nilai tukar pada tanggal 31 Desember 2016 dan 2015.

Jika Rupiah melemah/menguat hingga 0,4% untuk tahun 2016 dan 3,5% untuk tahun 2015 terhadap mata uang Dolar Amerika Serikat, Dolar Singapura, Euro, Dolar Australia dan Yen dengan seluruh variabel lain tetap, maka laba/rugi sebelum pajak akan menjadi lebih tinggi/rendah masing-masing sekitar Rp71,4 miliar dan Rp225,9 miliar untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015.

**(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 30% dan 20% pada tanggal 31 Desember 2016 dan 2015 dengan semua variabel lainnya konstan dan semua instrumen ekuitas Kelompok usaha dipindahkan sesuai dengan korelasi historis indeks, laba/rugi sebelum pajak akhir tahun akan menjadi lebih tinggi/lebih rendah masing-masing sebesar Rp74,5 miliar dan Rp2,9 miliar.

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**42. FINANCIAL RISK MANAGEMENT (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, 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 0.4% and 3.5% compared to the exchange rate as of December 31, 2016 and 2015.

If Rupiah had weakened/strengthened by up to 0.4% for 2016 and 3.5% for 2015 against US Dollar, Singapore Dollar, Euro, Australian Dollar, and Yen with all other variables held constant, income/loss before tax would have increased/decreased approximately by Rp71.4 billion and Rp225.9 billion for the years ended December 31, 2016 and 2015, 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 30% and 20% for December 31, 2016 and 2015 with all other variables held constant and all the Group's equity instruments moved according to the historical correlation of the index, income/loss before tax for the years ended would have been higher/lower amounting to Rp74.5 billion and Rp2.9 billion, respectively.

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**42. MANAJEMEN RISIKO KEUANGAN (Lanjutan)**

**b. Risiko Kredit**

Risiko kredit adalah risiko di mana arus kas yang telah dijanjikan dari piutang Kelompok Usaha maupun dari sekuritas 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:

	<u>2016</u>	<u>2015</u>	
<u>Dimiliki untuk diperdagangkan</u>			<u>Held-for-trading</u>
Dana Investasi	343.494	340.867	Investment fund
Saham yang diperdagangkan	14.666	12.074	Marketable securities
<u>Pinjaman yang diberikan dan piutang</u>			<u>Loans and receivables</u>
Kas dan setara kas	144.656	417.036	Cash and cash equivalents
Deposito berjangka	2.200	2.200	Time deposits
Piutang usaha			Trade receivables
Pihak ketiga	1.032.236	1.136.867	Third parties
Pihak berelasi	14.280	24.770	Related parties
Piutang lain-lain - pihak ketiga	445.498	309.754	Other receivables - third parties
Piutang pihak berelasi	224.062	226.158	Due from related parties
Aset tidak lancar lainnya			Other non-current assets
Kas di bank yang dibatasi penggunaannya	154.468	214.418	Restricted cash in banks
Piutang dari komisaris, direksi dan karyawan	6.081	7.042	Receivable from commissioners, directors and employees
Jaminan	3.423	5.429	Security deposits
<u>Aset keuangan tersedia untuk dijual</u>			<u>Available-for-sale financial assets</u>
Efek ekuitas tercatat	196.285	83.539	Quoted equity securities
Efek ekuitas tidak tercatat	154.201	153.286	Unquoted equity securities
<b>Total</b>	<b><u>2.735.550</u></b>	<b><u>2.933.440</u></b>	<b>Total</b>

**42. FINANCIAL RISK MANAGEMENT (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:

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**42. MANAJEMEN RISIKO KEUANGAN (Lanjutan)**

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:

**42. FINANCIAL RISK MANAGEMENT (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:

	2016							
	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			
<b>Dimiliki untuk diperdagangkan</b>							<b>Held-for-trading</b>	
Dana investasi	343.494	-	-	-	-	343.494	Investment fund	
Saham yang diperdagangkan	14.666	-	-	-	-	14.666	Marketable securities	
<b>Pinjaman yang diberikan dan piutang</b>							<b>Loans and receivables</b>	
Kas dan setara kas	144.052	604	-	-	-	144.656	Cash and equivalents	
Deposito berjangka	-	-	-	-	2.200	2.200	Time deposits	
Piutang usaha	751.217	104.031	39.449	42.058	109.761	1.046.516	Trade receivables	
Piutang lain-lain	-	-	-	-	445.498	445.498	Other receivables	
Piutang pihak berelasi	-	-	-	-	224.062	224.062	Due from related parties	
Aset tidak lancar lainnya							Other non-current assets	
Kas di bank yang dibatasi penggunaannya	154.468	-	-	-	-	154.468	Restricted cash in banks	
Piutang dari komisaris, direksi dan karyawan	-	-	-	-	6.081	6.081	Receivable from commissioners, directors and employees	
Jaminan	3.423	-	-	-	-	3.423	Security deposits	
<b>Aset keuangan tersedia untuk dijual</b>							<b>Available-for-sale financial assets</b>	
Efek ekuitas tercatat	196.285	-	-	-	-	196.285	Quoted equity securities	
Efek ekuitas tidak tercatat	154.201	-	-	-	-	154.201	Unquoted equity securities	
<b>Total</b>	<b>1.761.806</b>	<b>104.635</b>	<b>39.449</b>	<b>42.058</b>	<b>787.602</b>	<b>2.735.550</b>	<b>Total</b>	

	2015							
	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			
<b>Dimiliki untuk diperdagangkan</b>							<b>Held-for-trading</b>	
Dana investasi	340.867	-	-	-	-	340.867	Investment fund	
Saham yang diperdagangkan	12.074	-	-	-	-	12.074	Marketable securities	
<b>Pinjaman yang diberikan dan piutang</b>							<b>Loans and receivables</b>	
Kas dan setara kas	354.958	62.078	-	-	-	417.036	Cash and equivalents	
Deposito berjangka	-	-	-	-	2.200	2.200	Time deposit	
Piutang usaha	738.352	157.746	39.721	129.287	96.531	1.161.637	Trade receivables	
Piutang lain-lain	-	380	-	-	309.374	309.754	Other receivables	
Piutang pihak berelasi	-	-	-	-	226.158	226.158	Due from related parties	

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**42. MANAJEMEN RISIKO KEUANGAN (Lanjutan)**

**42. FINANCIAL RISK MANAGEMENT (Continued)**

	2015					Total/ Total	
	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					
		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		
Aset tidak lancar lainnya							Other non-current assets
Kas di bank yang dibatasi penggunaannya	214.418	-	-	-	-	214.418	Restricted cash in banks
Piutang dari komisaris, direksi dan karyawan Jaminan	5.429	-	-	-	7.042	7.042	Receivable from commissioners, directors and employees
						5.429	Security deposits
<b>Aset keuangan tersedia untuk dijual</b>							<b>Available-for-sale financial assets</b>
Efek ekuitas tercatat	83.539	-	-	-	-	83.539	Quoted equity securities
Efek ekuitas tidak tercatat	153.286	-	-	-	-	153.286	Unquoted equity securities
<b>Total</b>	<b>1.902.923</b>	<b>220.204</b>	<b>39.721</b>	<b>129.287</b>	<b>641.305</b>	<b>2.933.440</b>	<b>Total</b>

**c. Risiko Likuiditas**

Risiko likuiditas adalah risiko atau kerugian yang mungkin diterima 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 mempengaruhi 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 ketidak-tersediaan dana tunai Kelompok Usaha untuk membayar pokok dan/atau bunga yang telah jatuh tempo.

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*);

**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.

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*);

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**42. MANAJEMEN RISIKO KEUANGAN (Lanjutan)**

- 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 ini menganalisis liabilitas keuangan Kelompok Usaha menurut jatuh tempo yang relevan berdasarkan sisa jatuh tempo kontrak dari instrumen keuangan. Jumlah yang diungkapkan adalah arus kas kontraktual yang tidak didiskontokan. Saldo jatuh tempo dalam satu tahun sama dengan nilai tercatatnya sebagai dampak dari diskonto yang tidak signifikan.

**42. FINANCIAL RISK MANAGEMENT (Continued)**

- 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 table below analyses the Group's financial liabilities into its relevant maturity based on the remaining contractual maturity of the financial instruments. The amounts disclosed are the contractual undiscounted cash flows. Balances due within one year equal their carrying balances as the impact of discounting is not significant.

	Arus kas kontraktual yang tidak didiskontokan/ Contractual undiscounted cash flows				
	Jumlah tercatat/ Carrying amount	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	
<b>Tanggal 31 Desember 2016</b>					<b>As of December 31, 2016</b>
Pinjaman jangka pendek	1.712.927	1.712.927	-	-	Short-term loans
Utang usaha	595.295	595.295	-	-	Trade payables
Utang lain-lain	95.280	95.280	-	-	Other payables
Beban masih harus dibayar	1.193.952	1.193.952	-	-	Accrued expenses
Pinjaman jangka panjang	3.589.524	3.438.208	151.316	-	Long-term loans
Utang sewa pembiayaan	2.516	661	1.855	-	Finance lease payable
Utang pihak berelasi	311.900	-	311.900	-	Due to related parties
<b>Total</b>	<b>7.501.394</b>	<b>7.036.323</b>	<b>465.071</b>	<b>-</b>	<b>Total</b>

	Arus kas kontraktual yang tidak didiskontokan/ Contractual undiscounted cash flows				
	Jumlah tercatat/ Carrying amount	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	
<b>Tanggal 31 Desember 2015</b>					<b>As of December 31, 2015</b>
Pinjaman jangka pendek	2.290.237	2.290.237	-	-	Short-term loans
Utang usaha	489.202	489.202	-	-	Trade payables
Utang lain-lain	121.999	121.999	-	-	Other payables
Beban masih harus dibayar	1.472.516	1.472.516	-	-	Accrued expenses
Pinjaman jangka panjang	3.750.735	2.880.238	870.497	-	Long-term loans
Utang sewa pembiayaan	2.925	1.983	942	-	Finance lease payable
Utang pihak berelasi	204.750	-	204.750	-	Due to related parties
<b>Total</b>	<b>8.332.364</b>	<b>7.256.175</b>	<b>1.076.189</b>	<b>-</b>	<b>Total</b>

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**42. MANAJEMEN RISIKO KEUANGAN (Lanjutan)**

**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.

**43. 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 Humberg Lie, S.H., S.E., M.Kn tanggal 6 Oktober 2011.

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**42. FINANCIAL RISK MANAGEMENT (Continued)**

**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.*

**43. QUASI-REORGANIZATION**

*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 Humberg Lie, S.H., S.E., M.Kn dated October 6, 2011.*



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**43. KUASI-REORGANISASI (Lanjutan)**

Pengeliminasian saldo defisit Perusahaan dilakukan dengan urutan prioritas sebagai berikut:

	<b>30 Juni/June 30, 2011</b>
Defisit	(27.664.605)
Selisih nilai transaksi restrukturisasi entitas sepengendali	(5.265.443)
Rugi investasi jangka pendek yang belum terealisasi	(2.059.762)
Surplus revaluasi aset tetap	993.308
Selisih transaksi perubahan ekuitas entitas asosiasi dan entitas anak	273.699
Tambahan modal disetor	24.471.354
Agio saham dari penurunan nilai nominal saham	9.251.449
<b>Neto</b>	<b>-</b>

Penentuan nilai wajar aset tetap Perusahaan dan Entitas Anak pada 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 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 per 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:

	<b>30 Juni/June 30, 2011</b>
Surplus revaluasi aset tetap	1.133.783
Diatribusikan kepada:	
Pemilik entitas induk	993.308
Kepentingan nonpengendali	140.475
<b>Total</b>	<b>1.133.783</b>

**43. QUASI-REORGANIZATION (Continued)**

Elimination of the Company's deficit were made in the following order of priority:

	<b>30 Juni/June 30, 2011</b>
Defisit	(27.664.605)
Difference in value from restructuring transactions of entities under common control	(5.265.443)
Unrealized loss on short-term investments	(2.059.762)
Revaluation surplus of fixed assets	993.308
Difference in equity transactions of associated entities and subsidiaries	273.699
Additional paid-in capital	24.471.354
Share premium from decline in par value of share	9.251.449
<b>Neto</b>	<b>-</b>

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:

	<b>30 Juni/June 30, 2011</b>
Surplus revaluasi aset tetap	1.133.783
Attributable to:	
Owners of the parent	993.308
Non-controlling interest	140.475
<b>Total</b>	<b>1.133.783</b>

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#### 44. KELANGSUNGAN USAHA

Kelompok Usaha telah mengalami kerugian berulang dari kegiatan operasinya. Kelompok Usaha mengalami defisiensi modal sebesar Rp6,1 triliun pada tanggal 31 Desember 2016. Disamping itu, total liabilitas jangka pendek Kelompok Usaha telah melampaui total asetnya pada tanggal 31 Desember 2016. 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 2016, 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:

- Restrukturisasi utang melalui konversi utang menjadi saham.
- Peningkatan modal melalui penerbitan saham dan penjualan aset.
- Mengurangi investasi dalam bentuk saham.
- Fokus dalam pengembangan kegiatan usaha manufaktur.
- 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.

#### 45. INFORMASI TAMBAHAN ARUS KAS

Aktivitas yang tidak mempengaruhi arus kas:

	2016	2015
Reklasifikasi aset dalam penyelesaian menjadi aset tetap	78.602	129.536
Penyelesaian pinjaman jangka pendek dengan		
Obligasi wajib konversi (OWK)	527.699	-
Piutang	-	1.121.181
Investasi jangka pendek	-	238.001
Penyelesaian bunga dan pinalti masih harus dibayar dengan OWK	460.206	
Reklasifikasi piutang pihak berelasi ke piutang lain-lain - pihak ketiga	-	217.700
Reklasifikasi piutang pihak berelasi ke uang muka investasi saham	-	13.375

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#### 44. GOING CONCERN

The Group has incurred recurring losses from its operations. The Group is in a capital deficiency position amounting to Rp6.1 trillion as of December 31, 2016. Furthermore, the total liabilities of the Group have exceeded its total assets as of December 31, 2016. These conditions are mainly caused by the impairment losses of investments, nett loss of associates and jointly controlled entities and fair value changes of derivatives. As of December 31, 2016, the Group has matured loans and is undergoing discussion with its creditors to restructure its loans.

In relation to this, management has taken actions and plans to address the going concern issue through, which include among others, the following measures:

- Debt restructuring through debt to equity conversion.
- Increase in capital raise through rights issue and asset disposal.
- Reduction in investment in shares.
- Focus in growing the manufacturing business operations.
- 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.

#### 45. SUPPLEMENTARY CASH FLOW INFORMATION

Activities not affecting cash flows:

Reclassification of construction-in-progress to fixed assets  
Settlement of short-term loan through:  
    Mandatory convertible bonds (MCB)  
    Receivables  
    Short-term investments  
Settlement of accrued interest and penalty through MCB  
Reclassification of due from related parties to other receivables - third parties  
Reclassification of due from related parties to advances for investments in shares

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**46. PERISTIWA SETELAH PERIODE PELAPORAN**

Peristiwa penting setelah tanggal pelaporan sampai dengan tanggal penyelesaian laporan keuangan konsolidasian adalah sebagai berikut:

- a. Pengalihan saham di PT Sokoria Geothermal Indoneisa (SGI)

Saham PT Bakrie Power di SGI dialihkan kepada KS Orka Renewables Pte. Ltd. berdasarkan dengan Akta Notaris No. 2 tanggal 13 Januari 2017 dari Abu Tafsir, S.H., M.Kn.

- b. Konversi biaya pengembangan proyek ke saham di PT Kalimantan Jawa Gas

Pada tanggal 9 Januari 2017, semua pemegang saham KJG menyetujui untuk penambahan modal dasar dari Rp266,4 miliar menjadi Rp2.200,9 miliar dan modal disetor dari Rp66,6 miliar menjadi Rp550,2 miliar.

Selain itu, saldo sisa biaya pengembang proyek di KJG sebesar Rp96,7 miliar dikonversi menjadi saham Perusahaan di KJG adalah sejumlah 1.100.453 lembar saham dengan nilai nominal seluruhnya sebesar Rp110,0 miliar atau setara dengan 20% kepemilikan saham di KJG.

- c. Amandamen perjanjian kredit dengan Credit Suisse AG, Cabang Singapura

Pada tanggal 6 Maret 2017, syarat dan ketentuan untuk fasilitas kredit dari Credit Suisse AG, Cabang Singapura tanggal 23 Maret 2014 telah diubah menjadi fasilitas baru senilai USD92,1 juta.

**47. KELOMPOK LEPASAN YANG DIKLASIFIKASIKAN SEBAGAI DIMILIK UNTUK DIJUAL**

Pada tanggal 1 Agustus 2016, PT Bakrie Power (BP), Entitas Anak, (sebagai "Penjual") dan KS Orka Renewables Pte. Ltd. (KSO) (sebagai "Pembeli") menandatangani Perjanjian Jual Beli Saham Bersyarat (PJBSB), dimana BP akan menjual 15.000 sahamnya dengan kepemilikan 50% di PT Sokoria Geothermal Indonesia dengan imbalan sebesar USD1 dan mengalihkan utang BP kepada SGI sebesar Rp15 miliar yang tunduk pada syarat dan ketentuan yang tercantum dalam PJBSB.

Pada tanggal yang sama, kedua belah pihak menandatangani Perjanjian Komitmen Pembayaran. Dimana KSO berkewajiban melakukan pembayaran tambahan kepada BP yang tunduk kepada beberapa persyaratan terkait dengan kapasitas.

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**46. EVENTS AFTER THE REPORTING PERIOD**

*Important transactions after the reporting date until the completion date of the consolidated financial statements were as follows:*

- a. *Transfer of shares in PT Sokoria Geothermal Indonesia (SGI)*

*PT Bakrie Power shares in SGI were transferred to KS Orka Renewables Pte. Ltd. based on Notarial Deed No. 2 of Abu Tafsir, S.H., M.Kn. dated January 13, 2017,*

- b. *Conversion of project development costs to shares in PT Kalimantan Jawa Gas (KJG)*

*On January 20, 2017, all the shareholders of KJG approved the increase in KJG's authorized capital from Rp266.4 billion to Rp2,200.9 billion and issued and paid-in capital from Rp66.6 billion to Rp550.2 billion.*

*Correspondingly, the remaining project development costs in KJG amounting to Rp96.7 billion were converted into shares whereby total shares of the Company in KJG became 1,100,453 shares with nominal value amounting to Rp110.0 billion or equivalent to 20% share ownership in KJG.*

- c. *Amendment of credit agreement with Credit Suisse AG, Singapore branch*

*On March 6, 2017, the terms of the existing credit facility with Credit Suisse AG, Singapore branch dated March 23, 2014 was amended to new facility amounting to USD92.1 million.*

**47. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE**

*On August 1, 2016, PT Bakrie Power (BP), a Subsidiary (the "Seller") and KS Orka Renewables Pte. Ltd. (KSO) (the "Buyer") entered into a Conditional Sale and Purchase Agreement (CSPA) wherein BP will sell its 15,000 shares representing 50% ownership interest in PT Sokoria Geothermal Indonesia for initial consideration of USD1 and transfer of BP's payables to SGI amounting to Rp15 billion subject to terms and conditions set forth in the CSPA.*

*On the same date, both parties entered into a Payment Commitment Agreement. Whereby, KSO is obliged to make an additional payment equivalent to USD1.05 million to BP subject to certain conditions related to capacity.*

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**47. KELOMPOK LEPASAN YANG DIKLASIFIKASIKAN  
SEBAGAI DIMILIKI UNTUK DIJUAL (Lanjutan)**

**a. Aset atas kelompok lepasan yang dimiliki untuk  
dijual**

	<u>2016</u>
Kas di bank	87
Aset lancar lainnya	224
Aset tetap	50
Biaya pengembangan proyek	14.701
Aset tidak lancar lainnya	23.958
<b>Total</b>	<b><u>39.020</u></b>

**b. Liabilitas atas kelompok lepasan yang terkait  
langsung dengan aset dimiliki untuk dijual**

	<u>2016</u>
Utang lain-lain	16.684
Utang pihak berelasi	2.423
<b>Total</b>	<b><u>19.107</u></b>

**47. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE  
(Continued)**

**a. Assets of disposal group classified as held for  
sale**

Cash in banks
Other current assets
Fixed assets
Project development costs
Other non-current assets
<b>Total</b>

**b. Liabilities of disposal group directly associated  
with assets classified as held for sale**

Other payables
Due to related party
<b>Total</b>

**48. PENYAJIAN KEMBALI DAN REKLASIFIKASI**

**a. Penyajian kembali**

Kelompok Usaha menyajikan kembali laporan keuangan konsolidasian untuk tahun yang berakhir pada tanggal 31 Desember 2015 sehubungan dengan penyesuaian:

- Beban masih harus dibayar;
- utang pajak;
- aset tetap; dan
- selisih nilai transaksi restrukturisasi entitas sependengali.

Berikut ini rincian akun-akun dalam laporan keuangan konsolidasian sebelum dan sesudah disajikan kembali:

**48. RESTATEMENTS AND RECLASSIFICATIONS**

**a. Restatements**

The Group restated the consolidated financial statements for the year ended December 31, 2015 due to the adjustments:

- Accrued expenses;
- taxes payable;
- fixed assets; and
- difference in restructuring of entities under common control.

The following are the details of accounts in the consolidated financial statements before and after the restatements:

	<u>31 Desember/December 31, 2015</u>			
	<u>Dilaporkan Sebelumnya/ Previously Reported</u>	<u>Penyesuaian/ Adjustments</u>	<u>Disajikan kembali/ As Restated</u>	
<b>Laporan posisi keuangan konsolidasian</b>				<b>Consolidated statement of financial position</b>
<b>Aset tidak lancar</b>				<b>Non-current assets</b>
Aset tetap - neto	2.418.723	37.064	2.455.787	Fixed assets - net
<b>Liabilitas jangka pendek</b>				<b>Short-term liabilities</b>
Beban masih harus dibayar	1.472.516	-	1.472.516	Accrued expenses
Utang pajak	102.210	-	102.210	Taxes payable
<b>Ekuitas</b>				<b>Equity</b>
Defisit	(13.833.091)	25.984	(13.807.107)	Deficit
Kepentingan non-pengendali	(27.890)	11.080	(16.810)	Non-controlling interest

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**48. PENYAJIAN KEMBALI DAN REKLASIFIKASI  
(Lanjutan)**

**48. RESTATEMENTS AND RECLASSIFICATIONS  
(Continued)**

31 Desember/December 31, 2015				
	Dilaporkan Sebelumnya/ Previously Reported	Penyesuaian/ Adjustments	Disajikan kembali/ As Restated	
<b>Laporan laba rugi dan penghasilan komprehensif lain konsolidasian</b>				<b>Consolidated statement of profit or loss and other comprehensive income</b>
<b>Beban</b>				<b>Expenses</b>
Beban umum dan administrasi	306.272	4.500	310.772	General and administrative expenses
<b>Beban pajak penghasilan</b>				<b>Income tax expense</b>
Kini	(74.558)	(5.014)	(79.572)	Current
<b>Rugi neto</b>	(1.719.369)	(9.514)	(1.728.883)	<b>Net loss</b>
<b>Penghasilan komprehensif lain</b>				<b>Other comprehensive income</b>
Selisih nilai transaksi restrukturisasi entitas sepengendali	(179.247)	179.247	-	Difference in restructuring of entities under common control
<b>Rugi yang dapat diatribusikan kepada pemilik entitas induk</b>	(1.745.116)	(9.514)	(1.754.630)	<b>Net loss attributable to owners of the parent</b>
<b>Total penghasilan komprehensif yang dapat diatribusikan kepada pemilik entitas induk</b>	(1.702.313)	169.733	(1.532.580)	<b>Total comprehensive income attributable to owners of the parent</b>
31 Desember/December 31, 2014/ 1 Januari/January 1, 2015				
	Dilaporkan Sebelumnya/ Previously Reported	Penyesuaian/ Adjustments	Disajikan kembali/ As Restated	
<b>Laporan posisi keuangan konsolidasian</b>				<b>Consolidated statement of financial position</b>
<b>Aset tidak lancar</b>				<b>Non-current assets</b>
Aset tetap - neto	2.569.316	37.064	2.606.380	Fixed assets - net
<b>Ekuitas</b>				<b>Equity</b>
Defisit	(12.078.461)	25.984	(12.052.477)	Deficit
Kepentingan non-pengendali	19.253	11.080	30.333	Non-controlling interest

**b. Reklasifikasi**

Untuk tujuan perbandingan beberapa akun dalam laporan posisi keuangan konsolidasian tanggal 31 Desember 2015 dan 1 Januari 2015/31 Desember 2014 telah direklasifikasi agar sesuai dengan penyajian laporan keuangan konsolidasian untuk tahun yang berakhir pada tanggal 31 Desember 2016. Reklasifikasi tersebut adalah sebagai berikut:

**b. Reclassifications**

For comparative purpose, certain accounts in the consolidated statements of financial position as of December 31, 2015 and January 1, 2015/December 31, 2014 have been reclassified to conform with the presentation of accounts in the consolidated financial statement for the year ended December 31, 2016. These reclassifications were as follows:

31 Desember/December 31, 2015				
	Dilaporkan Sebelumnya/ Previously Reported	Penyesuaian/ Adjustments	Direklasifikasi/ As Reclassified	
<b>Laporan posisi keuangan konsolidasian</b>				<b>Consolidated statement of financial position</b>
<b>Aset lancar</b>				<b>Current assets</b>
Piutang usaha - pihak ketiga	1.128.861	8.006	1.136.867	Trade receivables - third parties
Piutang usaha - pihak berelasi	32.776	(8.006)	24.770	Trade receivables - related parties
Uang muka dan biaya dibayar dimuka	157.919	(157.919)	-	Advances and prepaid expenses
Uang muka	-	146.643	146.643	Advance payments
Biaya dibayar dimuka	-	11.276	11.276	Prepaid expenses

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**48. RESTATEMENTS AND RECLASSIFICATIONS  
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<b>31 Desember/December 31, 2015</b>				
	<b>Dilaporkan Sebelumnya/ Previously Reported</b>	<b>Penyesuaian/ Adjustments</b>	<b>Direklasifikasi/ As Reclassified</b>	
<b>Liabilitas jangka panjang</b>				<b>Long-term liabilities</b>
Utang jangka panjang - setelah dikurangi bagian yang jatuh tempo dalam satu tahun:				<i>Long-term liabilities - net of current maturities:</i>
Pinjaman jangka panjang	870.707	(210)	870.497	<i>Long-term loans</i>
Utang sewa pembiayaan	732	210	942	<i>Financing lease payables</i>
<b>Ekuitas</b>				<b>Equity</b>
Tambahan modal disetor	-	(2.559.844)	(2.559.844)	<i>Additional paid-in capital</i>
Selisih penerimaan dari penerbitan saham atas nilai nominal	61.728	(61.728)	-	<i>Paid-in capital in excess of par value</i>
Selisih nilai transaksi restrukturisasi entitas sepengendali	(2.621.572)	2.621.572	-	<i>Difference in restructuring of entities under common control</i>
Cadangan modal lainnya	-	212.644	212.644	<i>Other capital reserve</i>
Selisih kurs penjabaran laporan keuangan	291.221	(291.221)	-	<i>Exchange differences due to financial statements translation</i>
Kerugian aktuarial atas liabilitas imbalan kerja - neto	(78.577)	78.577	-	<i>Actuarial losses on employee benefits liabilities - net</i>
<b>31 Desember/December 31, 2014/ 1 Januari /January 1, 2015</b>				
	<b>Dilaporkan Sebelumnya/ Previously Reported</b>	<b>Penyesuaian/ Adjustments</b>	<b>Direklasifikasi/ As Reclassified</b>	
<b>Laporan posisi keuangan konsolidasian</b>				<b>Consolidated statement of financial position</b>
<b>Aset lancar</b>				<b>Current assets</b>
Piutang usaha - pihak ketiga	1.535.955	20.943	1.556.898	<i>Trade receivables - third parties</i>
Piutang usaha - pihak berelasi	43.981	(20.943)	23.038	<i>Trade receivables - related parties</i>
Uang muka dan biaya dibayar dimuka	140.088	(140.088)	-	<i>Advances and prepaid expenses</i>
Uang muka	-	130.275	130.275	<i>Advance payments</i>
Biaya dibayar dimuka	-	9.813	9.813	<i>Prepaid expenses</i>
<b>Ekuitas</b>				<b>Equity</b>
Tambahan modal disetor	-	(2.380.597)	(2.380.597)	<i>Additional paid-in capital</i>
Selisih penerimaan dari penerbitan saham atas nilai nominal	61.728	(61.728)	-	<i>Paid-in capital in excess of par value</i>
Selisih nilai transaksi restrukturisasi entitas sepengendali	(2.442.325)	2.442.325	-	<i>Difference in restructuring of entities under common control</i>
Cadangan modal lainnya	-	(9.303)	(9.303)	<i>Other capital reserve</i>
Selisih kurs penjabaran laporan keuangan	120.865	(120.865)	-	<i>Exchange differences due to financial statements translation</i>
Kerugian investasi jangka pendek yang belum terealisasi	(40.174)	40.174	-	<i>Unrealized loss on short-term investments</i>
Kerugian aktuarial atas liabilitas imbalan kerja - neto	(89.994)	89.994	-	<i>Actuarial losses on employee benefits liabilities - net</i>

**c. Perubahan penyajian laporan laba rugi dan penghasilan komprehensif lainnya**

Manajemen berpendapat bahwa penyajian pendapatan dan beban berdasarkan fungsi lebih relevan dalam memahami kinerja keuangan Kelompok Usaha yang berfokus pada segmen infrastruktur dan manufaktur.

**c. Change in presentation of statements of profit or loss and other comprehensive income**

Management believed that presentation of revenue and expenses based on function is more relevant in understanding the Group's financial performance which focuses on infrastructure and manufacturing segment.

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Perbandingan penyajian laporan laba rugi dan penghasilan komprehensif lain untuk tahun yang berakhir tanggal 31 Desember 2015 adalah sebagai berikut:

**48. RESTATEMENTS AND RECLASSIFICATIONS  
(Continued)**

Comparison of the presentation of the statements of profit and loss and other comprehensive income for the year ended December 31, 2015 is as follows:

	<b>Dilaporkan Sebelumnya/ Previously Reported</b>	<b>Penyesuaian/ Adjustments</b>	<b>Disajikan kembali/ As Restated</b>	
<b>PENDAPATAN NETO</b>	4.661.924	(1.324.666)	3.337.258	<b>NET REVENUES</b>
<b>BEBAN POKOK PENDAPATAN</b>	-	2.711.114	2.711.114	<b>COSTS OF REVENUES</b>
<b>LABA BRUTO</b>	4.661.924	(4.035.780)	626.144	<b>GROSS PROFIT</b>
<b>BEBAN USAHA</b>				<b>OPERATING EXPENSES</b>
Beban umum dan administrasi	-	310.772	310.772	General and administrative expenses
Beban karyawan	-	253.849	253.849	Personnel expenses
Beban penjualan	-	118.258	118.258	Selling expenses
Total Beban Usaha	-	682.879	682.879	<b>Total Operating Expenses</b>
<b>RUGI USAHA</b>	4.661.924	(4.718.659)	(56.735)	<b>LOSS FROM OPERATIONS</b>
<b>BEBAN</b>				<b>EXPENSES</b>
Beban pokok pendapatan	(2.711.114)	2.711.114	-	Cost of revenues
Beban bunga dan keuangan	(543.538)	-	(543.538)	Interest and financial expenses
Perubahan nilai wajar derivatif - neto	(462.841)	-	(462.841)	Fair value changes of derivatives - net
Beban karyawan	(253.849)	253.849	-	Personnel expenses
Beban umum dan administrasi	(310.772)	310.772	-	General and administrative expenses
Beban penghapusan dan penyisihan kerugian atas penurunan nilai	(65.157)	-	(65.157)	Write-off and provision for impairment losses
Beban penjualan	(118.258)	118.258	-	Selling expenses
Beban pajak	(13.566)	-	(13.566)	Tax expenses
Penyisihan penurunan nilai investasi	(968.099)	-	(968.099)	Provision for impairment losses of investments
Rugi selisih kurs - neto	(722.172)	-	(722.172)	Loss on foreign exchange - net
Rugi yang direalisasi atas perubahan nilai wajar investasi yang diperdagangkan	(137.782)	-	(137.782)	Realized loss on fair value changes of trading investments
Laba atas pelepasan saham	-	403.036	403.036	Gain on divestment
Bagian atas laba neto pada entitas asosiasi dan pengendalian bersama	-	874.589	874.589	Share in net income of associated and jointly controlled entities
Lain-lain	(6.685)	47.041	40.356	Others
Total Beban	(6.313.833)	4.718.659	(1.595.174)	<b>Total Expenses</b>
<b>RUGI SEBELUM MANFAAT (BEBAN) PAJAK PENGHASILAN</b>	(1.651.909)	-	(1.651.909)	<b>LOSS BEFORE INCOME TAX BENEFIT (EXPENSE)</b>

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**48. PENYAJIAN KEMBALI DAN REKLASIFIKASI  
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**48. RESTATEMENTS AND RECLASSIFICATIONS  
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	Dilaporkan Sebelumnya/ <i>Previously</i> <i>Reported</i>	Penyesuaian/ <i>Adjustments</i>	Disajikan kembali/ <i>As Restated</i>	
<b>MANFAAT (BEBAN) PAJAK PENGHASILAN</b>				<b>INCOME TAX BENEFIT (EXPENSE)</b>
Kini	(79.572)	-	(79.572)	<i>Current</i>
Tangguhan	2.598	-	2.598	<i>Deferred</i>
Beban Pajak Penghasilan - Neto	<u>(76.974)</u>	<u>-</u>	<u>(76.974)</u>	<i>Income Tax Expense - Net</i>
<b>RUGI NETO</b>	<b><u>(1.728.883)</u></b>	<b><u>-</u></b>	<b><u>(1.728.883)</u></b>	<b>NET LOSS</b>
<b>PENGHASILAN KOMPREHENSIF LAIN</b>				<b>OTHER COMPREHENSIVE INCOME</b>
Pos-pos yang akan direklasifikasi ke laba rugi:				<i>Items that will be reclassified to profit or loss:</i>
Bagian atas penghasilan komprehensif lain pada entitas asosiasi dan pengendalian bersama	-	63.040	63.040	<i>Equity in other comprehensive income of associated and jointly controlled entities</i>
Selisih kurs karena penjabaran laporan keuangan	96.137	(63.040)	33.097	<i>Exchange differences due to financial statements translation</i>
Aset keuangan tersedia untuk dijual	40.174	-	40.174	<i>Available-for-sale financial asset</i>
Pos-pos yang tidak akan direklasifikasi ke laba rugi:				<i>Items that will not be reclassified to profit or loss:</i>
Selisih nilai transaksi restrukturisasi entitas sepengendali	179.247	(179.247)	-	<i>Difference in restructuring of entities under common control</i>
Pengukuran kembali laba (rugi) atas program pensiun imbangan pasti	15.055	-	15.055	<i>Remeasurement gain (loss) on defined benefit pension plan</i>
Pajak penghasilan terkait pos-pos penghasilan komprehensif lain	<u>(2.131)</u>	<u>-</u>	<u>(2.131)</u>	<i>Income tax on items in other comprehensive income</i>
<b>PENGHASILAN KOMPREHENSIF LAIN - SETELAH DIKURANGI PAJAK</b>	<u>328.482</u>	<u>(179.247)</u>	<u>149.235</u>	<b>OTHER COMPREHENSIVE INCOME - NET OF TAX</b>
<b>TOTAL RUGI KOMPREHENSIF</b>	<b><u>(1.400.401)</u></b>	<b><u>(179.247)</u></b>	<b><u>(1.579.648)</u></b>	<b>TOTAL COMPREHENSIVE LOSS</b>
<b>LABA (RUGI) YANG DAPAT DIATRIBUSIKAN KEPADA</b>				<b>NET INCOME (LOSS) ATTRIBUTABLE TO</b>
Pemilik entitas induk	(1.754.630)	-	(1.754.630)	<i>Owners of parent</i>
Kepentingan non-pengendali	25.747	-	25.747	<i>Non-controlling interest</i>
Total	<u>(1.728.883)</u>	<u>-</u>	<u>(1.728.883)</u>	<i>Total</i>
<b>TOTAL RUGI KOMPREHENSIF YANG DAPAT DIATRIBUSIKAN KEPADA</b>				<b>TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO</b>
Pemilik entitas induk	(1.523.066)	-	(1.532.580)	<i>Owners of parent</i>
Kepentingan non-pengendali	(47.068)	-	(47.068)	<i>Non-controlling interest</i>
Total	<u>(1.570.134)</u>	<u>-</u>	<u>(1.579.648)</u>	<i>Total</i>
<b>RUGI NETO PER SAHAM DASAR/DILUSIAN DIATRIBUSIKAN KEPADA PEMILIK ENTITAS INDUK (Angka penuh)</b>	<b><u>(18,62)</u></b>	<b><u>-</u></b>	<b><u>(18,72)</u></b>	<b>BASIC/DILUTED LOSS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE PARENT (Full amount)</b>



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**49. PERNYATAAN STANDAR AKUNTANSI KEUANGAN  
BARU DAN YANG DISESUAIKAN**

Ikatan Akuntan Indonesia (IAI) telah menerbitkan amandemen pernyataan dan interpretasi atas standar akuntansi yang belum berlaku efektif untuk tahun buku yang dimulai pada tanggal 1 Januari 2016.

Amandemen pernyataan dan interpretasi yang telah diterbitkan dan berlaku efektif untuk tahun buku yang dimulai pada atau setelah tanggal 1 Januari 2017 adalah sebagai berikut:

- Amandemen PSAK No. 1, "Penyajian Laporan Keuangan", tentang Prakarsa Pengungkapan
- ISAK No. 31 (Revisi 2015), "Interpretasi atas Ruang Lingkup PSAK No. 13: Properti Investasi"

Pernyataan baru dan amandemen yang telah diterbitkan dan berlaku efektif untuk tahun buku yang dimulai pada atau setelah tanggal 1 Januari 2018 adalah sebagai berikut:

- PSAK No. 69, "Agrikultur"
- Amandemen PSAK No. 16, "Aset Tetap", tentang Agrikultur: Tanaman Produktif

Kelompok Usaha sedang mempelajari dampak yang mungkin timbul dari penerapan pernyataan dan interpretasi baru, penyesuaian dan revisi tersebut terhadap laporan keuangan konsolidasian.

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**49. NEW AND REVISED STATEMENTS OF FINANCIAL  
ACCOUNTING STANDARDS**

*The Indonesian Institute of Accountants (IAI) has issued amendments to statements and interpretations of accounting standards which are not yet effective for the financial year beginning January 1, 2016.*

*The amendments to statement and an interpretation issued and effective for the year commencing on or after January 1, 2017 were as follows:*

- *Amendments to PSAK No. 1, "Presentation of Financial Statements," on Disclosure Initiative*
- *ISAK No. 31, "Interpretation on the Scope of PSAK No. 13: Investment Property"*

*The new and amendments to statements issued and effective for the year commencing on or after January 1, 2018 were as follows:*

- *PSAK No. 69, "Agriculture"*
- *Amendments to PSAK No. 16, "Fixed Assets," on Agriculture:Bearer Plants*

*The Group is evaluating the potential impact on the consolidated financial statements as a result of the adoption of such new, adjustment and revised statements and interpretations.*

HALAMAN INI SENGAJA DIKOSONGKAN





**PT Bakrie & Brothers Tbk**

Bakrie Tower, 35 – 37<sup>th</sup> Floor  
Rasuna Epicentrum Complex  
Jl. H.R Rasuna Said  
Jakarta 12940, Indonesia

Tel : (62 21) 2991 2222  
Fax : (62 21) 2991 2333