



**Bakrie &  
Brothers**

# BUILD TO LAST



ANNUAL  
REPORT  
2019





# BUILD TO LAST

In line with the vision of the Government of Indonesia which emphasizes the distribution of infrastructure development along with the development of the raw material industry to the finished goods industry on a national scale, PT Bakrie & Brothers Tbk has also sharpened its vision and reorganized its business strategy to strengthen its business basis in the manufacturing industry and the development of infrastructure projects that have become the foundation of the company's growth in recent years.

In 2019, the strengthening of the business foundation of PT Bakrie & Brothers Tbk was demonstrated through several 'game-changing milestones' that were successfully carried out by all levels of the company to the level of subsidiaries. Breakthroughs in the technical and managerial aspects of the manufacturing industry, strategic cooperation in the development of the electric vehicle industry, to the preparation of key energy infrastructure projects successfully completed. These achievements are complemented by a change in the core management of PT Bakrie & Brothers Tbk through the General Meeting of Shareholders in May 2019.

Built on a stronger and sturdier foundation, PT Bakrie & Brothers Tbk now have quintessential start for its success longevity.

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### DISCLAIMER:

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

*In this Annual Report, the name of the company PT Bakrie & Brothers Tbk, henceforth is also referred to as "BNBR", "Bakrie & Brothers", or "Company".*

For more information please visit [www.bakrie-brothers.com](http://www.bakrie-brothers.com)

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# CORPORATE PROFILE



# DECADES OF BUILDING INDONESIA

“Industrialization” becomes a common thread on the journey of PT Bakrie & Brothers Tbk business growth throughout its presence in Indonesia. After starting with a general trading business in Lampung, Sumatra in 1942, PT Bakrie & Brothers Tbk founder H. Achmad Bakrie expanded its business by building an iron-based steel industry in Jakarta, which then grew rapidly and became the foundation of growth for the company over time.

Today, the industrialization undertaken by PT Bakrie & Brothers Tbk has penetrated various industrial sectors that are of strategic and sustainable value, in line with national development in this country. In addition to continuing to pursue the manufacturing industry of steel products and expanding its reach, the company also developed the manufacturing industry of automotive components and building materials, entered the

construction industry and EPC, and began trading ‘future’ industries such as the development of electric vehicles.

PT Bakrie & Brothers Tbk have succeeded to grow for more than seven decades by sailing through various economic crises that have hit the country as well as changing political situations and social conditions; with the company’s adaptive business portfolio that has also included investment in the oil and gas, plantation, mining, and telecommunications sectors.

This long journey helped shape the company’s character and culture, strengthen its value, and make PT Bakrie & Brothers Tbk an open-minded and forward-thinking company.



# CORPORATE IDENTITY

Name	: PT Bakrie & Brothers Tbk
Listing Code	: BNBR
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, and electronic and electrical goods and investment, including equity investments in other companies.
Address	: Bakrie Tower, 35 <sup>th</sup> – 37 <sup>th</sup> 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, 1951
Legal Basis of Establishment	: Deed of Sie Khwan Djioe dated March 13th,1951 No. 55.
Authorized Capital	: Rp 54.474.769.356.400 (293.715.580.156 shares)
Paid- In Capital	: Rp 14,235,001,994,400 (20,863,053,480 shares)
Tax Registration Number	: 01.000.913.2-054.000
Registration of Company	: 09.03.1.70.00661 prevails to March 11, 2021
Business Registration	: 167/AC.1.7/31.74/-1.824.27/e/2018 valid as long as the company carry out its business according to its license
Operational Area	: Throughout the Indonesian region
Number of Employees	: 3.180
Shareholders	<div> <div> - FOUNTAIN CITY INVESTMENT LTD - DALEY CAPITAL LIMITED - CREDIT SUISSE AG SINGAPORE BRANCH S/A BRIGHT VENTURES PTE LTD (MOU FACILITY) - PT ASURANSI SIMAS JIWA - SIMAS EQUITY FUND 2 - PUBLIK (kurang dari 5%) </div> <div> 33.97% 10.73% 9.71% 5.89% 39.70% </div> </div>
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 BNBR is named of Pimpinan Unit Serikat Pekerja Niaga, Bank, Asuransi, dan Jasa PT Bakrie & Brothers Tbk No: 455 / V / P / III / 2006 dated March 2, 2006.

# PT BAKRIE & BROTHERS TBK AT A GLANCE

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

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

By the start of the new millenia, BNBR business activities comprised of general trading, construction, agribusiness, coal mining, oil & gas, as well as telecommunication business; while still growing the manufacturing industries it has started in the 1950s – namely steel pipes, building materials as well as automotive components. The Company has also expanded its venture to participate in strategic infrastructure projects in energy and transportation sectors. This business diversification provides opportunities for the Company to contribute to the national development.

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

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



# 7 OF BUSINESS

DECADES



## 1942 — 1962

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

## 1973 — 1989

- Expanded the company's business lines into steel structures, metal working, and other infrastructure projects.
- Establishment of PT Bakrie Building Industries.
- Establishment of PT Bakrie Tosanjaya which later changed its name into PT Bakrie Autoparts (BA).
- IPO of PT Bakrie & Brothers Tbk (BNBR).

## 1990 — 1996

- Bakrie Pipe Industries became the first Indonesian company that obtained ISO 9002 certification.
- Licensed to operate fixed wireless service.

## 1997 — 2001

- Beginning of PT South East Asia Pipe Industries (SEAPI) commercial production followed by first shipping for West Natuna project.
- Successful debt restructuring of US\$ 1.1 billion through debt to equity and debt to asset swap.

## 2002 — 2003

- Major participation of SEAPI in the gas transmission pipes project of PT Perusahaan Gas Negara.

## 2004 — 2006

- Rp 1.9 trillion Rights Issue to structure historical debts in pipe companies, invest in telecommunications business, reacquire BSP, and increase working capital.
- Awarded Kalimantan-Java gas pipeline tender worth US\$ 1.26 billion.



## 2007 — 2008

- Consortium Plus-Bakrie-Global, awarded Cimanggis-Cibitung toll road tender valued Rp 3.2 trillion.
- Rights Issue Rp 40.1 trillion, issuance of warrants of Rp 2.9 trillion.
- Establishment of PT. Bakrie Indo Infrastructure (BIIN).
- Transformation of PT Bakrie Corrugated Metal Indonesia (BCMI) into PT Bakrie Metal Industries (BMI).

## 2009 — 2010

- Establishment of Bakrie Energy International, which is engaged in fuel business, as a cash generating investment.
- SPA Signing with Vallar, UK - Value \$844 mn.

## 2011 — 2012

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

## 2013 — 2015

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

## 2016 — 2017

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

## 2018 — 2019

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

# CORPORATE VISION AND MISSION



## VISION

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



## MISSION

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

# CORPORATE VALUES & PHILOSOPHY

It began with a noble aspiration to improve the quality of life for Indonesia and to become a nation with dignity. H. Achmad Bakrie, founder of BNR, 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.



## PIAGAM BAKRIE

BERAWAL DARI SEMANGAT UNTUK MENERUSKAN  
CITA-CITA LUHUR YANG DIANUT, DIJALANKAN DAN DIWARISKAN  
OLEH HAJI ACHMAD BAKRIE

DENGAN LANDASAN NILAI-NILAI LUHUR  
**BAKRIE UNTUK NEGERI**

DAN MENYADARI PENTINGNYA NILAI DASAR  
UNTUK MENJADI PEREKAT YANG MEMPERKUAT  
SEMANGAT KESATUAN DALAM KERAGAMAN  
GUNA MENINGKATKAN KUALITAS HIDUP YANG LEBIH BAIK  
SERTA MENJADI BANGSA YANG BERMARTABAT  
MELALUI KEGIATAN WIRAUSSAHA KELAS DUNIA  
DALAM

**GERAKAN BAKRIE UNTUK NEGERI**

TERUMUSKANLAH KONFIGURASI NILAI-NILAI DASAR KELUARGA BESAR BAKRIE  
YANG MENCERMINKAN KESEIMBANGAN TIGA DIMENSI PILAR KEHIDUPAN  
SPIRITUAL, INTELEKTUAL DAN EMOSIONAL

YANG DISEBUT:  
**TRIMATRA BAKRIE**  
KEINDONESIAAN - KEMANFAATAN - KEBERSAMAAN

JAKARTA, 10 FEBRUARI 2010  
ATAS NAMA SEGENAP INSAN BAKRIE

  
ABURIZAL BAKRIE

  
ROOSMANIA B. KUSMULJONO

  
NIRWAN D. BAKRIE

  
INDRA U. BAKRIE

# TRIMATRA BAKRIE

## BASIC VALUE

### INDONESIAN-NESS

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

### USEFULNESS

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

### TOGETHERNESS

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

**INDONESIAN-NESS**

**TOGETHERNESS**

**USEFULNESS**

**Bakrie & Brothers**

## INSTRUMENTAL VALUE

### INTEGRITY

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

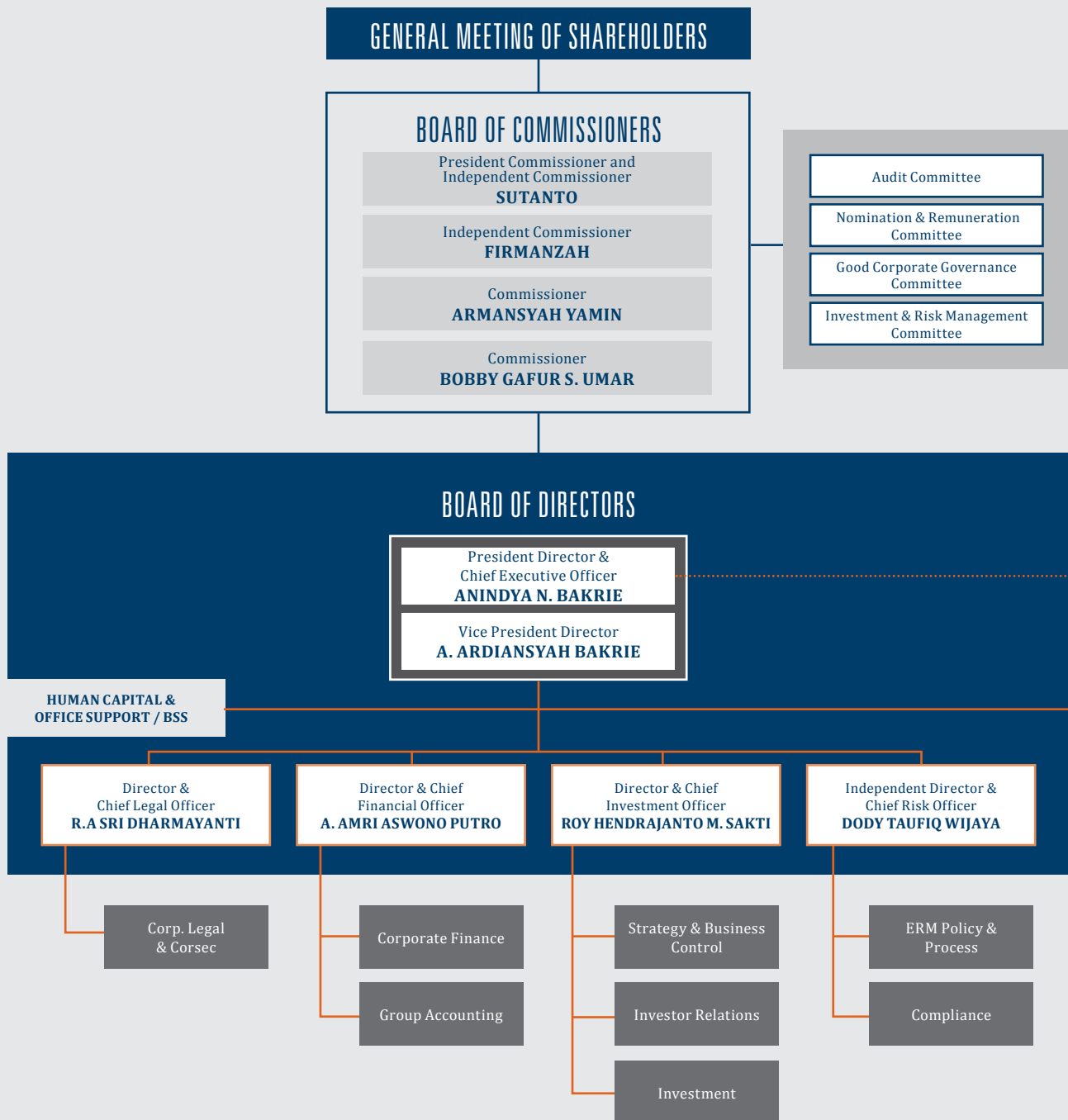
### PROFESSIONALISM

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



# PT BAKRIE & BROTHERS TBK

## ORGANIZATION STRUCTURE



# COMPANY LOGO



a

# ***Bakrie & Brothers***

b

Ethics & Compliance  
Committee

Internal Audit

Corporate  
Communications

## PHILOSOPHY OF BAKRIE IDENTITY

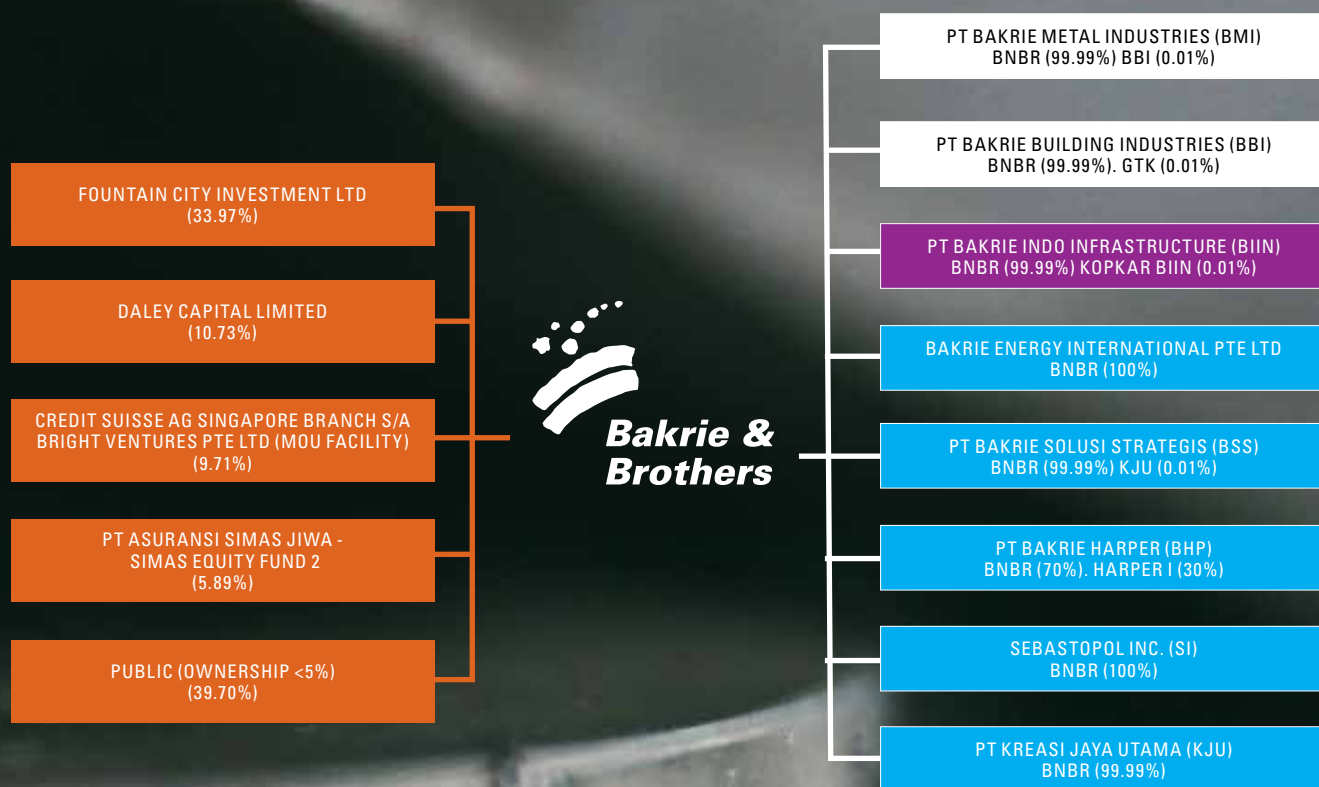
Aspiring to be the best is everybody's goal. However, a high aspiration shall remain grounded to a strong foundation while keeping people inspired and enlivened. High aspiration must not make people forget where they stand.

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

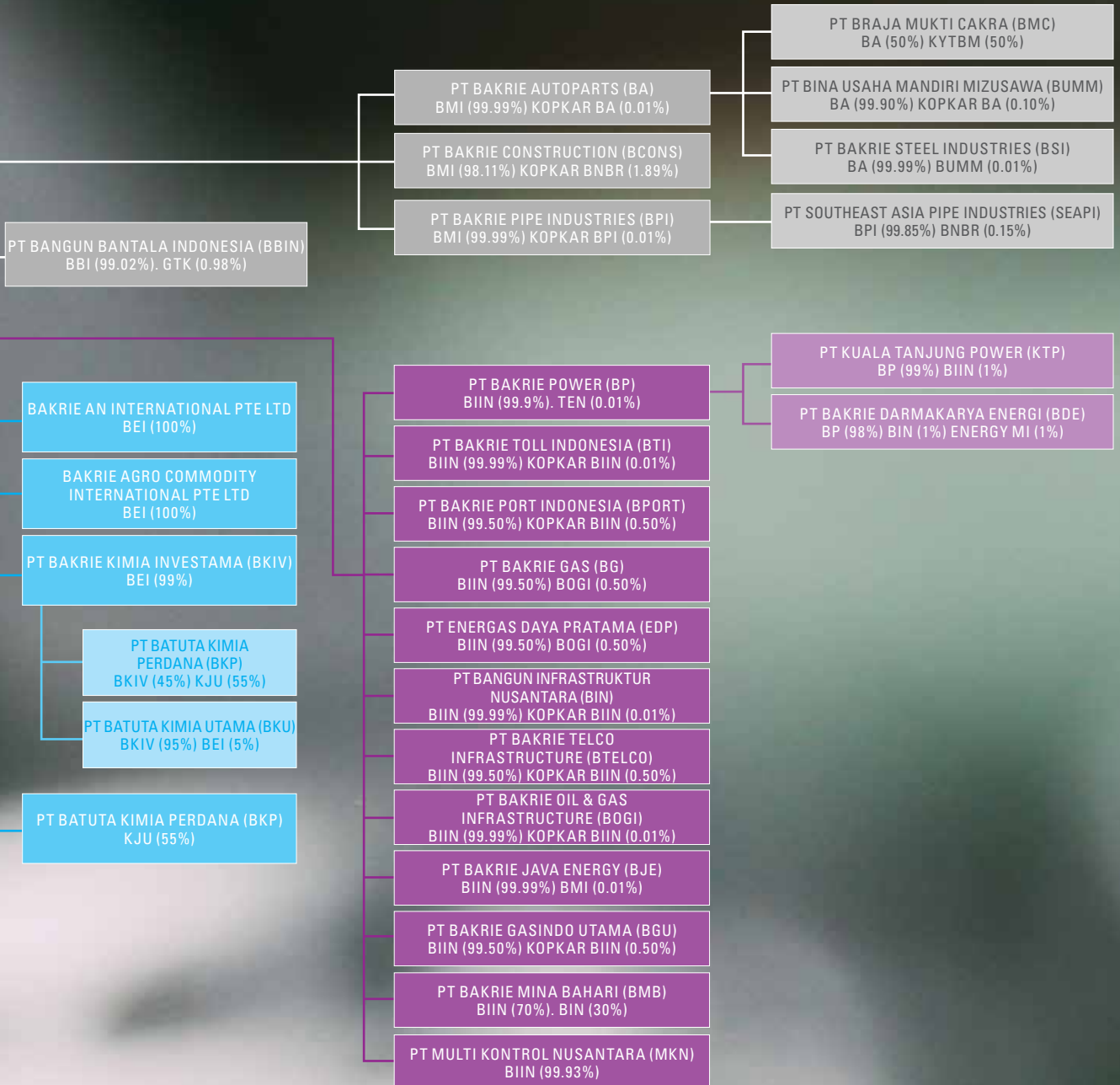
## MEANING OF BAKRIE LOGO

- a. 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.
- b. The two bold lines in the bottom colored in Terracotta represents Indonesia's fertile soil. These lines are then separated by a white space, symbolizing land that has been cultivated, which will result in a more fertile and prosperous land. The lines are curved to represent the Earth.

# CORPORATE GROUP STRUCTURE







■ BNBR Shareholders

■ Manufacturing - Direct Ownership

■ Manufacturing - Indirect Ownership

■ Infrastructure - Direct Ownership

■ Manufacturing - Indirect Ownership

■ Trade, Services & Investment - Direct Ownership

■ Trade, Services & Investment - Indirect Ownership

# SUBSIDIARIES

NO.	NAME OF SUBSIDIARIES	DOMICILE	SCOPE OF ACTIVITIES	YEAR OF ESTABLISHMENT/ COMMERCIAL OPERATION	PERCENTAGE OF OWNERSHIP		TOTAL ASSETS BEFORE ELIMINATION (in Million Rupiah)	
					2019 (%)	2018 (%)	2019	2018
DIRECT OWNERSHIP								
1.	PT Bakrie Building Industries (BBI)	Jakarta	Fiber cement building	1974	99.99	99.99	1,161,598	1,192,545
2.	PT Bakrie Metal Industries (BMI)	Bekasi	Corrugated metal products and multi plate	1982	99.99	99.99	3,723,871	3,986,027
3.	PT Bakrie Harper (BHP)	Jakarta	Steel construction	1996	70.00	70.00	37,738	37,738
4.	PT Bakrie Indo Infrastructure (BIIN)	Jakarta	Development and services	2008	99.99	99.99	635,448	681,223
5.	Sebastopol Inc. (SI)	Cayman Island	Investment	2008	100.00	100.00	496,995	482,975
6.	Bakrie Energy International Pte. Ltd.	Singapura	Trading	2009	100.00	100.00	56,086	425,484
7.	PT Bakrie Solusi Strategis (BSS)	Jakarta	Trading, services, industry	2010	99.99	99.99	5,629	4,978
8.	PT Kreasido Jaya Utama (KJU)	Jakarta	Trading	2009	99.99	99.99	-	-
INDIRECT OWNERSHIP								
THROUGH BBI								
1.	PT Bangun Bantala Indonesia (Bantala)	Jakarta	General trading	2013	99.72	99.72	61,659	70,327
THROUGH BMI								
1.	PT Bakrie Pipe Industries (BPI)	Jakarta	Steel pipe manufacturer	1979	99.99	99.99	2,715,951	2,490,772
2.	PT Bakrie Construction (BCons)	Jakarta	Steel construction	1986	98.11	97.57	289,656	427,613
3.	PT Bakrie Autoparts (BA)	Bekasi	Foundry and automotive component	1976	99.99	99.99	694,181	803,036



NO.	NAME OF SUBSIDIARIES	DOMICILE	SCOPE OF ACTIVITIES	YEAR OF ESTABLISHMENT/ COMMERCIAL OPERATION	PERCENTAGE OF OWNERSHIP		TOTAL ASSETS BEFORE ELIMINATION (in Million Rupiah)	
					2019 (%)	2018 (%)	2019	2018
THROUGH BIIN								
1.	PT Bakrie Gas (BG)	Jakarta	Oil and gas trading	2006	99.50	99.50	19,998	19,998
2.	PT Bakrie Gasindo Utama (BGU)	Jakarta	Oil and gas trading	2006	99.50	99.50	19,998	19,998
3.	PT Bakrie Java Energy (BJE)	Jakarta	Oil and gas trading	2006	99.99	99.99	498	498
4.	PT Energas Daya Pratama (EDP)	Jakarta	Oil and gas trading	2006	99.50	99.50	9,998	9,998
5.	PT Bakrie Power (BP)	Jakarta	Energy and Electrical Power	1994	99.99	99.99	406,367	411,529
6.	PT Bangun Infrastruktur Nusantara (BIN)	Jakarta	Development and Service	2008	99.99	99.99	20,226	20,267
7.	PT Bakrie Oil & Gas Infrastructure (BOGI)	Jakarta	Development and Service	2008	99.99	99.99	1	1
8.	PT Bakrie Telco Infrastructure (BTelco)	Jakarta	Development and Service	2008	99.50	99.50	10,000	10,000
9.	PT Bakrie Toll Indonesia (BTI)	Jakarta	Development and Service	2008	99.99	99.99	4,678	4,678
10.	PT Bakrie Port Indonesia (BPort)	Jakarta	Development and Service	2008	99.50	99.50	10,100	10,100
11.	PT Bakrie Mina Bahari (BMB)	Jakarta	General Trading	2017	70.00	70.00	10,766	10,249
12.	PT Multi Kontrol Nusantara (MKN)	Jakarta	Information technology, telecommu- nication, integration system multimedia and network	1984	99.93	99.93	210,772	253,276

<b>THROUGH BEI</b>								
1.	PT Bakrie Kimia Investama (BKIV)	Jakarta	Management consultation	2009	99.00	99.00	34,101	34,540
2.	Bakrie AN International Pte. Ltd.	Singapura	Trading in ammonium nitrate	2009	100.00	100.00	-	-
3.	Bakrie Agro Commodity International Pte. Ltd.	Singapura	Trading in Olein	2009	100.00	100.00	-	-

<b>THROUGH KJU</b>								
1.	PT Batuta Kimia Perdana (BKP)	Jakarta	Chemical industries-organic chior	2009	55.00	55.00	5	5

<b>THROUGH BPI</b>								
1.	PT South East Asia Pipe Industries (SEAPI)	Jakarta	Steel pipe manufacturer	2001	99.85	99.85	566,029	580,544



NO.	NAME OF SUBSIDIARIES	DOMICILE	SCOPE OF ACTIVITIES	YEAR OF ESTABLISH- MENT/ COMMERCIAL OPERATION	PERCENTAGE OF OWNERSHIP		TOTAL ASSETS BEFORE ELIMINATION (in Million Rupiah)	
					2019 (%)	2018 (%)	2019	2018
THROUGH BA								
1.	PT Bakrie Steel Industries (BSI)	Jakarta	Industries and trading	2007	99.99	99.99	7,143	5,600
2.	PT Braja Mukti Cakra (BMC)	Bekasi	Motor vehicle parts industry	1986	50.00	50.00	249,365	238,169
3.	PT Bina Usaha Mandiri Mizusawa (BUMM)	Tangerang	Spare parts industry	1986	99.90	99.90	93,361	128,693
THROUGH BP								
1.	PT Bakrie Darmakarya Energi (BDE)	Jakarta	Energy and Electrical Power	2011	98.00	98.00	438,976	438,799
2.	PT Kuala Tanjung Power (KTP)	Jakarta	Energy and Electrical Power	2010	99.00	99.00	2,863	2,866
THROUGH BIIN								
1.	PT Bakrie Mina Bahari (BMB)	Jakarta	General Trading	2017	30.00	30.00	10,766	10,249
THROUGH MKN								
1.	PT Graha Multimedia Nusantara (GMN)	Jakarta	Internet services and TV cable	2007	99.96	99.96	43,946	30,998
2.	PT Cipta Wisesa (CW)	Jakarta	Trading	2013	99.00	99.00	113,147	61,451
3.	PT Starbit Technology Nusantara (STN)	Jakarta	Information technology, infrastructure and services	2007	75.00	75.00	5,122	2,375
THROUGH BKIV								
1.	PT Batuta Kimia Utama (BKU)	Jakarta	Non-organic fertilizer industry	2009	95.00	95.00	-	-
2.	PT Batuta Kimia Perdana (BKP)	Jakarta	Chemical industries-organic chlor	2009	45.00	45.00	-	-
THROUGH CW								
1.	PT System Energi Nusantara (SEN)	Jakarta	General Trading	2008	99.00	99.00	64,783	59,951
2.	PT Armada Anugrah Dirgantara (AAD)	Jakarta	Airport Transport Rental Service	2018	40.00	-	24,152	-

# MAP OF PRODUCT AND DISTRIBUTION



## MANUFACTURING



Distribution



Factory



Head Office

## INFRASTRUCTURE



Electricity



Gas and Pipeline



Toll Road

## SERVICE & INVESTMENT



Trading, Services & Investment





# MAIN HIGHLIGHTS





# *Strong commitment to ESG*

## *Environment*

Every business units of BNBR has Environmental Management System certification (ISO 14001).

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Environmental management in the surrounding of operational area is carried out with involvement of related institutions.

## *Social*

BNBR consistently develops human resources through various programs of Bakrie Learning Center.

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Community development is carried out collectively with other companies in Bakrie group through Bakrie Amanah foundation.

## *Governance*

BNBR always put forward good corporate governance.

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On December 11, 2019, BNBR for the 8th time achieved the title Trusted Company from Corporate Governance Perception Index (CGPI) Award.

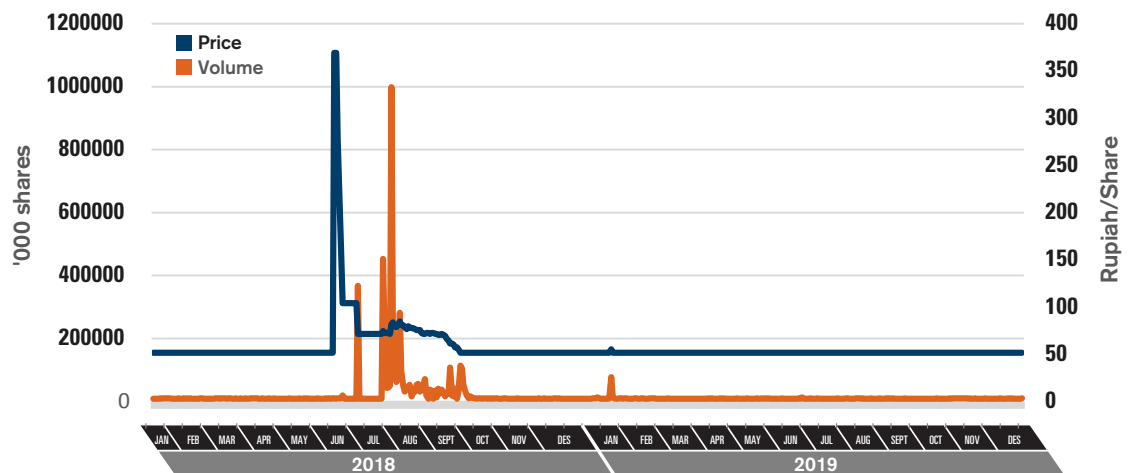
# FINANCIAL HIGHLIGHTS

(In billion Rupiah, unless stated otherwise)

	2019	2018	2017*	2016	2015
<b>RESULT OF OPERATIONS</b>					
Net Revenues	3,236	3,340	2,460	2,076	3,337
Total Operating Expenses	(541)	(591)	(518)	(552)	(683)
Gross Income (Loss)	678	676	412	96	626
Net Income (Loss)	863	(1,250)	(1,208)	(3,662)	(1,729)
EBITDA	380	353	(33)	(353)	27
Profit (Loss) attributable to owners of parent and non-controlling interest	863	(1,250)	(1,208)	(3,662)	(1,729)
Total Comprehensive Income (Loss)	786	(1,324)	(1,216)	(3,423)	(1,580)
Total Comprehensive Income (Loss) attributable to owners of parent and non-controlling interest	786	(1,324)	(1,216)	(3,423)	(1,580)
<b>PROFIT PER SHARE</b>					
Total Outstanding Share (in million)	20,863	20,772	113,536	97,022	93,722
Net Profit (Loss) per Share (full amount in Rupiah)	447.16	(661.05)	(1,074.70)	(37.09)	(18.72)
<b>FINANCIAL POSITION</b>					
Total Assets	14,365	14,335	7,273	6,558	9,223
Total Current Assets	11,259	10,385	2,641	3,183	3,217
Total Non-Current Assets	3,105	3,950	4,632	4,053	6,006
Total Liabilities	12,010	11,656	12,655	12,667	13,131
Total Short Term Liabilities	11,115	10,668	11,729	11,758	11,637
Total Long Term Liabilities	895	988	926	909	1,494
Total Equity	2,355	2,679	(5,382)	(5,432)	(3,908)
Net Working Capital	144	(282)	(9,088)	(8,576)	(8,420)
Operating Cash Flow	348	124	123	(204)	(415)
<b>OTHER FINANCIAL INFORMATION</b>					
EBITDA Margin	11.73%	10.56%	(1.32%)	(17.58%)	0.81%
Net Profit Margin	26.68%	(37.43%)	(49.10%)	(176.80%)	(51.81%)
<b>RASIO KEUANGAN</b>					
Return on Assets	6.01%	(8.72%)	(16.60%)	(50.72%)	(18.74%)
Return on Equity	36.66%	(46.67%)	22.44%	67.57%	44.24%
Current Ratio	101.30%	97.35%	22.52%	27.07%	27.65%
Short Term Debt / Equity	472.05%	398.19%	(217.92%)	(216.47%)	(297.80%)
Long Term Debt / equity	37.99%	36.90%	(17.21%)	(16.74%)	(38.24%)
Total Debt / Equity	5.10	4.35	(2.35)	(2.33)	(3.36)
<b>Total Liability / Total Asset</b>	<b>83.61%</b>	<b>81.31%</b>	<b>174.00%</b>	<b>175.07%</b>	<b>142.37%</b>

\*) 2017 numbers are restated

# SHARES HIGHLIGHTS



Regular Market Share Price (Rupiah)	2018				2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Highest	50	376	84	50	54	50	50	50
Lowest	50	50	50	50	50	50	50	50
Closing	50	70	50	50	50	50	50	50
Total Shares Traded	1,759,928	379,844,365	3,896,962,500	4,778,717	94,146,258	6,542,593	1,963,427	5,421,200

Total Outstanding Shares	113,535,564,308	12,116,043,000	12,116,043,000	20,771,977,000	20,771,977,000	20,863,053,480	20,863,053,480	20,863,053,480
Market Capitalization (Rp mio)								
Highest	5,676,778	4,555,632	1,017,748	1,038,599	1,121,687	1,043,153	1,043,153	1,043,153
Lowest	5,676,778	605,802	605,802	1,038,599	1,038,599	1,043,153	1,043,153	1,043,153
Closing	5,676,778	848,123	605,802	1,038,599	1,038,599	1,043,153	1,043,153	1,043,153

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

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

In December 2018 and February 2019, PT Bakrie & Brothers Tbk exercised Additional Paid-in Capital without Pre-emptive Rights by mandatory convertible bonds. This corporate action caused fluctuations of the total outstanding share to rise up to 20.86 billion. During 2019 BNBR shares were never suspended by the Indonesia Stock Exchange (IDX).

# SHAREHOLDERS COMPOSITION

## SHARES OWNERSHIP OF BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS *based on BNBR shareholder register per December 31, 2019*

SHAREHOLDERS	POSITION	TOTAL SHARE	OWNERSHIP PERCENTAGE
<b>BOARD OF COMMISSIONERS</b>			
Sutanto	President Commissioner and Independent Commisioner	0	0.00
Bobby Gafur S, Umar	Commissioner	30,332,700	0.15
Armansyah Yamin	Commissioner	7,926,799	0.04
Firmanzah	Independent Commissioner	0	0.00
<b>BOARD OF DIRECTORS</b>			
Anindya N, Bakrie	President Director & Chief Executive Officer	0	0.00
A,Ardiansyah Bakrie	Vice President Director	0	0.00
A,Amri Aswono Putro	Director & Chief Financial Officer	20,234,000	0.10
Hendrajanto Marta Sakti	Director & Chief Investment Officer	0	0.00
R,A, Sri Dharmayanti	Director & Chief Legal Officer	13,223,000	0.06
Dody Taufiq Wijaya	Independent Director & Chief Risk Officer	13,223,000	0.06
<b>TOTAL</b>		<b>84,939,499</b>	<b>0.41</b>

## SHAREHOLDERS WITH 5% OWNERSHIP OR MORE *based on BNBR shareholder register per December 31, 2019*

SHAREHOLDERS	TOTAL SHARE	OWNERSHIP PERCENTAGE
FOUNTAIN CITY INVESTMENT LTD	7,087,277,300	33.97
DALEY CAPITAL LIMITED	2,239,181,951	10.73
CREDIT SUISSE AG SINGAPORE BRANCH S/A BRIGHT VENTURES PTE LTD (MOU FACILITY)	2,025,150,000	9.71
PT ASURANSI SIMAS JIWA - SIMAS EQUITY FUND 2	1,228,979,768	5.89
<b>Total</b>	<b>12,580,589,019</b>	<b>60.30</b>
<b>Public (Ownership &lt;5%)</b>	<b>8,282,464,461</b>	<b>39.70</b>
<b>Total</b>	<b>20,863,053,480</b>	<b>100</b>

## SHAREHOLDERS WITH 1% OWNERSHIP OR MORE *based on BNBR shareholder register per December 31, 2019*

SHAREHOLDERS	TOTAL SHARE	OWNERSHIP PERCENTAGE
FOUNTAIN CITY INVESTMENT LTD	7,087,277,300	33.97
DALEY CAPITAL LIMITED	2,239,181,951	10.73
CREDIT SUISSE AG SINGAPORE BRANCH S/A BRIGHT VENTURES PTE LTD (MOU FACILITY)	2,025,150,000	9.71
PT ASURANSI SIMAS JIWA - SIMAS EQUITY FUND 2	1,228,979,768	5.89
BIOFUEL INDO SUMATRA, PT	548,550,700	2.63
REKSA DANA PINNACLE DANA PRIMA	328,681,850	1.58
PT. ASURANSI JIWA BAKRIE	313,934,734	1.50
Andi Achmad Dara	239,936,200	1.15
BAKRIE CAPITAL INDONESIA, PT	234,367,541	1.12
<b>Other Public (Ownership &lt;1%)</b>	<b>6,616,993,436</b>	<b>31.72</b>
<b>Sub Total</b>	<b>20,863,053,480</b>	<b>100.00</b>
<b>Shareholders with 5% Ownership or More</b>	<b>12,580,589,019</b>	<b>60.30</b>
<b>Total</b>	<b>20,863,053,480</b>	<b>100</b>



# LISTING OF SHARES CHRONOLOGY

THE COMPANY LISTED IT 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	09-Mar-90	16,150,000	19,000,000
Private Placement I	27-Nov-91	978,969	19,978,969
Private Placement II	10-Jan-92	1,031	19,980,000
Rights Issue I	04-Jun-93	1,080,000	21,060,000
Bonus of Shares I	22-Jun-94	31,590,000	52,650,000
Rights Issue II	14-Jul-94	189,540,000	242,190,000
Stock Split	07-Aug-95	242,190,000	484,380,000
Bonus of Shares II	17-Jan-97	1,453,140,000	1,937,520,000
Additional Paid-in Capital without Pre-emptive Rights	31-Oct-01	36,812,880,000	38,750,400,000
Reverse Stock I	17-Mar-05	(31,000,320,000)	7,750,080,000
Rights Issue III	06-May-05	19,220,198,400	26,970,278,400
Reverse Stock II	06-Mar-08	(13,485,139,200)	13,485,139,200
Rights Issue IV & Warrants Series I Issued & Paid Up Shares *)	24-Mar-08	84,956,376,960	98,441,516,160
	31-Dec-11	(4,719,798,632)	93,721,717,528
Additional Paid-in Capital without Pre-emptive Rights I **)	15-Dec-16	3,300,000,000	97,021,717,528
Additional Paid-in Capital without Pre-emptive Rights II **)	31-Mar-17	16,458,094,820	113,479,812,348
Additional Paid-in Capital without Pre-emptive Rights III **)	12-Sep-17	55,751,960	113,535,564,308
Additional Paid-in Capital without Pre-emptive Rights IV **)	03-Apr-18	7,624,865,069	121,160,429,377
Additional Paid-in Capital without Pre-emptive Rights V **)	21-May-18	623	121,160,430,000
Reverse Stock III	31-May-18	(109,044,387,000)	12,116,043,000
Additional Paid-in Capital without Pre-emptive Rights VI **)	12-Dec-18	8,655,934,000	20,771,977,000
Additional Paid-in Capital without Pre-emptive Rights VII **)	27-Feb-19	91,076,480	20,863,053,480

Note:

MCB: Mandatory Convertible Bond

\*) Of the total number of Warrant Series I issued by as much as 4.719.798.720 warrants, total number of warrant converted into shares until the end of exercise period on April 1, 2011 was as much as 88 warrants.

\*\*) Conversion of several MCBs

# AWARD & CERTIFICATION

## AWARDS



### Indonesia Trusted Companies Award December 2019

**BAKRIE & BROTHERS**

PT Bakrie & Brothers Tbk received the Trusted Company Based On Corporate Governance Perception Index award by SWA and IICG (The Indonesian Institute For Corporate Governance) on December 11, 2019.



### Appreciation SEA 2019 February 2019

**PT BAKRIE AUTOPARTS**

PT Bakrie Autoparts received achievement quality 2018 by PT Hino Motor Manufacturing Indonesia. The award was obtained on February 22, 2019



### Kaizen Festival 2019 November 2019

**PT BAKRIE AUTOPARTS**

PT Bakrie Autoparts received Silver award for the Global – Quality Control Circle category in the 2019 Kaizen Festival from Toyota Manufacturers Club. The award was obtained on November 30, 2019.



### Kaizen Festival 2019 November 2019

**PT BAKRIE AUTOPARTS**

PT Bakrie Autoparts received Silver award for the Quality Control Circle category in the 2019 Kaizen Festival from Toyota Manufacturers Club. The award was obtained on November 30, 2019.



### Kaizen Festival 2019 November 2019

**PT BAKRIE AUTOPARTS**

PT Bakrie Autoparts received Gold award for the Suggestion System category in the 2019 Kaizen Festival from Toyota Manufacturers Club. The award was obtained on November 30, 2019



## TOP BRAND AWARD 2019

BAKRIE BUILDING INDUSTRIES

**PT Bakrie Building Industries** received achievement TOP Brand Award 2019 for Harflex product, with category cement fiber roof in Recognition of Outstanding Achievement in Building the Top Brand. The award was obtained in 2019.



## PROPER 2019 December 2019

BAKRIE METAL INDUSTRIES

**PT Bakrie Metal Industries** received the 2018-2019 Blue PROPER certification for Environmental Management. The award was obtained on December 21, 2018.



## SNI Awards 2019 November 2019

BAKRIE PIPE INDUSTRIES

**PT Bakrie Pipe Industries** received the 2019 Gold SNI Award for the electronics, steel, and steel products corporations category from the Indonesian National Standards (SNI). The award was obtained on November 20, 2019.



## Indonesia Trusted Companies Award Desember 2019

BAKRIE PIPE INDUSTRIES

**PT Bakrie Pipe Industries** received the Trusted Company Based On Corporate Governance Perception Index award by SWA and IICG (The Indonesian Institute For Corporate Governance) on December 11, 2019.



## CERTIFICATIONS



### **ISO 9001:2015** **June 2018 – June 2021**

BAKRIE AUTOPARTS

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



### **ISO 14001:2015** **July 2018 – July 2021**

BAKRIE AUTOPARTS

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



### **IATF 16949 ; 2016** **July 2018 – July 2021**

BAKRIE AUTOPARTS

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



### **SNI 2050 : 2015** **November 2015 – November 2019**

BAKRIE BUILDING INDUSTRIES

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



### **ISO 9001:2015** **September 2019 – September 2022**

BAKRIE BUILDING INDUSTRIES

Quality Management System Certificate; ISO 9001:2015 (BSI, KAN, ANAB, IAF) for design and manufacture of fibrecement product (Harflex and Versa) of building materials was obtained by PT Bakrie Building Industries on September 6, 2007. This certificate is recertified and is valid from September 6, 2019 until September 5, 2022.





### **ISO 14001:2005** **January 2017 – January 2020**

**BAKRIE CONSTRUCTION**

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



### **OHSAS 18001:2007** **January 2017 – January 2020**

**BAKRIE CONSTRUCTION**

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



### **ISO 9001:2008** **April 2017 – Maret 2020**

**BAKRIE CONSTRUCTION**

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



### **ISO 14001: 2015** **October 2018 – January 2023**

**BAKRIE METAL INDUSTRIES**

Environmental Management System Certificate; ISO 14001:2015 (AJA Europe) with the scope of design, development and manufacture of structures, steel bridges and corrugated steel obtained by PT Bakrie Metal Industries in 2018 and valid until January 28, 2023.



### **ISO 9001:2015** **October 2018 – January 2023**

**BAKRIE METAL INDUSTRIES**

Quality Management System Certificate : ISO 9001 : 2015 (AJA Europe) with the scope of design, development and manufacture of structures, steel bridges and corrugated steel obtained by PT Bakrie Metal Industries in 2018 and valid until January 28, 2023.



**OHSAS 18001:2007**  
**October 2018 – March 2021**

BAKRIE METAL INDUSTRIES

Occupational Health and Safety Management System; OHSAS 18001:2007 (AJA Indonesia Certification) with the scope of design, development and manufacture of structures, steel bridges and corrugated steel obtained by PT Bakrie Metal Industries in 2012, update renewal certification in 2018 and valid until March 12, 2021.



**Type Testing Certificate –**  
**Steel Pole SUTR 9m/200daN; Sok Pen System**  
**June 2015 – June 2020**

BAKRIE PIPE INDUSTRIES

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTR 9m/200daN Sok Pen System was obtained by PT Bakrie Pipe Industries on the June 29, 2015. The certificate is valid until June 29, 2020.



**Type Testing Certificate –**  
**Steel Pole SUTR 11m/100daN; Press Reducer System**  
**June 2015 – June 2020**

BAKRIE PIPE INDUSTRIES

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



**Type Testing Certificate –**  
**Steel Pole SUTR 11m/200daN; Sok Pen System**  
**June 2015 – June 2020**

BAKRIE PIPE INDUSTRIES

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



**Type Testing Certificate –**  
**Steel Pole SUTR 11m/350daN; Sok Pen System**  
**June 2015 – June 2020**

BAKRIE PIPE INDUSTRIES

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



**Type Testing Certificate –  
Steel Pole SUTM, 12m/200daN; Sok Pen System  
June 2015 – June 2020**

**BAKRIE PIPE INDUSTRIES**

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



**Type Testing Certificate –  
Steel Pole SUTM, 12m/350daN; Sok Pen System  
June 2015 – June 2020**

**BAKRIE PIPE INDUSTRIES**

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**Type Testing Certificate –  
Steel Pole SUTM, 13m/350 daN ; Sok Pen System  
June 2015 – June 2020**

**BAKRIE PIPE INDUSTRIES**

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



**Type Testing Certificate –  
Steel Pole SUTM, 14m/350daN; Sok Pen System  
June 2015 – June 2020**

**BAKRIE PIPE INDUSTRIES**

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



**Type Testing Certificate –  
Steel Pole JTR, 9m/100daN; Press Reducer System  
November 2016 – November 2021**

BAKRIE PIPE INDUSTRIES

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



**Type Testing Certificate –  
Steel Pole SUTR 11m/200daN; Press Reducer System  
November 2016 – November 2021**

BAKRIE PIPE INDUSTRIES

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



**Type Testing Certificate –  
Steel Pole SUTM, 12m/200daN; Press Reducer System  
November 2016 – November 2021**

BAKRIE PIPE INDUSTRIES

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



**Type Testing Certificate –  
Steel Pole SUTM, 12m/350daN; Press Reducer System  
January 2017 – January 2022**

BAKRIE PIPE INDUSTRIES

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



**SNI 0039 - 2013  
February 2017 – February 2021**

BAKRIE PIPE INDUSTRIES

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



### **SNI 0068 - 2013** **February 2017 – February 2021**

**BAKRIE PIPE INDUSTRIES**

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



### **SNI 8052 - 2014** **February 2017 – February 2021**

**BAKRIE PIPE INDUSTRIES**

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



### **Certificate of Appreciation –** **Occupational Safety and Health Management System** **July 2017 – July 2020**

**BAKRIE PIPE INDUSTRIES**

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



### **Quality Assurance System Certificate –** **Steel Pole SUTR 8m/200daN; Sok Pen System** **August 2017 – August 2019**

**BAKRIE PIPE INDUSTRIES**

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



### **Quality Assurance System Certificate – Steel Pole** **SUTR 9m/100 daN; Press Reducer System** **August 2017 – August 2019**

**BAKRIE PIPE INDUSTRIES**

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





**Quality Assurance System Certificate –  
Steel Pole SUTR 9m/200 daN; Sok Pen System  
August 2017 – August 2019**

BAKRIE PIPE INDUSTRIES

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



**Quality Assurance System Certificate –  
Steel Pole SUTR 11m/200daN; Sok Pen System  
August 2017 – August 2019**

BAKRIE PIPE INDUSTRIES

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



**Quality Assurance System Certificate –  
Steel Pole SUTM 12m/200daN; Sok Pen System  
August 2017 – August 2019**

BAKRIE PIPE INDUSTRIES

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



**Quality Assurance System Certificate –  
Steel Pole SUTM 12m/350daN; Sok Pen System  
August 2017 – August 2019**

BAKRIE PIPE INDUSTRIES

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**Quality Assurance System Certificate –  
Steel Pole SUTM 13m/200daN; Sok Pen System  
August 2017 – August 2019**

BAKRIE PIPE INDUSTRIES

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



**Quality Assurance System Certificate –  
Steel Pole SUTM 13m/350daN; Sok Pen System  
August 2017 – August 2019**

**BAKRIE PIPE INDUSTRIES**

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



**Quality Assurance System Certificate –  
Steel Pole SUTM 14m/350daN; Sok Pen System  
August 2017 – August 2019**

**BAKRIE PIPE INDUSTRIES**

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



**Certificate of Qualification – SMHSE Contractor  
February 2018 – December 2020**

**BAKRIE PIPE INDUSTRIES**

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



**Type Testing Certificate –  
Steel Pole SUTR 9m/350daN; Press Reducer System  
March 2018 – March 2023**

**BAKRIE PIPE INDUSTRIES**

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



**Type Testing Certificate –  
Steel Pole SUTM, 13m/200daN; Press Reducer System  
March 2018 – March 2023**

**BAKRIE PIPE INDUSTRIES**

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



**Type Testing Certificate –  
Steel Pole SUTM, 13m/350daN; Press Reducer System  
March 2018 – March 2023**

BAKRIE PIPE INDUSTRIES

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



**Type Testing Certificate –  
Steel Pole SUTM, 14m/350daN; Press Reducer System  
March 2018 – March 2023**

BAKRIE PIPE INDUSTRIES

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



**Award of HSE Qualification  
April 2018 – March 2020**

BAKRIE PIPE INDUSTRIES

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



**ISO 9001:2015  
August 2018 – May 2020**

BAKRIE PIPE INDUSTRIES

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



**Quality Assurance Test –  
Connecting Steel Telephone Pole  
August 2018 – August 2021**

BAKRIE PIPE INDUSTRIES

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



### Quality Assurance Test – Connecting Steel Telephone Pole August 2018 – August 2021

BAKRIE PIPE INDUSTRIES

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



### Accreditation Certificate January 2019

BAKRIE PIPE INDUSTRIES

Accreditation Certificate was awarded by KAN (Komite Akreditasi Nasional) to certify that PT Bakrie Pipe Industries has demonstrate their competence as a testing laboratory by consistently applying SNI/IEC 17025:2017 General Requirements for Competence of Testing Laboratories and Caibration Laboratories. Certificate was obtained on July 26, 2017 and is valid until July 25, 2021.



### OHSAS 18001:2007 April 2019 – April 2021

BAKRIE PIPE INDUSTRIES

Occupational, Health and Safety Management System Certificate; OHSAS 18001:2007 (ABS Quality Evaluations) for Manufacture of Fabricated Steel Pipe, Steel Poles, Coated Steel Pipes, Galvanized Steel Pipes, Rectangular and Square Pipes that was obtained by PT Bakrie Pipe Industries on April 28, 2013. This certificate is recertified and is valid from April 4, 2019 until April 11, 2021



### API-5CT July 2019 – February 2021

BAKRIE PIPE INDUSTRIES

Certificate of Authority to use the Official API Monogram (The American Petroleum Institute) for Manufacturer of Electric-Welded Casting or Tubing Plain End – Group 1, H40/PSL 1, J55/PSL 1, and K55/PSL 1 was obtained by PT Bakrie Pipe Industries on July 1, 2019 until February 4, 2021.



### Certificate of Compliance for Metallic Sprinkler Pipe July 2019

BAKRIE PIPE INDUSTRIES

This is to certify that representative samples of product of PT Bakrie Pipe Industries as specified on this certificate were tested according to the current UL requirements. All the below pipes are ERW and are constructed from hot rolled steel coils that conform to ASTM and ASME standards as indicated below. All pipes with threaded ends shall conform to ANSI B1.20.1. Schedule 40 steel pipe in the ½, ¾, 1, 1 ¼, 1 ½, 2, 2 ½, 3, 4, 5, 6, 8, 10 and 12 inch sizes, as per ASTM A53, Grade A, Type E.



**ISO 14001:2015**  
**August 2019 – May 2022**

BAKRIE PIPE INDUSTRIES

Environmental Management System Certificate; ISO 14001:2015 (TÜV Rheinland) for manufacture of Fabricated Steel Pipes, Steel Poles, Coated Steel Pipes, Galvanized Steel Pipes, Rectangular and Square Pipes was obtained by PT Bakrie Pipe Industries on August 28, 2019. This certificate is valid until May 2, 2022.



**Type Testing Certificate – Steel Pole SUTR /  
Supporting, 8m/200daN; Sok Pen System**  
**August 2019 – August 2021**

BAKRIE PIPE INDUSTRIES

Type Testing Certificate, (PT PLN - Research Institute) for Steel Pole SUTR / Supporting, 8m/200 and Sok Pen System was obtained by PT Bakrie Pipe Industries on the August 31, 2019. The certificate is valid until August 30, 2021.



**Quality Assurance System Certificate –  
Steel Pole JTR 9m/100daN; Press Reducer System**  
**August 2019 – August 2021**

BAKRIE PIPE INDUSTRIES

Quality Assurance System Certificate, (PT PLN – Research Institute) for Steel Pole JTR 9m/100daN; Press Reducer System was obtained by PT Bakrie Pipe Industries on August 31, 2019. The certificate is valid until August 30, 2021.



**Quality Assurance System Certificate –  
Steel Pole JTR, 9m/200daN; Press Reducer System**  
**August 2019 – August 2021**

BAKRIE PIPE INDUSTRIES

Quality Assurance System Certificate, (PT PLN – Research Institute) for Steel Pole JTR 9m/200daN; Press Reducer System was obtained by PT Bakrie Pipe Industries on August 31, 2019. The certificate is valid until August 30, 2021.



**Quality Assurance System Certificate –  
Steel Pole SUTR 11m/100daN; Press Reducer System**  
**August 2019 – August 2021**

BAKRIE PIPE INDUSTRIES

Quality Assurance System Certificate, (PT PLN – Research Institute) for Steel Pole SUTR 11m/100daN; Press Reducer System was obtained by PT Bakrie Pipe Industries on August 31, 2019. The certificate is valid until August 30, 2021.





**Quality Assurance System Certificate –  
Steel Pole SUTR 11m/200daN; Press Reducer System  
August 2019 – August 2021**

**BAKRIE PIPE INDUSTRIES**

Quality Assurance System Certificate, (PT PLN – Research Institute) for Steel Pole SUTR 11m/200daN; Press Reducer System was obtained by PT Bakrie Pipe Industries on August 31, 2019. The certificate is valid until August 30, 2021.



**Quality Assurance System Certificate –  
Steel Pole SUTR 11m/350daN; Sok Pen System  
August 2019 – August 2021**

**BAKRIE PIPE INDUSTRIES**

Quality Assurance System Certificate, (PT PLN – Research Institute) for Steel Pole SUTR 11m/350daN; Sok Pen System was obtained by PT Bakrie Pipe Industries on August 31, 2019. The certificate is valid until August 30, 2021.



**Quality Assurance System Certificate –  
Steel Pole SUTM 12m/200daN; Press Reducer System  
August 2019 – August 2021**

**BAKRIE PIPE INDUSTRIES**

Quality Assurance System Certificate, (PT PLN – Research Institute) for Steel Pole SUTM, 12m/200daN; Press Reducer System was obtained by PT Bakrie Pipe Industries on August 31, 2019. The certificate is valid until August 30, 2021.



**Quality Assurance System Certificate –  
Steel Pole SUTM 12m/350daN; Press Reducer System  
August 2019 – August 2021**

**BAKRIE PIPE INDUSTRIES**

Quality Assurance System Certificate, (PT PLN – Research Institute) for Steel Pole SUTM 12m/350daN; Press Reducer System was obtained by PT Bakrie Pipe Industries on August 31, 2019. The certificate is valid until August 30, 2021.



**Quality Assurance System Certificate – Steel Pole  
SUTR 9m/350daN; Press Reducer System  
August 2019 – August 2021**

**BAKRIE PIPE INDUSTRIES**

Quality Assurance System Certificate, (PT PLN – Research Institute) for Steel Pole SUTR 9 m/350daN; Press Reducer System was obtained by PT Bakrie Pipe Industries on August 31, 2019. The certificate is valid until August 30, 2021.



**Quality Assurance System Certificate –  
Steel Pole SUTM 13m/200daN; Press Reducer System  
August 2019 – August 2021**

BAKRIE PIPE INDUSTRIES

Quality Assurance System Certificate, (PT PLN – Research Institute) for Steel Pole SUTM, 13m/200daN; Press Reducer System was obtained by PT Bakrie Pipe Industries on August 31, 2019. The certificate is valid until August 30, 2021



**Quality Assurance System Certificate –  
Steel Pole SUTM 13m/350 daN ; Press Reducer System  
August 2019 – August 2021**

BAKRIE PIPE INDUSTRIES

Quality Assurance System Certificate, (PT PLN – Research Institute) for Steel Pole SUTM 13m/350daN; Press Reducer System was obtained by PT Bakrie Pipe Industries on August 31, 2019. The certificate is valid until August 30, 2021



**Quality Assurance System Certificate –  
Steel Pole SUTM 14m/350daN; Press Reducer System  
August 2019 – August 2021**

BAKRIE PIPE INDUSTRIES

Quality Assurance System Certificate, (PT PLN – Research Institute) for Steel Pole SUTM, 14 m/350daN; Press Reducer System was obtained by PT Bakrie Pipe Industries on August 31, 2019. The certificate is valid until August 30, 2021



**API-5L  
September 2019 – February 2021**

BAKRIE PIPE INDUSTRIES

Certificate of Authority to use the Official API Monogram (The American Petroleum Institute) for Manufacturer of Line Pipe Plain End at PSL 1 – Type of Pipe: HFW / Delivery Condition: M / Max. Grade X70, / Delivery Condition: N / Max. Grade: X70 and / Delivery Condition: R / Max. Grade X70; Manufacturer of Line Pipe Plain End at PSL 2 – Type of Pipe: HFW / Delivery Condition: M / Max. Grade X70 and / Delivery Condition: N / Max. Grade: X60; Manufacturer of Line Pipe Plain End at PSL 2 – Service Annex H, Type of Pipe: HFW / Delivery Condition: M / Max. Grade X70; Manufacturer of Line Pipe Plain End at PSL 2 – Service Annex J – Type of Pipe: HFW / Delivery Condition: N / Max. Grade X 52 was obtained by PT Bakrie Pipe Industries on September 18, 2019 until February 4, 2021.



**Quality Assurance System Certificate –  
Steel Pole SUTR 8m/200 daN ; Press Reducer System  
October 2019 – August 2021**

BAKRIE PIPE INDUSTRIES

Quality Assurance System Certificate, (PT PLN – Research Institute) for Steel Pole SUTR 8 m/200daN; Press Reducer System was obtained by PT Bakrie Pipe Industries on October 18, 2019. The certificate is valid until August 30, 2021.



### Quality Assurance System Certificate – Steel Pole SUTR 11m/350daN; Press Reducer System October 2019 – August 2021

**BAKRIE PIPE INDUSTRIES**

Quality Assurance System Certificate, (PT PLN – Research Institute) for Steel Pole SUTR 11 m/350daN; Press Reducer System was obtained by PT Bakrie Pipe Industries on October 18, 2019. The certificate is valid until August 30, 2021.



### IATF 16949 : 2016 April 2018 – April 2021

**BINA USAHA MANDIRI MIZUSAWA**

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



### ISO 9001 : 2015 April 2018 – April 2021

**BINA USAHA MANDIRI MIZUSAWA**

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



### ISO 14001 : 2015 April 2018 – April 2021

**BINA USAHA MANDIRI MIZUSAWA**

Environmental Management System Certificate; ISO 14001:2015 of Manufacture of iron casting product for automotive product & non automotive product by PT Bina Usaha Mandiri Mizusawa on April 9, 2018 and this certificate is valid until April 8, 2021.



### OHSAS 18001:2007 November 2016 – November 2019

**BRAJA MUKTI CAKRA**

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



**ISO 14001:2015**  
**October 2018 – October 2021**

**BRAJA MUKTI CAKRA**

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



**IATF 16949:2016**  
**December 2018 – December 2021**

**BRAJA MUKTI CAKRA**

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



**API-2B**  
**July 2017 – July 2020**

**SOUTH EAST ASIA PIPE INDUSTRIES**

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



**API-5L**  
**July 2017 – July 2020**

**SOUTH EAST ASIA PIPE INDUSTRIES**

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



**SNI 0039 - 2013**  
**July 2017 – July 2021**

**SOUTH EAST ASIA PIPE INDUSTRIES**

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



### ISO 14001:2015 September 2017 – September 2020

SOUTH EAST ASIA PIPE INDUSTRIES

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



### OHSAS 18001:2007 September 2017 – September 2020

SOUTH EAST ASIA PIPE INDUSTRIES

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



### ISO 9001:2015 September 2017 – September 2020

SOUTH EAST ASIA PIPE INDUSTRIES

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

## EVENT HIGHLIGHTS OF BNBR & SUBSIDIARIES IN 2019

### 21 JANUARY



Signing a cooperation agreement between PT Bakrie Autoparts (BA) and BYD Auto Co. Ltd to work on the Trans Jakarta project and Bali transportation.

### 14 FEBRUARY

One of PT Bakrie Building Industries (BBI) products, Harflex, once again was trusted by the public as the best fiber cement roof product and was awarded the 2019 Top Brand Award at Mulia Senayan Hotel, Jakarta. This prestigious award was handed over directly by Editor in Chief of Marketing Magazine Anang Ghozali to BBI's Chief Finance Officer (CFO), Erti Sri Santi Erwati.





**20**  
MARCH



PT Bakrie Autoparts (BA) together with BYD Auto Co. Ltd has signed a memorandum of understanding with PT Trans Jakarta to run a trial of BYD brand electric bus with six months operating period which will commence in May 2019 for public transportation modes.

**28**  
APRIL



Implementation of one of PT Southeast Asia Pipe Industries (SEAPI) CSR programs, namely the construction of the Way Urang bridge, Kalianda, South Lampung Regency which was severely affected by flooding.

**16**  
MAY



PT Bakrie & Brothers Tbk Annual General Meeting of Shareholders.

**18**  
NOVEMBER



PT Bakrie Pipe Industries (BPI) received the "West Java Development Partner" award through the company's 2019 CSR / PKBL program from the West Java Provincial Government.

The award was handed over directly by the Governor of West Java, Ridwan Kamil and received by the Finance Director of BPI, Mila Wijayakusumah, in Bandung.

**19**  
NOVEMBER



PT Bakrie Building Industries (BBI) together with Bakrie Amanah provided assistance in the form of Versaboard and Harflex (fiber cement products) for fire victims in Cipinang, East Jakarta.

## 20 NOVEMBER



PT Bakrie Pipe Industries (BPI) once again received a gold award at the prestigious Indonesia National Standard (SNI) Award 2019 at Balai Kartini, Jakarta, which was presented directly by the Head of the National Standardization Agency (BSN), Bambang Prasetya, to the Chief Commercial Officer of BPI, Iskandar Daulay.

## 11 DECEMBER



PT Bakrie & Brothers Tbk (BNBR) and its subsidiary engaged in the steel pipe industry namely PT Bakrie Pipe Industries (BPI) once again received an award at the end of 2019 which was held at the Shangri-la Hotel, Jakarta. This time BNBR and BPI received an Award from The Indonesian Institute for Corporate Governance (IICG) for the category of Indonesia Trusted Companies Based on the Corporate Governance Perception Index (CGPI) 2019.

## 13 DECEMBER



PT Bakrie & Brothers Tbk Annual Public Expose.

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

“  
The Company’s  
success in  
reversing its  
financial condition  
in the first half of  
2019 eased the  
Company’s steps  
to become more  
flexible in business  
development.  
”

Along with balance sheet revitalization effort which result has become more apparent, a number of factors also lifted the Company’s spirit during 2019, which is the improving performance of subsidiaries despite the less favorable macro economic.”

# Embracing Challenges

**1** To our valued shareholders, I would like to express my gratitude for your trust in me to start serving as President Commissioner and Independent Commissioner of PT Bakrie & Brothers Tbk in accordance with the decision of the Annual General Meeting of Shareholders held on May 16, 2019. Since joining I have received full support from BNBR's management in carrying out my duties; I can ensure that the company has been managed professionally and responsibly in accordance with the principles of Good Corporate Governance (GCG). In line with this, the Board of Commissioners wishes to convey the following important points.

## **2** PERFORMANCE OF BOARD OF DIRECTORS

Over the past several years the Board of Directors of BNBR has worked hard to improve the Company's balance sheet through the debt restructuring process, this effort has increasingly shown tangible results with equity returning positive since the end of 2018. Coupled with the successful implementation of some cost efficiencies ranging from cost of goods sold and operating costs by 4-8%, so that in the first half of 2019 the Company has succeeded in turning financial performance into positive. Until the end of 2019 the Company managed to maintain the net profit achieved since the first semester, the Company's net profit was recorded at Rp 863.27 billion in 2019, a significant improvement compared to the net loss record in 2018 of Rp 1.25 trillion. The Board of Commissioners appreciates this achievement and the Board of Commissioners assesses that the Board of Directors has run the business by always considering developments in global and national economic conditions.





In the midst of challenging global economic conditions throughout 2019 and deteriorating terms of trade (ToT), Indonesia's economic growth slowed to 5.02% in 2019 from 5.17% in 2018.<sup>1</sup> Nevertheless Indonesia's economic growth was still better than the global economy which only grew by 2.9% in 2019, and the current account deficit remained under control of US \$ 8.1 billion or 2.84% of Indonesia's GDP.<sup>2</sup> Indonesia has also succeeded in maintaining the stability of foreign capital inflows so that the Rupiah exchange rate strengthened by around 2.68% throughout 2019, causing the Company to record gain on foreign exchange in 2019.

Meanwhile from the sectoral side, not all macroeconomic indicators showed a positive signal for BNBR's business development, the commodity sector in general experienced decline throughout 2019. Energy commodity prices have decreased by 15% on average and palm oil commodity prices down by 6% when compared to year-on-year with 2018<sup>3</sup>, while the national steel consumption level increased slightly by 3% in 2019<sup>4</sup>. However, the Company managed to maintain its performance with only 3.1% decrease of revenue to Rp3.24 trillion in 2019 from Rp3.44 trillion in 2018.

The Board of Commissioners deemed that the Board of Directors was able to handle economic turmoil well by continuously making improvements to parts that are under the Company's control. The ability to improve efficiency and adjust business development priorities has made a good contribution, as reflected in an increase in operating profit in 2019 which rose 63.6% to Rp 137.67 billion.

## 3 MONITORING OF STRATEGY IMPLEMENTATION

The Board of Commissioners periodically oversees every important policy submitted by the Directors as well as those proposed and / or directed by the Board of Commissioners in joint meetings of the Board of Commissioners and Directors. In addition, the task of supervision of the management of the Company is also carried out indirectly by Committees formed by the Board of Commissioners to handle the supervisory function of certain fields that are strategic for the Company.

The Board of Commissioners obtains input regarding the current situation and conditions, as well as daily activities in the Company through a review conducted by the Audit Committee on internal control and the Investment and Risk Management Committee on investment activities and risk management. In addition, the Board of Commissioners also monitors the effectiveness and fulfillment of the Company's human resource needs through the Nomination and Remuneration Committee and monitors the implementation of good corporate governance through the Corporate Governance Committee.

Based on the results of the monitoring, the Board of Commissioners emphasized the following in the implementation of BNBR's business:

**FIRST**, the Company needs to immediately complete its remaining debt restructuring efforts. The Board of Commissioners believes that the Directors always provide the best efforts in this regard and the Board of Commissioners is optimistic that the debt restructuring process can be completed in the near future.

**SECOND**, agile in sharpening the strategy to increase sales of the Company's goods and services at present time, while at the same time looking for breakthroughs in new businesses and keen to take advantage of every business opportunity. Especially considering that 2020 will certainly be a challenging year with the outbreak of the COVID-19 pandemic since the end of 2019.

**THIRD**, optimizing risk management practices more carefully throughout the BNBR group so as to mitigate potential risks, and improve the quality of internal control and supervision of all business units.

**FOURTH**, increasing the focus of business development by paying attention to aspects of the Environment, Social and Governance (ESG) to further ensure the sustainability of BNBR's business.

The Board of Commissioners considered the direction of BNBR's business development with the idea of "Back to Basic" which was confirmed by the Directors in

<sup>1</sup> Source: Bank Indonesia

<sup>2</sup> Source: Bank Indonesia

<sup>3</sup> Source: Bank Indonesia

<sup>4</sup> Source: Indonesia Iron and Steel Industry Association (IISIA)

2019 as the right step. Various basic industries that have been developed by BNBR since its inception in 1942 still have good business opportunities in the future, besides those business units have mastered their respective fields. The Board of Commissioners encourages BNBR management to continue to improve capabilities in terms of production and determine the right expansion steps to be more competitive in the market.

Furthermore, the Board of Commissioners supports BNBR's management strategy to take advantage of opportunities in future businesses such as new and renewable energy power plants and the development of electric buses. In addition, the Board of Commissioners also appreciates the enthusiasm of BNBR management to always run its business with participation in developing Indonesia, in connection with this the Board of Commissioners recommends that BNBR continue its involvement in Indonesia's development while still paying attention to and maintaining the financial condition of the Company.

## 4 VIEWS ON BUSINESS PROSPECTS

The Board of Commissioners routinely gives constructive responses to the business prospects proposed by the Directors. In carrying out this task, I am assisted by my colleagues, members of the Board of Commissioners who have extensive experience and in-depth knowledge of the Indonesian economy and business sectors run by BNBR, so that the Board of Commissioners can ensure that the business prospects are proposed based on accurate and pragmatic assumptions.

Indonesia's economic growth in 2020 is not expected to be as strong as the achievement of 2019 with regards to the widespread impact of the global outbreak of Corona Virus Disease 2019 (COVID-19). Initially at the end of 2019, Bank Indonesia had predicted that Indonesia's economic growth in 2020 would increase in the range of 5.1-5.5%. This forecast was influenced by optimism in the global economic recovery and improvement in commodity prices which are predicted to sustain improvements in export and investment performance, particularly non-construction investment. However, following the outbreak of the COVID-19 pandemic, Bank Indonesia predicted the outlook for domestic economic growth to decline to around 2.3% and will return to the long-term growth trend in 2022. While on a global scale, the International Monetary Fund (IMF) estimates that economic growth will contract up to 3% in 2020.

The Board of Commissioners appreciates the ongoing implementation of Enterprise Risk Management (ERM) by BNBR management, in the future the implementation of this ERM needs to be done more thoroughly considering the imminent economic slowdown. BNBR Directors also need to align their business development strategies with various steps that will be taken by the Government of Indonesia in the context of economic recovery after the COVID-19 pandemic. In the 2020 National Development Planning Meeting (Musrenbangnas) for the preparation of the Government Work Plan (RKP)

2021, four National Priorities have been established, namely (1) economic resilience for quality and equitable growth, (2) high quality and competitive Human Resources (HR), (3) infrastructure for the economy and basic services, and (4) environment, disaster resilience, and climate change.<sup>5</sup>

The Government of Indonesia has also established several Major Projects that will be the focus of funding allocation in RKP 2021.<sup>6</sup> First, related to the recovery of industry, tourism and investment, among others: the construction of 10 priority tourism destinations, 9 industrial areas outside Java and 31 smelters, industry 4.0 in five priority subsector, vocational education and training for industry 4.0, and integrated main port network. Second, related to strengthening the national health system there will be a new Major Project for this. Third, related to social safety nets, there will be a Major Project that will become a priority, namely the integration of social assistance into a comprehensive social protection scheme. Fourth, to strengthen the disaster warning system, its scope will be expanded to include a pandemic disaster.

The Board of Commissioners considers that BNBR and all of its business units still have good opportunities after the COVID-19 pandemic, especially in the relationship between BNBR and infrastructure development, however, any business opportunities that arise must be addressed

<sup>5</sup> Source: National Development Planning Agency (BAPPENAS)

<sup>6</sup> Source: National Development Planning Agency (BAPPENAS)

with thorough calculation and careful implementation in order to guarantee the achievement of Company's long-term targets.

## 5 VIEWS ON THE IMPLEMENTATION OF CORPORATE GOVERNANCE

The Board of Commissioners is aware that the main requirement for successful Company performance is consistency in the implementation of Good Corporate Governance (GCG). Therefore, the Board of Commissioners is responsible for providing guidance, supervision and advice to the Directors on matters relating to GCG implementation practices.

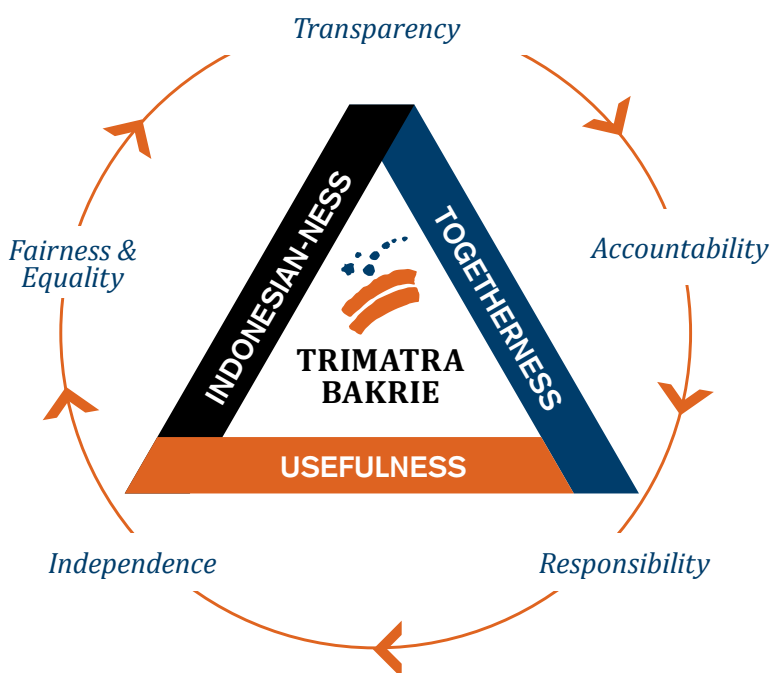
GCG is a mechanism that regulates the relationship between the Company and its stakeholders in a transparent, accountable, responsible, independent and fair manner. The Board of Commissioners believes that the Company has experienced significant benefits from the implementation of GCG.

The Board of Commissioners believes that the Board of Directors has implemented Good Corporate Governance in accordance with the principles outlined in OJK Regulation No. 21 / POJK.04 / 2015 concerning Corporate Governance Guidelines for Public Companies and the ASEAN Corporate Governance Scorecard. This opinion is based on reviews conducted and reported periodically to the Board of Commissioners by the Corporate Governance Committee where I also serve as Chairman.

The Board of Commissioners also considers that the management of the Company carried out by the Board of Directors throughout 2019 has been carried out prudently and responsibly, in accordance with the values of

leadership and culture of the Company, where the principles of GCG are an inseparable part of Trimatra Bakrie.

The Board of Commissioners assessed that the Board of Directors also constantly strives to improve the implementation of GCG by benchmarking and seeking assessments from external parties, one of which is through the participation of BNBR in the Corporate Governance Perception Index (CGPI) Award. 2019 was the eighth year for the Company to take part in the CGPI Award, and in the context of improving the overall implementation of GCG the Company encouraged its subsidiaries to participate in these activities, beginning with the participation of PT Bakrie Pipe Industries (BPI) for the first time in 2019. The Board of Commissioners appreciates the achievement of BNBR and BPI who have earned the title of "Trusted Company" in the CGPI Award.



## 6 FREQUENCY AND METHOD OF PROVIDING ADVICE TO MEMBERS OF THE BOARD OF DIRECTORS

The Board of Commissioners provides advice to the Board of Directors through joint meetings of the Board of Commissioners and Directors held at least three times a year, in 2019 the Board of Commissioners and Directors held a joint meeting 34 times. Apart from the opportunity for joint meetings, the Board of Commissioners and the Board of Directors also routinely communicate through various non-formal methods.

In addition to direct communication between the Board of Commissioners and the Board of Directors, the monitoring function is also carried out indirectly through committees under the Board of Commissioners. The Board of Commissioners' organs are functioning properly in accordance with the scope of responsibilities and their respective fields.

## 7 CHANGES IN THE COMPOSITION OF THE BOARD OF COMMISSIONERS

There have been some changes in the composition of the Board of Commissioners in 2019 as decided at the Annual General Meeting of Shareholders of the Company which was held on May 16, 2019. In accordance with the decision of the Annual GMS, I was trusted by the shareholders to hold the position of President Commissioner, while Mr. Anindya Novyan Bakrie relinquished his position as President Commissioner to continue his services to the Company as President Director, and Mr. Bobby Gafur S. Umar relinquished his position as President Director to then continue his services to the Company as a Commissioner. Therefore the composition of the Board of Commissioners became as follows:

President Commissioner and  
Independent Commissioner : Sutanto

Commissioner : Bobby Gafur S. Umar

Commissioner : Armansyah Yamin

Independent Commissioner : Firmanzah

The Board of Commissioners believes that a combination of experience and knowledge as well as good cooperation between members of the Board of Commissioners will make a good contribution in overseeing the management of the Company.

## 8 CLOSING REMARKS

Thus the Board of Commissioners' report on supervision of the performance and implementation of the Company's business activities in 2019. The Board of Commissioners always strives to be professional and independent in carrying out their duties as supervisors and advisors in order to support the continuous improvement of the Company's performance. Once again the Board of Commissioners would like to express its appreciation to the entire Board of Directors and all employees of the Company, which thanks to their dedication and hard work has enabled the Company to achieve the expected results.

Jakarta, May 2020

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



SUTANTO

President Commissioner and Independent Commissioner



## BOARD OF COMMISSIONER



**Armansyah Yamin**  
Commissioner



**Bobby Gafur S. Umar**  
Commissioner



**Sutanto**  
President Commissioner  
& Independent Commissioner

**Firmanzah**  
Independent Commissioner





## SUTANTO

PRESIDENT COMMISSIONER AND  
INDEPENDENT COMMISSIONER

Police General (Retired) Drs. Sutanto, an Indonesian, born in Pemalang in 1950, domiciled in Jakarta, Indonesia. He graduated from the Academy of Armed Forces – Police in 1973, he also attended the University of Police Science (PTIK) in 1983, Police School of Staff and Leaders (Sespimpol) Bandung in 1990, and National Resilience Institute (Lemhanas) in 2000. He joined PT Bakrie & Brothers Tbk (BNBR) in 2019 as President Commissioner. He currently also holds the position of President Commissioner of PT Nusadua Graha Internasional, Independent President Commissioner of PT Gajah Tunggal Tbk, and Commissioner of PT Sillo Maritime Perdana Tbk.

He has served the Republic of Indonesia as Police Chief of North Sumatra Province (2000), Police Chief of East Java Province (2000-2002), Daily Chief of the National Drug Enforcement Body (2005), Chief of the Indonesian National Police (2005-2008), and Chief of the Indonesia State Intelligence Agency (2010 – 2011).

He also holds over 10 years of experience in the capital market industry, prior to joining BNBR he held the position of President Commissioner of PT Angkasa Pura II Persero (2008 – 2009), President Commissioner of PT Pertamina (2009 – 2010), Independent Commissioner of PT Media Nusantara Citra Tbk (2011 – 2018), President Commissioner of PT Ancora Indonesia Resource Tbk (2012 -2018), and Commissioner of PT Plaza Indonesia Realty Tbk (2015 – 2019).

# BOBBY GAFUR S. UMAR

## COMMISSIONER

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, USA in 1995.

He was appointed as Commissioner of PT Bakrie & Brothers Tbk in May 2019, where previously he was the President Director of PT Bakrie & Brothers Tbk (August 2002-March 2008 and June 2010 - May 2019), Managing Director / CEO of PT Bakrie & Brothers Tbk (June 2009-June 2010), Vice President Commissioner of PT Bakrie & Brothers Tbk (March 2008-June 2009). In addition, he has served as President Commissioner of PT Bakrie Indo Infrastructure since May 2019, where previously he was the President Director / CEO of PT Bakrie Indo Infrastructure (March 2008 - April 2019). Commissioner of PT Bakrie Sumatera Plantations (July 2002-present), 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 Restructuration and Project Acquisition of BSP (October 1997-February 1998), Assistant to the Chairman of the Bakrie Group (October 1995-February 1998).

Bobby Gafur S. Umar currently serves as the 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 two periods of 2011- 2020, Board Member of Indonesian Engineers (2017-2022), ASEAN representative in Global Science and Innovation Advisory (GSIAC) International Council Advisory for the Prime Minister of Malaysia – Dato' Sri Mohd Najib bin Tun Haji Abdul Razak period 2016-2018, Board of Trustees of the Indonesian Technology Development Foundation (YPTI) for the 2016-2020, Chairman of the Expertise Board of the Institution of Engineers Indonesia (PII) for the 2015-2018, 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).

# PROF. FIRMANZAH

## INDEPENDENT COMMISSIONER

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

He has been appointed as a Commissioner of PT Bakrie Indo Infrastructure since December 2019 and has been an Independent Commissioner of PT Bakrie & Brothers Tbk since April 2018. He also served as the Risk Management Committee Member at PT CIMB Niaga Tbk since 2016, Committee Member at SMInfra 18 Index at PT Sarana Multi Infrastruktur (SMI) since 2015 and as the Rector at Paramadina University since 2015. Previously, he served as a Commissioner at PT Perusahaan Gas Negara (PGN) (2012-2015), Republic of Indonesia Presidential Staff in Economics and Development (2012-2014), President Commissioner at PT Rajawali Nusantara (RNI) (2012-2013), Independent Commissioner for CIMB-Asset Principal Indonesia (2012), Advisory Member for the Minister of Maritime Affairs and Fisheries (2012-2013), Advisory Member for Indonesia Center for Public Policy Studies (ICPPS) (2011-2012), Professor of the Faculty of Economics & Business, University of Indonesia since 2005 and Market Analyst in PT Sewu New York Life (1998-1999). In addition, he has also been active in various organizations such as Members of the KADIN Advisory Board since 2016, Chairman of the Sharia Economics community Foundation (MES Foundation) since 2014, Chairman of the Sharia Economics Community Education and Research (MES) since 2014, Chairman of Focus group Discussion in the Creative Economy field and Tourism - Indonesian Economic Bachelor Association (ISEI) since 2014, Board of Trustees of the Foundation for Synergy Action for Indonesia since 2011, Board of Trustees of the Nusa Membaca Foundation since 2009.





# 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. He also served as a Commissioner at Krakatau Lampung Tourism Development (KLTD) since 2018. Currently, he also holds the position of Commissioner at PT Bakrieland Development Tbk, and PT Bakrie Nirwana Semesta. He began his career at the Bakrie Group as Special Project Manager for PT Bakrie & Brothers (1985-1986), Head of Representative for Mindo Commodity Europe Hamburg, Germany (1987-1991), Managing Director for Lewis & Peat International, Singapore (1991-1993), Vice President Director for Bakrie Trading (1993- 1998), President Commissioner for PT Asuransi Ikrar Lloyd (1998-2002) President Director for Perusda Bersujud, South Kalimantan (2003-2007) and President Director for PT Arm & Ken Investment (2007-2011).

# Build to Last

**1** The year 2019 was a turning point for PT Bakrie & Brothers Tbk, after several years of recording unsatisfactory performance, in 2019 BNBR gained new energy through its balance sheet revitalization efforts which have shown more prominent effects in easing BNBR's business endeavor. This year was my first year as BNBR President Director, after joining BNBR management in the previous year as President Commissioner. In this new position I am further involved in daily management activities of the Company, a challenging yet exciting task. BNBR management has worked hard in building a sturdy foundation for BNBR's business, and throughout 2019 the foundation has become a strong capital for BNBR to develop its manufacturing and infrastructure business, which were the building blocks of Bakrie group since its establishment in 1942.

## **2** GLOBAL ECONOMIC TURMOIL

As a company of more than 78 years of age, PT Bakrie & Brothers Tbk has sailed through various dynamics of national and global economics. Several structural shifts in global economics occurring in the past few years intensified in 2019. The shifts were triggered by four related subjects, starting from implementation of inward looking orientation policies by many countries and increasing volatility of global capital flows, to accelerating digitalization of the economy and the changing behavior of economic agents in response to these digital developments.





These shifts in global economy has contributed to world economy growth in 2019 which was not yet strong. Global economic growth decelerated to 2.9%,<sup>1</sup> followed by decreasing global trade volume and commodity prices inline with the strengthening of domestic oriented policies. The recent world development has aggravated uncertainties in global financial market which then increased the volatility of global capital flows. The still weak global economic growth has affected Indonesia's export performance, although generally in 2019 Indonesia's economic was still resilient. With its character as a country with open economy, decelerating global economic growth has caused 2019 export to decline. However, domestic demand was still strong and was able to support the economy, enabling Indonesia to record 5.02% growth in 2019.<sup>2</sup>

After the various turmoils of 2019, the world and Indonesia must once again brace themselves for the challenges of 2020 with the outbreak of COVID-19 pandemic. The pandemic has lessen global economic recovery optimism which had surfaced until end of January 2020 as a result of the reduced tension in trade relations between the United States of America (USA) –China, and as a positive impact of accommodative policy responses pursued by many countries. COVID-19 has decreased aggregate demand and disturb production process and aggregate supply which then suppress global and Indonesia economic growth in 2020.

Global and Indonesia economic growth are predicted to return to an increased trajectory after the pressure of COVID-19 pandemic ended.

## 3 THE ECONOMY OF INDONESIA IS RESILIENT

Although imminent challenges welcome Indonesia in the coming years, we believe Indonesia has tested durability. 2019 growth was lower if compared to 2018 performance of 5.17%, however Indonesia's economic growth remained good compared to the economic growth of other emerging countries in Asia, with the exception of China, India and Philippines.

The slowing down of global economic has caused Indonesia's export performance to decline in 2019. Export was contracted by 0.87% in 2019, reversing the direction of 2018 performance which grew 6.55%.<sup>3</sup> Decrease of export was recorded quite deep in the first semester of 2019, it alleviated in the second semester of 2019 supported by demand increase of several export products such as crude palm oil (CPO) and coal. Export improvement of several commodities was a result of products and export destination diversification, as well as several domestic policies.

Amidst declining export performance, growth of private consumption, in particular household consumption, remained good. Private consumption in 2019 grew 5.16%,<sup>4</sup> a slight increase if compared to 2018 performance. Private consumption was positively impacted by the holding of General Election 2019 which boost increase of consumption growth of Non-Profit Institutions Serving Households (NPISH). Data showed that growth of NPISH consumption in 2019 rose by 10.62%.<sup>5</sup> Government consumption also supported 2019 domestic growth, although it declined if compared to 2018 condition. Declining government consumption was caused by decrease of Central Government expenditure, especially goods expenditure and other expenditures. Nevertheless, those decline was accompanied with shifting of several expenditure allocations to human resources welfare expenditure, such as employee expenditure and social assistance disbursements (bansos). Construction investment performance also remains high and sustains domestic demand.

## 4 MANUFACTURING AND INFRASTRUCTURE SECTOR — THE CORNERSTONE OF INDONESIAN ECONOMY

Manufacturing sector remained as the cornerstone of Indonesian economy by becoming the largest contributor to gross domestic product (GDP) in 2019. Nevertheless, this sector recorded slower growth compared to the previous year. In 2019 structure of Indonesia's GDP at current market prices by industrial origin did not show significant changes. Indonesian economy was still dominated by manufacturing sector at 19.70%, trade sector at

<sup>1</sup> Source: Bank Indonesia  
<sup>2</sup> Source: Central Bureau of Statistics (BPS)

<sup>3</sup> Source: Central Bureau of Statistics (BPS)  
<sup>4</sup> Source: Bank Indonesia  
<sup>5</sup> Source: Bank Indonesia



13.01%, agriculture sector at 12.72%, and construction sector at 10.75%. The role of those four industrial sectors in Indonesian economy reached 56.18%.<sup>6</sup> For BNBR, two of those main four sectors are the focus of business development, namely manufacturing and infrastructure construction. This focus is also inline with the high importance of manufacturing sector to Indonesia's export value, in 2019 contribution of manufacturing sector to total export reached 75.55%, however its growth declined by 2.73% y-o-y, nevertheless this decline was still better if compared to total export value which decreased by 6.94% if compared to 2018.<sup>7</sup> Considering the major role and also the potential of manufacturing sector for Indonesian economy, therefore Indonesia intends and needs to shift from commodity goods exporting country, furthermore manufacturing industries from upstream to downstream need to be strengthened so that their products can meet domestic needs and have higher competitive value in global market.

The commitment of the Government of Indonesia to strengthen infrastructure is also one of the determining factors in the development of the construction sector in Indonesia. In the National Medium-Term Development Plan (RPJMN) IV period 2020 – 2024 infrastructure remains as one of seven development agendas, in which infrastructure development will be focused on three main frameworks (Basic Services Infrastructure, Economy Infrastructure, and Urban Infrastructure) that

are supported by the energy and electricity development as well as digital transformation implementation. The Government calculated funding needs for infrastructure in the period 2020-2024 is estimated to reach Rp 6,421 trillion or an average of 6.08% of GDP; to meet this funding need, creative efforts are needed to encourage the participation of the community and business entities through the scheme of Public-Private Partnership (PPP) and Non-Government Budget Equity Financing (PINA).

## 5 BNBR BUILDING INDONESIA

As one of national conglomerate companies, BNBR constantly strive to develop its business with the spirit of building Indonesia. When it was founded in 1942 BNBR started its business as a trader of Indonesian agricultural products, but then the late Achmad Bakrie as the founder of the Bakrie business group had a vision to further increase his involvement in developing Indonesia by entering the manufacturing sector. BNBR's first foundation as a manufacturing company was laid in 1959 with the establishment of PT Bakrie Pipe Industries (BPI) which manufactures steel pipes, BNBR then expanded its business into steel structure construction sector, steel fabrication, and other infrastructure projects in the period between 1970s until late 1980s. In the same period, PT Bakrie Building Industries which produces building materials and PT Bakrie Autoparts which produces automotive components were also established.

BNBR's business units that are engaged in manufacturing sector have become key players in the industry they are working on, however we believe all of our business units need revitalization to increase their competitiveness in the coming years, we also believe that manufacturing sector still has enormous potential in Indonesia. In addition, the spirit of building Indonesia which has become one of the Company's DNA will continue to be realized with the involvement of BNBR in various Government projects, in particular projects that are related with infrastructure development and reinforcement.

Therefore, in the future the Company will continue to improve business line of every subsidiaries so that they are able to contribute more significantly to BNBR in carrying its business and reaching its previous glory. After various business development journeys, since 2019 BNBR declared "Back to Basic", that is strengthening the industries that we have worked on since the beginning by continuously improving the latest technology implementation and mastery, as well as addition of investment on adequate resources.

## 6 NEW ENERGY OF BNBR — SATISFACTORY FINANCIAL PERFORMANCE

The Company's success in reversing its financial condition in the first half of 2019 eased the Company's steps to become more flexible in business development. Since the second quarter of 2019 BNBR has managed to reverse loss position into positive, and this achievement was maintained

<sup>6</sup> Source: Central Bureau of Statistics (BPS)

<sup>7</sup> Source: Central Bureau of Statistics (BPS)



“  
As one of national  
conglomerate  
companies, BNBR  
constantly strive to  
develop its business  
with the spirit of  
building Indonesia.  
”



until end of 2019 with the recording of net income as much as Rp 863.27 billion, a significant improvement if compared to net loss of Rp 1.25 trillion in 2018. Eventhough the Company experienced a slight decrease of revenue by 3.1% from Rp 3.34 trillion in 2018 to Rp 3.24 trillion in 2019, the Company's effort to increase production efficiency yielded good result in 2019 as shown by the increase of operating profit from Rp 84.15 billion in 2018 to Rp 137.67 billion in 2019.

The Company also experienced positive impact of strengthening of rupiah exchange rate which increased by Rp 580 points in 2019, as such the Company was able to booked gain on foreign exchange. One thing that needed to be emphasized once again is the persistence of BNBR management in carrying out various efforts to improve financial position, mainly through debt restructuring, has yielded good results. In 2019 the Company still continued its debt settlement efforts by conversion of debts into Company shares through Capital Increase with Non Preemptive Rights (NPR), so that Company's debt and interest expenses decreased from Rp 357.07 billion in 2018 to just Rp 175.10 billion in 2019. Until end of 2019 the Company has succeeded to restructure its debts by as much as Rp 11.41 trillion and the Company is optimistic that it can complete the remaining debt restructuring process in the near future.

While on balance sheet side, Company recorded increase of current assets in 2019 to a total of Rp 11.26 trillion from Rp 10.39 trillion in 2018. This increase was mainly caused by increase of short term investment performed by Fitzroy Offshore Ltd. This increase in current assets was offset by a decrease in non-current assets by 21.4% to a total of Rp 3.10 trillion compared to Rp 3.95 trillion in 2018, therefore at the end of 2019 value of total assets was Rp 14.36 trillion, relatively stable if compared to 2018. On liabilities side, its total value increased by 3.1% from Rp 11.66 trillion in 2018 to Rp 12.02 trillion in 2019. And on equities side, as a result of decreasing of components of additional paid-in capital from difference in value from restructuring transactions of entities under common control, the Company recorded 12.1% decrease of equity, from Rp 2.68 trillion in 2018 to Rp 2.36 trillion in 2019.

## 7 BACK TO BASIC — REINFORCEMENT OF BASIC INDUSTRY

Along with balance sheet revitalization effort which result has become more apparent, a number of factors also lifted the Company's spirit during 2019, which is the improving performance of subsidiaries despite the less favorable macro economic condition. In 2019 PT Bakrie Pipe Industries (BPI), our subsidiary that produces steel pipes, recorded a total revenue of Rp 1.83 trillion, surpassing its 2018 achievement of Rp 1.63 trillion. . During 2019 the oil and gas industry, which is one of BPI's business segments, actually shows a weakening; at the end of 2019 crude oil price (average) decreased by 10.1% to just US\$61.4 per barrel.<sup>8</sup> However BPI managed to maintain its revenue with ownership of several multi-years continuous projects, as well as several new projects in both oil & gas and non-oil & gas sector. In oil & gas sector BPI was trusted as provider of steel pipes for downstream sector of Pertamina which has been rolling since end of 2017 and was completed in the first semester of 2019. While in non-oil & gas sector BPI became one of the electricity poles providers for PT Perusahaan Listrik Negara (PLN).

PT Bakrie Autoparts (BA), another subsidiary of the Company which produces automotive component, experienced a decrease of revenue in 2019 by 14.7%, from Rp 818.62 billion in 2018 to Rp 698.68 billion in 2019. Other than automotive sector, BA's performance is also heavily influenced by commodity sector because majority of BA's products are used for components of commercial vehicle. Car sales in Indonesian market decreased from 1.15 million unit in 2018 to 1.03 million unit in 2019 with the composition of 77% passenger vehicle and 23% commercial vehicle.<sup>9</sup> Various national and global conditions indeed influenced the sales decline in automotive sector; 2019 was a political year and a series of General Election activities had a significant influence on consumer purchasing decisions, other than that price decline occurred in nearly every commodities starting in the third quarter of 2019. Coal consumption has rapidly declined in developed countries along with their commitment to reduce emission, moreover China's manufacturing sector also experienced slowing down thus reducing demands of coal, therefore coal price (Australia) drastically decreased from an average of US\$ 107.0 per metric

<sup>8</sup> Source: World Bank

<sup>9</sup> Source: Gaikindo

ton in 2018 to just US\$ 77.9 per metric ton in 2019.<sup>10</sup> While average price of crude palm oil (CPO) weakened by 6% if compared to 2018,<sup>11</sup> decreased to US\$ 601 per metric ton in 2019, in the period of 2017 to 2019 total global CPO production exceeded global demand, thereby impacting the price reduction. The many challenges faced by BA required us to innovate in order to maintain performance growth, as such by diversifying portfolio with products that are higher in complexity and selling price, as well as striving for sales of products with higher margins. Those efforts produced good results, BA was able to increase its operating profit from Rp 26.51 billion in 2018 to Rp 36.85 billion in 2019, or soared by 36.1%.

Another subsidiary of BNBR is PT Bakrie Building Industries (BBI) which produces fiber-cement based building materials. BBI currently undergoes business line shift from manufacturing to services provider, that is as provider of prefab building as well as logistic and distribution services, both of these business lines are actually an extension of BBI's business processes to date. In relation with this shift, in 2019 BBI recorded revenue totaling at Rp 137.90 billion, lower than 2018 revenue of Rp 236.56 billion. To support this transition, a series of improvements and innovations have been continuously carried out by BBI to produce a number of high-efficiency materials while continuing to improve the production process. The effort to develop prefab and modular building technology that has been carried out since 3-4 years ago began to show results with

the acquisition of several prefab housing procurement projects in 2019. We are optimistic that in the future opportunities for prefab houses and building materials will be good, especially with the commitment of Government of Indonesia in Program Sejuta Rumah (A Million Houses Program), some of which was proven through the launch of a fiscal housing subsidy as much as Rp 1.5 trillion for 175,000 low income households through home ownership credit (KPR) process on April 1, 2020 as one of anticipation of economic impacts due to Covid-19 pandemic.<sup>12</sup>

Other than manufacturing field, BNBR also still developed various infrastructure projects through PT Bakrie Indo Infrastructure (BIIN), three main projects currently handled are electric steam power plant 2 x 660 MW Tanjung Jati A in West Java, Cimanggis – Cibitung 26.4km length toll road in West Java, as well Kalija gas pipeline phase 1 stretching 200 km along north coast line of Java island from Kepodang to Tambak Lorok, and Kalija phase 2 stretching 500 km length from Bontang, East Kalimantan to Banjarmasin, South Kalimantan.

## 8 SOLID COLLABORATION IN WELCOMING FUTURE BUSINESS

In the future, BNBR aims to develop business with a new perspective that always puts forward the synergy between business units. With our strong manufacturing base, BNBR has confirmed its determination to continue to develop Indonesia through our involvement in projects related to infrastructure development by applying efficient technology, utilizing the development of digital technology, and reliable human resources. As our first step in utilizing digital technology, in December 2018 BIIN has acquired PT Multi Kontrol Nusantara (MKN), a business unit that focuses on the telecommunications infrastructure business and technology solutions. We have also carried out this acquisition to support the development of Information and Communication Technology, which has largely been carried out in the 2015-2019 RPJMN and will be continued in the 2020-2024 RPJMN period. Efforts to improve Indonesia's digital connectivity were carried out through the Palapa Ring Project, in which PT Multi Kontrol Nusantara (MKN) was one of the implementers. In 2019 MKN had recorded revenues of Rp 252.95 billion.

Collaboration between BNBR business units makes it possible to support infrastructure for economic growth and urban infrastructure, two of the three main frameworks for infrastructure development in the 2020-2024 RPJMN. Infrastructure development for economic growth will focus on the development of transportation infrastructure, electricity and energy, information technology with large capacity and high speed for the operation of Big Data, the Internet of Things (IoT) and artificial intelligence (AI). Meanwhile infrastructure development for urban areas includes improvement of facilities and infrastructure that will support the convenience of living in cities such as the construction of mass public

<sup>10</sup> Source: World Bank

<sup>11</sup> Source: World Bank

<sup>12</sup> Source: Ministry of Public Works and Public Housing

transportation, construction of city gas pipelines, drinking water and sanitation pipes as well as waste management.

Various issues related to the limitations of urban infrastructure become the direction and opportunities for business development of BNBR and its business units. The development of electric buses by BA, which began in 2018, was an example of the Company's important momentum to better understand and then adopt the latest technology in the automotive industry, and at the same time enabled the Company to support the development of environmentally friendly urban public transportation systems. Furthermore, through PT Bakrie Power (BP), which is a subsidiary of BIIN, the Company could support the urban electricity supply program. In addition to the Tanjung Jati A power plant project, BP has also succeeded in working on Solar Power Plant projects located in East Flores Regency, Alor Regency, Southeast Maluku Regency and Jakarta with a total capacity of 735 kWp.

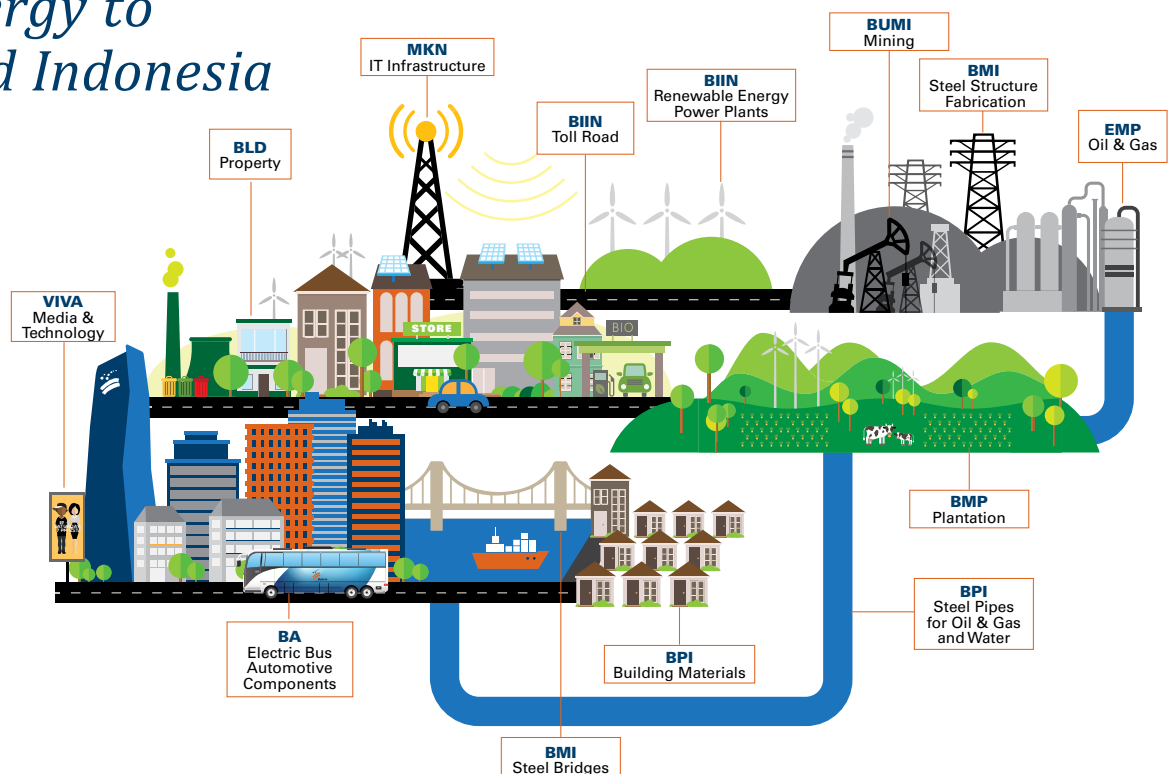
In terms of connectivity, the experience of PT Bakrie Metal Industries (BMI) in the construction of steel bridges and BIIN in toll road construction enables the Company to support the target of strengthening road

transportation connectivity. Road connectivity not only supports human mobility, but also the national logistics system. The construction of toll roads is important to connect the industrial area with transportation nodes, so as to support the development of industry and distribution of goods produced. In terms of providing basic infrastructure, BPI can participate by providing pipes for clean water distribution, while BBI can support plans to provide access to decent, safe and affordable housing and settlements in cities.

## 9 REJUVENATION SPIRIT – FOCUS ON ESG

In addition to strengthening the financial and business development side, BNBR also strives to continue to carry out reforms in conducting its business with a focus on the environment, social and governance, or commonly referred to as ESG. Investment in the ESG sector has not been managed and utilized properly in Indonesia and many ASEAN countries, but it has great potential. Realizing this, BNBR closely monitored the implementation of business from the aspect of ESG by continuing to perfect its application.

## Synergy to Build Indonesia





## ENVIRONMENT

The implementation of the Company's responsibilities in the environmental field has become a daily activity for the business of BNBR and its subsidiaries. This is continuously monitored by the certification process in the environmental field (ISO 14001 Environmental Management System) for manufacturing business units. The certification process enables the Company to improve environmental performance through more effective use of resources and waste reduction.

The company also seeks to increase the supply of environmentally friendly energy with a focus on the development of the new and renewable energy business undertaken by PT Bakrie Power (BP). In addition to developing several PLTS, BP has also begun to develop geothermal power plants, wind turbines and biomass. The development of power plants with environmentally friendly energy has reached a capacity of 195 MW.

## SOCIAL

On the social aspect, BNBR carried out various corporate social responsibility (CSR) programs with the aim of creating economic independence for the community around the Company's operating location along with its subsidiaries, improving the quality of life and protecting the environment. BNBR CSR activities with social dimensions were carried out collectively with other Bakrie group companies through the Bakrie Amanah foundation. In 2019, BNBR's CSR activities coordinated through Bakrie Amanah reached 125,442 beneficiaries by channeling aid worth Rp 16.77 billion.

The Company also views human resources as an important stakeholder and as strong capital in business development. Through various HR and organizational management programs implemented by the Bakrie Learning Center, the Company consistently develops the capacity of each of its employees and seeks to regenerate with the recruitment of young experts in each business unit.

## GOVERNANCE

The Company continuously improves the quality of the implementation of good corporate governance or GCG which is in line with the values adopted by the Company. For this, BNBR refers to best practices in determining the Company's business processes, controls and standard operating procedures. Thus it is hoped that good quality GCG principles will support the improvement of the Company's performance through the creation of a better decision making process, increased operational efficiency, and improved services to the Company's stakeholders. These GCG principles were applied through a framework of governance relationships between GCG organs, relationships with shareholders and with stakeholders, to ensure a harmonious balance between achieving performance and business sustainability.

Throughout 2019 the Company carried out various activities and initiatives aimed at improving the quality of the application of good governance. Some important things include the implementation of the GRC (Governance, Risk and Compliance) Series as a means of socialization and oversight of the implementation process of Governance, Risk Management and Compliance to the Company's business units.

The Company also conducted GCG assessments by involving itself in the Corporate Governance Perception Index (CGPI) Award where the results become a reference in improving corporate governance practices. On December 11, 2019 BNBR received the Trusted Company title from the CGPI Award for the 8th time in a row.

## 10 CHANGE IN THE COMPOSITION OF BOARD OF DIRECTORS

In 2019 the composition of the Board of Directors of the Company experienced a change with the addition of myself into the Board of Directors. So that in accordance with the decision of the Annual General Meeting of Shareholders (AGMS) on May 16, 2019, the composition of the Company's Board of Directors is as follows:



President Director & CEO :Anindya Novyan Bakrie

Vice President Director :Anindra Ardiansyah Bakrie

Director & CFO :A. Amri Aswono Putro

Director & CIO :Roy Hendrajanto M. Sakti

Director & CLO :R. A. Sri Dharmayanti

Independent Director & CRO :Dody Taufiq Wijaya

Representing the other members of the Board of Directors, I would like to express my deepest gratitude and appreciation to Mr. Bobby Gafur Umar who has relinquished his position as President Director & CEO and later became a member of the BNBR Board of Commissioners in accordance with the decision of

the Annual General Meeting of May 16, 2019, I believe he will continue to make a positive contribution to every BNBR business development plan in the future. I also welcome Mr. Roy Hendrajanto M. Sakti on the Board of Directors, he has been actively involved in BNBR's investment activities and I am sure that his contribution will be more apparent in the future.

## CLOSING REMARKS

Finally, the Board of Directors and all employees would like to thank the Board of Commissioners, shareholders and other stakeholders for the support given so far. Hopefully the performance achieved in 2019 can continue to be improved and improved in the coming years.

Jakarta, May 2020  
On behalf of the Board of Directors  
PT Bakrie & Brothers Tbk



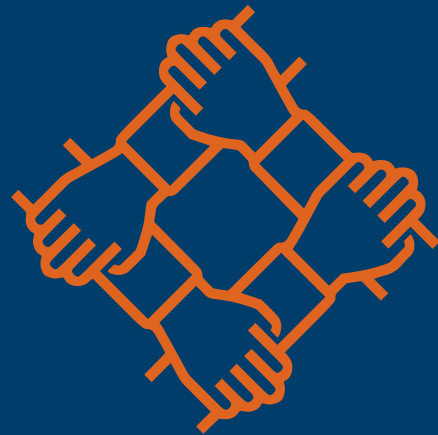
**ANINDYA N. BAKRIE**  
President Director & CEO

IN 2019 BNBR GAINED

# *new energy*

*from the financial  
restructuring efforts,  
the results of which  
became increasingly  
apparent.*

With lighter steps, BNBR is determined to make the basic industry that has been occupied since the beginning as the focus of business development with the spirit of building Indonesia.



Solid collaboration between business units enabled BNBR to continue to be involved in various aspects of Indonesian development, while the focus on Environment, Social and Governance (ESG) became the focus of BNBR rejuvenation spirit in conducting its business.

Furthermore BNBR is serious about working on future business that are potential and in line with sustainability trends.



**Dody  
Taufiq Wijaya**  
Independent Director

**R.A. Sri  
Dharmayanti**  
Director

**A. Amri  
Aswono Putro**  
Director

**Anindya  
Novyan Bakrie**  
President Director & CEO

**Roy Hendrajanto  
M. Sakti**  
Director

**A. Ardiansyah  
Bakrie**  
Vice President Director

# ANINDYA NOVYAN BAKRIE

PRESIDENT DIRECTOR & CEO

Anindya Novyan Bakrie, Indonesian nationality, was born in Jakarta on 1974. He obtained his Master of Business (MBA) from the Stanford Graduate School of Business, California, USA, in 2011 and Bachelor of Science (BSc) degree of Industrial Engineering from Northwestern University, Evanston, Illinois, USA, in 1996.

Anindya has been the President Director & CEO of PT Bakrie & Brothers Tbk since May 2019, where he was formerly President Commissioner, Deputy to the COO and Deputy to Managing Director between 1997 to 1999. Anindya has also been President Director & CEO of PT Bakrie Global Ventura since August 2013, President Director & CEO of PT Visi Media Asia Tbk since July 2014, President Commissioner of PT Intermedia Capital Tbk since December 2013, President Commissioner of PT Bakrie Telecom Tbk since July 2013, and Commissioner of PT Bakrie Sumatera Plantations Tbk since June 2012.

Previously, Anindya has also held several leadership positions within the Bakrie Group, such as President Director & CEO of PT Bakrie Telecom Tbk (December 2003- July 2013), Chairman of PT Bakrie Global Ventura (2006 – August 2013), President Director & CEO of PT Visi Media Asia Tbk (2008–March 2011), and President Commissioner & Executive Chairman of PT Visi Media Asia Tbk (March 2011–July 2014).

Currently, Anindya also serves as Vice Chairman of Organization, Membership and Empowerment in

Indonesian Chamber of Commerce & Industry (KADIN Indonesia), Chairman of Indonesian representative in Asia Pacific Economic Cooperation Business Advisory Council (ABAC), Chairman of Indonesian Aquatics Federation (PRSI), Board of Director of Oxford United Football Club, Founder and Chairman of Bakrie Center Foundation, Chairman of Bakrie Untuk Negeri Foundation, and General Treasurer of Association of Indonesian Moslem Entrepreneurs, and Advisory Board of Aeon Investments.

Building bridges between Indonesia and the world, Anindya has joined several boards of trustees/advisors/ members of various international universities, NGOs, and research centers, such as Board Member of International Campaign Committee of Northwestern University since July 2016, Board Member of Philips Academy Andover's Asia Council since 2012, Board of Trustee of Eisenhower Fellowship since March 2011, Board Member of @america Advisory Board since 2011 and Advisor of The United States Indonesia Society (USINDO) since 2018.

Anindya Novyan Bakrie is a regular attendee of the World Economic Forum in Davos since 2010, and was appointed as a member of Board of Governors for Media, Entertainment and Culture Industries in 2020. Anindya is also an active participant in Milken Institute Global Conference since 2019.







## A. ARDIANSYAH BAKRIE

### VICE PRESIDENT DIRECTOR

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

He holds the position of Vice President Director of PT Bakrie & Brothers Tbk since April 2018. Currently he also holds the position as President Director & CEO of PT Bakrie Indo Infrastructure and President Commissioner of PT Southeast Asia Pipe Industries, PT Bangun Bantala Indonesia, PT Multi Kontrol Nusantara, and also Commissioner at PT Bakrie Metal Industries, PT Bakrie Power, PT Bakrie Mina Bahari and PT Bakrie Solusi Strategis. He also holds the position as Vice President Director of PT Visi Media Asia Tbk since May 2017, Director of PT Bakrie Global Ventura since April 2012, President Commissioner of PT Cakrawala Andalas Televisi (ANTV) since October 2019, President Commissioner of PT Lativi Mediakarya (tvOne) since March 2017, President Commissioner of PT Viva Media Baru (vivanews.com) since March 2017 and Commissioner of PT Intermedia Capital Tbk since June 2017.

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







## 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 Master of Commerce (M.Com) with Advanced Specialization in Accounting from the University of New South Wales (UNSW), Sydney Australia in 1998, has enrolled in “Driving Digital Strategy” short course at Harvard Business School – Executive Education, in Boston USA, in April 2018.

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



# A. AMRI ASWONO PUTRO

## DIRECTOR

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

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



# ROY HENDRAJANTO M. SAKTI

DIRECTOR

Roy Hendrajanto M. Sakti, an Indonesian, born in Jakarta in 1972, domiciled in Jakarta, Indonesia. He earned a Master Degree in Business Administration from University of Missouri, USA. He joined PT Bakrie & Brothers Tbk (BNBR) in 2016 as Executive Vice President and currently he holds the position as Director & Chief Investment Officer, Commissioner of PT Bakrie Metal Industries, PT Bangun Bantala Indonesia and PT Bakrie Kalila Investment.

He holds over 20 years of experience in the finance and capital market industry. Prior to joining BNBR he held the position as Director in PT Capitalinc Investment Tbk (2013-2015) and President Director at PT Madani Sekuritas (2008-2012). Previously Roy holds several positions in other asset management and securities company, as well as institution such as Jakarta Initiative Task (JITF) – Finance Department.





# 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 2019 ANNUAL REPORT

## BOARD OF COMMISSIONERS AND DIRECTORS' STATEMENT ON THE RESPONSIBILITY FOR PT BAKRIE & BROTHERS TBK ANNUAL REPORT YEAR 2019.

We, the undersigned, hereby declare that all information disclosed in the 2019 Annual Report of PT Bakrie & Brothers Tbk is complete and we are fully responsible for the accuracy of such information.

Jakarta, May 2020,



**SUTANTO**  
President Commissioner and  
Independent Commissioner



**BOBBY GAFUR S. UMAR**  
Commissioner



**ARMANSYAH YAMIN**  
Commissioner



**FIRMANZAH**  
Independent Commissioner



**ANINDYA N. BAKRIE**  
President Director & CEO



**A. ARDIANSYAH BAKRIE**  
Vice President Director



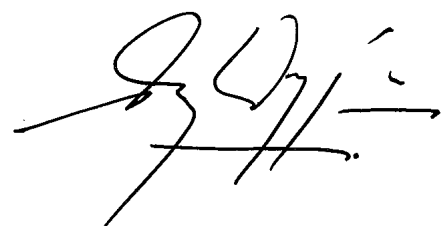
**A. AMRI ASWONO PUTRO**  
Director



**ROY HENDRAJANTO M. SAKTI**  
Director



**R. A. SRI DHARMAYANTI**  
Director



**DODY TAUFIQ WIJAYA**  
Independent Director

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# MANAGEMENT DISCUSSION & ANALYSIS

*This financial performance discussion and analysis refers to the Company's Consolidated Financial Statements for the years ended December 31, 2019 and 2018 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, 2019 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.*

# 62%

Increase of operating profit in 2019 as a result of production efficiency effort of the Company.

# 97.5%

OF THE COMPANY'S NET REVENUE WAS OBTAINED FROM THE MANUFACTURING AND INFRASTRUCTURE AS WELL AS FABRICATION AND CONSTRUCTION SERVICES SEGMENT.



# MANAGEMENT DISCUSSION & ANALYSIS

## OPERATING REVIEW PER BUSINESS SEGMENT

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

### MANUFACTURING AND INFRASTRUCTURE SEGMENT AND FABRICATION AND CONSTRUCTION SERVICES SEGMENT

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

The Manufacturing and Infrastructure segment contributed nearly all of the Company's total revenue in 2019, or Rp 2.79 trillion. This revenue was generated by the Company's manufacturing business units in automotive component, building material and metal industry sectors.

The Fabrication and Construction Segment is one business line of BNBR business unit that are PT Bakrie Metal Industries (BMI) and PT Bakrie Construction (BCons). In 2019 this segment generated revenue totaling at Rp 363.43 billion.

#### Performance of Automotive Component Manufacturing Segment

BNBR carries out its automotive component business through its subsidiaries PT Bakrie Autoparts (BA), which was owned by BNBR through BMI since

November 23, 2018. BA was established as PT Bakrie Tosanjaya in 1975; currently BA supplies automotive components for OEM with major products among others are brake drum, flywheel, disc brake, hub and coupling housing. BA also has the capacity to perform general or non-automotive casting and has tapped into after sales spare parts market.

BA has five plant facilities with annual capacity of 33,000 ton casting and 2.5 million units precision machining. In 2019 BA reached production capacity of 64% casting and 60% precision machining to 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 production facilities with capacity of 45 million stdm per year. Other than serving domestic market, BBI also performs trading activity of building material products from and to several countries in Africa, East Asia and South East Asia. Since 2018 BBI has started to shift its business by utilizing recent development in technology sector, while still rooted to its background as building material producer and distributor. BBI currently develops two new business lines, that are platform of provider of prefab houses solution as well as platform of logistic and distribution services, these two lines are expansion of BBI business process all this time. With regards to this business shifting from manufacturing into service provider for fabrication, distribution and logistic, therefore BBI started reducing its production capacity and product variants, as such by end of 2019 total effective capacity of BBI is as much as 15.9 million Stdm.

### Performance of Metal Industry Manufacturing and Fabrication and Construction Services Segment

BNBR carries out its business in metal industry through its subsidiaries PT Bakrie Metal Industries (BMI). BMI started its business in 1959 through its subsidiaries PT Bakrie Pipe Industries (BPI) by producing steel pipes for general use and later expanded to oil and gas sector. In 1984 BMI expanded its capacity by providing fabrication service for corrugated metal and bridges, and then in 1985 BMI started its EPC business through its subsidiaries PT Bakrie Construction (BCons).

The annual capacity of BMI is 200 thousand ton of steel pipes for oil & gas and non-oil & gas sector, 20 thousand ton of non-oil & gas steel structure fabrication and 2.5 million man-hour of oil & gas steel structure fabrication. BMI also has extensive experience in handling EPC projects for various oil & gas and non-oil & gas construction. During 2019 most of the projects handled by BMI came from non-oil & gas sector.

### Performance of Infrastructure Segment

BNBR carries out its infrastructure business through its subsidiaries PT Bakrie Indo Infrastructure (BIIN). Established in 2008, BIIN was a development of Infrastructure Division of PT Bakrie & Brothers Tbk. As a holding company with various infrastructure assets in Indonesia, BIIN utilizes its extensive



experience in infrastructure field and regional expertise. BIIN's objective is to invest in lucrative and high-growth toll road, power, oil & gas, port, and telecommunication infrastructure projects.

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

Since December 2018 BIIN has consolidated PT Multi Kontrol Nusantara (MKN), a company engaged in the field of information technology and telecommunications infrastructure as well as infrastructure support services. MKN has become one of contractors for Palapa Ring project, a project of Government of Indonesia to develop infrastructure network of telecommunication and internet across Indonesia

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

DESCRIPTION	UNIT	2018 TOTAL	2019			2019 / 2018		2020 TARGET
			TARGET	REALIZATION	% TO TARGET	DIFFERENCE	INCREASE / DECREASE (%)	
A. PRODUCTION VOLUME								
Automotive Component Manufacturing Segment								
Casting	Ton	31,461	31,214	21,441	68.7%	-10,020	-31.8%	28,081
Precision Machining	Piece	3,224,668	3,400,934	2,856,201	84.0%	-368,467	-11.4%	3,311,950
Building Material Manufacturing Segment								
Fiber Cement Roof	Metric Ton	6,605	2,321	1,087	46.8%	-5,518	-83.5%	2,685
Fiber Cement Board	Metric Ton	2,726	131	22	17.0%	-2,704	-99.2%	551
Segmen Manufaktur Industri Metal								
Oil & Gas Steel Pipe	Ton	45,473	53,295	20,282	38.1%	-25,191	-55.4%	38,262
Non-Oil&Gas Steel Pipe	Ton	35,066	55,583	61,069	109.9%	26,003	74.2%	102,786
Steel Structure Fabrication - Non Oil & Gas	Ton	6,712	19,291	12,982	67.3%	6,270	93.4%	13,437
B. SALES VOLUME								
Automotive Components Manufacturing Segment								
Sales to OEM	Ton	22,822	21,888	14,179	64.8%	-8,643	-37.9%	20,433
Replacement Spare Parts Market	Ton	701	1,739	784	45.1%	83	11.9%	3,206
General Casting	Ton	4,232	3,874	3,448	89.0%	-784	-18.5%	2,237
Export	Ton	377	347	302	87.0%	-75	-19.9%	728
Building Material Manufacturing Segment								
Fiber Cement Roof	Metric Ton	7,764	2,321	954	41.1%	-6,810	-87.7%	2,685
Fiber Cement Board	Metric Ton	1,211	131	68	51.6%	-1,143	-94.4%	551
Metal Industry Manufacturing and Fabrication and Construction Services Segment								
Oil & Gas Steel Pipe	Ton	34,170	52,135	33,016	63.3%	-1,154	-3.4%	39,972
Non-Oil&Gas Steel Pipe	Ton	40,170	54,850	52,948	96.5%	12,778	31.8%	99,849
Trading of Steel Products	Ton	18,468	6,900	9,785	141.8%	-8,683	-47.0%	2,000
Steel Structure Fabrication - Non Oil & Gas	Ton	10,716	16,424	8,626	52.5%	-2,090	-19.5%	13,437

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

DESCRIPTION	UNIT	2018 TOTAL	2019			2019 / 2018		2020 TARGET
			TARGET	REALIZATION	% TO TARGET	DIFFERENCE	INCREASE / DECREASE (%)	
Automotive Component Manufacturing Segment								
Sales to OEM	Rp mio	699,313	659,887	591,634	89.7%	-107,679	-15.4%	735,549
Replacement Spare Parts Market	Rp mio	15,006	38,014	16,900	44.5%	1,894	12.6%	79,140
General Casting	Rp mio	95,533	94,278	81,756	86.7%	-13,777	-14.4%	55,748
Export	Rp mio	8,767	8,673	8,292	95.6%	-475	-5.4%	14,766
Building Material Manufacturing Segment								
Fiber Cement Roof	Rp mio	13,543	283,524	107,942	38.1%	94,399	697.0%	352,114
Fiber Cement Board	Rp mio	21,067	15,680	6,114	39.0%	-14,953	-71.0%	55,999
Metal Industry Manufacturing and Fabrication and Construction Services Segment								
Oil & Gas Steel Pipe	Rp mio	839,243	1,086,519	867,353	79.8%	28,110	3.3%	799,735
Non-Oil & Gas Steel Pipe	Rp mio	597,352	815,942	791,747	97.0%	194,395	32.5%	1,392,718
Trading of Steel Products	Rp mio	196,779	20,010	74,301	371.3%	-122,478	-62.2%	5,760
Steel Structure Fabrication - Oil & Gas	Rp mio	235,163	426	53,234	12502.4%	-181,929	-77.4%	469,941
Steel Structure Fabrication - Non Oil & Gas	Rp mio	303,187	696	310,196	44574.5%	7,009	2.3%	413,150
Infrastructure Segment								
Telecommunica- tion Infrastructure	Rp mio	108,219	123,357	100,178	81.2%	-8,041	-7.4%	128,622
Infrastructure Support Services	Rp mio	78,398	176,850	152,771	86.4%	74,372	94.9%	176,754

## 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 2019 Trading, Services and Investment segment contributes 2.5 % of the Company's total revenue, or Rp 81.23 billion. The majority of that sum was contributed by investment activities.

## REVIEW OF FINANCIAL PERFORMANCE

### NET REVENUES

In 2019 the Company booked total net revenues of Rp 3.23 trillion, or decreased by 3.1 % compared to net revenues of 2018.

Manufacturing and infrastructure sector recorded 4.2 % increase of net revenues, this was mainly attributed to long term contracts awarded to BNBR subsidiaries, in particular Bakrie Pipe Industries, so that revenue can be maintained despite the less favorable macro condition that affects BNBR group business in 2019.

While trading, services and investment sector net revenues decreased by 33.8% because there was no sale of investment in shares traded in 2019.

#### Net Revenues by Operating Segment

DESCRIPTION	UNIT	2018		2019		2019/2018	
		TOTAL	% TO TOTAL SALES	TOTAL	% TO TOTAL SALES	DIFFERENCE	INCREASE / DECREASE (%)
Manufacturing and Infrastructure	Rp mio	2,679,436	80.2%	<b>2,791,013</b>	<b>86.3%</b>	111,577	4.2%
Trading, Services and Investment	Rp mio	122,666	3.7%	<b>81,233</b>	<b>2.5%</b>	(41,433)	-33.8%
Fabrication and Construction Services	Rp mio	538,349	16.1%	<b>363,431</b>	<b>11.2%</b>	(174,918)	-32.5%
<b>CONSOLIDATED</b>	<b>Rp mio</b>	<b>3,340,451</b>	<b>100.0%</b>	<b>3,235,677</b>	<b>100.0%</b>	<b>(104,774)</b>	<b>-3.1%</b>

### COST OF REVENUES

In 2019 the Company recorded an increase of cost of revenues at 4.0 %, resulting in a total of Rp 2.56 trillion compared to 2018 total cost of revenues of Rp 2.66 trillion.

Cost of revenues for manufacturing and infrastructure segment increased by Rp 120.25 billion, this was inline with the increase of demand for products of Company's manufacturing subsidiaries.

Major increase of cost of revenues in infrastructure and manufacturing segment was for provision of finished goods, increasing by Rp 194.31 billion in 2019. This was due to increasing number of projects handled by BPI.

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

Detailed cost of revenues by operating segment were as follows:



### Cost of Revenues by Operating Segment

DESCRIPTION	UNIT	2018 TOTAL	2019 TOTAL	2019/2018	
				DIFFERENCE	INCREASE / DECREASE (%)
Infrastructure and manufacturing					
Raw material	Rp mio	1,822,282	1,358,946	(463,336)	-25.4%
Direct Labor	Rp mio	158,632	94,475	(64,157)	-40.4%
Overhead	Rp mio	413,186	718,387	305,201	73.9%
Total production costs	Rp mio	2,394,100	2,171,808	(222,292)	-9.3%
Work in process - Beginning	Rp mio	64,491	120,125	55,634	86.3%
Work in process - Ending	Rp mio	(120,125)	(60,052)	60,073	-50.0%
Finished goods - Beginning	Rp mio	302,732	497,046	194,314	64.2%
Finished goods - Ending	Rp mio	(497,046)	(464,526)	32,520	-6.5%
Total infrastructure and manufacturing	Rp mio	2,144,153	2,264,401	120,249	5.6%
Trading, services and investment					
Service and installation costs	Rp mio	42,181	1,292	(40,889)	-96.9%
Fabrication and Construction Services					
Raw material	Rp mio	312,272	86,803	(225,469)	-72.2%
Subcontractors	Rp mio	90,873	68,405	(22,468)	-24.7%
Direct Labor	Rp mio	48,639	82,433	33,794	69.5%
Others	Rp mio	26,769	54,086	27,317	102.0%
Total Cost of Revenues	Rp mio	2,664,887	2,557,420	(107,467)	-4.0%

### SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

In 2019 the Company booked decrease of selling, general and administrative expenses as much as 8.6 %, decreased to Rp 540.59 billion compared to 2018 total of Rp 591.42 billion.

The largest decrease occurred in general and administrative expenses, which declined by Rp 63.72 billion.

#### Selling, General and Administrative Expenses

DESCRIPTION	UNIT	2018 TOTAL	2019 TOTAL	2019/2018	
				DIFFERENCE	INCREASE / DECREASE (%)
Selling expenses	Rp mio	107,784	<b>121,718</b>	13,934	12.9%
Personnel expenses	Rp mio	262,837	<b>261,789</b>	(1,048)	-0.4%
General and administrative expenses	Rp mio	220,796	<b>157,081</b>	(63,715)	-28.9%
<b>Total Selling, General and Administrative Expenses</b>	Rp mio	591,417	<b>540,588</b>	(50,829)	-8.6%

## OPERATING INCOME / (LOSS)

In 2019 the Company recorded operating profit as much as Rp 137.67 billion, a significant improvement if compared to 2018 total operating profit of Rp 84.15 billion.

## OTHER INCOME (EXPENSES)

In 2019 the Company booked other income as much as Rp 743.86 billion, an improvement if compared to other expenses recorded in 2018 totaling at Rp 1.29 trillion.

The recording of other income was mainly due to the share in net income of associated and jointly controlled entities totaling at Rp 758.87 billion in 2019.

### Other Income/(Expenses)

DESCRIPTION	UNIT	2018 TOTAL	2019 TOTAL	2019/2018	
				DIFFERENCE	INCREASE / DECREASE (%)
Share in net income (loss) of associated and jointly controlled entities	Rp mio	173,213	<b>758,870</b>	585,657	338.1%
Gain (loss) on foreign exchange - net	Rp mio	(708,617)	<b>90,130</b>	798,747	-112.7%
Tax expenses	Rp mio	9,818	<b>34,124</b>	24,306	247.6%
Gain on sale of fixed assets	Rp mio	0	<b>1,747</b>	1,747	0.0%
Interest and financial expenses	Rp mio	(349,995)	<b>(175,103)</b>	174,892	-50.0%
Musyarakah sharing expense	Rp mio	(7,403)	<b>(5,774)</b>	1,629	-22.0%
Fair value changes of financial instruments - net	Rp mio	(524,027)	<b>(5,545)</b>	518,482	-98.9%
Murabahah expense	Rp mio	(5,608)	<b>(2,246)</b>	3,362	-60.0%
Gain on sale of investment	Rp mio	121,174	<b>0</b>	(121,174)	-100.0%
Others	Rp mio	(3,387)	<b>47,652</b>	51,039	-1506.9%
<b>Total Other Expenses</b>	<b>Rp mio</b>	<b>(1,294,832)</b>	<b>743,855</b>	<b>2,038,687</b>	<b>-157.4%</b>

## PROFIT (LOSS) BEFORE INCOME TAX BENEFIT (EXPENSE)

The company booked profit before income tax expense amounted to Rp 881.52 billion in 2019, a significant improvement if compared to loss before income tax expense amounted to Rp 1.21 trillion in 2018.

## INCOME TAX BENEFIT/(EXPENSE)

The company booked income tax expense amounted to Rp 18.25 billion in 2019, decrease if compared to the account in 2018 which totaled at Rp 39.53 billion. This was inline with increase of Company benefit of deferred tax in 2019.

### Income Tax Expense

DESCRIPTION	UNIT	2018 TOTAL	2019 TOTAL	2019/2018	
				DIFFERENCE	INCREASE / DECREASE (%)
Current tax	Rp mio	(55,869)	<b>(58,427)</b>	(2,558)	4.6%
Deferred tax	Rp mio	16,341	<b>40,173</b>	23,832	145.8%
<b>Total Income Tax Expense - Net</b>	<b>Rp mio</b>	<b>(39,528)</b>	<b>(18,254)</b>	<b>21,274</b>	<b>-53.8%</b>

## NET INCOME (LOSS)

The company booked a net income of Rp 863.27 billion in 2019, a major increase if compared to net loss of Rp 1.25 trillion recorded in 2018.

## 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 reclassified as profit (loss) and posts that will not be reclassified as profit (loss). The Company has balance of other comprehensive incomes as required by Financial Accounting Standard (FAS).

The Company's other comprehensive incomes (loss) consist of share in other comprehensive income of associated and jointly controlled entities, realized gain on available-for-sale securities, exchange rate differences due to financial statements translation, available-for-sale financial asset, remeasurement of defined benefit pension plan, and income tax on items in other comprehensive income. The Company recorded other comprehensive losses in 2019 as much as Rp 77.56 billion, a decline if compared to other comprehensive loss recorded in 2018 as much as Rp 73.45 billion.

The Company booked other comprehensive losses mainly due to exchange differences due to financial statement translation totaling at Rp 84.61 billion, remeasurement of defined benefit pension plan totaling at Rp 47.66 billion and share in other comprehensive income of associated and jointly controlled entities totaling at Rp 29.80 billion.

### Other Comprehensive Income (Loss)

DESCRIPTION	UNIT	2018 TOTAL	2019 TOTAL	2019/2018	
				DIFFERENCE	INCREASE / DECREASE (%)
Share in other comprehensive income of associated and jointly controlled entities	Rp mio	16,985	<b>(29,804)</b>	(46,789)	-275.5%
Realized gain on available-for-sale securities	Rp mio	(121,174)	<b>0</b>	121,174	-100.0%
Exchange differences due to financial statement translation	Rp mio	(22,953)	<b>(84,607)</b>	(61,654)	268.6%
Net change in fair value of available-for-sale financial asset	Rp mio	(1,604)	<b>(224)</b>	1,380	-86.0%
Items that will not be reclassified to profit or loss					
Remeasurement of defined benefit pension plan	Rp mio	67,135	<b>47,658</b>	(19,477)	-29.0%
Income tax on items in other comprehensive income	Rp mio	(11,839)	<b>(10,588)</b>	1,251	-10.6%
<b>Other Comprehensive Income - Net of Tax</b>	Rp mio	<b>(73,450)</b>	<b>(77,565)</b>	<b>(4,115)</b>	<b>5.6%</b>

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

Upon the calculation of profit/loss, then, in 2019 the Company recorded the net comprehensive income attributable to Owner of Parent and Non-Controlling Interest in the amount of Rp 785.70 billion.

### Balance Sheets Highlight

DESCRIPTION	UNIT	2018 TOTAL	2019 TOTAL	2019/2018	
				DIFFERENCE	INCREASE / DECREASE (%)
Current Assets	Rp mio	10,385,139	<b>11,259,202</b>	874,063	8.4%
Non-Current Assets	Rp mio	3,949,969	<b>3,105,336</b>	(844,633)	-21.4%
<b>Total Assets</b>	Rp mio	<b>14,335,108</b>	<b>14,364,538</b>	29,430	0.2%
Short Term Liabilities	Rp mio	10,667,572	<b>11,115,243</b>	447,671	4.2%
Long Term Liabilities	Rp mio	988,497	<b>894,617</b>	(93,880)	-9.5%
<b>Total Liabilities</b>	Rp mio	<b>11,656,069</b>	<b>12,009,860</b>	353,791	3.0%

### CURRENT ASSETS

In 2019 the Company recorded Rp 11.26 trillion of current assets, an increase compared to Rp 10.39 trillion in 2018. This was mainly due to increase of short term investment placed in Fitzroy Offshore Ltd, further elaboration regarding this transaction is discussed in sub chapter Information for Investors in the Good Corporate Governance of this Annual Report.

### NON-CURRENT ASSETS

The company recorded 21.4 % decrease of non-current assets to Rp 3.10 trillion in 2019 compared to Rp 3.95 trillion in 2018. Largest decrease was contributed by long term trade receivables which decreased by Rp 442.52 billion due to reclassification into current assets and investment in associates entities which decreased by Rp 379.95 billion due to the release of shares of an associate.

### TOTAL ASSETS

In 2019 the Company booked total assets amounted to Rp 14.36 trillion, relatively stable if compared to Rp 14.34 trillion recorded in 2018. The increase in current assets is offset by a decrease in non-current assets as described above.

### SHORT-TERM LIABILITIES

In 2019 total short-term liabilities of the Company increased by 4.2 % compared to 2018, from Rp 10.67 trillion in 2018 to Rp 11.12 trillion in 2019 due to the increase in current year of derivative liabilities to Glencore.

### LONG-TERM LIABILITIES

In 2019 the Company recorded long-term liabilities amounted to Rp 894.62 billion, decreased by 9.5 % from Rp 988.50 billion in 2018 due to partial settlement of long-term obligations.

### TOTAL LIABILITIES

In 2019 total liabilities of the Company increased by 3.0 % from Rp 11.66 trillion in 2018 to Rp 12.01 trillion in 2019 which is caused by an increase in short-term derivative liabilities.

### TOTAL EQUITY

The Company total equity was Rp 2.36 trillion in 2019, decreased by 12.1% compared to 2018 equity which amounted to Rp 2.68 trillion. This decrease was caused by other comprehensive losses arising from the release of associates' shares in entities under common control.

## Total Equity

DESCRIPTION	UNIT	2018 TOTAL	2019 TOTAL	2019/2018	
				DIFFERENCE	INCREASE / DECREASE (%)
Equity attributable to owners of the Parent	Rp mio	14,189,464	<b>14,235,002</b>	45,538	0.3%
Additional paid-in capital - netto	Rp mio	(1,395,308)	<b>(2,504,322)</b>	(1,109,014)	79.5%
Mandatory convertible bonds	Rp mio	9,486,524	<b>9,440,986</b>	(45,538)	-0.5%
Other capital reserves	Rp mio	301,167	<b>216,589</b>	(84,578)	-28.1%
Deficit (Deficit of Rp27.7 trillion as of June 30, 2011 was eliminated in connection with quasi-reorganization)	Rp mio	(19,895,922)	<b>(19,042,966)</b>	852,956	-4.3%
<b>Sub-total</b>	Rp mio	2,685,925	<b>2,345,289</b>	(340,636)	-12.7%
Non-controlling Interest	Rp mio	(6,886)	<b>9,389</b>	16,275	-236.3%
<b>Total (Deficiency) Equity</b>	Rp mio	2,679,039	<b>2,354,678</b>	(324,361)	-12.1%

## CASH FLOWS

During 2019 Company's operational activities were relatively stable if compared with 2018, therefore the Company recorded net cash flow provided operating activities in 2019 totaling at Rp 347.81 billion, the changes was insignificant if compared to net cash flow used for operating activities in 2018 which amounted to Rp 123.88 billion.

Cash flow used in investing activities during 2019 was as much as Rp 66.11 billion, an increase compared to cash flow used in investing activities during 2018 which amounted to Rp 9.91 billion. Cash flow used in investing activities decreased because Company's payments for acquisition of fixed assets were offset by receipts from sale of fixed assets, in addition the Company also did not make any acquisition of investments other than focus on capital goods expenses.

Net cash used in financing activities during 2019 was as much as Rp 273.20 billion, increased compared 2018 which recorded cash used in financing activities as much as Rp 29.70 billion. Largest contribution was due to decrease of proceeds for Company's loans, both short term and long term, on the other hand there has been an increase of payment of debt due.

## Cash Flows

DESCRIPTION	UNIT	2018 TOTAL	2019 TOTAL	2019/2018	
				DIFFERENCE	INCREASE / DECREASE (%)
Net Cash Flows Provided from (Used in) Operating Activities	Rp mio	123,882	<b>347,812</b>	223,930	180.8%
Net Cash Flows Provided by (Used in) Investing Activities	Rp mio	(99,907)	<b>(66,106)</b>	33,801	-33.8%
Net Cash Flows Provided by (Used in) Financing Activities	Rp mio	(29,698)	<b>(273,201)</b>	(243,503)	819.9%
Effect of exchange rate changes on cash and cash equivalent	Rp mio	252	<b>(1,205)</b>	(1,457)	-578.2%
Cash and Cash equivalent at beginning of year	Rp mio	124,348	<b>118,877</b>	(5,471)	-4.4%
Cash and Cash Equivalents at End of Year	Rp mio	118,877	<b>126,177</b>	7,300	6.1%



## 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.

#### Solvability

DESCRIPTION	UNIT	2018 TOTAL	2019 TOTAL	2019/2018	
				DIFFERENCE	INCREASE / DECREASE (%)
Total Liabilities to Equity Ratio	Multiple	4.35	<b>5.10</b>	0.75	17.2%
Total Liabilities to EBITDA Ratio	Multiple	33.04	<b>31.65</b>	(1.39)	-4.2%
EBITDA to Interest Expense Ratio	Multiple	(0.08)	<b>(2.07)</b>	(1.99)	2490.5%
Total Liabilities to Total Assets Ratio	Multiple	0.81	<b>0.84</b>	0.03	3.2%

### RECEIVABLES COLLECTABILITY

Company collecting period was longer in 2019, which was 251 days compared to 168 days in 2018. Account receivables turnover also declined to 1.43 in 2019 compared to 2.14 in 2018.

#### Collectability

DESCRIPTION	UNIT	2018 TOTAL	2019 TOTAL
Collection Period	Day	168	<b>251</b>
Account Receivables Turnover	Multiple	2.14	<b>1.43</b>

## CAPITAL STRUCTURE AND CAPITAL STRUCTURE POLICY

The Company's capital structure in 2019 consisted of 83.6% liabilities and 16.4% equity. The Company's liabilities were mainly used to increase the Company's funding needs in financing the business development activities and working capital needs.

The Company's equity was entirely used to finance business development activities and to cover business risks. The Company's equity in has rebounded to positive equity since 2018 as a result of debt restructuring efforts carried out since 2016.

#### Capital Structure

DESCRIPTION	UNIT	2018		2019	
		TOTAL	% TO ASSETS	TOTAL	% TO ASSETS
Short-Term Liabilities	Rp mio	10,667,572	74.4%	11,115,243	<b>77.4%</b>
Long-Term Liabilities	Rp mio	988,497	6.9%	894,617	<b>6.2%</b>
Total Liabilities	Rp mio	11,656,069	81.3%	12,009,860	<b>83.6%</b>
Equity	Rp mio	2,679,039	18.7%	2,354,678	<b>16.4%</b>
<b>Total Liabilities and Equity</b>	Rp mio	<b>14,335,108</b>		<b>14,364,538</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 2019.

## CAPITAL EXPENDITURE

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

In 2018 BNBR and its subsidiaries spent Rp 123.90 billion for capital expenditure which comprised of land dan buildings improvements of Rp 8.55 billion, machinery and equipment of Rp 57.04 billion, transportation equipment of Rp 3.55 billion, office furniture and fixture of Rp 3.85 billion, and construction in progress on machinery and equipment of Rp 50.89 billion.

## 2019 COMPANY'S TARGET COMPARED TO ACTUAL PERFORMANCE

Achievement of 2019 target was also monitored through average selling price and infrastructure projects completion as described in the following tables.

### Average Selling Price

DESCRIPTION	NOTE	2017 TOTAL	2019			2019 / 2018		2020 TARGET
			PRICE TARGET	PRICE REALIZA- TION	% TO TARGET	DIFFERENCE	INCREASE / DECREASE (%)	
AVERAGE SELLING PRICE								
Automotive Components Manufacturing Segment								
Sales to OEM	Rp '000/ton	30,642	30,148	41,725	138.4%	11,083	36.2%	35,998
Replacement Spare Parts Market	Rp '000/ton	21,407	21,854	21,553	98.6%	146	0.7%	24,682

DESCRIPTION	NOTE	2017 TOTAL	2019			2019 / 2018		2020 TARGET
			PRICE TARGET	PRICE REALIZA- TION	% TO TARGET	DIFFERENCE	INCREASE / DECREASE (%)	
General Casting	Rp '000/ton	22,574	24,338	23,711	97.4%	1,137	5.0%	24,919
Export	Rp '000/ton	23,255	24,974	27,456	109.9%	4,201	18.1%	20,289
<b>Building Material Manufacturing Segment</b>								
Fiber Cement Roof	Rp '000/ stdm	17,443	18,649	16,131	86.5%	-1,312	-7.5%	19,620
Fiber Cement Board	Rp '000/ stdm	17,402	20,255	15,314	75.6%	-2,088	-12.0%	17,241
<b>Metal Industry Manufacturing Segment</b>								
Oil & Gas Steel Pipe	Rp '000/ton	24,561	20,840	26,271	126.1%	1,710	7.0%	20,007
Non-Oil & Gas Steel Pipe	Rp '000/ton	14,871	14,876	14,953	100.5%	83	0.6%	13,948
Trading of Steel Products	Rp '000/ton	10,655	2,900	7,594	261.8%	-3,062	-28.7%	2,880

### Infrastructure Projects Completion

DESCRIPTION	COMPLETION STAGE		
	2018	2019	TARGET 2020
Steam Power Plant 2 x 660 MW Tanjung Jati A	2nd PPA amendment is effective and reach financial close.	Business Viability Guarantee Letter (BVGL) from the Government of Indonesia has been obtained, total area of 239 Ha in Cirebon has been cleared for the project and EPC contractor has been appointed.	Construction of the 500kV tower insert for connection to the PLN grid scheduled in second semester 2020 and financial close also targeted second semester 2020.
Cimanggis-Cibitung Toll Road 26.4 km	Continue constructing section 1A, land acquisition for section 1B and 2 along with soil treatment on land already acquired	Continue constructing section 1A, phase II construction has reached 72% completion and 82% land clearance.	Construction completion of phase 1A.
Kaliya Gas Pipeline	Continue normal pipeline operation according to GTA.	Continue normal pipeline operation according to GTA.	Proper maintenance of pipeline phase 1 pipeline and market study of supply and demand of pipeline phase 2.

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

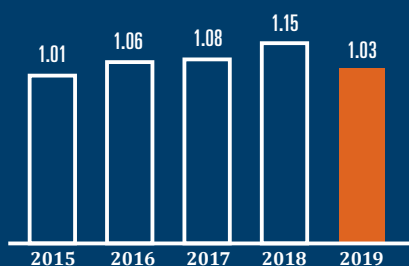
There is no important transaction after the reporting date until the completion date of the consolidated financial statements.

## COMPANY'S BUSINESS PROSPECT

The majority of macroeconomic indicators throughout 2019 made BNBR and its business units take various innovation efforts to maintain business sustainability.

# BAKRIE AUTOPARTS

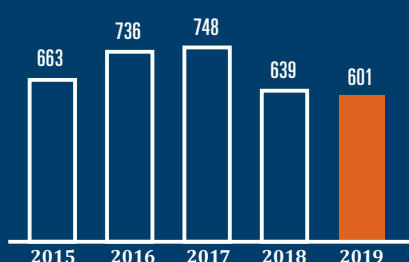
## DOMESTIC CAR SALES



Car sales in Indonesia increased to 1.03 million units in 2019 with sales composition of 77% passenger vehicle segment and 23% commercial vehicle segment.

Source: Gaikindo

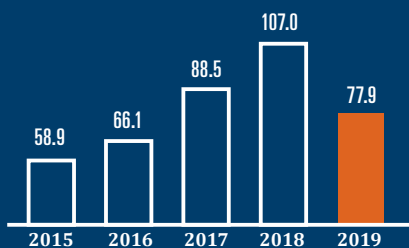
## CPO PRICE



Crude Palm Oil (CPO) price experienced a decrease in 2019 due to increase of CPO production.

Source: World Bank

## COAL PRICE - AUSTRALIA



Coal prices have declined in line with efforts to reduce emissions in developed countries, additionally the Chinese manufacturing sector also experienced a slowdown so as to reduce demand for coal.

Source: World Bank

Bakrie Autoparts (BA) main sales are components for commercial vehicle, which contributed up to 88% of total sales tonnage in 2019. BA has been trusted as component supplier for two major OEM in Indonesia, namely Mitsubishi and Hino. This reinforced BA's performance in commercial vehicle segment.

Commodity market which has been the backbone of commercial vehicle segment has experienced a downright trend in 2019 as reflected in BA decrease of sales volume. However BA is able to maintain their revenue by diversifying its product portfolios with increasing complexity and have high selling prices, in addition BA strives to perform sales of products that have higher margins. BA also continued its effort to tap into passenger vehicle and aftersales market in order to support its business sustainability.

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

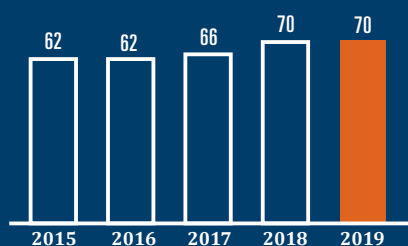
Since 2018 BA initiated electric vehicle development in the form of bus through its cooperation with BYD Auto Co. Ltd (BYD), a world renowned electric vehicle company from China which products have been used in over 200 cities and 50 countries across the globe. This cooperation was established through signing of memorandum of understanding on April 13, 2018 in Beijing as witnessed by Coordinating Minister of Maritime Affairs of Republic of Indonesia. This cooperation is further strengthened by the signing of a cooperation agreement between BA and BYD to handle the Trans Jakarta project on January 21, 2019.

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

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

# BAKRIE BUILDING INDUSTRIES

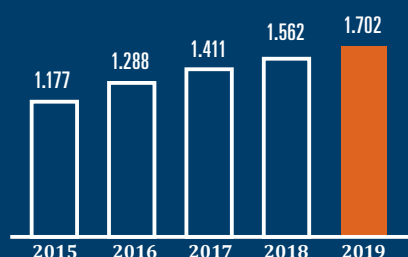
## NATIONAL CEMENT CONSUMPTION



National cement consumption were stagnant in 2019 due to weak domestic demand throughout 2019.

Source: Indonesia Cement Association

## CONSTRUCTION SECTOR GDP



Growth in the construction sector GDP slowed in 2019 to 8.9% compared to the previous year's growth of 10.8%.

Source: BPS

## OUTSTANDING OF HOUSING OWNERSHIP LOAN



Disbursement of Housing Ownership Loan (KPR) is predicted will be stable in 2020 along with the launch of the fiscal stimulus housing subsidies by the Government of Indonesia.

Source: Bank Indonesia

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

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

BBI also planned to develop digital platform for logistic and distribution business line, through its subsidiary, PT Bangun Bantala Indonesia, BBI will become a 4 PL logistic services provider which caters to business-to-business segment. Utilization of digital technology will enables customers to perform real time monitoring of the logistic fleet movement and performance; hence customers will receive optimum service with efficient cost. This digital platform will also facilitate PT Bangun Bantala Indonesia to reach a bigger market with various building and non-building material products. During the period of 2013 – 2017 logistic market growth in Indonesia experiencing compounded annual growth rate (CAGR) of 11.7%, larger if compared to other ASEAN countries.<sup>1</sup> Furthermore, Indonesia's logistics industry is expected to grow with a CAGR of 6.5% until 2022.<sup>2</sup>

1. Source: Indonesian Logistics and Forwarder Associations

2. Source: Frost & Sullivan



# BAKRIE METAL INDUSTRIES

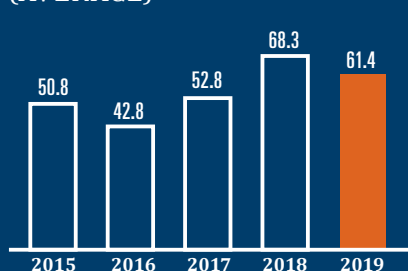
## NATIONAL STEEL CONSUMPTION



National steel consumption is expected to increase to 22.7 million tons in 2024.<sup>3</sup>

Source: SEAISI, IISIA

## CRUDE OIL PRICE (AVERAGE)



Hot Rolled Coil steel prices are predicted to be sloped along with the high production and inventory of producers.

Source: World Bank

## HOT ROLLED COIL PRICE



The price of crude oil has declined in line with slowing global demand for oil.

Source: Krakatau Steel

3. Source: Indonesian Iron and Steel Industry Association (IISIA)

4. Source: Ministry of Energy and Mineral Resources

BMI businesses that are related to oil & gas industry such as oil & gas pipes and offshore construction experienced a steep decline since 2017. Although crude oil price has shown its recovery in 2018, however the recovery rate was put on halt in 2019 and further slumped in beginning of 2020 as a result of COVID-19 pandemic. In light of this forecast BMI continued its plan to expand its non-oil & gas business.

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

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

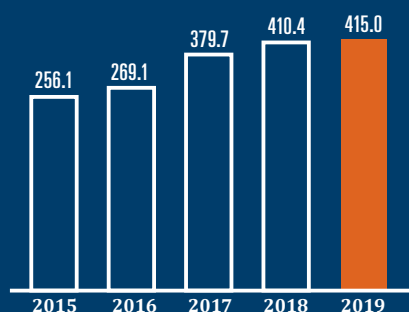
# BAKRIE INDO INFRASTRUCTURE

Infrastructure development in the period 2020-2024 will be focused on three main frameworks (Basic Service Infrastructure, Economic Infrastructure, and Urban Infrastructure) which supported by the development of energy and electricity as well as the implementation of digital transformation.

Electrification ratio in 2019 is 98.89%.<sup>4</sup> In order to achieve it the Government has announce accelerated development program of 35,000 MW, Private sector participation is expected higher than the Government. Based on RUPTL PLN 2019-2028, PLN beliefs that can develop 29% from the total capacity of 35,000 MW, so the 71% are expected can be built by Private Sector, or equivalent with 24,8 GW. In addition the Government has also opened a wider participation opportunity for private sector that previously has build and operate power plant, especially considering that in 2019 operating power plants have only reached 8% or 2,899 MW.

The Company through its subsidiary, Bakrie Power (BP), has a considerably large prospect to further develop the capacity of PLTU Jawa-3, or Tanjung Jati Power Plant (2 x 660 MW) which will soon enter its construction stage. Furthermore, BP will also participate in other tenders that are parts of the aforementioned Government project. BP has targeted to develop renewable

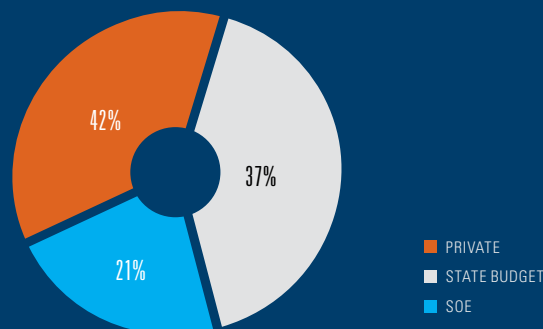
### INFRASTRUCTURE SPENDING IN STATE BUDGET



Funding needs to fulfil infrastructure development target in the period of 2020 - 2024 is predicted to reach Rp 6,421 trillion.<sup>5</sup>

Source: State Budget (APBN) 2019, Ministry of Finance

### INFRASTRUCTURE FUNDING NEEDS 2020-2024



Private sector participation is put into budget by as much as 42% from the total investment requirement.

Source: RPJMN 2020-2024

energy (EBT) power plant, until currently BP has succeeded in developing solar power plant in Flores Timur, Alor, Maluku and Jakarta with total capacity of 735 KWp. This direction of BP business is in line with the initiative of Government of Indonesia which targeted 23% portion of renewable energy out of total energy mix in 2025.<sup>6</sup>

Meanwhile one of the connectivity targets in the National Medium-Term Development Plan (RPJMN) 2015 - 2019 is the development of 2,650 km new road, 1,000 toll road and 46,770 km existing road maintenance. In 2019 newly built road reached 3,843 km length and toll roads reached 1,298 km length.<sup>7</sup> The Government has constructed a plans for general toll road network system, included in it were toll roads that are approved by the Minister as general guidance in constructing the toll road network; the authority of toll road management rests with the Government with several authorities comprising of regulating, managing and supervising of toll roads delegated to the Indonesia Toll Road Authority (Badan Pengatur Jalan Tol / BPJT). At the macro stage of toll road business the Government also provides opportunity for other non-Government and non-BPJT related Business Entity to propose toll road development initiative based on study of connectivity needs and business prospect as conducted by the aforementioned Business Entity.

The development of Information and Communication Technology which has largely been carried out in the 2015-2019 RPJMN is planned to be completed in the RPJMN 2020-2024 period. Efforts to improve digital connectivity were carried out through the Palapa Ring Project, in which PT Multi Kontrol Nusantara (MKN) was one of the implementers. Up to 2019, all regency and city capitals have been connected to the back bone broadband networks that were jointly developed by telecommunications operators as well as cooperation between Government and Business Entity through the aforementioned project. The Government is still targeting the fulfillment of the need for adequate access to information for at least 4,474 villages that have not been served with telecommunications and internet access.

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

5. Source: National Medium Term Development Plan 2020-2024

6. Source: PP No.79 year 2014

7. Source: Ministry of Public Works and Public Housing

## 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 2019 the usage of Company's profit of the fiscal year ended December 31, 2018 was decided as retained earnings. While for fiscal year ended December 31, 2019 will be decided in the coming Annual GMS in 2020.

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

## MATERIAL INFORMATION ON INVESTMENT, EXPANSION, DIVESTMENT, MERGER, ACQUISITION OR DEBT/CAPITAL RESTRUCTURING

Information on divestment as well as establishment and changes of share ownership in subsidiaries is disclosed by the Company in point number 1.c of Accompanying Notes to the Consolidated Financial Statement for fiscal year ended December 31, 2019.

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

In 2019 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, 2012.

Detailed information on Transactions with Related Parties is disclosed by the Company in point number 39 of Accompanying Notes to

the Consolidated Audited Financial Statement for fiscal year ended December 31, 2019.

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 39 of Accompanying Notes to the Consolidated Audited Financial Statement for fiscal year ended December 31, 2019).

### Transaction with Related Parties

DESCRIPTION	UNIT	2018		2019		2019/2018	
		TOTAL	% TO TOTAL SALES	TOTAL	% TO TOTAL SALES	TOTAL	INCREASE / DECREASE (%)
Key management compensation	Rp mio	71,349	2.14%	71,332	2.20%	-17	-0.02%

DESCRIPTION	UNIT	2018		2019		2019/2018	
		TOTAL	% TO TOTAL SALES	TOTAL	% TO TOTAL CONSOLIDATED ASSETS	TOTAL	INCREASE / DECREASE (%)
Short-term investments	Rp mio	10,980	0.08%	10,756	0.07%	-224	-2.04%
Trade receivables – related parties	Rp mio	11,837	0.08%	8,996	0.06%	-2,841	-24.00%
Due from related parties	Rp mio	280,803	1.96%	282,778	1.97%	1,975	0.70%
Receivable from Commissioners, Directors and Employees	Rp mio	216	0.00%	316	0.00%	100	46.30%

DESCRIPTION	UNIT	2018		2019		2019/2018	
		TOTAL	% TO TOTAL SALES	TOTAL	% TO TOTAL CONSOLIDATED LIABILITIES	TOTAL	INCREASE / DECREASE (%)
Trade payables – related parties	Rp mio	17,208	0.15%	14,381	0.12%	-2,827	-16.43%
Other payables – related parties	Rp mio	27,134	0.23%	38,232	0.32%	11,098	40.90%
Due to related parties	Rp mio	198,495	1.70%	203,020	1.69%	4,525	2.28%

## CHANGES OF REGULATIONS

In 2019, there were some changes of regulations that impact the Company's performance today and in the future:

REGULATION		CONCERNING	EFFECT TO COMPANY
1.	Minister of Industry Regulation No.30 year 2019 Amendment to Minister of Industry Regulation NO. 15 year 2019	Issuance of industrial business licenses and expansion business licenses in the framework of electronically integrated business licensing services	Positive
2.	Republic of Indonesia's Presidential Regulation No. 7 year 2019	Occupational illness	Neutral
3.	Government Regulation No. 88 year 2019	Occupational Health	Neutral
4.	Regulation of the Director General of Tax Copies Number PER-02 / PJ / 2019	Procedure for Submitting, Receiving, and Processing Notification Letter	Positive
5.	Minister of Industry Regulation No. 2 year 2019	Procedure for Submitting Industrial Data, Industrial Estate Data, Other Data, Industrial Information and other Information through the National Industrial Information System	Positive





6.	Government Regulation No. 82 year 2019	Amendments of Government Regulation No. 44 of 2015 concerning the Implementation of Work Accident Insurance and Death Insurance Programs	Neutral
7.	Minister of Industry Regulation No 47 year 2019	Criteria and / or Requirements in Order to Obtain Income Tax Facilities for Investment in Certain Business Fields and / or in Certain Regions in the Industrial Sector	Neutral
8.	Minister of Industry Regulation No. 45 year 2019	Procedures for the Granting of Industrial Estate Business Licenses and Industrial Estate Expansion Licenses in the Framework of Electronically Integrated Business Licensing Services	Positive
9	Republic of Indonesia Presidential Regulation Number 63 Year 2019	Use of Indonesian language	Positive
10	Regulation of the Minister of Environment and Forestry Number P.38 / MENLHLK / SETJEN / KUM.1 / 2019 year 2019	Types of Business Plans and / or Activities that Must Have Environmental Impact Analysis	Positive
11	Regulation of the Minister of Agriculture and Spatial Planning / Head of National Land Board of the Republic of Indonesia No. 17 year 2019	Location permission	Neutral
12	Regulation of the Minister of Energy and Mineral Resources of the Republic of Indonesia No. 16 year 2019	Second Amendment on the Regulation of the Minister of Energy and Mineral Resources Number 49 Year 2018 Regarding the Use of a Rooftop Solar Power Generation System by PT PLN Consumers	Neutral
13	Minister of Energy and Mineral Resources of the Republic of Indonesia Decree No. 55 K / 20 / MEM / 2019	About the Principal Amount of Costs for the Provision of PT Perusahaan Listrik Negara (Persero) year 2018	Neutral

## CHANGES OF ACCOUNTING POLICY

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

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

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

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

## MATERIAL INCREASES RELATED TO SALES VOLUME/NEW PRODUCTS

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

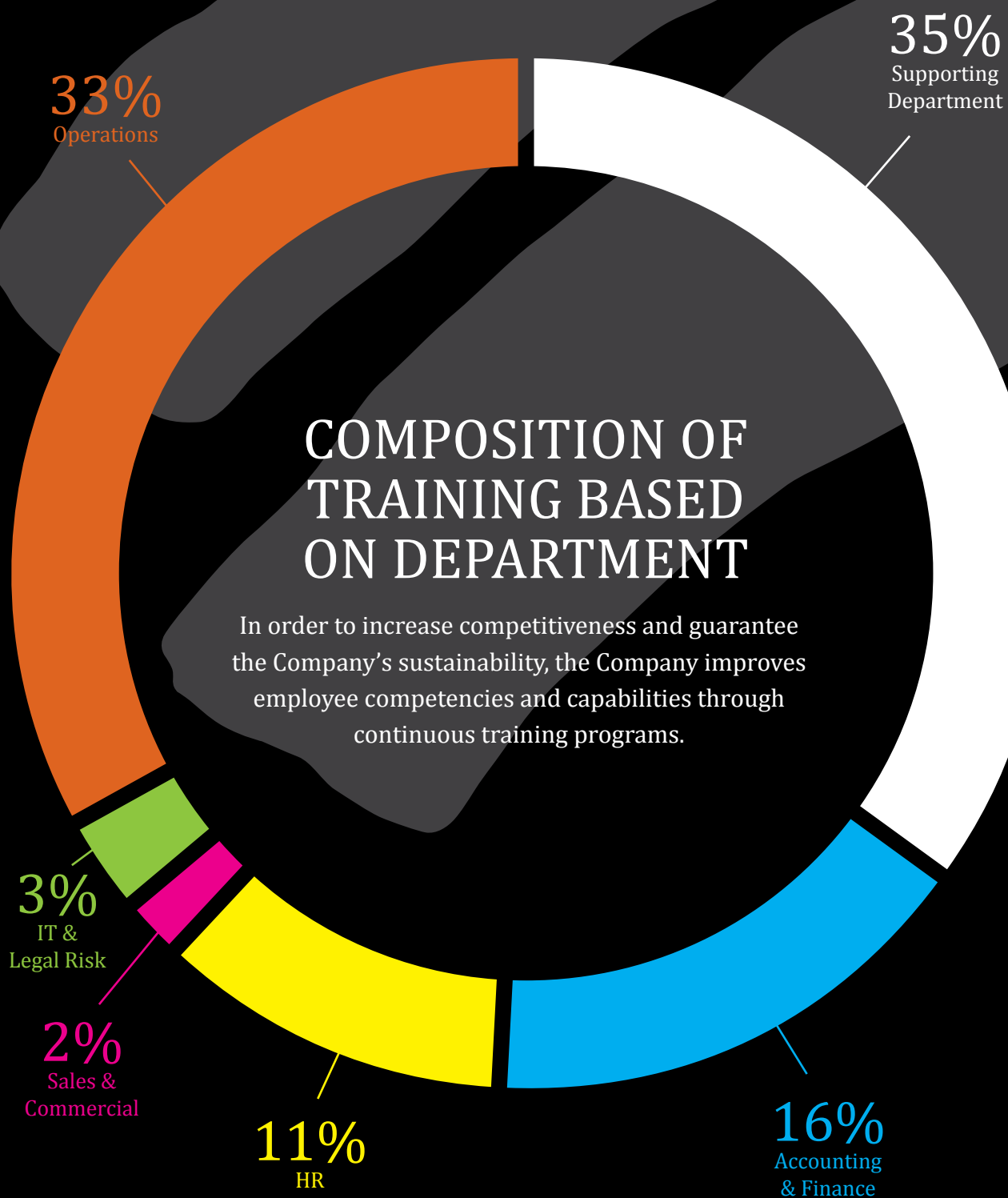
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# HUMAN CAPITAL MANAGEMENT

*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*

## COMPOSITION OF TRAINING BASED ON DEPARTMENT

In order to increase competitiveness and guarantee the Company's sustainability, the Company improves employee competencies and capabilities through continuous training programs.



# HUMAN CAPITAL MANAGEMENT

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

BNBR's Human Capital programs in 2019 were carried out through a number of HC management and organization programs and initiatives, steered toward acceleration of achievement of business goals and targets. These programs and initiatives included review and development of organization design in line with the Company's business model, HC planning and recruitment programs, leadership development programs and corporate culture development programs.

## ORGANIZATIONAL REVIEW AND DEVELOPMENT

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

The process of the Company's organization review and development is carried out in view of its basic philosophy, placing organization productivity as the

benchmark for success in tackling the competition, designing flexibility as the main key in responding to business changes and designing an organization that is able to meet all business needs now and in the future.

## PERFORMANCE MANAGEMENT

### BAKRIE PERFORMANCE CONTRACT

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

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

Specifically for employee performance evaluation, the Company has formulated the Bakrie Performance Contract (BPC), an objective, tailored performance evaluation system designed to support employees in their attainment of previously set goals and targets. Through the BPC system, employee work processes and performance are monitored through Position Description, Objective Setting and Performance Review documents. Employee performance is evaluated by calculating KPI, weighted 80%, and Employee Competence, weighted 20%.



## REWARD MANAGEMENT

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

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

## HUMAN CAPITAL MANAGEMENT POLICIES

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

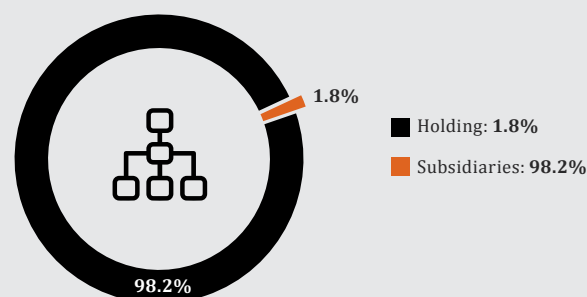
## EMPLOYEE RELATIONS

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

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

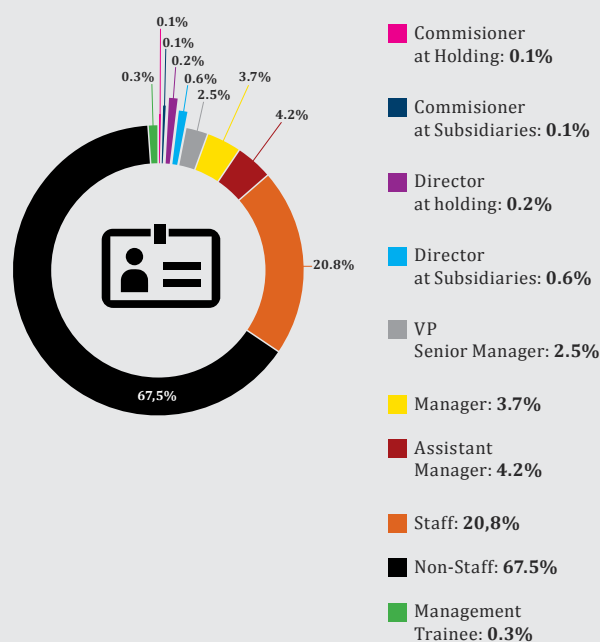
### EMPLOYEE COMPOSITION BASED ON ORGANIZATION LEVEL

ORGANIZATIONAL LEVEL	2018	2019
Holding	57	58
Subsidiaries	3,085	3,122
<b>TOTAL</b>	<b>3,142</b>	<b>3,180</b>



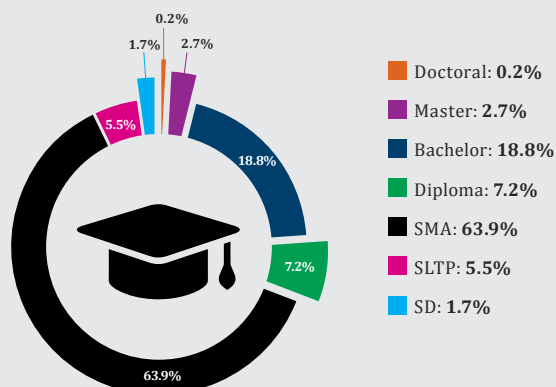
### EMPLOYEE COMPOSITION BASED ON POSITION

POSITION	2018	2019
Commissioner at Holding	3	4
Commissioner at Subsidiaries	1	2
Director at Holding	5	5
Director at Subsidiaries	24	18
VP/Senior Manager	86	81
Manager	127	117
Assistant Manager	136	133
Staff	654	663
Non-Staff	2,102	2,146
Management Trainee	4	11
<b>TOTAL</b>	<b>3,142</b>	<b>3,180</b>



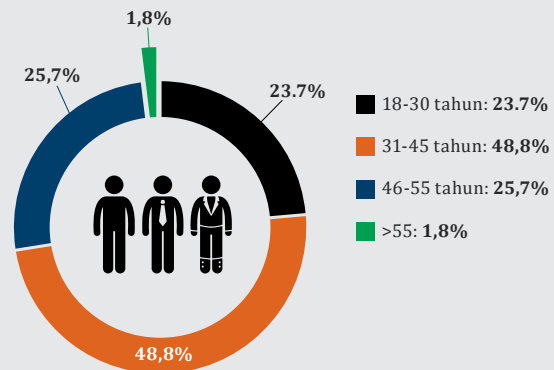
### EMPLOYEE COMPOSITION BASED ON EDUCATION

EDUCATION LEVEL	2018	2019
Doctoral Degree	5	5
Master Degree	89	87
Bachelor Degree	598	597
Diploma	254	230
SMA - Senior High School	1,930	2,033
SLTP - Junior High School	194	175
SD - Elementary School	72	53
<b>TOTAL</b>	<b>3,142</b>	<b>3,180</b>



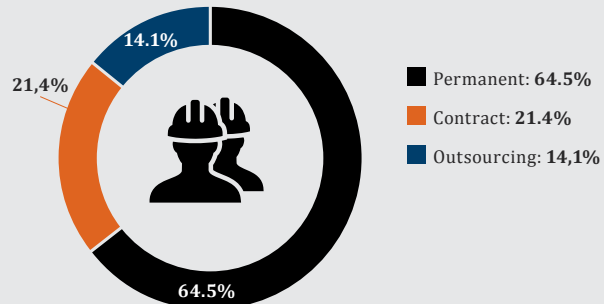
## EMPLOYEE COMPOSITION BASED ON AGE GROUP

AGE GROUP	2018	2019
18-30 years	803	755
30-45 years	1,494	1,551
45-55 years	783	816
> 55 years	62	58
<b>TOTAL</b>	<b>3,142</b>	<b>3,180</b>



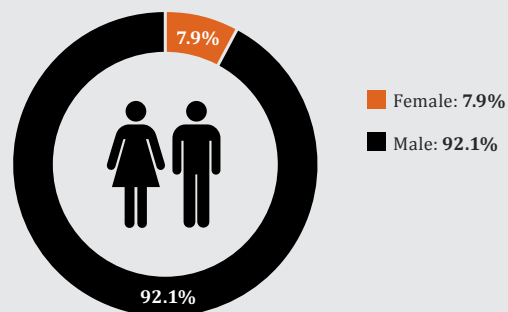
## EMPLOYEE COMPOSITION BASED ON EMPLOYMENT STATUS

EMPLOYMENT STATUS	2018	2019
Permanent	2,201	2,052
Direct Contract	560	681
Outsourcing	381	447
<b>TOTAL</b>	<b>3,142</b>	<b>3,180</b>



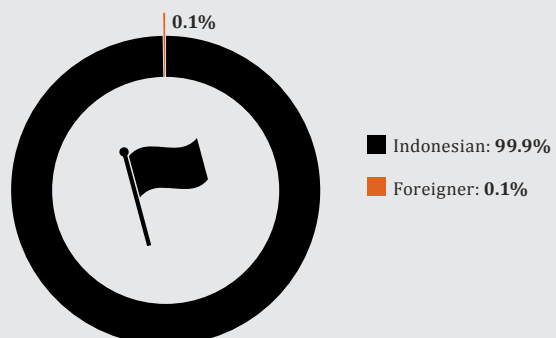
## EMPLOYEE COMPOSITION BASED ON GENDER

GENDER	2018	2019
Male	2,347	2,929
Female	795	251
<b>TOTAL</b>	<b>3,142</b>	<b>3,180</b>



## EMPLOYEE COMPOSITION BASED ON NATIONALITY

NATIONALITY	2018	2019
Indonesian	3,131	3,176
Foreigner	11	4
<b>TOTAL</b>	<b>3,142</b>	<b>3,180</b>



During 2019 the Company continued its effort of increasing the company structure effectiveness according to its business plan. The Company has ensured its productivity level will still be maintained and the Company's goals will still be achieved by ensuring human resources management that is suitable to the dynamics of the Company's business.

A total of 87 employees of BNBR and subsidiaries resigned and 125 new hires joined in 2019. 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 2019.

In 2019, total employee of BNBR and its subsidiaries increased by 1,2% to 3,180 employees. Composition of total employee of BNBR and its subsidiaries by end of 2019 consists of 2,052 permanent employees and 1,128 contract employees.

Of all BNBR and its subsidiaries' employees, approximately 22% hold bachelor degree or higher, 7% hold diploma degree, and the remaining had primary education up to senior high school. In

terms of age, approximately 24% are aged between 18-30 years, 49% are aged between 31-45 years, and the remaining are over 45 years old.

## COMPETENCE DEVELOPMENT PROGRAM

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

Training programs are adjusted to the Company's strategic plans for the future. In line with the Company's planned strategic focus on development of business in the real sector, especially in manufacturing and infrastructure, training programs in 2019 were focused on technical and functional abilities.

In 2019, BNBR group held training programs for a total of 921 employees from various departments within the Company and its subsidiaries with total cost as much as Rp 1,022,381,225.

### POSITION OF PARTICIPANTS

POSITION	Number of Participants	Training Cost (in Rupiah)
Commissioner	1	7,500,000
Director	2	7,563,636
VP/Senior Manager	27	99,444,545
Manager	167	175,693,814
Assistant Manager	84	174,428,750
Staff	368	473,164,890
Non-Staff	271	84,385,589
Management Trainee	1	200,000
<b>Total</b>	<b>921</b>	<b>1,022,381,225</b>

## TYPE OF TRAINING

TYPE OF TRAINING	Number of Participants	Training Cost (in Rupiah)
Management and Leadership Training	23	59,200,000
<i>Functional Competence Development Training (Finance, HR, Marketing, Operation, Legal)</i>	304	744,906,820
<i>ISO and Continuous Improvement Related Training</i>	545	166,804,405
Corporate Values Training	49	51,470,000
<b>Total</b>	<b>921</b>	<b>1,022,381,225</b>

## TARGETED SKILL

Targeted Skill	Number of Participants	Training Cost (in Rupiah)
Hard Skill	340	736,283,720
Soft Skill	581	286,097,505
<b>Total</b>	<b>921</b>	<b>1,022,381,225</b>

## DEPARTMENT OF PARTICIPANTS

DEPARTMENTS	Number of Participants	Training Cost (in Rupiah)
Supporting Department	318	324,072,662
Accounting & Finance	151	286,088,059
HR	96	120,884,216
Sales & Commercial	22	71,130,906
IT. Legal Risk	30	65,413,818
Operations	304	154,791,563
<b>Total</b>	<b>921</b>	<b>1,022,381,225</b>

## 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.

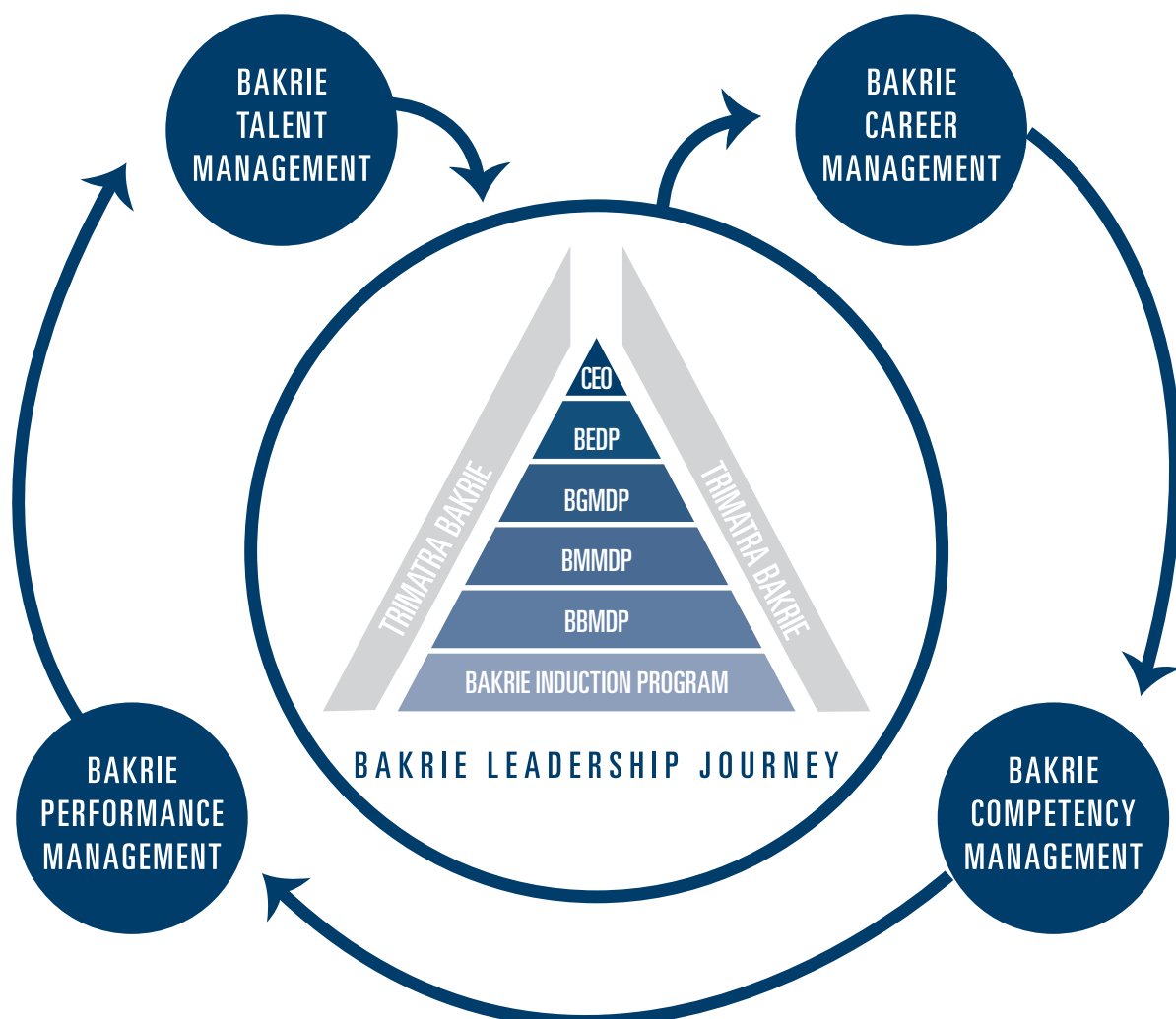


## BAKRIE LEADERSHIP DEVELOPMENT PROGRAM

The Company collaborates with Bakrie Solusi Strategis (BSS) and Bakrie Learning Center (BLC) to develop a leadership development system for every level in the Company's organization from entry level to executive level through a program called Bakrie Leadership Journey.

Bakrie Leadership Journey is a tiered and structured leadership development program carried out in the Bakrie Group environment to prepare cadres of future leaders in the Bakrie Group environment and specifically to ensure the business continuity of the BNBR Group, based on established competency and performance standards. The development program framework for the Bakrie Leadership Journey is carried out by considering several aspects such as competence and performance that lead to the formation of a talent pool and career path.

At the Bakrie Career Management stage individual identification is carried out in every functions of the Company to plan the succession and regeneration plan. Those individuals will undergo competency mapping at the Bakrie Competency Management stage, therefore the Company can plan their competency development according to Company's needs. Aside from competency mapping, each individual's performance is also monitored at the Bakrie Performance Management stage to provide considerations for the Company to include them in the talent pool at the Bakrie Talent Management. This process is carried out on an ongoing basis by continuing to instill the corporate culture called Trimatra Bakrie, so that the Company can continue to identify potential talents within the Company.



Based on this, the program levels are arranged starting from the entry level to the executive level, namely:

#### 1. **Bakrie Future Leader Development Program (BFLDP)**

The objective of this program is to prepare the company's future leader. Through this program, employees are expected to understand the whole aspects of company's culture, vision, mission, and also the business run by the company. At the end, the graduates from this program are expected to be ready to hold any position within company.

#### 2. **Bakrie Basic Induction Program (BBIP)**

The objective of this program is to introduce company's culture, vision and mission to new employee. Through this program, employees are expected to understand deeply about their working environment, and at the end they could contribute to company's target and achievement.

#### 3. **Bakrie Basic Management Development Program (BBMDP)**

The objective of this program are to equip employees with knowledge and ability to lead their self, manage tasks effectively, and also lead small number of working team within Department or Division. Through this program, employees are expected to be able to manage their team in order to achieve company's target and goals.

#### 4. **Bakrie Middle Management Development Program (BMMDP)**

The objective of this program is enhancing interpersonal leadership abilities to optimize team performance, to control processes effectively as well as create leaders who can build / plan new ideas and strategies into action plans.

#### 5. **Bakrie General Management Development Program (BGMDP)**

The objective of this program are to improve competency in managing cross-functional responsibilities, provide a more integrated and multidisciplinary view of strategy and leadership, as well as developing ambidextrous capabilities and increasing entrepreneurial spirit to build company's competitive advantage.

#### 6. **Bakrie Executive Development Program (BEDP)**

This program is a strategic competencies development program for top level management or candidate for top level management. The objective of this program are to equip company's leader to have a broader global mindset, identify and assess challenges/risks, motivate and mobilize human capital as a source of company's competitive advantage also improving Intrapreneurship capability so as to be able to think more creatively and innovatively in designing strategies.

In 2019 BSS carried out Bakrie Basic Management Development Program training for 19 participants.

The leadership development program in the Bakrie Group always emphasize the culture of the Company and is also equipped with functional skills training for individuals whose competencies have been mapped. The training planning is carried out in accordance with the needs of the Company, and also by taking into account the needs of employees while working in the Bakrie Group and after retirement.

Functional development training is given to employees in accordance with their line of work, but the Bakrie Group also does not close opportunities for cross-cutting training.

### 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.**



## PFINANCE FOR NON FINANCE TRAINING PROGRAM

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

After this training, the participants will have knowledge on:

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

## PREPARATION FOR RETIREMENT TRAINING

BNBR does not pay any less attention to those employees close to retirement age and those who chose for early retirement. According to the CLA, the

age of retirement is 56 years. In order to guarantee continued prosperity post- retirement, the Company includes all employees in the Definite Benefit Pension scheme through the Bakrie Pension Fund.

BNBR also holds the “building an entrepreneurial mentality” training program, which is held in cooperation between the Company with a third party. The program is aimed at employees entering retirement age, and has the following goals:

- To provide participants with knowledge, experience and mindset in preparing themselves to deal with retirement.
- Preparing the participants’ psychological state so that they will enter retirement in a calm manner and able to make well informed decisions on goals after retirement.
- Possess necessary skills to manage his/ her family’s financial condition.
- Possess comprehensive knowledge on how to transform themselves from employee into entrepreneur, if they are interested to become an entrepreneur.

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

## EMPLOYEE WELFARE

As part of the Company's commitment to treat Human Capital as a key asset and a strategic partner in business development, BNBR strives to increase employee welfare through the provision of various welfare facilities which cover programs that are mandatory such as national social security (BPJS Ketenagakerjaan - Jamsostek) and national health care security (BPJS Kesehatan), as well as additional welfare facilities per Company policy such as education grant for employee class, medication aid, work tenure award, appointment of model employee, employee cooperative, Bakrie

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

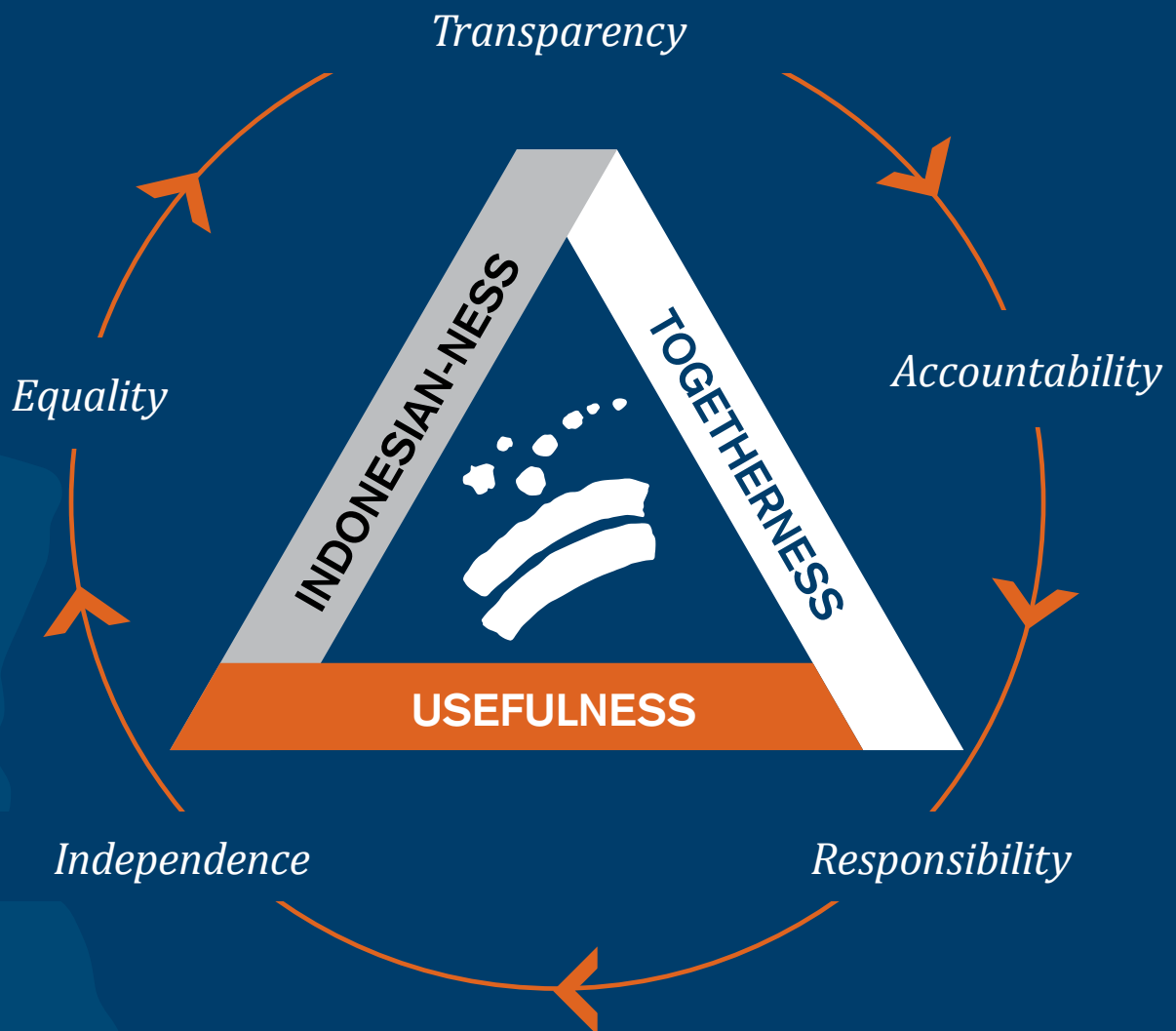
The Company also strives to develop organizational cooperation, optimizing employee performance through BNBR Employee Cooperative. This program covers BNBR's operations in the areas of retail, provision of nine staple commodities, savings and loans, and office stationery provision. Meanwhile, in order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

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# CORPORATE GOVERNANCE IMPLEMENTATION REPORT

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





The Company has the cultural foundation that reflects the organization conduct and ethics communicated in writing and act 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. GCG principles become an inseparable part of Trimatra Bakrie.

# 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:

1. To enhance and maintain the trust of investors, creditors and shareholders of the Company, through GMS, performance

reporting and the Company's achievement.

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

Based on the above objectives, the Company is committed to place GCG as the referral in the management of business activities. The Company also strives to place the governance as the mutual responsibility, and conformity towards governance principles to be embedded in the day-to-day conduct of all BNBR's employees.

## GOOD CORPORATE GOVERNANCE WORK STRUCTURE

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

Soft Structure/Mechanism/System & Procedure, as well as Report and Control Activities.

## A. COMMITMENT

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

## B. STRUCTURE

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

## C. SOFT STRUCTURE/MECHANISM/SYSTEM & PROCEDURE

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

## D. REPORT AND CONTROL

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

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

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

The Good Corporate Governance Work Structure is as follows:

## GOOD CORPORATE GOVERNANCE STRUCTURE PT BAKRIE BROTHERS TBK



# GCG IMPLEMENTATION ROAD MAP

1986 1996	1997 2001	2002 2009	2010	2011	2012
<ul style="list-style-type: none"> <li>• Corporate Philosophy</li> <li>• Corporate Identity</li> <li>• Framework</li> <li>• Corporate Internal Audit</li> <li>• Business Policies</li> <li>• Bakrie Management System</li> </ul>	<ul style="list-style-type: none"> <li>• Develop corporate culture</li> <li>• Business Ethics</li> <li>• Business Conduct Policy</li> <li>• Bakrie Performance Contract</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in GCG assessment</li> <li>• Development of formal risk management system through Enterprise Risk Management ("ERM") approach</li> <li>• Enterprise Risk Management Policies &amp; Procedures</li> <li>• Formation of Risk Management and Compliance Division</li> <li>• Formation of Audit Committee, Risk Management Committee, Corporate Governance Committee</li> <li>• Internal Audit Guidelines</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Governance Implementation Policies &amp; Procedures</li> <li>• Board Manual</li> <li>• Participation in GCG implementation assessment</li> <li>• Risk management reinforcement in every decision making</li> <li>• Formation of Risk Control Self Assessment ("RCSA") team</li> <li>• Policies &amp; Procedures bundle related with Internal Control System of Company and Subsidiaries</li> <li>• Reviewing and re-signing Code of Ethics, Business Conduct Policy and Integrity Pact</li> </ul>	<ul style="list-style-type: none"> <li>• Products and Services Procurement Policies &amp; Procedures</li> <li>• Internal Control System Policies &amp; Procedures</li> <li>• Formation of GRC (Governance, Risk Management &amp; Compliance) Forum among Bakrie Group</li> <li>• Confirming risk management implementation in a strict manner</li> </ul>	<ul style="list-style-type: none"> <li>• Reviewing and re-signing Code of Ethics, Business Conduct Policy and Integrity Pact</li> <li>• Participation in GCG implementation assessment</li> <li>• Reviewing Board Manual and Corporate Governance Manual</li> <li>• Whistleblowing System Policies &amp; Procedures</li> <li>• Work frame reinforcement for Corporate Internal Audit, Risk Management, Human Resources Management</li> <li>• Confirming risk management implementation in a strict manner</li> </ul>

2013

- 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

2014

- 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

2015  
2016

- 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

2017  
2018

- 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

2019  
2022

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



## GCG PRACTICES IMPLEMENTATION

The objectives of GCG implementation in PT Bakrie & Brothers Tbk 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 ordely 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 posses the organization structure, job descriptions for each job title, and key performance indicators assessment for the Board of Directors, Head of Work Units and all employees.
  - External auditor has conducted an audit on the Company's financial report with the independent auditor's opinion of unqualified.
  - The Company has been accountable and obtained ratification on the annual report in the GMS.
3. **Responsibility:** As a form of responsibility, the Company strongly holds its compliance towards the prevailing laws and legislations. In addition, the Company also conducts responsibility towards the community and environment, to achieve long term business sustainability. The following are measures taken in this company's responsibility:
  - The signing of integrity pacts and anti-bribery by Bakrie people to comply with the stipulated Code of Conduct and business ethics.
4. **Independence:** The Company's organs conduct its activities independently and objectively, to avoid conflicts of interest, and are not influenced by any parties. The Company's independence are conducted through:
  - The applicable Code of Conduct and Business Conduct Policy of the Company that applied to all Bakrie people.
  - The check and balances functions done by the Board of Commissioners and Directors through formal communication such as meetings, approval/refusal of the Board of Commissioners on the Board of Directors' proposals.
5. **Fairness and Equality:** The Company strives to ensure that both majority and minority shareholders' rights and interests are fulfilled. The Company also constantly provides fair and equal treatments to all stakeholders. The Company's commitment in delivering fairness and equality are shown as follows:
  - The Company has provided equal opportunities to all employees without discrimination based on the Collective Labor Agreement (CLA) between the Company and Employees.

## COMPLIANCE ACTIVITIES

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

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

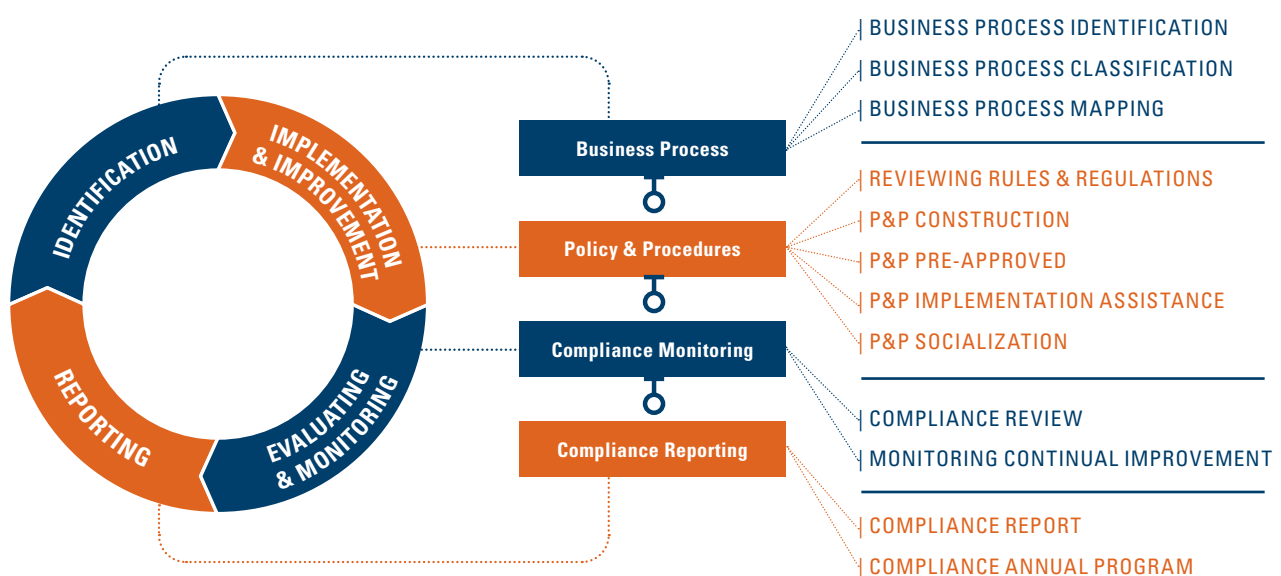
To mitigate the operational risk, CRM has sustainably reviewed, renewed, and finalized the company's internal policy and procedures, in accordance with the Company's directives and policy. The advancement by CRM was done in regards to the new legislations informed by the Legal Division, as to ensure that every business practices of the Company is in line with the prevailing laws and legislations. A total of 273 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 investment transaction, divestment, financing, budgeting, and several policy and procedures in the scope of information technology and human resources.

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

At the end of 2019, 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 2020 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 manners. This manual functions as a reference for the Commissioners and Directors as well as the Management in implementing each duty to achieve the Company's Vision and Mission.

Board Manual is intended to elaborate the relationships of the Commissioners and Directors as

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

## GOOD CORPORATE GOVERNANCE (GCG) IMPLEMENTATION ASSESSMENT

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

A GCG implementation assessment was carried out as a means to examine GCG implementation in the Company as well as to evaluate in order to improve the aforementioned implementation. Year 2019 was the eighth year the Company participated in the research and ranking of GCG practices in the Company, namely the Corporate Governance Perception Index Award 2019 carried out by the Indonesian Institute for Corporate Governance (IICG) in collaboration with SWA Magazine.

In 2019 CGPI promoted the theme "Strengthening Platform in the Good Corporate Governance Framework". CGPI utilized three aspects of assessment that are Governance Structure, Governance Process, and Governance Outcome. This year the CGPI award participants were 35 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 75.10 or qualified for the category "Trusted Company". BNBR succeeded in improving its score compared to 2018 which total score was 74.00.

Assessment for CGPI Award 2019 was carried out based on Company's 2018 Financial Report and other supporting documents which prevail during 2018 and 2019. The assessment result was as follow:

ASSESSMENT STAGE		2019 SCORE
1.	Governance Structure	25.97
2.	Governance Process	24.62
3.	Governance Output	24.51
<b>TOTAL</b>		<b>75.10</b>
<b>GCG Performance based on CGPI Award</b>		<b>Trusted Company</b>

Source: 2018 CGPI Result Report (2019 Award), IICG



GCG Award 2019 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 Tbk:

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 2019, the Company held one Annual GMS.

## EXECUTION OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Pursuant to the Articles of Association, the Company has held the Annual GMS for fiscal year 2018 on May 16, 2019, in Nusantara Room, Bakrie Tower 36th floor, Jakarta. Based on the regulations, prior to the GMS the Company has informed the Plan Notice to the Financial Services Authority, through Corporate Secretary's Letter No. 022/BNBR/CS-OJK/IV/19 dated April 9, 2019, and announced the Meeting Plan also on April 9, 2019 through Company website, Indonesia Stock Exchange website and an Indonesian daily newspapers, namely Kontan.

The Company also announced the Invitation of Annual General Meeting of Shareholders on April 24, 2019, through Company website, Indonesia Stock Exchange website and an Indonesian daily newspapers, namely Kontan.

Annual GMS on May 16, 2019 was attended by shareholders that represent 12,474,290,702 shares or 59.79% from the total shareholders. Thereby the meeting was announced as quorum and has been in accordance with the Company's Articles of Association.



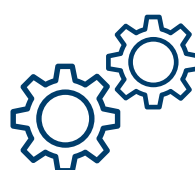
### ANNOUNCEMENT

Announcement to the shareholders regarding AGMS on April 9, 2019



### NOTICE

Notice to shareholders regarding AGMS on April 24, 2019



### EXECUTION

AGMS execution on May 16, 2019



### SUBMISSION OF AGMS SUMMARY

Submission AGMS Summary on May 20, 2019

## 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 31,2018.
2. Approval and ratification of the Company's Balance Sheet and Profit/Loss Account for Fiscal Year ended December 31,2018, 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 2018 .
3. Determination and approval of the use of the Company's profits for the Fiscal Year ended December 31, 2018.
4. Appointment and assignment of Public Accounting Firm to audit the Company's Financial Report for Fiscal Year ended December 31, 2019.
5. Approval of the Changes on the Company's Management.

### Result of Annual General Meeting of Shareholders

ANNUAL GMS AGENDA DISCUSSION AND RESOLUTIONS		VOTING RESULT (NUMBER OF SHARES)	FOLLOW UP
<b>1</b> First Agenda	<p><b>Agenda Discussion:</b> The Company's Board of Directors elaborated the First Meeting Agenda that was presented by the Company's President Director..</p> <p><b>Meeting resolution on First Agenda:</b> Appropriately accepted and approved the Board of Directors and Board of Commissioners' Accountability Report on the management of the Company for Fiscal Year ended December 31, 2018.</p>	<p><b>Agree:</b> 12,474,290,702 (100%)</p> <p><b>Disagree:</b> 0 (0%)</p> <p><b>Abstain:</b> 92,850,773</p>	Grant of full release and discharge of responsibility (acquit et decharge) to the Company's Board of Directors and Board of Commissioners members.
<b>2</b> Second Agenda	<p><b>Agenda Discussion:</b> The Company's Board of Directors elaborated the Second Meeting Agenda that was presented by the Company's President Director.</p> <p><b>Meeting resolution on Second Agenda:</b> Approved and ratified the Balance Sheet and Profit/Loss Account for Fiscal Year ended December 31, 2018 and provided acquittal and fully discharge of responsibility (acquit et decharge) to the members of the Board of Directors and the Board of Commissioners of the Company, for the management and supervisory duties implemented during Fiscal Year ended December 31, 2018, 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, 2018.</p>	<p><b>Agree:</b> 12,474,290,702 (100%)</p> <p><b>Disagree:</b> 0 (0%)</p> <p><b>Abstain:</b> 92,850,773</p>	Grant of full release and discharge of responsibility (acquit et decharge) to the Company's Board of Directors and Board of Commissioners members.
<b>3</b> Third Agenda	<p><b>Agenda Discussion:</b> The Company's Board of Directors elaborated the Third Meeting Agenda that was presented by the Company's President Director.</p> <p><b>Meeting resolution on Third Agenda:</b> Approved the Company for not distributing dividends and Company's proposal of earnings usage for Fiscal Year ended December 31, 2018.</p>	<p><b>Agree:</b> 12,474,290,702 (100%)</p> <p><b>Disagree:</b> 0 (0%)</p> <p><b>Abstain:</b> 92,850,773</p>	Dividend distribution for Fiscal Year ended December 31, 2018 was not executed.



<p><b>4</b> Fourth Agenda</p>	<p><b>Agenda Discussion:</b> The Company's Board of Directors elaborated the Fourth Meeting Agenda that was presented by the Company's President Director.</p> <p><b>Meeting resolution on Fourth Agenda:</b> Approved appointment of Public Accounting Firm Y. Santosa and Partners to audit the Company's Financial Report for Fiscal Year ended December 31, 2018, in which are fulfilling the determined criteria and give authority to the Board of Commissioners to set the honorarium.</p>	<p><b>Agree:</b> 12,473,046,202 (99.99%) <b>Disagree:</b> 1,244,500 (0.01%) <b>Abstain:</b> 200,000</p>	<p>Board of Directors has appointed Public Accounting Firm Y. Santosa &amp; Rekan and the appointment was accepted by Public Accounting Firm Y. Santosa &amp; Rekan through letter no. P028/XI/BNBR/19/H dated November 22, 2019. The appointment was made with approval from Board of Commissioners as stated in letter dated November 11, 2019.</p>
<p><b>5</b> Fifth Agenda</p>	<p><b>Agenda Discussion:</b> The Company's Board of Directors elaborated the Fifth Meeting Agenda that was presented by the Company's President Director.</p> <p><b>Meeting resolution on Fifth Agenda:</b> Approved to discharge with honor all members of Board of Commissioners and Board of Directors and grant full release of responsibility (acquit et de charge) to all members of Board of Commissioners, hereinafter nominated and appointed members of Board of Commissioners and Board of Directors with the following composition:</p> <hr/> <p><b>BOARD OF COMMISSIONERS</b> President Commissioner and Independent Commissioner: <b>Sutanto</b> Commissioner: <b>Bobby Gafur S. Umar</b> Commissioner: <b>Armansyah Yamin</b> Independent Commissioner: <b>Firmanzah</b></p> <p><b>BOARD OF DIRECTORS</b> President Director: <b>Anindya N. Bakrie</b> Vice President Director: <b>A. Ardiansyah Bakrie</b> Director: <b>Achmad Amri Aswono Putro</b> Director: <b>Roy Hendrajanto M. Sakti</b> Director: <b>R.A. Sri Dharmayanti</b> Independent Director: <b>Dody Taufiq Wijaya</b></p> <hr/> <p>Composition and tenure of the members of Board of Commissioners and Board of Directors will be effective upon the closing of the Meeting and will end in 2021 according to the Company's Articles of Association, without reducing the shareholders' right to terminate at anytime in accordance with the prevailing regulations.</p>	<p><b>Agree:</b> 12,459,522,317 (99.88%) <b>Disagree:</b> 14,768,385 (0.12%) <b>Blanko:</b> 92,850,773</p>	<p>Deed of Resolutions of Meeting number 17 dated June 14, 2019.</p>

*Note: In accordance with the provisions of Article 12 paragraph 10 of the Company's Articles of Association, blank votes (abstained), are considered to issue the same votes as the majority votes of shareholders who issue votes.*

## 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. Independent Commissioner
3. Induction and Capabilities Development Program
4. Responsibilities of BOC
5. Duties and Responsibilities of BOC
6. Authorities of BOC
7. Rights of BOC
8. Profession Ethics
9. Decision Making Process
10. Meetings of BOC
11. Preparation of Minutes of Board of Commissioners' Meeting
12. Performance Evaluation of BOC
13. Supporting Organs of BOC (BOC Committees)
  - c. Supervision on the running of the Company and the Company's business in general.
  - d. Supervision on the GCG implementation and business risk management implementation by the BOD.

2. Carry out supervision to:
  - a. Ensure the effectiveness of internal control system and ensure the effectiveness of tasks implementation of External Auditor and Internal Auditor.
  - b. Ensure there is no violation of business ethics.
3. Assess the performance of the BOD.
4. Give suggestions for the following matters:
  - a. Propose nomination procedure for members of BOC and BOD to the share holders.
  - b. Propose remuneration system for the BOC and BOD to be approved in the GMS.
5. Keeping up with the development of the Company's activities and in the event that the Company shows symptoms of setbacks immediately provide suggestions and corrective steps that must be taken to the BOD.

### DUTIES AND RESPONSIBILITIES

**The duties of the BOC are as follows:**

1. Supervise management policies, management processes in general, both regarding the Company and the Company's business, and provide advice to the Directors that include:
  - a. Scrutinizing, analyzing and signing the Annual Financial Report.
  - b. Supervision on annual budget, business plans and preparation of business strategy of the Company.

**The responsibilities of the BOC are as follows:**

1. The BOC must be with good faith and prudence as well as responsible in carrying out supervisory duties and providing advice to the Directors for the interests of the Company and in accordance with the aims and objectives of the Company.
2. Every member of BOC must carry out his/her duties with full responsibility and does not perform disgraceful behavior in any form.
3. Provide opinion and suggestion to the GMS concerning the Budget Plan and

Company's Budget proposed by the BOD.

4. Keeping up with the Company's activities, provide opinion and suggestion to the AGM concerning every issue that is deemed important by the Company management.
5. In certain condition, the BOC is obligated to hold Annual GMS and other GMS according to its authority as regulated in the prevailing laws and regulations and the Company's Articles of Association.
6. Provide suggestion and advice to solve issues to the BOD if there is any indication of Company's performance decline.
7. Carry out duties with full responsibility and does not perform disgraceful behavior, without ulterior motives for interests of personal, family, crony or group.
8. Carry out duties and responsibilities with good faith, full responsibility and with prudence.
9. Carry out supervision on compliance to prevailing laws and regulations and Company's Articles of Association.
10. Carry out supervision on adherence to confidentiality of Company's information that is not public information.
11. Other responsibilities in accordance with the Company's Articles of Association.



## SEGREGATION OF DUTIES OF THE BOARD OF COMMISSIONERS

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

POSITION	ROLE IN PERFORMING COMPANY'S COMMITTEE FUNCTION
President Commissioner	To monitor and supervise the activity of Corporate Governance Committee.
Commissioner	To conduct functions and responsibilities as a member of Nomination and Remuneration Committee.
Commissioner	To conduct functions and responsibilities as a member of Corporate Governance Committee.
Independent Commissioner	To monitor and supervise the activity of Audit Committee and Nomination and Remuneration Committee, as well as to conduct functions and responsibilities as a member of Investment and Risk Management Committee.

## BOARD OF COMMISSIONERS COMPOSITION

Pursuant to the resolutions of Annual General Meeting of Shareholders dated May 16, 2019, the composition and appointment of the Board of Commissioners up to the end of 2022, are as follows:

COMPOSITION		FIRST APPOINTMENT			FOCUS OF MONITORING AREAS
POSITION	NAME	GENERAL MEETING OF SHAREHOLDERS	DOCUMENTS	RATIFICATIONS	
President Commissioner and Independent Commissioner	Sutanto	May 16, 2019	Deed dated June 14, 2019 No. 17	AHU-AH.01.03-0289910, dated June 25, 2019	To monitor and supervise the activity of Corporate Governance Committee.
Commissioner	Bobby Gafur S. Umar	May 16, 2019	Deed dated June 14, 2019 No. 17	AHU-AH.01.03-0289910, dated June 25, 2019	To conduct functions and responsibilities as a member of Nomination and Remuneration Committee.
Commissioner	Armansyah Yamin	June 30, 2009	Deed dated July 7th, 2009 No. 33	AHU-AH.01.10-12847, dated August 12, 2009	To conduct functions and responsibilities as a member of Corporate Governance Committee.
Independent Commissioner	Firmanzah	April 27, 2018	Deed dated May 17, 2018 No. 79	AHU-AH.01.03-0206828, dated May 21, 2018	To monitor and supervise the activity of Audit Committee and Nomination and Remuneration Committee, as well as to conduct functions and responsibilities as a member of Investment and 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 2019 there were several delegation of authority among Board of Commissioners members to attend meeting and/or to make decisions as follows.

NO	DATE OF LETTER	DELEGATION FROM	DELEGATION TO	CONCERNING
1.	January 25, 2019	Armansyah Yamin	Firmanzah	Delegation of authority as a member of Board of Commissioners in the period February 1 – February 5, 2019
2.	March 25, 2019	Armansyah Yamin	Firmanzah	Delegation of authority as a member of Board of Commissioners in the period March 29 – April 9, 2019
3.	June 24, 2019	Firmanzah	Armansyah Yamin	Delegation of authority as a member of Board of Commissioners in the period June 28 – July 2, 2019
4.	September 24, 2019	Armansyah Yamin	Firmanzah	Delegation of authority as a member of Board of Commissioners in the period September 28 – October 9, 2019

## INDEPENDENT COMMISSIONERS

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

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

**The requirements of Independent Commissioners shall meet the following criteria:**

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

**CONCURRENT POSITION OF MEMBERS OF THE BOARD OF COMMISSIONERS**

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

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

**The following are the Board of Commissioners' description on concurrent position in 2019:**

NAME	COMPANY	POSITION
Sutanto	PT Gajah Tunggal TbkPT	Independent President Commissioner
	Sillo Maritime Perdana Tbk	President Commissioner
Bobby Gafur S. Umar	PT Bakrie Sumatera Plantations Tbk	Commissioner
Armansyah Yamin	PT Bakrieland Development Tbk	Commissioner
Firmanzah	-	-





## SHARES OWNERSHIP OF MEMBERS OF THE BOARD OF COMMISSIONERS

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

The following are the Board of Commissioners members ownership of Company shares in 2019:

NAME	POSITION	SHARES OWNERSHIP (UNITS)	OWNERSHIP PERCENTAGE
Sutanto	President Commissioner and Independent Commissioner	0	0
Bobby Gafur S. Umar	Commissioner	30,332,700	0.15
Armansyah Yamin	Commissioner	7,926,799	0.04
Firmanzah	Independent Commissioner	0	0.00

## INDUCTION PROGRAM FOR THE BOARD OF COMMISSIONERS

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

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

In 2019 the induction program was presented to Sutanto who for the first time joined PT Bakrie & Brothers Tbk as members of Company's Board of Commissioners since his appointment in the Annual GMS on May 16, 2019.

## THE BOARD OF COMMISSIONERS CAPABILITIES 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 2019 the Board of Commissioners members attended several development and training activities held by Company as well as external parties.

## MEETINGS OF THE BOARD OF COMMISSIONERS

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

## COMMISSIONERS ATTENDANCE AT THE BOARD OF COMMISSIONERS INTERNAL MEETING

The Company's Articles of Association stipulates the Board of Commissioners to hold an internal meeting at least 6 (six) times per year. During 2019, the Board of Commissioners meeting attendance is as follows:

NO	DATE	AGENDA	BOARD OF COMMISSIONERS				
			ANB*	STT**	BGU**	AY	FIZ
1	January 18, 2019	Discussion of Business Outlook 2019	1			1	1
2	February 21, 2019	Discussion of Financial Planning and Strategy	1			1	1
3	March 20, 2019	Discussion of Directors' Performance	1			0	1
4	March 21, 2019	Discussion of Financial Report 2018	1			1	1
5	June 18, 2019	Introductory Meeting of President Commissioner and Presentation of BNBR Group		1	0	1	1
6	June 20, 2019	Discussion of Company Performance and Strategy		0	1	0	1
7	Augu 9, 2019	Discussion of Business Outlook semester II		1	1	1	1
8	Augu 13, 2019	Discussion on the Performance of BNBR Subsidiaries		1	0	0	1
9	September 4, 2019	Discussion on BNBR Performance & Business Units		1	0	1	1
10	October 29, 2019	Discussion on Good Corporate Governance		1	1	1	1
<b>TOTAL:</b>			<b>4</b>	<b>5</b>	<b>3</b>	<b>7</b>	<b>10</b>
<b>ATTENDANCE PERCENTAGE***:</b>			<b>100%</b>	<b>83%</b>	<b>50%</b>	<b>70%</b>	<b>100%</b>

Note:

ANB : Anindya Novyan Bakrie  
STT : Sutanto  
BGU : Bobby Gafur S. Umar  
AY : Armansyah Yamin  
FIZ : Firmanzah

\*) Anindya Novyan Bakrie (ANB) held the position of President Commissioner until Annual General Meeting of Shareholders in May 16, 2019.

\*\*) Sutanto (STT) began his tenure as President Commissioner and Independent Commissioner, and Bobby Gafur S. Umar (BGU) began his tenure as Independent Commissioner as stipulated by the decision of Annual General Meeting of Shareholders in May 16, 2019.

\*\*\*) The percentage of attendance by the Commissioners are calculated at meetings held when they are active in office based on the decision of the General Meeting of Shareholders.

- : Not yet served  
0 : Did not attend  
1 : Attended

## 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 Commisisoners 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 2019, the Board of Commissioners and Board of Directors held 34 (thirty four) Joint Meetings, with the following detailed agenda and attendance:

NO	DATE	AGENDA	BOARD OF COMMISSIONERS					BOARD OF DIRECTORS						
			ANB*	STT**	BGU*	AY	FIZ	ANB*	BGU*	AAB	RH**	AAP	DTW	YS
1	January 24, 2019	Discussion of BNBR Annual Report 2018	1			1	1		1	1		1	1	1
2	February 7, 2019	Discussion on BNBR Business Unit Performance	1			1	1		1	1		1	1	1
3	March 21, 2019	BNBR Annual Financial Report Presentation Meeting as of December 31, 2018	1			1	1		1	1		1	1	1

NO	DATE	AGENDA	BOARD OF COMMISSIONERS					BOARD OF DIRECTORS						
			ANB*	STT**	BGU*	AY	FIZ	ANB*	BGU*	AAB	RH**	AAP	DTW	YS
4	March 25, 2019	2018 Full Year Performance Presentation of PT Bakrie Autoparts	1			0	1		1	1		1	1	1
5	March 25, 2019	2018 Full Year Performance Presentation of PT Bakrie Metal Industries	1			1	1		1	1		1	1	1
6	March 25, 2019	2018 Full Year Performance Presentation of PT Bakrie Building Industries	1			1	1		1	1		1	1	1
7	March 26, 2019	2018 Full Year Performance Presentation of PT Multi Kontrol Nusantara	1			0	1		1	1		1	1	1
8	March 26, 2019	2018 Full Year Performance Presentation of PT Bakrie Indo Infrastructure	1			0	1		1	1		1	1	1
9	March 26, 2019	2018 Full Year Performance Presentation of PT Bakrie Solusi Strategis	1			1	1		1	1		1	1	1
10	April 29, 2019	BOD report to BOC regarding BNBR First Quarter Financial Report as of March 31st, 2019	1			1	1		1	1		1	1	1
11	May 8, 2019	Q1 Performance Presentation 2018 PT Bakrie Autoparts and PT Bakrie Steel Industries	1			1	1		1	1		1	1	1
12	May 8, 2019	Q1 Performance Presentation 2018 PT Bakrie Metal Industries	1			0	1		1	1		1	1	1
13	May 8, 2019	Q1 Performance Presentation 2018 PT Bakrie Building Industries	1			0	1		1	1		1	1	1
14	May 9, 2019	Q1 Performance Presentation 2018 PT Multi Kontrol Nusantara	1			1	1		1	1		1	1	1
15	May 9, 2019	Q1 Performance Presentation 2018 PT Bakrie Indo Infrastructure	1			0	1		1	1		1	1	1
16	May 9, 2019	Q1 Performance Presentation 2018 PT Bakrie Solusi Strategis	1			0	1		1	1		1	1	1
17	May 10, 2019	Preparatory Meeting of AGMS BNBR 2019	1			1	1		1	1		1	1	1
18	May 16, 2019	AGMS BNBR 2019	1	-	-	1	1	-	1	1	1	1	1	1
19	June 18, 2019	BOD report to BOC regarding BNBR Business Unit		1	1	1	1	1		1	1	1	1	1
20	July 30, 2019	BOD report to BOC regarding BNBR Second Quarter Financial Report as of June 31st, 2019		1	1	1	1	1		1	1	1	1	1
21	August 6, 2019	Q2 Performance Presentation 2019 PT Bakrie Building Industries		1	1	1	1	1		1	1	1	1	1

NO	DATE	AGENDA	BOARD OF COMMISSIONERS					BOARD OF DIRECTORS						
			ANB*	STT**	BGU*	AY	FIZ	ANB*	BGU*	AAB	RH**	AAP	DTW	YS
22	August 6, 2019	Q2 Performance Presentation 2019 PT Bakrie Solusi Strategis		0	0	0	1	1		1	1	1	1	1
23	August 7, 2019	Q2 Performance Presentation 2019 PT Multi Kontrol Nusantara		0	0	1	1	1		1	1	1	1	1
24	August 6, 2019	Q2 Performance Presentation 2019 PT Bakrie Indo Infrastructure		0	0	0	1	1		1	1	1	1	1
25	August 9, 2019	Q2 Performance Presentation 2019 PT Bakrie Autoparts and PT Bakrie Steel Industries		0	1	0	1	1		1	1	1	1	1
26	August 9, 2019	Q2 Performance Presentation 2019 PT Bakrie Metal Industries		1	0	1	1	1		1	1	1	1	1
27	August 9, 2019	Town Hall Meeting		1	1	1	1	1		1	1	1	1	1
28	September 4, 2019	BNBR and Business Unit Management Meeting to Mr. Aburizal Bakrie		1	1	1	1	1		1	1	1	1	1
29	September 17, 2019	Budget Preparatory Meeting 2020 & Strategic Plan 2021-2024		1	1	1	1	1		1	1	1	1	1
30	October 29, 2019	Visits and Observations of the Corporate Governance Perception Index Assessment Team 2019		0	1	0	1	0		1	1	1	1	1
31	October 29, 2019	BOD report to BOC regarding BNBR Third Quarter Financial Report as of September 31st, 2019		1	1	1	1	1		1	1	1	1	1
32	November 11, 2019	Budget Presentation 2020 & Strategic Plan 2021-2024 BNBR Management		1	1	1	1	1		1	1	1	1	1
33	December 6, 2019	Preparatory Meeting Public Expose BNBR 2019		1	1	1	1	1		1	1	1	1	1
34	December 13, 2019	Public Expose BNBR 2019		1	1	1	1	1		1	1	1	1	1
TOTAL:			18	11	12	24	34	15	18	34	17	34	34	34
Attendance Percentage***:			100%	65%	71%	71%	100%	94%	100%	100%	100%	100%	100%	100%

Note:

ANB	: Anindya Novyan Bakrie	AAB	: A. Ardiansyah Bakrie
STT	: Sutanto	AAP	: A. Amri Aswono Putro
BGU	: Bobby Gafur S. Umar	RH	: Roy Hendrajanto M. Sakti
FIZ	: Firmanzah	DTW	: Dody Taufiq Wijaya
AY	: Armansyah Yamin	YS	: R.A. Sri Dharmayanti

\*)Anindya Novyan Bakrie (ANB) relinquished his position as President Commissioner and began his tenure as President Director, Bobby Gafur S. Umar (BGU) relinquished his position as President Director and began his tenure as Commissioner as stipulated by the decision of Annual General Meeting of Shareholders in May 16, 2019

\*\*) Sutanto (STT) began his tenure as President Commissioner and Independent Commissioner, and Roy Hendrajanto M. Sakti (RH) began his tenure as Director as stipulated by the decision of Annual General Meeting of Shareholders in May 16, 2019.

\*\*\*)The percentage of attendance by the Commissioners and Directors are calculated at meetings held when they are active in office based on the decision of the General Meeting of Shareholders.

- : No yet served      0 : Did not attend      1 : Attended

## COMMISSIONERS ATTENDANCE IN BOC-BOD JOINT MEETING

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

NAME	TOTAL OF MEETINGS HELD IN A YEAR	ATTENDANCE	PERCENTAGE OF ATTENDANCE IN MEETING
Anindya Novyan Bakrie	18	18	100%
Sutanto	17	11	65%
Bobby Gafur S. Umar	17	12	71%
Armansyah Yamin	34	24	71%
Firmanzah	34	34	100%

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

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

1. Accepting financing from other party or giving commitment related to such financing to other party, if the financing amount exceeds the amount specified in the annual budget approved by the Board of Commissioners.
2. Giving financial loans to anyone, except for or not including loans directly related to trading business activities.
3. Binding the Company as guarantor.
4. Hypothecating Company's assets with paying attention to provisions of Company's Articles of Association.
5. Selling or releasing and/or buying or acquiring immovable goods owned by the Company, including the rights on land.
6. Conducting sharing and/or releasing the sharing in other Company.
7. Proposing to issue the shares in the Company.
8. Deciding the annual budget, business plans and preparing the business strategy of the Company.
9. Deciding and/or making alteration to the Company's management structure.
10. Approving appointment of Senior Officers, including Managing Directors for Company's Business Units.
11. Other matters regulated in the Company's Articles of Association.

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

Performance assessment or evaluation of the BOC is carried out based on the following principles:

1. Performance of BOC and members of BOC will be evaluated by the shareholders in the GMS.
2. In general, performance of the BOC is stipulated based on its duties and responsibilities as stated in prevailing laws and regulations, the Company's Articles of Association, and mandate from the shareholders. Formal evaluation criteria are openly conveyed to the member of BOC since his/her appointment date.
3. Result of evaluation on the performance of the BOC as a whole and performance of each member of BOC as an individual will be an integral part in the compensation and incentives giving scheme for members of BOC. Performance evaluation result of each member of BOC as an individual act as a rationale for shareholders to dismiss and/or re-appoint concerned member of BOC. The aforementioned performance evaluation result is a means of evaluating and increasing the effectiveness of the BOC.



## 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%
TOTAL		100%

## THE BOARD OF COMMISSIONERS REMUNERATION

The Company regulates the remuneration stipulations of the Board of Commissioners in 2019, as follows:

POSITION	2018	2019
Board of Commissioners	Rp 10,313,714,055	Rp 9,944,739,571



## THE BOARD OF COMMISSIONERS ALLOWANCES AND FACILITIES

The Company regulates the allowances and facilities stipulations of the Board of Commissioners in 2019, as follows:

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

## BOARD OF DIRECTORS

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

### BOARD OF DIRECTORS CHARTER

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

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

1. Functions of BOD
2. Duties and Authorities of BOD
3. Rights and Obligations of BOD
4. Requirements of BOD Member
5. Concurrent Positions
6. Appointment Procedures
7. Tenure

8. Resignation and Temporary Dismissal
9. Composition and Segregation of Duties of BOD
10. Profession Ethics of BOD
11. Meetings of BOD
12. Performance Evaluation of BOD
13. 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:

### Strategic Duties

1. Manage the Company to achieve its targets.
2. Stipulate annual budget, business plan, and prepare business strategy.
3. Prepare long term plan.
4. Provide suggestions and inputs, as well as approve the formulation of business strategy and report it to the BOC.
5. Discuss and approve policies related to strategy implementation.
6. Provide suggestions and inputs, as well as approve the business plan and report it to the BOC.
7. Establish and enact the Corporate values.
8. Provide suggestions and inputs, as well as approve the organization structure.
9. Establish effective internal control system.
10. Ensure the Company complies to every prevailing laws and regulations and GCG principles.

### Operational Duties

1. Review and approve annual work plan and annual budget.
2. Provide inputs to the Chief Investment Officer (CIO) about matters that are affecting investment portfolio, business development strategy, investor relations, and other matters related with controlling activities of business units.
3. Provide suggestions and inputs on nomination and termination of management.
4. Prepare and deliver accountability report and annual report to the GMS.
5. Give periodic report and other reports to the BOC and shareholders.
6. Provide suggestions and approval for

Company's wealth management.

7. Approve operational action and transaction of the Company.
8. Provide accurate information and guarantee to public user of Company's products and services.

### Legal and Administrative Duties

1. Review and enact accounting system.
2. Provide suggestions and approval for bookkeeping and administration.
3. Carry out GMS.
4. Prepare and maintain Share Registrar (DPS), special list, minutes of GMS, and minutes of BOD meeting.
5. Guarantee that there is no deviation in the Company's activity.

## 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)

Assigned 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 Investment Officer (CIO), Chief Financial Officer (CFO), Chief Legal Officer (CLO), and Chief Risk Officer (CRO), as well as other Chiefs in the Executive Management Team composition.

The President Director is also assigned to review and approve performance of Business Units, as well as guide and approve statement and information that are going to be communicated to the media / public / investors.

### **Vice President Director**

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

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

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

### **Director & Chief Investment Officer (CIO)**

Assigned to formulate portfolio strategy, investment plan, and policy for investment, divestment and financing activities, as well as coordinate working process of the "Investment, Finance, Risk, Legal, Strategy and Business Control Working Group" (IFRLS-WG) in carrying out review on every investment, divestment, and financing transaction proposal within the Company and Business Units.

The duties of CIO includes formulating and coordinating transaction of investment instruments trading, as well as responsible for activities related with Company's investor relations as well as strategic planning, business planning, and controlling business units within the Company.

### **Director & Chief 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 CIO and Investment and Risk Management 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 Investment and 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 May 16, 2019, the composition and appointment of the Board of Directors up to the end of 2022, are as follows:

COMPOSITION		FIRST APPOINTMENT		
POSITION	NAME	GENERAL MEETING OF SHAREHOLDERS	DOCUMENTS	RATIFICATION
President Director & Chief Executive Officer	Anindya N. Bakrie	May 16, 2019	Deed dated June 14, 2019 No. 17	AHU-AH.01.03-0289910, dated June 25, 2019
Vice President Director	A. Ardiansyah Bakrie	April 27, 2018	Deed dated May 17, 2018 No.79	AHU-AH.01.03-0206828, dated May 21, 2018
Director & Chief Financial Officer	A. Amri Aswono Putro	June 18, 2015	Deed dated September 30, 2015 No.140	AHU-AH.01.03-0968773, dated October 1, 2015
Director & Chief Investment Officer	Roy Hendrajanto M. Sakti	May 16, 2019	Deed dated June 14, 2019 No.17	AHU-AH.01.03-0289910, dated June 25, 2019
Director & Chief Legal Officer	R.A Sri Dharmayanti	June 26, 2008	Deed dated July 9, 2008 No. 15	AHU-49901.AH.01.02. Year 2008, dated August 11, 2008
Independent Director & Chief Risk Officer	Dody Taufiq Wijaya	June 19, 2014	Deed dated June 19, 2014 No. 102	AHU-20154.40.22.2014, dated July 16, 2014

## DELEGATION OF AUTHORITY

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

During 2019 there was no delegation of authority among Board of Directors members to attend meeting and/or to make decisions.

## CONCURRENT POSITION OF MEMBERS OF THE BOARD OF DIRECTORS

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 2019:**

NAME	COMPANIES	POSITION
Anindya N. Bakrie	PT Bakrie Sumatera Plantations Tbk PT Intermedia Capital Tbk PT Visi Media Asia Tbk	Commissioner President Commissioner President Director
A. Ardiansyah Bakrie	PT Intermedia Capital Tbk PT Visi Media Asia Tbk	Commissioner Vice President Director
A. Amri Aswono Putro	-	-
Roy Hendrajanto M. Sakti	-	-
R.A Sri Dharmayanti	PT Bumi Resources Tbk	Director
Dody Taufiq Wijaya	-	-

## SHARES OWNERSHIP OF MEMBERS OF THE BOARD OF DIRECTORS

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

**The following are the Board of Directors members ownership of Company shares in 2019:**

NAME	POSITION	SHARES OWNERSHIP (UNITS)	OWNERSHIP PERCENTAGE
Anindya N. Bakrie	President Director	0	0
A. Ardiansyah Bakrie	Vice President Director	0	0
A. Amri Aswono Putro	Director	20,234,000	0.10%
Roy Hendrajanto M. Sakti	Director	0	0
R.A Sri Dharmayanti	Director	13,223,000	0.06%
Dody Taufiq Wijaya	Director	13,223,000	0.06%

## 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 2019 the induction program was not conducted because there was no new Director who had never served as a member of or involved in activities of BOD or BOC of BNBR before .

## 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 2019 the Board of Directors members attend several development and training activities held by the Company as well as external parties.

## BOARD OF DIRECTORS MEETINGS

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

## DIRECTORS ATTENDANCE IN BOARD OF DIRECTORS INTERNAL MEETING

The Company's Articles of Association stipulates the Board of Directors to hold an internal meeting at least 12 (twelve) times per year. The Board of Directors holds 51 (fifty one) meetings during 2019, with the following details:

NO	DATE	AGENDA	BOARD OF DIRECTORS						
			ANB*	BGU*	AAB	RH**	AAP	DTW	YS
1	January 24, 2019	Discussion on BNBR Annual Report for 2018		1	1		1	1	1
2	January 28, 2019	Discussion on Project & Performance of BNBR Business Unit		1	1		1	1	1
3	February 7, 2019	Discussion on BNBR Business Unit Performance		1	1		1	1	1
4	February 21, 2019	BNBR Cash Plan Meeting		1	1		1	1	1
5	March 21, 2019	BNBR Annual Financial Report Presentation Meeting as of December 31, 2018		1	1		1	1	1
6	March 25, 2019	2018 Full Year Performance Presentation of PT Bakrie Autoparts		1	1		1	1	1
7	March 25, 2019	2018 Full Year Performance Presentation of PT Bakrie Metal Industries		1	1		1	1	1
8	March 25, 2019	2018 Full Year Performance Presentation of PT Bakrie Building Industries		1	1		1	1	1
9	March 26, 2019	2018 Full Year Performance Presentation of PT Multi Kontrol Nusantara		1	1		1	1	1
10	March 26, 2019	2018 Full Year Performance Presentation of PT Bakrie Indo Infrastructure		1	1		1	1	1
11	March 26, 2019	2018 Full Year Performance Presentation of PT Bakrie Solusi Strategis		1	1		1	1	1
12	April 29, 2019	BOD report to BOC regarding BNBR First Quarter Financial Report as of March 31, 2019		1	1		1	1	1
13	May 8, 2019	Q1 Performance Presentation 2018 PT Bakrie Autoparts and PT Bakrie Steel Industries		1	1		1	1	1
14	May 8, 2019	Q1 Performance Presentation 2018 PT Bakrie Metal Industries		1	1		1	1	1

NO	DATE	AGENDA	BOARD OF DIRECTORS						
			ANB*	BGU*	AAB	RH**	AAP	DTW	YS
15	May 8, 2019	Q1 Performance Presentation 2018 PT Bakrie Building Industries		1	1		1	1	1
16	May 9, 2019	Q1 Performance Presentation 2018 PT Multi Kontrol Nusantara		1	1		1	1	1
17	May 9, 2019	Q1 Performance Presentation 2018 PT Bakrie Indo Infrastructure		1	1		1	1	1
18	May 9, 2019	Q1 Performance Presentation 2018 PT Bakrie Solusi Strategis		1	1		1	1	1
19	May 10, 2019	Preparatory Meeting of AGMS BNBR 2019		1	1		1	1	1
20	May 16, 2019	AGMS BNBR 2019	1	1	1	1	1	1	1
21	May 28, 2019	Presentation Review of PT Bakrie Metal Industries with CEO BNBR	1		1	1	1	1	1
22	May 28, 2019	Presentation Review of PT Bakrie Autoparts and PT Bakrie Steel Industries with CEO BNBR	1		1	1	1	1	1
23	May 29, 2019	Presentation Review of PT Bakrie Building Industries with CEO BNBR	1		1	1	1	1	1
24	June 12, 2019	Presentation Review of PT Multi Kontrol Nusantara with CEO BNBR	1		1	1	1	1	1
25	May 29, 2019	Presentation Review of PT Bakrie Solusi Strategis with CEO BNBR	1		1	1	1	1	1
26	May 31, 2019	Presentation Review of PT Bakrie Indo Infrastructure with CEO BNBR	1		1	1	1	1	1
27	June 12, 2019	BNBR Latest Situation Update Meeting	1		1	1	1	1	1
28	June 17, 2019	BNBR Business Unit Update Meeting	1		1	1	1	1	1
29	June 18, 2019	BOD report to BOC regarding BNBR Business Unit	1		1	1	1	1	1
30	June 30, 2019	BOD report to BOC regarding BNBR Second Quarter Financial Report as of June 31st, 2019	1		1	1	1	1	1
31	August 6, 2019	Q2 Performance Presentation 2019 PT Bakrie Building Industries	1		1	1	1	1	1
32	August 6, 2019	Q2 Performance Presentation 2019 PT Bakrie Solusi Strategis	1		1	1	1	1	1
33	August 7, 2019	Q2 Performance Presentation 2019 PT Multi Kontrol Nusantara	1		1	1	1	1	1
34	August 7, 2019	Q2 Performance Presentation 2019 PT Bakrie Indo Infrastructure	1		1	1	1	1	1
35	August 9, 2019	Q2 Performance Presentation 2019 PT Bakrie Autoparts dan PT Bakrie Steel Industries	1		1	1	1	1	1
36	August 9, 2019	Q2 Performance Presentation 2019 PT Bakrie Metal Industries	1		1	1	1	1	1
37	August 9, 2019	Town Hall Meeting	1		1	1	1	1	1
38	September 4, 2019	BNBR and Business Unit Management Meeting to Mr. Aburizal Bakrie	1		1	1	1	1	1

NO	DATE	AGENDA	BOARD OF DIRECTORS						
			ANB*	BGU*	AAB	RH**	AAP	DTW	YS
39	September 17, 2019	Budget Preparatory Meeting 2020 & Strategic Plan 2021-2024	1		1	1	1	1	1
40	October 11, 2019	BNBR Latest Situation Update Meeting	1		1	1	1	1	1
41	October 29, 2019	Visits and Observations of the Corporate Governance Perception Index Assessment Team 2019	0		1	1	1	1	1
42	October 29, 2019	BOD report to BOC regarding BNBR Third Quarter Financial Report as of September 31st, 2019	1		1	1	1	1	1
43	November 11, 2019	Budget Presentation 2020 & Strategic Plan 2021-2024 BNBR Management	1		1	1	1	1	1
44	November 26, 2019	BNBR Budget Team Presentation with Mr. A. Ardiansyah Bakrie	0		1	1	1	1	1
45	November 26, 2019	BNBR Budget Team Presentation with BOD BNBR	1		1	1	1	1	1
46	December 6, 2019	Preparatory Meeting Public Expose BNBR 2019	1		1	1	1	1	1
47	December 9, 2019	Budget Presentation 2020 & Strategic Plan 2021-2024 PT Bakrie Indo Infrastructure	0		1	1	1	1	1
48	December 9, 2019	Budget Presentation 2020 & Strategic Plan 2021-2024 PT Multi Kontrol Nusantara	0		1	1	1	1	1
49	December 9, 2019	Budget Presentation 2020 & Strategic Plan 2021-2024 PT Bakrie Building Industries	1		1	1	1	1	1
50	December 9, 2019	Budget Presentation 2020 & Strategic Plan 2021-2024 PT Bakrie Metal Industries	1		1	1	1	1	1
51	December 9, 2019	Budget Presentation 2020 & Strategic Plan 2021-2024 PT Bakrie Autoparts and PT Bakrie Steel Industries	1		1	1	1	1	1
52	December 13, 2019	Public Expose BNBR 2019	1		1	1	1	1	1
TOTAL:			31	20	52	33	52	52	52
Attendance Percentage***:			94%	100%	100%	100%	100%	100%	100%

Note:

ANB : Anindya Novyan Bakrie  
AAB : A. Ardiansyah Bakrie  
BGU : Bobby Gafur S. Umar  
AAP : A. Amri Aswono Putro  
RH : Roy Hendrajanto M. Sakti  
DTW : Dody Taufiq Wijaya  
YS : R.A. Sri Dharmayanti

\*) Anindya Novyan Bakrie (ANB) began his tenure as President Director, and Roy Hendrajanto M. Sakti (RH) began his tenure as Director as stipulated by the decision of Annual General Meeting of Shareholders in May 16, 2019.

\*\*) Bobby Gafur S. Umar (BGU) held the position of President Director until Annual General Meeting of Shareholders in May 16, 2019

\*\*\*) The percentage of attendance by the Directors are calculated at meetings held when they are active in office based on the decision of the General Meeting of Shareholders.

- : No yet served      0 : Did not attend      1 : Attended

## DIRECTORS ATTENDANCE IN BOC-BOD JOINT MEETING

During 2019, the Board of Commissioners and Board of Directors held 34 (thirty four) Joint Meetings, with detailed agenda and attendance as described in this Annual Report page 137-139.

## 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 carried out by the Nomination and Remuneration Committee based on the Bakrie Performance Contract.

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

1. 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
2. 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. As an illustration, parameters for Board of Director performance assessment are shown in the following table, these parameters are also applied in performance assessment of Board of Directors of BNBR subsidiaries.

TABLE OF KPI DIRECTORS		
PARAMETER	KPI	INDICATOR WEIGHTS
Quantitative		
A. Management Point of View	• Revenue Achievement	15.0
	• Production Yield	2.5
	• Capacity Utilization	2.5
	• Cost Improvement	7.5
	• Gross Margin Ratio	5
	• EBITDA Ratio	5
	• EBITDA compare to Last Year	5
	• Inventory Turn Over	2.5
	• Assets Turnover	2.5
	• Account Receivables days	2.5
	• Human Resources Effectiveness	2.5
	• Return On Assets	2.5
	• NIBT Compare to Last Year	5
B. Owners Point of View	• Net Operating Cash Flow	2.5
	• Earning per Shares	2.5
	• Management Fee	15
C. Lenders Point of View	• Current Ratio	5
	• Debt to Equity	5
	• Long Term Debt to EBITDA	5
Sub Total		90
Qualitative		
	• Leadership	2
	• Integrity	2
	• Professionalism	2
	• Accountability	2
	• Reporting & Control System	2
Sub Total		10
TOTAL		100



## THE BOARD OF DIRECTORS REMUNERATION

The Company regulates the remuneration stipulations of the Board of Directors in 2019, as follows:

POSITION	2018	2019
Board of Directors	Rp 47,142,752,304	Rp 42,999,768,963

## THE BOARD OF DIRECTORS ALLOWANCES AND FACILITIES

The Company regulates the allowances and facilities stipulations of the Board of Directors in 2019, as follows:

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

## AFFILIATED RELATIONS OF THE BOARD OF COMMISSIONERS AND DIRECTORS

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

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

BOARD OF COMMISSIONERS & BOARD OF 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	
Sutanto	-	√	-	√	-	√	-	√	-	√	-	√	-
Bobby Gafur S. Umar	-	√	-	√	-	√	-	√	-	√	-	√	-
Armansyah Yamin	-	√	√	-	-	√	-	√	-	√	-	√	Uncle of Anindya N. Bakrie and A. Ardiansyah Bakrie
Firmanzah	-	√	-	√	-	√	-	√	-	√	-	√	-
Anindya N. Bakrie	√	-	√	-	-	√	-	√	-	√	-	√	Nephew of Armansyah Yamin, sibling of A. Ardiansyah Bakrie and cousin of Roy Hendrajanto M. Sakti
A. Ardiansyah Bakrie	√	-	√	-	-	√	-	√	-	√	-	√	Nephew of Armansyah Yamin, sibling of Anindya N. Bakrie cousin of Roy Hendrajanto M. Sakti
A. Amri Aswono Putro	-	√	-	√	-	√	-	√	-	√	-	√	-
Roy Hendrajanto M. Sakti	-	√	√	-	-	√	-	√	-	√	-	√	Cousin of Anindya N. Bakrie and A. Ardiansyah Bakrie
R.A Sri Dharmayanti	-	√	-	√	-	√	-	√	-	√	-	√	-
Dody Taufiq Wijaya	-	√	-	√	-	√	-	√	-	√	-	√	-

## DIVERSIFICATION POLICY ON THE BOARD OF COMMISSIONERS AND DIRECTORS COMPOSITION

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

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

The following are the diversity in BNBR's Board of Commissioners and Directors composition in 2019.

### Diversity Based on Age

	30 – 40 YEARS OLD	40 – 50 YEARS OLD	50 – 60 YEARS OLD	60 YEARS OLD<
Board of Commissioners	-	1	1	2
Board of Directors	-	3	3	-

### Diversity Based on Gender

	MALE	FEMALE
Board of Commissioners	4	-
Board of Directors	5	1

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

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

**Diversity Based on Education**

	GRADUATES	POST GRADUATES	HONORARY DEGREE	HONORARY MEMBER
Board of Commissioners	2	1	1	-
Board of Directors	-	6	-	-

**SECRETARY TO THE BOARD OF COMMISSIONERS**

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.

The Board of Commissioners appointed Arief Dhani as Secretary to the Board of Commissioners as stated in the Decision Letter of Board of Commissioners No. 22/SK-DEKOM/BNBR/VIII/2018 dated August 8, 2019.

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

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



### Competence Development Program for the Secretary to the Board of Commissioners

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

## THE BOARD OF COMMISSIONERS SUPPORTING COMMITTEES

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

### AUDIT COMMITTEE

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

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

### Duties and Responsibilities of Audit Committee

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

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

1. Reviewing the financial information, which will be published by the company such as financial reports, projections, and other reports on the company's financial information;
2. Reviewing the compliance towards regulations related to the company's activity;

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

### Audit Committee's Members Qualifications

1. In order to conduct proper duties, the Audit Committee's members shall have the competency and expertise in auditing, and be independent. The following are qualifications and requirements of the Company's Audit Committee: High Integrity, adequate expertise, knowledge, and experience, as well as good communication skills.
2. Good understanding on the financial reports, company's business, audit process, risk management, and has the adequate knowledge on Capital Market laws as well as other related legislations.
3. At least one of the Audit Committee's members has the education background and expertise in accounting or finance.
4. Compliance to the Company's Audit Committee code of conduct.
5. Continuously enhance its competence through education and trainings.
6. Not a representative of Accounting Firm, Legal Consultant Firm, or other parties that provide attestation and non-attestation services, and/

or other consultancy services to the Issuers or Listed Companies in the last 6 (six) month.

7. Does not have direct or indirect shares in the Company.
8. In the event of direct or indirect ownership by the members of Audit Committee due to legal actions, he/she therefore shall transferring its shares within 6 (six) month after the ownership to the other parties.
9. Does not have affiliated relations with the Company, Commissioners, Directors, or the Company's Majority Shareholders.
10. Does not have a direct or indirect business relations related to the Company's business activity.
11. Does not have other relations that may influence its ability to act independently.

### 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. 11/SK-DEKOM/BNBR/V/2018, as of May 21, 2018, the Audit Committee's composition for the period of 2018 - 2020 was as follows:

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

Furthermore based on the Board of Commissioners' Decree No. 19/SK-DEKOM/BNBR/VI/2019, as of June 18, 2019, the Decree No. 11/SK-DEKOM/BNBR/V/2018 was no longer valid and the Audit Committee composition for the period of 2019 - 2021 is as follows:

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

### Profile of Audit Committee Members

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

### Competence Development Program for Audit Committee Members

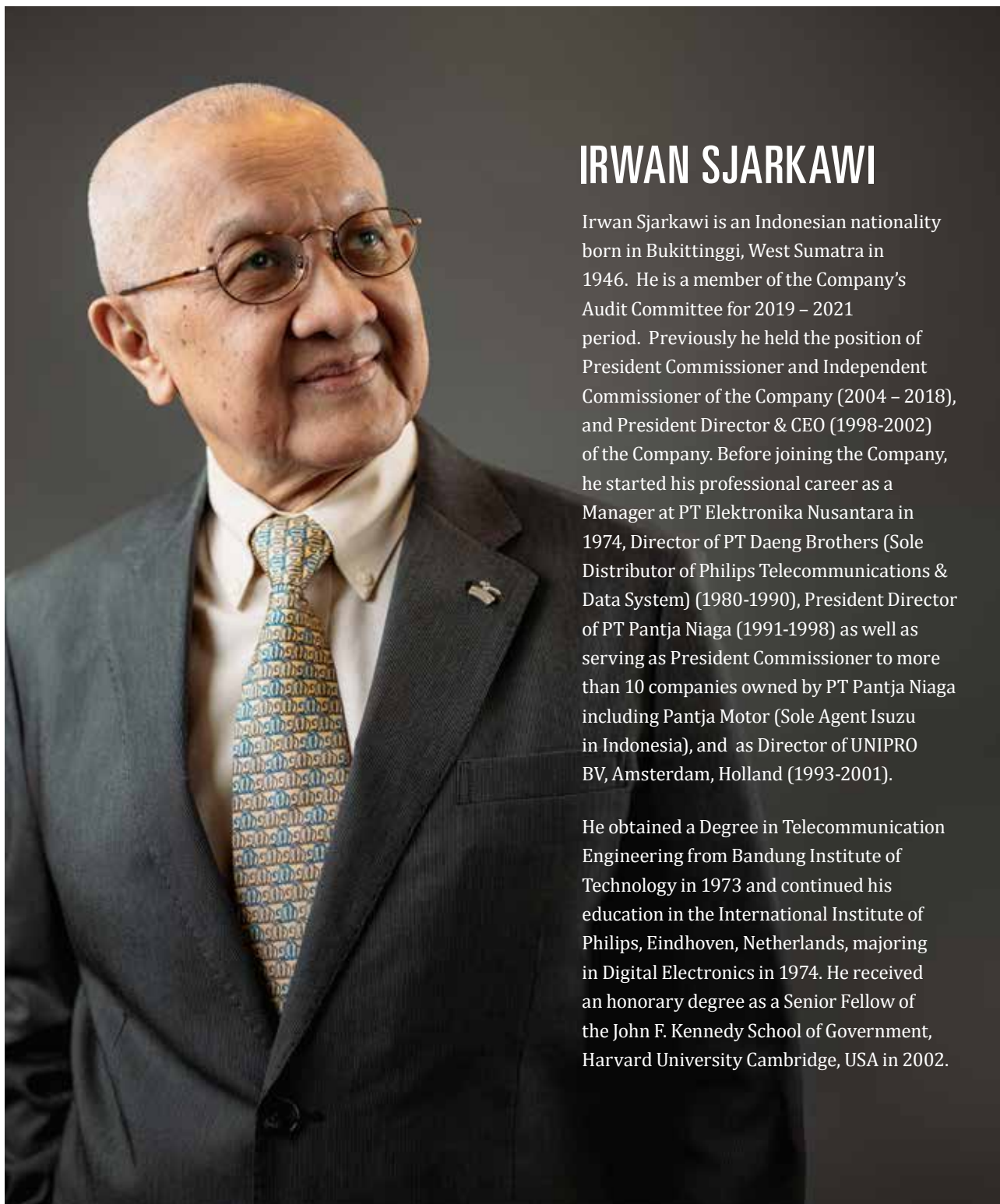
Audit Committee Members have continuous education which is combined in self-study and participation in special education, training, workshops, seminars and conferences that are useful in its function effectiveness.

### 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.





## IRWAN SJARKAWI

Irwan Sjarkawi is an Indonesian nationality born in Bukittinggi, West Sumatra in 1946. He is a member of the Company's Audit Committee for 2019 – 2021 period. Previously he held the position of President Commissioner and Independent Commissioner of the Company (2004 – 2018), and President Director & CEO (1998-2002) of the Company. Before joining the Company, he started his professional career as a Manager at PT Elektronika Nusantara in 1974, Director of PT Daeng Brothers (Sole Distributor of Philips Telecommunications & Data System) (1980-1990), President Director of PT Pantja Niaga (1991-1998) as well as serving as President Commissioner to more than 10 companies owned by PT Pantja Niaga including Pantja Motor (Sole Agent Isuzu in Indonesia), and as Director of UNIPRO BV, Amsterdam, Holland (1993-2001).

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

### Competence Development Program for Audit Committee Members

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

## 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 2019, 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 2019:

NO	DATE	AGENDA	AUDIT COMMITTEE		
			FIZ	IS	AD
1	February 13, 2019	Discussion concerning Internal Audit monitoring result	0	1	1
2	March 1, 2019	Discussion concerning Public Accounting Firm audit result on 2018 Financial Statement	0	1	1
3	May 10, 2019	Evaluation of the 2018 financial statement audit	0	1	1
4	July 5, 2019	Discussion concerning Internal Audit monitoring result	1	1	1
5	September 25, 2019	Discussion concerning Internal Audit monitoring result	1	1	1
6	October 2, 2019	Discussion concerning the appointment of public accounting firm	1	1	1
7	November 14, 2019	Discussion concerning the appointment of public accounting firm as External Auditor	1	1	1
8	December 20, 2019	Discussion concerning Internal Audit monitoring result and audit plan for year 2020	1	1	1
TOTAL			5	8	8

Note:

FIZ : Firmanzah  
IS : Irwan Sjarkawi  
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.

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

implementation of Nomination and Remuneration Committee's duties. The Nomination and Remuneration Committee Charter elaborates the duties, roles and functions of the Committee comprehensively.

#### **Duties and Responsibilities of Nomination and Remuneration Committee**

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

1. Providing direction in leadership and succession plan of key positions as well as the appointment of the members of BOC/BOD, including matters related to the re-appointment and remunerations.
2. Ensuring a transparent remuneration system in the Company, such as salaries or honorarium, fixed benefits and facilities including tantien 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**

Based on the Board of Commissioners Decree No. 10/SK-DEKOM/BNBR/V/2018 dated May 21, 2018 the composition of Nomination and Remuneration Committee for the period of 2018 – 2020 was as follows:

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

Furthermore based on the Board of Commissioners' Decree No. 018/SK-DEKOM/BNBR/VI/2019, as of June 18, 2019, the Nomination and Remuneration Committee's composition according to Decree No. 10/SK-DEKOM/BNBR/V/2018 was no longer valid and the Nomination and Remuneration Committee composition for the period of 2019 - 2021 is as follows:

1. Chairman : Firmanzah
2. Member : Bobby Gafur S. Umar
3. Member : Okder Pendrian

#### **Profile of Nomination and Remuneration Committee Members**

1. Firmanzah (see profile of Board of Commissioners)
2. Bobby Gafur S. Umar (see profile of Board of Commissioners)
3. Okder Pendrian (see next page)



## OKDER PENDRIAN

Okder Pendrian, an Indonesian citizen, was born in 1973. Joined PT Bakrie & Brothers Tbk in 1997 and currently serves as Head of Human Capital & Office Support, in addition to that he also serves as Director & CEO of PT Bakrie Strategic Solutions. During his career at the Company, he was assigned to several business units, namely as the Chief Human Resources & Organization of PT Bakrie Metal Industries and HR Advisor at PT Darma Henwa Tbk. He earned a Bachelor's degree in Agricultural Industrial Technology from the Bogor Agricultural University and an MBA in General Management from IPMI Business School, Jakarta, and a Doctorate in Strategic Management from the University of Indonesia, Jakarta.

### Competence Development Program for Nomination and Remuneration Committee Members

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

## Nomination and Remuneration Committee Duties Implementation

In implementing its duties, the Nomination and Remuneration Committees daily activities are to assist the Board of Commissioners in the following matters:

1. Formulate and provide guidance about leadership and succession plan for every key positions and nomination as members of BOC or BOD, as well as other matters related with reappointment and its remuneration.
2. Conduct review and nominates candidate for BOC or BOD member to be appointed and ratified in GMS.
3. Periodically assess the eligibility of a retiring BOC or BOD member for reappointment in GMS.
4. Nominate candidate for C-level executives.
5. Suggest remuneration package for BOC, BOD and C-level executives.

## Nomination and Remuneration Committee Members Meeting and Attendance

NO	DATE	AGENDA	NOMINATION & REMUNERATION COMMITTEE			
			FIZ*	ANB*	BGU**	OP
1	June 26, 2019	Business Unit Performance Appraisal for the 2018 fiscal year	1	-	1	1
2	July 12, 2019	Remuneration Adjustment Scheme for the Directors and Board of Commissioners of the Company	1	-	1	1
3	August 9, 2019	Finalization of Business Unit Performance Appraisal Results for fiscal year 2019.	1	-	1	1
4	August 9, 2019	Determination of Reward & Punishment for CEO Business units based on performance assessment results 2019	1	-	1	1
5	August 9, 2019	Determination of the Remuneration Structure of the Directors and Board of Commissioners	1	-	1	1
6	August 12, 2019	Finalization of remuneration adjustments for Directors and Board of Commissioners and Directors of the Company 2020	1	-	1	1
7	September 17, 2019	Kick off Budget of the Company and business units in 2020	1	-	1	1
TOTAL			7	-	7	7

Note:

FIZ : Firmanzah  
ANB : Anindya Novyan Bakrie  
BGU : Bobby Gafur S. Umar  
OP : Okder Pendrian

\*J) Anindya Novyan Bakrie (ANB) was released from his position as a Member of Nomination and Remuneration Committee on June 18, 2019 as stipulated by the Board of Commissioners' Decree No. 018/SK-DEKOM/BNBR/VI/2019.

\*\*J) Bobby Gafur S. Umar (BGU) began his tenure as a Member of Nomination and Remuneration Committee on June 18, 2019 as stipulated by the Board of Commissioners' Decree No. 018/SK-DEKOM/BNBR/VI/2019.

## Policies on Board of Directors Succession

Policy on Company's Board of Directors succession is stipulated in Human Resources policy concerning Career Development and Succession Program. In its implementation, Nomination and Remuneration Committee is responsible to lead the succession planning process of Board of Directors, although appointment of a Director must gain approval from GMS. The Company has a policy to do internal promotion wherever possible. Internal candidates for a leader position can be identified and groomed through human resources development program managed by Human Resources division and Bakrie Learning Center.



## INVESTMENT AND RISK MANAGEMENT COMMITTEE

The Investment and Risk Management Committee was established to assist the Board of Commissioners in ensuring sound implementation of Good Corporate Governance principles and ensuring that investment activities (including divestment, financing, and other related activities), which are the Company's main business activity, can be carried out in an orderly manner and based on prudent principle to achieve Company's vision, mission and goal. The Investment and Risk Management Committee also assist the Board of Commissioners in developing, implementing and regulating the risk management policies in the Company, as well as responsible of carrying out supervisory on major risk aspects and for the assurance of risks anticipation and mitigation.

In implementing its duties, the Investment and Risk Management Committee cooperates with the Audit Committee and Corporate Risk Management Division.

The Company's Investment and Risk Management Committee Charter directs the implementation of Investment and Risk Management Committee's duties. The Investment and Risk Management Committee Charter elaborates the duties, roles and functions of the Committee comprehensively.

### Duties and Responsibilities of Investment and Risk Management Committee

The Investment and Risk Management Committee has the duty of assisting and/or represent the Board of Commissioners to monitor, evaluate, and give input on investment, divestment, as well as risk controlling activities in the following matters:

1. Monitor, evaluate, assess, appraise and give input on adequacy, completeness, and effectivity of control over investment / divestment / funding process, as well as Company risk management.
2. Monitor, evaluate, and give recommendation on policy direction in managing every resources of the Company in efficient and effective manner to be carried out by the Board of Directors and Chief Investment Officer (CIO).
3. Ensure thorough implementation of Company risk management starting from policy formulation, provision of resources and means, completeness of procedures, and implementation practices can be carried out in efficient and effective manner according to international standard and prevailing rules and regulations.
4. Monitor, evaluate, and give input/recommendation on approval process of investment, divestment, and funding proposal, as well as other related activities. In giving input/recommendation on approval process of investment / divestment / funding proposal, the Committee considers strategic risks (including reputation risk and law / legal / regulation risk), financial risk (including mismatch risk), market / commercial risk, and operation risk affecting the investment, divestment, and funding plan.
5. Assist BOC in carrying out supervision, evaluation, and give input on risk management at all level (Enterprise Risk Management – ERM) to achieve goals and results that are inline and consistent with Company's vision, mission, target, and strategic planning. Including appraisal on risk management policy in terms of risk limit (risk appetite and risk tolerance) set by the Board of Directors, as well as appraisal on efforts to mitigate risks (risk response) through risk mitigation steps.
6. Carry out discussion, evaluation, verification and give recommendation on investment control process and risk management by the BOD and report it to the BOC.
7. Give periodic and/or timely report as requested by BOC.

### Investment and Risk Management Committee Membership Composition

Based on the Board of Commissioners Decree No. 09/SK-DEKOM/BNBR/V/2018 dated May 21, 2018 the composition of Investment and Risk Management Committee for the period of 2018 – 2020 was as follows:

1. Chairman : Anindya N. Bakrie
2. Member : Firmanzah
3. Member : Roy Hendrajanto Marta Sakti
4. Member : Arief A. Dhani

Furthermore based on the Board of Commissioners' Decree No. 20/SK-DEKOM/BNBR/VI/2019, as of June 18, 2019, the Investment and Risk Management Committee's composition according to Decree No. 09/SK-DEKOM/BNBR/V/2018 was no longer valid and the Investment and Risk Management Committee composition for the period of 2019 - 2021 is as follows:

1. Chairman : Anindya N. Bakrie
2. Member : Firmanzah
3. Member : Roy Hendrajanto Marta Sakti
4. Member : Arief A. Dhani
5. Member : Dody Taufiq Wijaya

#### Profile of Investment and Risk Management Committee Members

1. Anindya N. Bakrie (see profile of Board of Directors)
2. Firmanzah (see profile of Board of Commissioners)
3. Roy Hendrajanto M. Sakti (see profile of Board of Directors)
4. Arief A. Dhani (see profile of Secretary to Board of Commissioners)
5. Dody Taufiq Wijaya (see profile of Board of Directors)

#### Competence Development Program for Investment and Risk Management Committee Members

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

#### Investment and Risk Management Committee Duties Implementation

The Investment and Risk Management Committee assist the Board of Commissioners in conducting its supervision function over the Board of Directors, especially in conducting review, recommendation and assessment to the adequacy, completeness and effectiveness of risk management for the company's activities, including project proposal and implementation.

In executing its function, the Investment and Risk Management Committee gain support from the Board of Directors assisted by Corporate Risk Management (CRM) Division by giving access to source of information including documents required and sufficient facility in performing its function.

#### Investment and Risk Management Committee Members Meeting and Attendance

NO	DATE	AGENDA	INVESTMENT AND RISK MANAGEMENT COMMITTEE				
			ANB	FIZ	RH	DTW*	AD
1	January 31, 2019	Discussion concerning BNBR business development and Risk Culture	1	1	1	-	1
2	February 25, 2019	Realization of Capex 2018 and Budget 2019	1	1	1	-	1
3	March 11, 2019	2018 CRM report and 2019 work plan, and budgeting process	1	1	1	-	1
4	March 11, 2019	Discussion concerning BNBR Budget cycle	1	1	1	-	1
5	April 4, 2019	Discussion concerning BNBR Budget cycle	1	1	1	-	1
6	April 15, 2019	Discussion concerning BNBR Budget cycle	1	1	1	-	1
7	June 14, 2019	Finalization of the BNBR Budget cycle	1	1	1	-	1
8	June 21, 2019	Finalization of the BNBR Budget cycle	1	1	1	1	1
TOTAL			8	8	8	1	8

Note:  
ANB : Anindya Novyan Bakrie  
FIZ : Firmanzah  
RH : Hendrajanto Marta Sakti  
DTW : Dody Taufiq Wijaya  
AD : Arief Dhani

*\*) Dody Taufiq Wijaya (DTW) began his tenure as a Member of Investment and Risk Management Committee on June 18, 2019 as stipulated by the Board of Commissioners' Decree No. 20/SK-DEKOM/BNBR/VI/2019.*

## CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee (GCG) is established to assist the Board of Commissioners' functions in the management and assurance of effectiveness of GCG practices implementation in the Company. The Committee monitors and supports the implementation of GCG principles in accordance with the prevailing legislations and industry standards, as well as ethical norms in the community.

The company's Corporate Governance Committee Charter directs the implementation of Corporate Governance Committee's duties. The Corporate Governance Committee Charter elaborates the duties, roles and functions of the Committee comprehensively.

### Duties and Responsibilities of Corporate Governance Committee

1. Assist the Board of Commissioners in supervisory and monitoring function, especially regarding effectiveness of GCG practices implementation in the Company as an effort to increase Shareholders value.
2. Provide recommendations on improvement of GCG implementation in the Company, in accordance with GCG principles.
3. Increase Stakeholders' confidence that the Company is managed in a prudent, professional and reliable manner.
4. Ensure that the implementation of Corporate Governance (CG) principles and sound corporate practices have been carried out in accordance with the demand of rules and regulations, prevailing industry standard, and ethical norms practiced by society.
5. Assist the Board of Commissioners in comprehensively assessing GCG policies formulated by the Board of Directors and Management as well evaluate the consistency of its implementation, including those that are related with business ethics and corporate social responsibility (CSR).
6. Ensure adequacy of structure and process for company organs and company supporting organs have been well fulfilled and carried out in accordance with the demand of prevailing rules and regulations (among others are UU No.40/2007 concerning Limited Liability Company and UU No.8/1995 concerning Capital Market).
7. Ensure, monitor and evaluate implementation of Compliance and Ethics Program including

Whistleblowing System have been carried out well.

8. Ensure, monitor and evaluate implementation of reliable internal control system has been carried out in all level of organization and company operation.
9. Ensure, monitor and evaluate as well as provide recommendations on declaration of PT Bakrie & Brothers Tbk Integrity Pact can be implemented gradually according to Company development and needs.
10. If deemed necessary, the CG Committee with approval from the Board of Commissioners may invite independent parties to assess CG implementation.
11. Conduct discussion, evaluation, verification and provide recommendations on results of CG Committee duties implementation with related parties and deliver the result to Board of Commissioners.
12. If deemed necessary, CG Committee may communicate with other Committees regarding general implementation of CG.
13. Perform other tasks mandated by the Board of Commissioners providing the tasks are still within Board of Commissioners duties and responsibilities scope according to prevailing rules and regulations.

### Corporate Governance Committee Independency

Corporate Governance Committee member possess a professional attitude and have a sense of independency, meaning that independence and professionalism are reflected in situation when dealing with the influences and pressures that may come from various interests which are feared would interfere with the implementation of duties.

### Corporate Governance Committee Membership Composition

Based on the Board of Commissioners Decree No. 12/SK-DEKOM/BNBR/V/2018, dated May 21, 2018 the composition of Corporate Governance Committee for the period of 2018 – 2020 was as follows:

1. Chairman : Armansyah Yamin
2. Member : Anindya N. Bakrie
3. Member : Irwan Sjarkawi
4. Member : Dody Taufiq Wijaya

Furthermore based on the Board of Commissioners' Decree No. 017/SK-DEKOM/BNBR/VI/2019, as of June 18, 2019, the Audit Committee's composition according to Decree No. 12/SK-DEKOM/BNBR/V/2018 was no longer valid and the Audit Committee composition for the period of 2019 - 2021 is as follows:

1. Chairman : Sutanto
2. Member : Armansyah Yamin
3. Member : Irwan Sjarkawi
4. Member : Dody Taufiq Wijaya

### Profile of Corporate Governance Management Committee Member

1. Sutanto (see profile of Board of Commissioners)
2. Armansyah Yamin (see profile of Board of Commissioners)
3. Irwan Sjarkawi (see profile of Audit Committee)
4. Dody Taufiq Wijaya (see profile of Board of Directors)

### Competence Development Program for Corporate Governance Committee Members

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

### Corporate Governance Committee

#### Duties Implementation

The Risk Management Committee assist the Board of Commissioners in ensuring that the principles of Good Corporate Governance is followed and utilized as well as comply to the prevailing regulations and meet the Company's objectives.

In performing its duties, the Corporate Governance Committee perform the following activities:

1. Communicate with Corporate Secretary, Internal Audit Department and Human Capital Division concerning compliance to prevailing Capital Market regulations and other related regulations, internal control system in accordance with COSO description, as well as implementation of Compliance and Ethics program including Whistleblowing System (WBS).
2. Directly monitor effectiveness of implementation of Corporate Governance program and communicate with the person in charge.
3. With approval from the Board of Commissioners, the committee may seek assistance from external experts.

### Corporate Governance Committee Members Meeting and Attendance

NO	DATE	AGENDA	CORPORATE GOVERNANCE COMMITTEE				
			AY*	STT**	ANB*	IS	DTW
1	March 20, 2019	Submission of the achievement of the 2018 CRM program, and the 2019 CRM work plan	1	-	1	1	1
2	June 18, 2019	Submission of GCG socialization in BNBR and Business Units	1	1	0	1	1
3	September 4, 2019	Completion of the Board Manual and Corporate Governance Manual	1	1	0	1	1
4	December 6, 2019	Reviewing the implementation of GCG 2019 in BNBR and Business Units	1	1	0	1	1
TOTAL			4	3	1	4	4

Note:

AY : Armansyah Yamin  
STT : Sutanto  
ANB : Anindya Novyan Bakrie  
IS : Irwan Sjarkawi  
DTW : Dody Taufiq Wijaya

\*) Armansyah Yamin (AY) was released from his tenure as Chairman of Corporate Governance Committee and began his tenure as a Member of Corporate Governance Committee, and Anindya Novyan Bakrie (ANB) was released from his position as a Member of Corporate Governance Committee on June 18, 2019 as stipulated by the Board of Commissioners' Decree No. 017/SK-DEKOM/BNBR/VI/2019.

\*\*) Sutanto (STT) began his tenure as Chairman of Corporate Governance Committee on June 18, 2019 as stipulated by the Board of Commissioners' Decree No. 017/SK-DEKOM/BNBR/VI/2019.

## FUNCTIONS SUPPORTING THE BOARD OF DIRECTORS

### CORPORATE SECRETARY

Corporate Secretary is a function who acts as liaison officer between Financial Service Authority (OJK), Indonesia Stock Exchange and other regulators, as well as with public in order to reinforce transparency principles in company's information and communication management. Therefore the Corporate Secretary acts as the organizer of Board of Commissioners and Board of Directors daily activities. Corporate Secretary is responsible to the Board of Directors through Director & CLO.

The appointment of Christofer A. Uktolseja as Corporate Secretary was ratified by the Decision Letter of Board of Directors No.003/SK-BOD-BNBR/VI/15 dated June 5, 2015, and has been informed to OJK through letter No.046/BNBR/CS-OJK/VI/15 dated June 8, 2015.



**CHRISTOFER ALEXANDER  
UKTOLSEJA**  
SEKRETARIS PERUSAHAAN

Christofer Alexander Uktolseja, an Indonesian, was born in Prabumulih in 1973 and earned a Bachelor degree in Law from Parahyangan Catholic University, Bandung. He has held the position of Corporate Secretary since June 2015 and also holds the position of Head of Corporate Legal since 2011. He joined the Company in 1999 in Corporate Legal Department as a Legal Advisor. Prior to joining the Company, he has joined with one of the largest Oil & Gas company in Indonesia namely Total E&P Indonesie (previously Total Indonesie).



### Competence Development Program for the Corporate Secretary

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

During 2019 Corporate Secretary has attended the following development program:

NO	DATE	AGENDA	ORGANIZER	LOCATION
1	January 2, 2019	Speech of President of The Republic of Indonesia (Opening of IDX Trading 2019)	IDX	Main Hall IDX
2	January 10, 2019	Invitation to the Dissemination of Amendment to Rule Number I-A concerning Listing of Shares and Equity-Type Securities Other Than Shares Issued by Listed Companies and Implementation of Special Notation	IDX	Main Hall IDX
3	February 12, 2019	Seminar of "POJK Number 36 / POJK.04 / 2018 about Examination Procedures in the Capital Market Sector"	ICSA & IDX	Main Hall IDX
4	February 13, 2019	Seminar After The Rain	Mandiri Investment	Ritz Carlton Hotel
5	March 11, 2019	Seminar of "Next Step in Sustainability Reporting: How to Start and Common Technical Issues in Reporting?"	GRI & IDX	Main Hall IDX
6	March 12, 2019	Seminar of "Dissemination of Financial Accounting Standards"	OJK	Kempinski Grand Ballroom
7	March 20, 2019	Seminar of "Company Compliance with Regulations related to Directors and Board of Commissioners"	ICSA & IDX	Main Hall IDX
8	March 28, 2019	Seminar of "How to Report Gender Equality, Water, Occupational Health and Safety in Sustainability Report?"	GRI & IDX	Main Hall IDX
9	April 9, 2019	What the Corporate Secretary Needs to Look For in Organ Formation Board: Committee, Corporate Secretary and Internal Audit	ICSA & IDX	Main Hall IDX
10	April 25, 2019	Seminar of "Business Reporting on the Sustainable Development Goals"	GRI & IDX	Main Hall IDX
11	May 14, 2019	Socialization of Trial Integrated Electronic Reporting Facility Between IDXnet and SPE Financial Services Authority	IDX	Main Hall IDX
12	June 24, 2019	AEI & IDX Cooperation Seminar Regarding POJK 14 / POJK.04 / 2019	Indonesia Stock-Issuer Association & IDX	Main Hall IDX
13	June 27, 2019	Seminar of "Board Gender Diversity in ASEAN"	IDX	Main Hall IDX
14	July 2, 2019	Effective GCG Implementation Strategy with the duties of Corporate Secretary and POJK Number 21 / POJK.04 / 2014 concerning the Implementation of Guidelines for Public Corporate Governance	IDX	Main Hall IDX
15	August 1, 2019	Dissemination of Rule Number I-V	IDX	Main Hall IDX

16	August 13, 2019	Seminar of "Understanding Stock Buyback Regulations related to POJK Number 30 / POJK.04 / 2017"	IDX	Main Hall IDX
17	August 21, 2019	AEI 2019 Annual Member Conference	Indonesia Stock-Issuer Association	JW Mariot Hotel
18	August 23, 2019	Workshop: Corporate Funding Opportunities Towards Optimal Growth Through the Indonesian Capital Market	IDX	Jakarta Convention Center
19	September 10, 2019	Seminar related to POJK Number 74 / POJK.04 / 2017	ICSA	Main Hall IDX
20	September 30, 2019	Workshop of "Preparation of Sustainable Reports Based on POJK-51/2017"	Indonesia Stock-Issuer Association	Main Hall IDX
21	October 8, 2019	Seminar : Online Single Submission (Integrated Business Licensing Electronically)	ICSA & IDX	Main Hall IDX
22	November 28, 2019	Workshop of ASEAN Corporate Governance Scorecard	OJK & IDX	Main Hall IDX
23	November 1, 2019	Socialization of HMETD SPRINT E-Registration	OJK	Hotel Indonesia Kempinski
24	November 12, 2019	Seminar: Indonesia's Preparation in Facing Global Economic Turbulence: Awaiting the Breakthrough of the Indonesian Cabinet Economic of Indonesia Maju	ICSA & IDX	Main Hall IDX
25	December 17, 2019	The 31st Anniversary of the Indonesia Stock-Issuer Association	Indonesia Stock-Issuer Association	Main Hall IDX
26	December 18, 2019	Invitation to Attend Alignment Workshop of POJK 51/2017 and SDGs Monitoring and Evaluation, Especially for Non-Government	OJK & IDX	Meeting Room of DH-1, Ministry of PPN/ BAPPENAS
27	December 30, 2019	Closing of IDX Trading 2019	IDX	Main Hall IDX

### Corporate Secretary Duties Implementation in 2019

The Corporate Secretary activities in 2019 are as follows:

- 2019 Annual GMS preparation and implementation.
- Held the Public Expose.
- Conducted communication with the regulators supporting professions, and other relevant authorities.

NO	DATE	LETTER NUMBER	RECIPIENT	DESCRIPTION
1	January 9, 2019	001/BNBR/CS-OJK/I/19	OJK	Submission of Debt / Liability Data in Foreign Currencies
2	January 9, 2019	002/BNBR/CS-BEI/I/19	IDX	Monthly Report on BNBR Securities Holder Registration as of December 2018
3	January 21, 2019	003/BNBR/CS-BEI/I/19	IDX	Response to Request for Explanation of Volatility of Securities Transactions
4	January 24, 2019	004/BNBR/CS-OJK/I/19	OJK	Response to Request for Confirmation of Public Accountant and Public Accounting Firm Appointment

5	February 6, 2019	006/BNBR/CS-BEI/II/19	IDX	Request for Additional Recording through the Capital Increase with Non Preemptive Rights ("NPR") Mechanism
6	February 7, 2019	007/BNBR/CS-OJK/II/19	OJK	Confirmation of Appointment of Public Accountant / Public Accounting Firm
7	February 8, 2019	008/BNBR/CS-BEI/II/19	IDX	Monthly reports on BNBR Securities Holder Registration as of January 2019
8	February 8, 2019	009/BNBR/CS-OJK/II/19	OJK	Submission of Debt / Liability Data in Foreign Currencies
9	February 20, 2019	010/BNBR/CS-OJK/II/19	OJK	Information Disclosure of Implementation Plan for Capital Increase with NPR of BNBR by OL Master Limited
10	February 22, 2019	011/BNBR/CS-EDII/II/19	EDII	Instructions on the Implementation of Capital Increase with NPR of PT Bakrie & Brothers Tbk
11	March 1, 2019	012/BNBR/CS-OJK/III/19	OJK	Submitting Proof of Capital Increase with NPR Announcement
12	March 8, 2019	013/BNBR/CS-OJK/III/19	OJK	Submission of Debt / Liability Data in Foreign Currencies
13	March 8, 2019	014/BNBR/CS-BEI/III/19	IDX	BNBR Securities Holder Registration Monthly Report as of February 2019
14	March 27, 2019	017/BNBR/CS-OJK/III/19	OJK	Submission of BNBR Annual GMS Agenda on May 16, 2019
15	March 28, 2019	018/BNBR/CS-OJK/III/19	OJK	Submission of BNBR Annual Financial Report as of December 31, 2018
16	March 28, 2019	019/BNBR/CS-OJK/III/19	OJK	Submission of Advertisement Proof for Announcement of LKT BNBR
17	April 8, 2019	020/BNBR/CS-BEI/IV/19	IDX	BNBR Securities Holder Registration Monthly Report as of March 2019
18	April 8, 2019	021/BNBR/CS-OJK/IV/19	OJK	Submission of Debt / Liability Data in Foreign Currencies
19	April 8, 2019	022/BNBR/CS-OJK/IV/19	OJK	Letter of Submission of Notification on BNBR AGMS, May 16, 2019
20	April 8, 2019	023/BNBR/CS-OJK/IV/19	OJK	Letter of Submission of Advertisement Proof on Notification of BNBR AGM 16 May 2019
21	April 24, 2019	025/BNBR/CS-OJK/IV/19	OJK	Submission of BNBR AGM Summons, May 16, 2019
22	April 24, 2019	026/BNBR/CS-OJK/IV/19	OJK	Submission of Proof of Advertisement for Summoning the BNBR AGMS May 16, 2019
23	April 24, 2019	027/BNBR/CS-OJK/IV/19	OJK	Submission of BNBR Annual Report 2018
24	April 24, 2019	028/BNBR/CS-BEI/IV/19	IDX	Submission of BNBR Annual Report 2018
25	April 26, 2019	030/BNBR/CS-OJK/IV/19	OJK	Response to Request for Confirmation of BNBR Annual GMS Agenda
26	April 30, 2019	031/BNBR/CS-BEI/IV/19	IDX	Submission of Interim Financial Report as of March 31, 2019

27	May 8, 2019	036/BNBR/CS-BEI/V/19	IDX	BNBR Securities Holder Registration Monthly Report As of April 2019
28	May 10, 2019	037/BNBR/CS-OJK/V19	OJK	Submission of Debt / Liability Data in Foreign Currencies
29	May 20, 2019	039/BNBR/CS-OJK/V/19	OJK	Submission of Minutes of the Meeting of the BNBR Annual GMS May 16, 2019
30	May 20, 2019	040/BNBR/CS-OJK/V/19	OJK	Submission of Advertisement Proof on Minutes of the Meeting of the BNBR AGMS on May 16, 2019
31	May 23, 2019	042/BNBR/CS-OJK/V/19	OJK	Report of Result of Public Accounting Firm Evaluation
32	May 27, 2019	044/BNBR/BGU-OJK/V/19	OJK	Public Company Ownership Report
33	May 27, 2019	045/BNBR/YS-OJK/V/19	OJK	Public Company Ownership Report
34	May 27, 2019	046/BNBR/AAP-OJK/V/19	OJK	Public Company Ownership Report
35	May 27, 2019	047/BNBR/DTW-OJK/V/19	OJK	Public Company Ownership Report
36	May 28, 2019	048/BNBR/AY-OJK/V/19	OJK	Public Company Ownership Report
37	June 10, 2019	049/BNBR/CS-BEI/VI/19	IDX	Monthly Report on BNBR Securities Holder Registration as of May 2019
38	June 10, 2019	050/BNBR/CS-OJK/VI/19	OJK	Submission of Debt / Liability Data in Foreign Currencies
39	June 14, 2019	052/BNBR/CS-OJK/VI-19	OJK	Submission of Minutes of the BNBR AGMS, May 16, 2019
40	June 18, 2019	055/BNBR/CS-BEI/VI/19	IDX	Application for Un-Lock of Capital Increase with NPR Results
41	July 8, 2019	056/BNBR/CS-BEI/VII/19	IDX	BNBR Securities Holder Registration Monthly Report as of June 2019
42	July 8, 2019	057/BNBR/CS-BEI/VII/19	OJK	Submission of Debt / Liability Data in Foreign Currencies
43	July 16, 2019	058/BNBR/CS-OJK/VII/19	OJK	Response to Financial Service Authority (OJK) Letter
44	July 30, 2019	061/BNBR/CS-OJK/VII/19	OJK	Submission of Interim Financial Report as of June 30, 2019
45	July 30, 2019	062/BNBR/CS-OJK/VII/19	OJK	Submission of Evidence of Financial Report Publication for Period of June 30, 2019
46	August 8, 2019	064/BNBR/CS-BEI/VIII/19	IDX	BNBR Securities Holder Registration Monthly Report as of July 2019
47	August 8, 2019	065/BNBR/CS-OJK/VIII19	OJK	Submission of Debt / Liability Data in Foreign Currencies
48	September 6, 2019	066/BNBR/CS-BEI/XI/19	IDX	Monthly Report on BNBR Securities Holders Registration as of August 2019
49	September 6, 2019	067/BNBR/CS-OJK/XI/19	OJK	Submission of Debt / Liability Data in Foreign Currencies

50	October 7, 2019	069/BNBR/CS-BEI/X/19	IDX	BNBR Securities Holder Registration Monthly Report as of September 2019
51	October 7, 2019	070/BNBR/CS-OJK/X/19	OJK	Submission of Debt / Liability Data in Foreign Currencies
52	October 30, 2019	072/BNBR/CS-OJK/X/19	OJK	Interim Financial Report as of September 30, 2019
53	October 31, 2019	073/BNBR/CS-OJK/X/19	OJK	Responses to Requests for Information Regarding Public Company Controllers
54	November 8, 2019	075/BNBR/CS-BEI/XI/19	IDX	Monthly Report on BNBR Securities Holders Registration as of October 2019
55	November 8, 2019	076/BNBR/CS-OJK/XI/19	OJK	Submission of Debt / Liability Data in Foreign Currencies
56	November 27, 2019	078/BNBR/CS-BEI/XI/19	IDX	BNBR Annual Public Expose Notification
57	December 4, 2019	080/BNBR/CS-BEI/XII/19	IDX	BNBR Securities Holder Registration Monthly Report as of November 2019
58	December 4, 2019	081/BNBR/CS-OJK/XII/19	OJK	Submission of Debt / Liability Data in Foreign Currencies
59	December 9, 2019	082/BNBR/CS-BEI/XII/19	IDX	Submission of BNBR Annual Public Expose Material
60	December 12, 2019	083/BNBR/CS-OJK/XII/19	OJK	Report on the Appointment of Public Accountants and Public Accounting Firm by the Audit Committee
61	December 17, 2019	084/BNBR/CS-BEI/XII/19	IDX	Submission of BNBR Annual Public Expose Report

OJK : Financial Services Authority  
 IDX : Indonesia Stock Exchange  
 EDIH : PT Electronic Data Interchange Indonesia (Securities Administration Bureau of BNBR)

## INVESTOR RELATIONS

The Company's information communication activity is also supported by the Investor Relations function with the focus on financial aspects, investments and the Company's business strategy. The Investor Relations Officer holds the roles to conduct efficient and effective communication with the investors, shareholders and capital market communities, as well as relevant institutions in accordance with the Company's plans and strategies as well as investment policies. The Company's information dissemination presented by the Investor Relations, among others are:

1. Financial Performances
2. Investment Performances (including the Company's portfolio)
3. Share prices movements
4. The Company's frameworks
5. The Company's other strategic activity.

Chief Investment Officer leads the Investor Relations. The Company appointed Roy Hendrajanto M. Sakti as the Chief Investment Officer since August 2018, and later became Investment Director since May 2019.

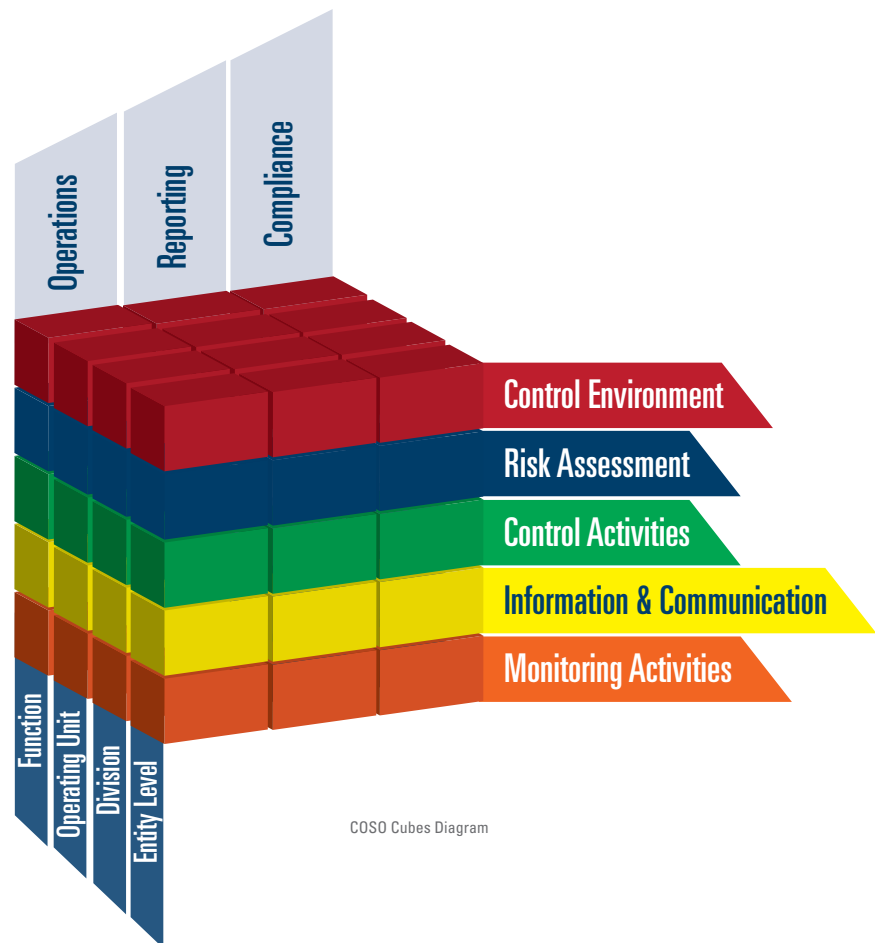
Profile of Roy Hendrajanto M. Sakti can be seen in profile of Board of Directors



## 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.



COSO Cubes Diagram

## INTERNAL CONTROL OBJECTIVES

The implementation of internal control functions in all aspects of the Company is continuously assured by the Board of Directors as the Company's top executives organs responsible on the Company's operations and management. Through the Audit Committee, the Board of Commissioners directly monitors the internal control implementation. In general, the Company's Internal Control System is conducted through the application of the Corporate values, ethics, and employees integrity, as reflected in the Company's Code of Conduct, Business Conduct Policy, and Integrity

Pacts. The Internal Control System management also conducted through the company's organization structure with clarity in division of duties, responsibilities and authorities of the Board of Commissioners and Directors that reflected in the Board Manual.

The objectives of the Company's Internal Control:

- Financial reporting reliability.
- Operational effectiveness and efficiency.
- Compliance on prevailing laws and regulations.

Internal Control System is also responsible to manage comprehensive risk management, from policy formulations, procurements and utilization of resources and infrastructures, adequacy of policies and procedures as well as its implementation practices, so as to achieve efficient and effective application in accordance with the international standards and prevailing regulations, including the effective information and communication systems.

## GUIDELINES OF INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT IMPLEMENTATION

Based on the Corporate Governance Guidelines of PT Bakrie & Brothers Tbk, the Board of Commissioners and Directors are responsible in the implementation of Internal Control System and risk management in BNBR.

The guidelines of BNBR's Internal Control System and risk management implementation are as follows:

1. Consistent implementation by the Board of Directors and active supervision by the Board of Commissioners
2. Adequacy in policies, procedures and stipulations of implementation scopes
3. Adequacy in risk identification process, measurements/assessments, mitigations, monitoring and control
4. Comprehensive internal control system
5. Adequate internal control information system and risk management.

## INTERNAL CONTROL PRINCIPLES

### 1. Control Environment

The control environment consists of actions, policies and procedures that reflected the standpoint of all Company's Organs towards control and its importance to the company. Several factors that influenced the control environment among others are: integrity and ethics values, commitment towards competency, the Board of Commissioners, Directors, Audit Committee, management stances, operational approaches, organization structure, delegation of authorities and responsibilities as well as practices and policies in Human Resource ("HC").

### 2. Risk Assessment

Risk assessment covers risk identifications, analysis, and management that can minimize the risk impacts and presence.

### 3. Control Activities

Control activities are the policy and procedures to ensure the implementation of management directives.

### 4. Information & Communication

Information and communication system enables the Company's internal parties to obtain information

that requires in managing, implementing, and controlling the Company's operational activities.

## 5. Monitoring Activities

Monitoring activities are the process that determines the internal control performance quality at all times. The monitoring covers the determination of internal control design and implementation in a timely manner and any necessary corrections. The process is implemented through periodically and continuously monitoring activity, as well as separate evaluations, or of both combinations.

## MONITORING AND CONTROL ACTIVITY IN 2019

BNBR's Internal Control System has conducted the following monitoring and control activity in 2019:

1. Conducted periodical and continuous evaluations and updates on the organization structure including principal duties, functions and authorities of the Board of Commissioners and Directors, as stipulated in the Board Manual.
2. Assisted the Objective Settings of the Board of Commissioners, Directors, and Employees for the next 1 (one) year, Annual Performance Appraisal of the Board of Commissioners, Directors and Employees, and rewarding programs on the employees performances and tenures.
3. The Company has designed the Objective Settings of the Board of Commissioners, Directors, and Employees for the next 1 (one) year, Annual Performance Appraisal of the Board of Commissioners, Directors and Employees, and rewarding programs on the employees performances and tenures.
4. Facilitated the risk owners to identify, assess, analyze, and manage the risk and then present it in the reports and documents published weekly, monthly, and annually by the CRM Division, namely the Weekly Market and Industry Outlook (Weekly MIO), Risk Outlook, Market Risk Assessment (MRA) reports, Financial Risk Report, risk assessment for a project or transaction (RARS), risk registrar, as well as to refine the Company's documents on Policies and Procedures. The reports are submitted to the Risk Management Committee, the Board of Directors and risk owner.

5. Handled and managed Whistleblowing system by the Evaluations Team of Whistleblowing System Cases.
6. Conducted evaluation, reviews and monitoring of the audit findings by the Company's Internal Audit, one of it was conducted by the Audit Committee.
7. Conducted evaluation, reviews and monitoring of the effectiveness of Internal Control System application by the Audit Committee and External Auditor.
8. Conducted Operational Audit in several business units (PT Bakrie Autoparts and PT Bakrie Building Industries) through Internal Audit Unit of BNBR.

## INTERNAL AUDIT

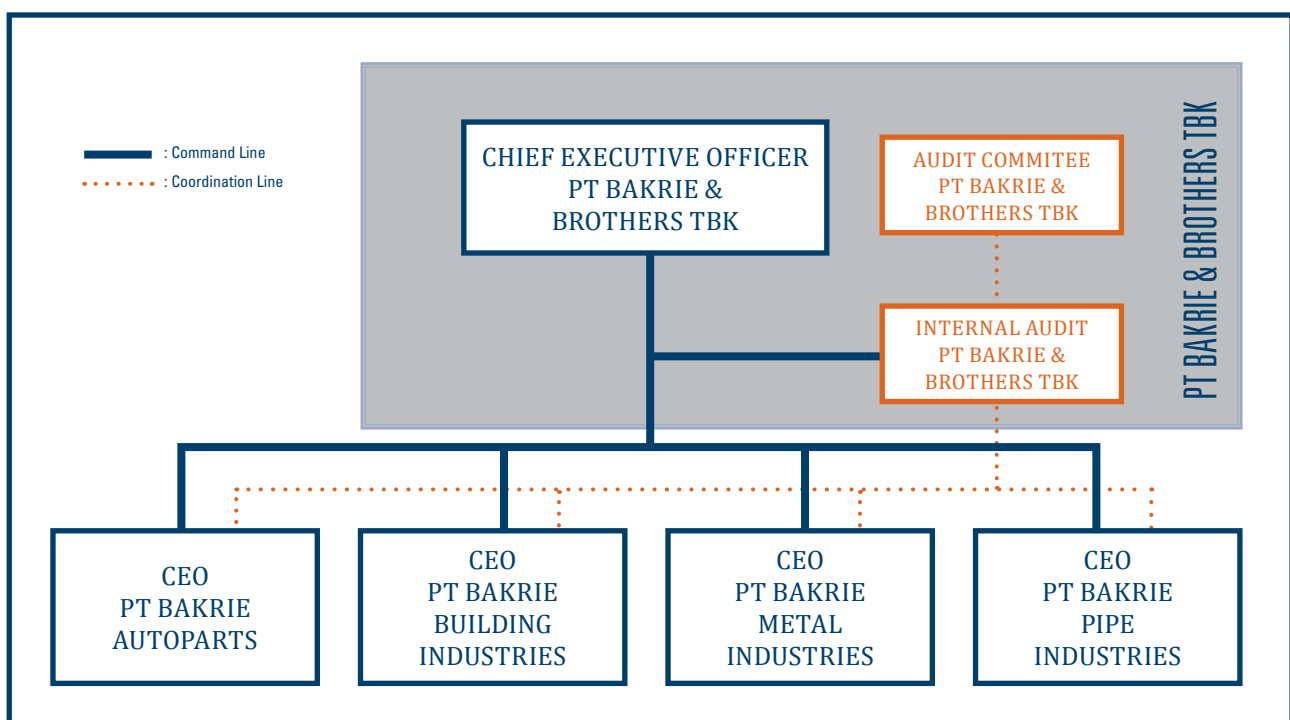
The Internal Audit is the assurance and consultation activities that independently and objectively gives added value and improves the operations of organization. This activity supports the organization in reaching its objectives through discipline and systematic approaches to evaluate and enhance the effectiveness of risk management process, control and governance.

The Internal Audit activity of PT Bakrie & Brothers Tbk was intended to deliver added value and improve the organization's operations. The means and scopes of internal audit are assurance and consultation in the area of risk management process, control and organization's governance. The Company's commitment to implement good corporate governance and standard is strongly seen since the inception of Corporate Internal Audit ("CIA").

### Position of the Internal Audit Unit in Company Structure

Position of The Internal Audit is formally stated in The Internal Audit Charter which defines the purpose, authority, and responsibility of the Internal Audit activities that are consistent with the Standards for the Professional Practice of Internal Auditing.

The Internal Audit Charter was mutually agreed by the President Director & CEO and President Commissioner / Independent Commissioner.



## QUALIFICATION OF INTERNAL AUDIT

The following are minimum requirements of an Internal Auditor at BNBR:

1. Possess high integrity and professional, independent, trustworthy, discipline and objective behavior in performing its duties.
2. Possess knowledge and experience on audit technic and other subjects relevant with its scope of work.
3. Possess knowledge about capital market and other related rules and regulations.
4. Have the ability to interact and effectively communicate in both verbal and written manner.
5. Must adhere to profession standard as issued by Internal Audit Association.
6. Must obey Internal Audit ethics.
7. Must protect confidentiality of corporate information and/or data in relation with its implementation of duties and responsibilities as Internal Audit unless obligated by law or court order.
8. Understand principles of good corporate governance and risk management.
9. Willing to continuously improve his/her profession knowledge, skills and abilities.

## DUTIES IMPLEMENTATION OF INTERNAL AUDIT

CIA has become a significant function to assist the President Director in the supervision of financial and operational, both in the Company and subsidiary in order to achieve the company's objectives and going concern, through:

1. Reviewing and assessing the appropriateness and accuracy of accounting control, finance and operations implementation.
- b. Analyzing the implementation that shall be in accordance with the set policies, plans and procedures.
- c. Analyzing whether the company/ organization treasuries are appropriately accountable and securely conducted towards every possibilities of risk losses.
- d. Ensuring the accounting trust levels and other manners that are developed in the organization.
- e. 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 2019

The preparation of the 2019 Audit Plan is carried out by Internal Audit using the Risk Based Internal Audit approach, which means that in prioritizing the auditee to be audited, Internal Audit considers several risk factors, including the following:

1. Revenue size auditee
2. Operating expense size auditee
3. Sales achievement compared to auditee's budget
4. Operating expenses realization compared to auditee's budget
5. Significant level of auditor's finding in the previous year
6. The last time auditee was audited.

The Annual General Audit Plan is then approved by the President Director and Vice President Director. The Annual General Audit Plan can be adjusted according to changes in business risk dynamics in the organization in the current year.

In 2019, Internal Audit has conducted Audit and published the Audit Report (LHA) as follows:

NO	AUDITEE	TYPE OF WORK		WORK ACTIVITY	LETTER OF ASSIGNMENT	REPORT OF WORK RESULT
1	PT Multi Kontrol Nusantara	Assurance	Operational Audit	Assessment and evaluation on 3E (Efficiency, Effectiveness, and Economic) in every operational aspects as a whole.	001/S/BOD-BGU/I/2019 Dated January 10, 2019	LAP-04/ INTERNAL AUDIT – BB/V/2019 Dated May 17, 2019
2	Compliance Department of BNBR	Assurance	Compliance Test	Compliance review on the following matters:  1. Ensuring every business process in BNBR has had Standard Operating Procedures (SOP). 2. Ensuring every business process in BNBR that has had SOP complies with the stipulated SOP (compliance test). 3. Ensuring every existing SOP has been updated periodically and disseminated thoroughly to BNBR stakeholders.	005/S/BOD-BGU/I/2019 Dated January 23, 2019	LAP-05/ INTERNAL AUDIT – BB/ VI/2019 Dated June 21, 2019
3	PT Bakrie Power	Assurance	Operational Audit	Assessment and evaluation on 3E (Efficiency, Effectiveness, and Economic) in every operational aspects as a whole.	045/S/BOD-BGU/V/2019 Dated May 14, 2019	LAP-06/ INTERNAL AUDIT – BB/ VII/2019 Dated August 27, 2019
4	PT Bakrie Indo Infrastructure	Assurance	Operational Audit	Assessment and evaluation on 3E (Efficiency, Effectiveness, and Economic) in every operational aspects as a whole.	073/S/ ANB-BOD/ IX/2019 Dated September 24, 2019	LAP-07/ INTERNAL AUDIT – BB/ XI/2019 Dated November 18, 2019
5	PT Bangun Bantala Indonesia	Assurance	Operational Audit	Assessment and evaluation on 3E (Efficiency, Effectiveness, and Economic) in every operational aspects as a whole.	014/S/BOD-AAB/VIII/2019 Dated August 7, 2019	LAP-08/ INTERNAL AUDIT – BB/ XI/2019 Dated November 21, 2019
6	PT South East Asia Pipe Indonesia	Assurance	Operational Audit	Assessment and evaluation on 3E (Efficiency, Effectiveness, and Economic) in every operational aspects as a whole.	015/S/BOD-AAB/X/2019 Dated October 8, 2019	LAP-10/ INTERNAL AUDIT – BB/ XII/2019 Dated December 2, 2019



7	PT Bakrie Pipe Industries	Consultation	Socialization of Anti-Fraud, Internal Control Reinforcement and Whistle Blowing System	Socialization program purposes:  1. Creating awareness of the importance of Internal Control in BNBR business units.  2. Identifying symptoms of fraud, types of fraud, and prevention of fraud.  3. Understanding violation report mechanism through BNBR Whistle Blowing System.	020/S/BOD-BGU/III/2019 Dated March 14, 2019	LAP-02/ INTERNAL AUDIT – BB/ III/2019 Dated March 21, 2019
8	Bakrie Autoparts Group	Consultation			031/S/BOD-BGU/IV/2019 Dated April 10, 2019	LAP-03/ INTERNAL AUDIT – BB/ IV/2019 Dated April 15, 2019
9	Bakrie Building Industries Group	Consultation			017/S/ BOD-AAB/ XI/2019 Dated November 18, 2019	LAP-09/ INTERNAL AUDIT – BB/ XI/2019 Dated November 21, 2019
10	PT Bakrie & Brothers Tbk	Consultation				LAP-11/ INTERNAL AUDIT – BB/ XII/2019 Dated December 10, 2019

The Operational Audit was conducted with concentration on assessment of 3E (Efficiency, Effectiveness and Economic) in every function, assessment of internal control implementation effectiveness, and assessment of compliance to prevailing rules and regulations / Standard Operating Procedures (SOP).

## APPOINTMENT PROCEDURE OF INTERNAL AUDIT HEAD

PT Bakrie & Brothers Tbk's Internal Audit Division is led by the Head of Internal Audit appointed and terminated by the President Director & CEO following the approval of the Board of Commissioners, and is responsible to the President Director & CEO.



## TONI TRIYULIANTO

### HEAD OF INTERNAL AUDIT

Toni Triyulianto, an Indonesian, was born in Jakarta in 1975 and earned a D4 majoring in Accountancy from State College of Accountancy in 2001 and earned a Master of Public Policy degree majoring in Finance and Budget from Michigan State University, USA, in 2012. He joined the Internal Audit Unit of PT Bakrie & Brothers Tbk since July 2017. Prior to this position, he began his career as the senior auditor in Indonesia's National Government Internal Auditor (BPKP) for 17 years and as Tax and Accounting Manager in PT Bakrie Building Industries for three years.

## EXTERNAL AUDITORS

As a public company, BNBR is obliged to publish the financial statements audited by the External Auditors. External Auditors is the third party responsible to audit and ensure the presentation of BNBR Financial Statements to be in accordance with the prevailing accounting standards. The audit by the External Auditors is implemented in accordance with prevailing audit standards with the end results in a means of auditor opinions on BNBR Financial Statements. In the event of corporate actions, BNBR also can publish the financial statements on certain periods.

Based on the 2019 Annual GMS resolutions, the Board of Commissioners has the authority to appoint the Public Accounting Firm (KAP) as long as it meets the specified criteria and determination of the honorarium. The Board of Commissioners assigned the Audit Committee to assess proposal from the Board of Directors concerning appointment of KAP Y. Santosa & Rekan as the auditor of the Company Financial Statements fiscal year December 31, 2019. The proposal to appoint KAP Y. Santosa & Rekan has been approved by the Board of Commissioners after taking into account the recommendation of Audit Committee.

2019 is the fourth year of Public Accounting Firm (KAP) Y. Santosa & Rekan in conducting the audit of the Company's Financial Statements. During 2019, 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

	2019	2018	2017	2016	2015
KAP NAME	Y. Santosa & Rekan	Y. Santosa & Rekan	Y. Santosa & Rekan	Y. Santosa & Rekan	Handoko Tomo Samuel Gunawan & Rekan (Moores Rowland)
AUDIT FEE	Rp 3,500,000,000	Rp 3,800,000,000	Rp 3,600,000,000	Rp 3,500,000,000	Rp 2,135,000,000

## RISK MANAGEMENT

### SOLID FOUNDATION OF RISK MANAGEMENT

While presenting opportunities, the demand of changes and company's capability improvement also presents risks. These risks may disrupt the Company from achieving its goal and mission if not addressed properly. Company's failure in achieving its goal and mission may cause public distrust towards the Company, wherein at its worst state such distrust may halts its business activity.

Risk management is therefore a strategic requirement and it plays an important part in improving PT Bakrie & Brothers Tbk's performance. Risk management is needed to optimize the Company's limited resources to achieve specified targets and to fulfill the Company's vision and mission. Allocation of resources is decided based on risk priorities, with the utmost attention paid to the most critical risk. Furthermore, management of existing risks is periodically reviewed along with improving its reliability.

Risks can be mitigated by lowering the probability of risk occurrence and/or reducing effects caused by such risk. Risk Management at BNBR is expected to be able to anticipate rapid changes, to improve corporate governance, and to secure Company's resources and assets. These reasons form the base of BNBR's commitment to continuously implement solid risk management for the fulfillment of Company's goals.

The creation of a Risk Management team in 2003 marked the beginning of formal implementation of risk management at PT Bakrie & Brothers Tbk, wherein at that time the Risk Management team was responsible to supervise the implementation of Company's business revitalization blueprint 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, 2003, which was later amended by Decree No.BGU-739/Presdir-BB/XII/05, dated December 6, 2005, with the task of coordinating the entire

business development plans and strategic decisions to ensure optimal results, by mitigating the business risks, and ensuring cost efficiency while acting as achievement and milestone monitoring function as well.

The duty of this team later was reaffirmed by the Policy & Procedure No. 004/BNBR/II/2010, dated February 20th, 2010, on the Implementation of Enterprise Risk Management and no. 005/BNBR/II/2010, dated February 25th, 2010, on the Evaluation of Transaction-Based Risk, as well as several other policies and procedures linked to the evaluation of market risk, credit risk and liquidity risk.

By end of 2018, Risk Management Implementation has entered into the integrated risk management up to Subsidiaries stage as outlined in the Roadmap depicted in the following illustration, with periodic risk evaluation at the level of both the Holding and the Subsidiaries.

## ERM IMPLEMENTATION ROADMAP PT BAKRIE & BROTHERS TBK

### 2003-2007

#### RISK MANAGEMENT INITIATION

- Formation of inter-departmental Risk Management Team.
- Role function: Project/analysis of transaction based risks. Risk assessment of investment/financing/ expansion proposal (with reference to Company blue print).
- ERM knowledge collection (literature and comparative study).
- Development and finalization of ERM manual.
- ERM pilot project BPI.
- Role function: ERM, audit, risk analysis.
- Provision of KnowRisk software.

### 2008-2010

#### DEFINING RISK MANAGEMENT

- Development of new approach and strategy to implement ERM in investment company.
- Provision of @Risk software.
- Role function: ERM, analysis of investment/ project and compliance risk.
- Consistently produced weekly report – Market & Industry Outlook, monthly report – Market Risk Assessment.
- Adapted SOP for Company new organization structure and strategy.

### 2011-2013

#### RISK MANAGEMENT OVERSIGHT

- Risk management reinforcement in decision making.
- Formation of Risk & Control Self Assessment (RCSA).
- Capacity improvement
- Managed risk management implementation in every decision making process through production of RARS (Risk Assessment & Recommendation Sheet).

### 2014-2017

#### RISK MANAGEMENT REINFORCEMENT

- Consistently produced Market & Industry Outlook, Financial Risk, Risk Outlook.
- Developed new RCSA approach up to Subsidiaries, in the form of risk identification and mitigation based on risk register.
- Adapted SOP for Company new organization structure and strategy.
- Socialized GRC Series (Internal Control System, GCG, Risk Management and Code of Ethics) approach up to Subsidiaries.

### 2018-2021

#### INTEGRATED RISK MANAGEMENT

- Ensuring holistic risk management process in every decision making at every stage of Company's business process.
- Realizing integrated risk management at every stage of Company's business process up to Subsidiaries.
- Reinforcing risk management foundation in every decision making process of the Company.
- Reinforcing risk management culture.
- Reviewing risk management profile up to Subsidiaries.

## ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK

In 2016, the Company generally, and specifically the Corporate Risk Management Division (CRM), continued to improve the risk management systems by employing a framework that is in line with the ISO 31000 on Risk Management.

Such framework, the BNBR's Enterprise Risk Management framework, titled The Pyramid as shown in Illustration 2, is the main framework used by the CRM Division for implementing risk management process across the Company. The Pyramid embodies the framework of ISO 31000 about Risk Management. The risk management processes use transaction-based approaches such as the ones covering investment, financial, and other transactions, and continuous approaches conducted by every functions and structures within the Company (Continuous ERM).

In the continuous ERM process, each risk owner is expected to carry out its own risk evaluation, starting from the risk identification and evaluation to the risk control and mitigation, a process that is also known as risk and control self-assessment (RCSA). The main goal is to minimize potential loss and at higher stake, is to maximize the achievement of goals in each Company's functions and structures.





## 1

**PRELIMINARY PROCESS***(Levels 1 and 2 from the bottom of The Pyramid)*

- “Internal Environment”, aiming to prepare conducive internal corporate environment for effective and efficient risk management process implementation. This stage consists of preparation of framework, policies, systems and procedures, resources, organization, implementation strategy and other tools.
- “Goal Setting”, acting as the Company’s directional reference in achieving its short, medium and long-term goals.

## 2

**CORE PROCESS***(Levels 3, 4 and 5 from the bottom of The Pyramid)*

- “Risk identification”, in all Company’s business processes, functions and structures, as well as transactions/activities/projects/investments currently being implemented or to be carried out by the Company.
- “Risk assessment”, conducted by weighing the risks in terms of their probability/likelihood and impact.
- “Risk responses” as follow-up measures to mitigate.

## 3

**SUPPORTING PROCESSES:***(The base and the height faces of The Pyramid)*

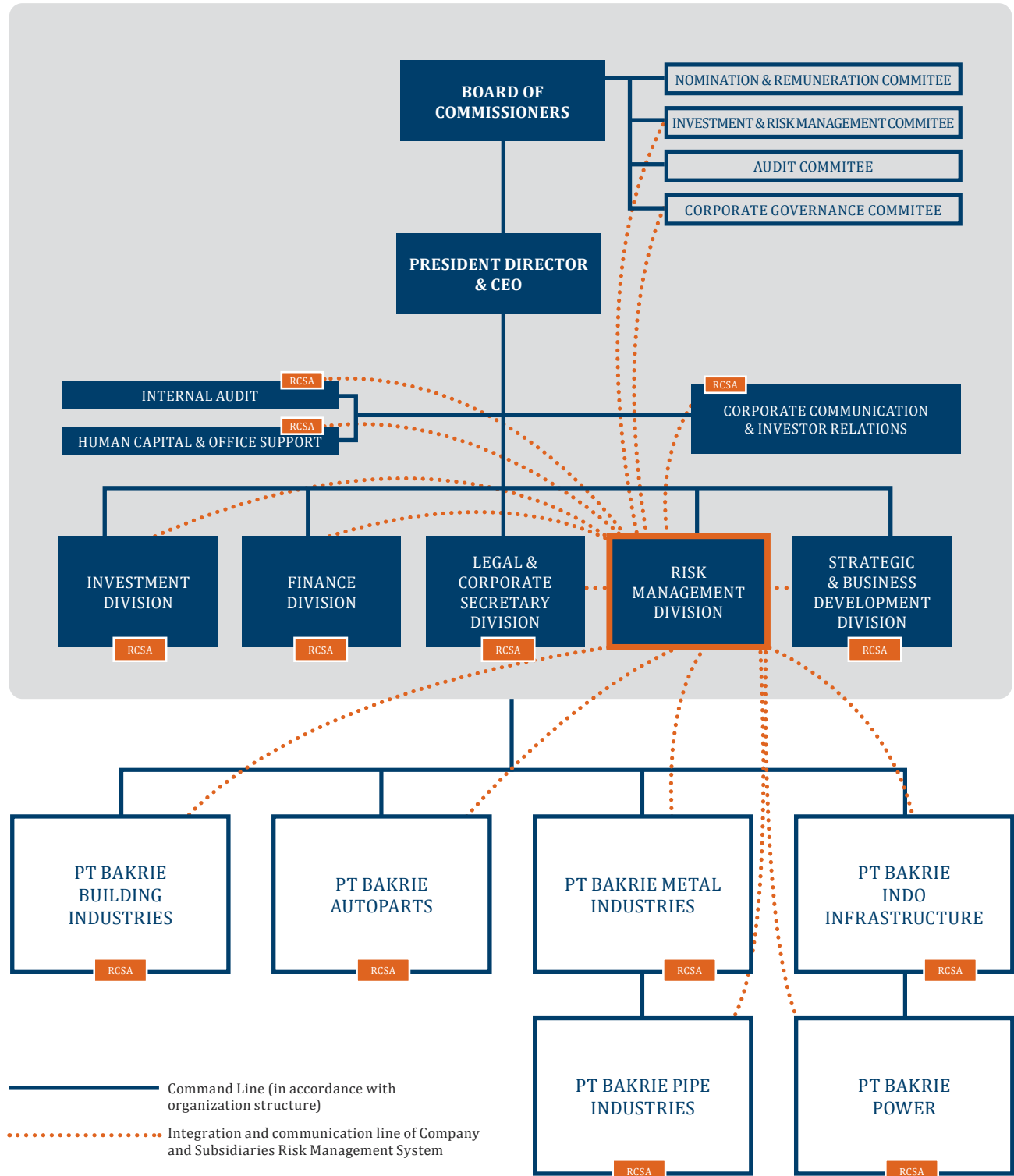
- “Control Activities” are policies and procedures to ensure that all risk mitigation processes and measures have been carried out properly.
- “Communication and Information Provision Activities” intend to communicate the results of risk management to all related stakeholders.
- “Monitoring Activities” aim to evaluate and to ensure that all risk management systems have been implemented effectively and efficiently.

## 4

**SCOPE OF COMPANY RISK MANAGEMENT***(The right face of The Pyramid)*

1. The scope of risk management set by PT Bakrie & Brothers Tbk includes all activities and process within the holding company and subsidiaries as follows:
  - Holding company level.
  - Subsidiary level, which constitutes the non-listed companies whose financial reports are consolidated to BNBR.
  - Business unit level, functions, or activities at the holding and the subsidiary levels.
2. Implementation of Risk Management Systems at the level of holding company and non-listed subsidiaries whose financial reports are consolidated to BNBR must be coordinated with the Risk Management Committee and the holding company level through the office of the President Director and the CRM.
3. Implementation of Risk Management Systems at the level of business units/ functions/ activities at holding company or subsidiaries included in the risk management scope is carried out by the Risk and Control Self Assessment (RCSA) Officer. The RCSA Officer is appointed by Risk Owners from relevant business units/functions/ activities. RCSA at the holding company level is the responsibility of the CRM.

# CORPORATE GOVERNANCE STRUCTURE OF RISK MANAGEMENT



Company Risk Management (CRM) division is responsible for management and periodical report of risk management and corporate governance in the Company to the Risk Management Committee and Corporate Governance Committee.

Risk Management Committee is led by an Independent Commissioner who also holds the position as member; this committee is responsible to the Board of Commissioners.

Corporate Governance Committee is also led by a member of the Board of Commissioners; this committee is responsible to the Board of Commissioners.

Profiles of head and members of Risk Management Committee and Corporate Governance Committee are disclosed in The Board of Commissioners Supporting Committees part.

The Board of Directors and all BNBR employees' commitment in implementing Enterprise Risk Management (ERM) was reflected through the formation of Risk & Control Self Assessment (RCSA) Officer of BNBR. With the RCSA initiative, every division/department as Business Process Owner is under the obligation to carry out Risk Management System in an intensive and sustainable manner by usage of self-assessment and risk control concept known as RCSA. In carrying out collaboration and coordination for assessment, mitigation, control and risk management process with RCSA concept, several BNBR employees with minimum title/position of Manager were appointed as RCSA Officer in each respective division. Those RCSA Officers are responsible to each Risk Owner Head and regularly coordinates with the CRM Division..

## PROCESS AND RESULT OF THE CORPORATE RISK MANAGEMENT SYSTEMS

### Corporate Risk Management Activities

The following expositions explain the activities carried out as part of the risk management system implementation within the Company, specifically at the level of the holding company and consolidated subsidiaries, as well as compliance and Good Corporate Governance (GCG) activities

### 1. ERM-Based Risk Implementation

The activities carried out as part of Company Risk Management in 2019 include:

1. Governance – Risk – Compliance (GRC) Day  
GRC Series is a routine program of Company's Corporate Risk Management Department and act as a means of socialization and guardians of implementation process of Governance, Risk Management and Compliance down to Company's Business Units. Various topics included in the GRC series are among others: Corporate Governance, Internal Control System, Risk Management, Compliance and Corporate Ethics.

Participants of GRC Series are President Directors/CEOs and/or Chief down to employees of Business Units with the minimum position of Manager from all Departments. In 2019, the Company participated in this event and also the Company's Business Units namely, PT Bakrie Pipe Industries, and PT Bakrie Autoparts.

2. Appointment of Risk and Control Self-Assessment (RCSA) Officer

The commitment of the Board of Directors and all BNBR employees to Enterprise Risk Management (ERM) implementation is reflected through the appointment of the BNBR Risk & Control Self Assessment (RCSA) Officer. Through RCSA, all divisions/departments as Process Owners and Risk Owners are obliged to carry out the Risk Management System in intensive and sustainable manner with an independent risk control and evaluation concept. To facilitate coordination and cooperation for processes of evaluation, mitigation control and management of risks, some BNBR employees, whose job ranks are at least Manager, are appointed as RCSA Officer in each division. The RCSA Officers subsequently report to each Risk Owner and coordinate regularly with the CRM Division.

RCSA Officers' tasks and responsibilities are:

- Disseminating and keeping up with the ERM System's Procedure and Policy in the respective work unit or risk-owner in an entity within their scope of duties.

- Ensuring completion of the ERM Standard Work Papers in the respective entity.
- Collecting and summarizing risk registers of the entity within their scope of duties.
- Collecting the Risk Mitigation Plans and Risk Mitigation Progress Status Reports from the entity within their scope of duties, as well as reporting to the related unit head if there is any risk that has not been dealt with.
- Informing the CRM Division if any business entity within their scope of duties is exposed to a risk whose level is beyond the organization's tolerance limit.
- Carrying out annual evaluation of ERM system application in the entity within their scope of duties.
- Facilitating Risk Evaluation Meetings in the entity within their scope of duties.
- Supporting the entity within their scope of duties in educating the topics of risk management to all of its employees and related parties.
- Motivating, driving and maintaining risk awareness culture in the entity within their scope of duties.

In carrying out their tasks and responsibilities, the RCSA Officers are supported by the CRM Division which acts as a facilitator and mediator, especially in disseminating relevant Policies and Procedures as well as the transfer of theoretical and practical risk management knowledge. This is implemented through continuous review of Company business processes and detection of potential risks which are ranked from extreme to low, which in turn, are used to formulate Policies and Procedures as operational risks mitigation. The transfer of risk management knowledge is carried out through regular RCSA meetings, with the agenda of updating the list of risks that could affect each entity.

The Company's Board of Directors has appointed 13 (thirteen) people from various divisions and functions in the Company as well as 6 (six) people from each Subsidiaries to act as RCSA officers who are responsible for coordinating all risk owners to carry out their own risk management, starting from identification and assessment to control and mitigation. RCSA Officers at subsidiary level have also been nominated and performed their duties well, furthermore they were appointed through a formal Directors' decree from respective subsidiaries

## 2. Risk Assessment and Monitoring

Risk assessment and monitoring, written in the form of reports produced by the CRM Division constitute a form of the corporate risk management implementation. The following table lists the types of such reports.

TYPE OF ACTIVITY AND/OR REPORT	NUMBER OF REPORTS	DESCRIPTION
Risk Outlook 2019	1 (annual)	<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)	48 (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)	4 (quarterly)	<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>
Financial Risk Report and Asset and Liability Management Position Monitoring	4 (quarterly)	<p>Company and Subsidiary financial performance review reports explain the results of the Z-Score analysis test, Internal Credit Rating and Liquidity Analysis.</p> <p>Weekly monitoring of Company asset positions as reflected through stock price in the market and ownership portion at every core portfolio and Company's debt position as reflected through principal, interest rates, payment terms, top-up positions and due dates.</p>
Transaction-Based Risk Evaluation	13 (per project)	<p>Reports on identification, evaluation and recommended mitigation of transaction-based risks at Company and Subsidiary level.</p> <p>These reports cover: financing, investment, divestment, and operational transactions, reporting and compliance as well as investment, divestment, and financing proposals from subsidiaries, requiring the agreement of the Investment and Risk Management Committee, Board of Directors and/or Board of Commissioners.</p>

### 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, PRMIA, IRMAPA and the Practicing Risk Manager Forum (PRMF). The Company's CRM Division has been invited as speakers at the Workshop ISO 31000: International Risk Management Standard event, and has also carried out a Benchmarking & Sharing Session with Risk Management Teams of several public companies. Some CRM Division members hold CIA (Certified Internal Audit) and ERMAP (Enterprise Risk Management Associate Professional) certificates. Furthermore, the CRM Division have also attended various training programs and seminars held by other reputable associations and agencies; with the goal of those efforts is to enhance CRM staff's abilities, knowledge and insight in the field of risk management.

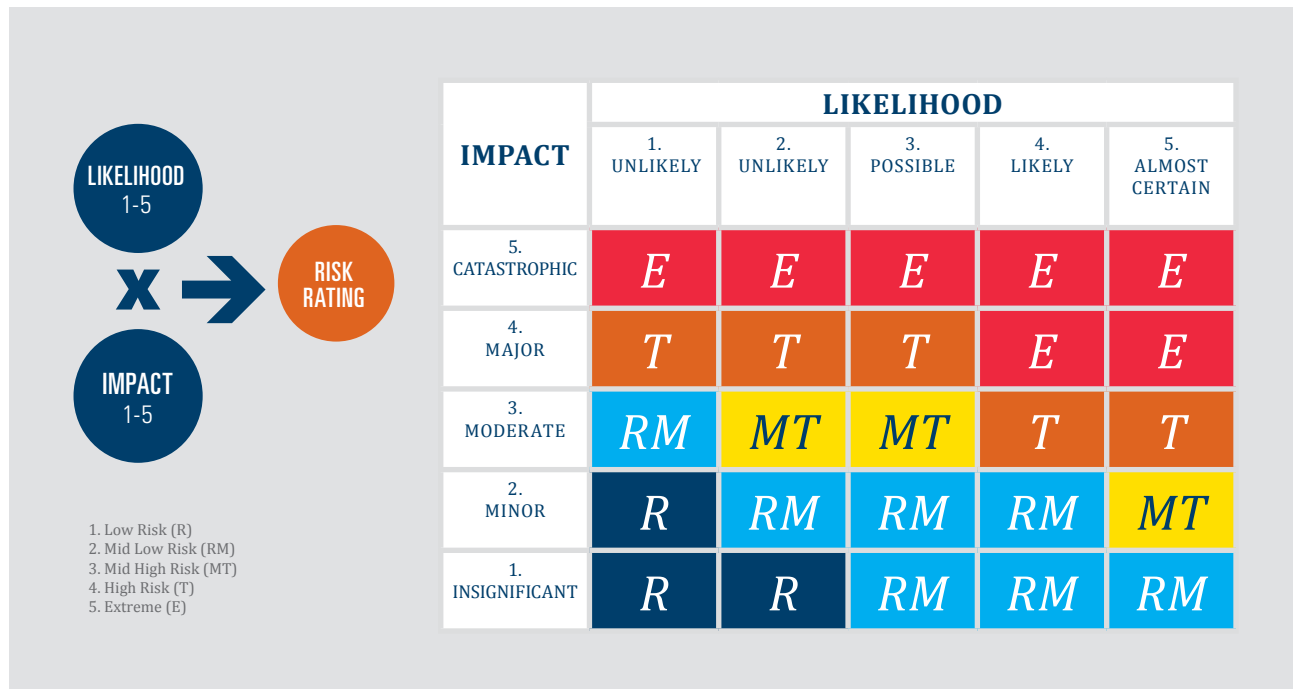
### 4. Cross-Division Projects

Cross-division risk management activities are part of CRM division's task and responsibility as representative of the Board of Directors to support and supervise Company operational activities, including carrying out of compliance duties to minimize risk of failure to achieve Company goals and targets as well as potential loss in the Company's operational activities. These activities are project-based and temporary in nature. In 2019, the CRM Division was active in three cross-divisional activities: Governance – Risk – Compliance (GRC) Series, the construction of the 2018 Annual Report, 2018 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



RISK CLASSIFICATION	RISK REGISTER	MITIGASI RISIKO
<b>1</b> Strategic Risk	<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>
<b>2</b> Market Risk	<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> <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>• 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> <li>• Gradually reduce Company's share-based financing that are highly exposed to market risks.</li> </ul>

<p><b>3</b> <b>Liquidity Risk</b></p>	<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>
<p><b>4</b> <b>Insolvency Risk</b></p>	<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>
<p><b>5</b> <b>Credit Risk</b></p>	<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>
<p><b>6</b> <b>Mismatch Risk</b></p>	<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>Reprofiling investment and financing portfolio to reduce mismatch and continuously perform similar risk mitigation steps.</li> </ul>

## 7 Operational Risk

- Risk of negligence, error and/or fraud in internal business management related to Policies and Procedures, Human Resources, stock trading activity management, financial liabilities and asset management systems and other supporting systems (assets and working tools), as well as such aforementioned risks that are related to laws and regulations and other legal aspects.
- Tax risk linked to the possibility of differing conclusions on tax regulations between relevant authorities, in which the Company has decided to respect and comply with all prevailing regulations.
- Risk of poor decision-making or poor coordination between functions and structure within the Company
- Imposing sanctions for violations on system.
- ERM work frame implementation in the Company.
- Active participation of Company Compliance function with the Legal function in monitoring Company's adherence to various rules and regulations as well as legal aspects related with business activities of the Company as a whole.
- Periodical risk profiling in each Division of the Company.

### B. Risks Faced by Company Related with Subsidiaries Business Activities

Considering that the Company's business continuity is affected by risk exposures arising directly from its business activities and indirectly from subsidiaries business activities, the Company is obligated to implement consolidated risk management in order to oversee those risks exposures. Consolidated risk management implementation is carried out by the Company through identifying, measuring, monitoring and managing risks arising from business activities of both Company and subsidiaries. The following are presentation of risk identification specific to Company and subsidiaries business activities in the manufacturing and infrastructure sector, namely: PT Bakrie Autoparts (BA), PT Bakrie Building Industries (BBI), PT Bakrie Indo Infrastructure (BIIN), PT Bakrie Metal Industries (BMI), and PT Bakrie Pipe Industries (BPI).



RISK CLASSIFICATION	RISK REGISTER	RISK MITIGATION
<b>1</b> Strategic Risk	<ul style="list-style-type: none"> <li>Risk of lack of innovation on design and product development.</li> </ul>	<ul style="list-style-type: none"> <li>Perform periodical market research and peer review to identify and seize opportunities.</li> </ul>
	<ul style="list-style-type: none"> <li>Risk of being unable to suppress pricing/margin.</li> </ul>	<ul style="list-style-type: none"> <li>Prudent expenses planning of production support.</li> </ul>
	<ul style="list-style-type: none"> <li>Risk of being unable to compete with competitor.</li> </ul>	<ul style="list-style-type: none"> <li>Perform periodical benchmarking through market research and planning.</li> </ul>
	<ul style="list-style-type: none"> <li>Risk of lack of Human Resources planning based on talent and succession.</li> </ul>	<ul style="list-style-type: none"> <li>Perform effective Human Resources planning and succession plan for decision makers and experts in each industry.</li> </ul>
	<ul style="list-style-type: none"> <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> </ul>	<ul style="list-style-type: none"> <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> </ul>
	<ul style="list-style-type: none"> <li>Risk of tender loss.</li> </ul>	<ul style="list-style-type: none"> <li>Partnership with other company; additional of expert human resources; improve internal control of financial condition; improve company business.</li> </ul>
	<ul style="list-style-type: none"> <li>Risk of shareholders' dissatisfaction.</li> </ul>	<ul style="list-style-type: none"> <li>Perform shareholders and customer satisfaction survey.</li> </ul>
	<ul style="list-style-type: none"> <li>Risk of environment pollution caused by company activities.</li> </ul>	<ul style="list-style-type: none"> <li>Adherence to Environmental Impact Assessment Survey and increase responsiveness to external condition and complaints.</li> </ul>
<b>2</b> Market Risk	<ul style="list-style-type: none"> <li>Risk of commodity or raw material price 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> </ul>
	<ul style="list-style-type: none"> <li>Risk of instability of central bank rate and foreign exchange rate.</li> </ul>	<ul style="list-style-type: none"> <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>
	<ul style="list-style-type: none"> <li>Risk of capital market volatility.</li> </ul>	
<b>3</b> Liquidity Risk	<ul style="list-style-type: none"> <li>Risk of production cost overrun which might disturb cash flow.</li> </ul>	<ul style="list-style-type: none"> <li>Perform detailed and comprehensive financial planning.</li> </ul>
	<ul style="list-style-type: none"> <li>Risk of missing revenue target (including Company's revenue) due to insufficient working capital.</li> </ul>	<ul style="list-style-type: none"> <li>Build synergy with other subsidiaries and companies in order to maximize resources.</li> </ul>
	<ul style="list-style-type: none"> <li>Risk of insufficient cash for operation activities.</li> </ul>	<ul style="list-style-type: none"> <li>Perform cash flow monitoring and internal control; review of related policies and procedures.</li> </ul>



RISK CLASSIFICATION	RISK REGISTER	RISK MITIGATION
<b>4</b> <b>Insolvency Risk</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>	
<b>5</b> <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>
<b>6</b> <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>	
<b>7</b> <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>
	<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>

RISK CLASSIFICATION	RISK REGISTER	RISK MITIGATION
	<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 2019 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 2019

IMPACT	LIKELIHOOD				
	1. RARE	2. UNLIKELY	3. POSSIBLE	4. LIKELY	5. ALMOST CERTAIN
5. CATAS- TROPIC	EXTREME : 16				
4. MAJOR	HIGH: 48				
3. MODERATE		MEDIUM TO HIGH: 26			
2. MINOR	LOW: 9	LOW TO MEDIUM: 23			
1. INSIGNI- FICANT					

Total Risk Register of Company at Holding Level: 122

**Table 2:** Matrix Result of Risk Register of Company at Subsidiaries level year 2019

IMPACT	LIKELIHOOD				
	1. RARE	2. UNLIKELY	3. POSSIBLE	4. LIKELY	5. ALMOST CERTAIN
5. CATAS- TROPIC	EXTREME : 6				
4. MAJOR	HIGH: 43				
3. MODERATE		MEDIUM TO HIGH: 89			
2. MINOR	LOW: 30	LOW TO MEDIUM: 79			
1. INSIGNI- FICANT	VERY LOW: 19				

Total Risk Register of Company at Subsidiaries Level: 266

Total risk of operation risk level evaluation at each Department at Holding level is 122 risk register. While at Subsidiaries level, the total of risk register in 2019 is 266 risk register. The Company continues to support RCSA Officer in developing accurate comprehension of risk owners at every business unit concerning risk management and mitigation in their business process, so that the RCSA Officer (and risk owner) are capable of performing insightful risk management, reducing risk exposure and mitigating risk.

## COMPANY EVALUATION ON THE EFFECTIVENESS OF RISK MANAGEMENT SYSTEMS

The Company's evaluation on the effectiveness of risk management systems is one of the tasks of the Investment and Risk Management Committee whose aforementioned evaluation is as follow:

1. The Investment and 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 Committee requested CRM to implement Financial Risk Report with its mitigations in Company Subsidiaries, as well as improving Asset Liability Management Report. The Investment and 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 Investment and 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 Investment and 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 Investment and Risk Management Committee appreciates the Compliance Department's implementation of Compliance tests.
3. The Investment and 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 2019, the Company, Board of Commissioners, Directors and employees of BNBR were not involved in any legal or taxes cases.

## ACCESS TO COMPANY INFORMATION AND DATA

As a public company, BNBR strives to disseminate clear, comprehensive and on time information to the stakeholders, as the manifestation of its commitment towards accountability and information transparency principles related to the Company's performance and operations.

For easy access to the public on BNBR information, the Company provides several official contacts information on the Company, including performance reports, announcements, and BNBR business activities, through:

### CORPORATE SECRETARY OR INVESTOR RELATIONS

#### **PT Bakrie & Brothers Tbk**

Bakrie Tower Lt. 35-37

Rasuna Epicentrum

Jl H.R. Rasuna Said

Jakarta 12940, Indonesia

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[ir@bakrie.co.id](mailto:ir@bakrie.co.id)

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

## FUNDS PROVISION FOR SOCIAL AND POLITICS ACTIVITY

The Company is aware that assest funds and/ or company's profits is inappropriately meant for political grant interests. This political grant includes; donation to political parties, legislations candidates, and community group in litigation, group/institutions/foundations under one party.

To that end, the company does not involved in any political activities and does not in the position to grant donation for political interests. The Company put more focused on fund allocation to activities with highest care towards the social and environmental issues, as the manifestation of the Corporate social responsibility to the community. The Company reports in detailed the 2015 corporate social responsibility in the Chapter of Corporate Social Responsibility in this Annual Report.

## CORPORATE CODE OF ETHICS AND CODE OF CONDUCT

BNBR continues to strive in building organization supported by people with honesty, integrity, and loyalty, to achieve business sustainability. This effort is embodied by the development of Code of Conduct and Business Conduct Policy. By the implementation of code of conuct, professionalism is expected to be elevated in the management level and all employees of PT Bakrie & Brothers Tbk including subsidiary.

### CODE OF CONDUCT IMPLEMENTATION

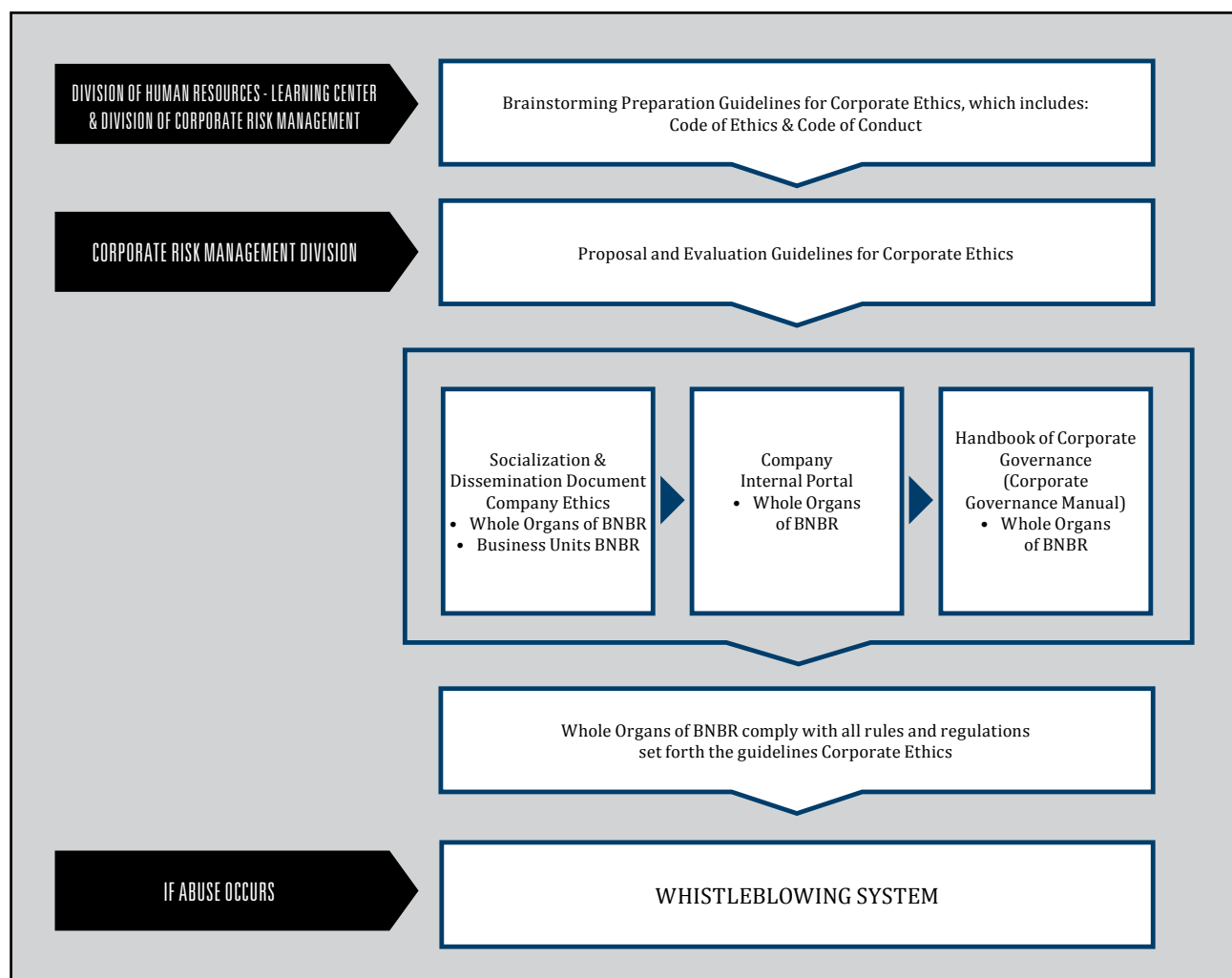
The code of conduct and business conduct policy contains full principles of the Company and covers the values and standard of manners of PT Bakrie & Brothers Tbk. Both conducts are applicable to all BNBR people in all level of Company's organization, and shall be used in day-to-day activities. These 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 perdiem, disclosure of the Company's confidentiality with permission, protection on the Company's interests, prohibition to act that may caused any loss to the Company, prohibition to violate the Company's Code of Ethics, compliance on the Company's Regulations, and good cooperation with the auditors and legal counsels.

### CODE OF ETHICS SOCIALIZATION

The socialization and dissemination of Code of Ethics Document and Business Conduct Policy is periodically conducted every year in the event holds by the Corporate Risk Management (CRM) Division, namely Governance-Risk-Compliance (GRC) Day. This event is attended by all Company's organs and business units. The signing of Code of Ethics document and Business Conduct Policy is done by all Company's employees and business units collectively. In addition, the Company disseminated the Code of Ethics through the Corporate Governance Guidelines and company's internal portals.

### BUSINESS CONDUCT POLICY

The Business Conduct Policy of PT Bakrie & Brothers Tbk is a compilation of norms and rules that become the platform of ethics and code of conduct in every actions or expressions regarding matters that are obliged, prohibited, or inappropriate to be performed by employees of PT Bakrie & Brothers Tbk.

The Business Conduct Policy is intended to support an ethical performance effectiveness based on laws. In general, Business Conduct Policy consists of policies on financial recording, inappropriateness, receipt of payment, entertainment and business, conflicts of interest, and annual questionnaires.

### Enforcement and Violation Sanctions

The 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.

## 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,

## CORPORATE CULTURE STATEMENTS

The Company has the cultural foundation that reflects the organization conduct and ethics communicated in writing and as the guidelines for all Company's employees. The corporate culture rooted in noble values that become the platform of the Company's management. In BNBR, the corporate culture is stated in Trimatra Bakrie statements.

### TRIMATRA BAKRIE BASIC VALUE



#### INDONESIAN-NESS

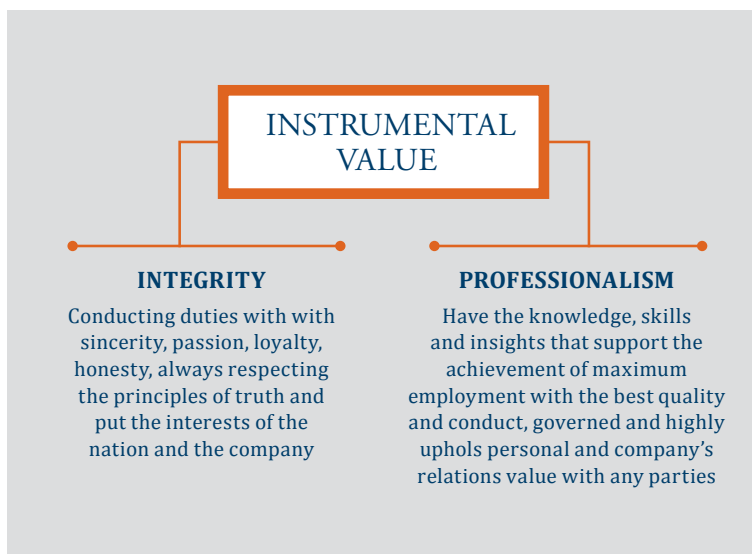
Point of views, motives and actions of Bakrie People who are proud to be Indonesian Nation, with global perspective and contribute to the world community's.

#### USEFULNESS

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

#### TOGETHERNESS

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



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

Prosedur penanganan 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 analze the investigations results as a base of decision-making.
4. In the proven of violations:
  - Ethics & Compliance Committee stipulates sanctions and issued the Decree of Whistleblowing Sanctions to the Offenders.
  - Ethics & Compliance Committee submits to the HC Functions for following up the Decree of Whistleblowing Sanctions.
  - Ethics & Compliance Committee can submits to the Corporate Legal Department for every violations towards laws and regulations for follow up to the authorities.

## 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 Whistleblowrs 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 submit to the Corporate Legal Department for every violations towards laws and regulations for follow up to the authorities.

## WHISTLEBLOWING SYSTEM PROCEDURES CONDUCTED BY THE EMPLOYEES



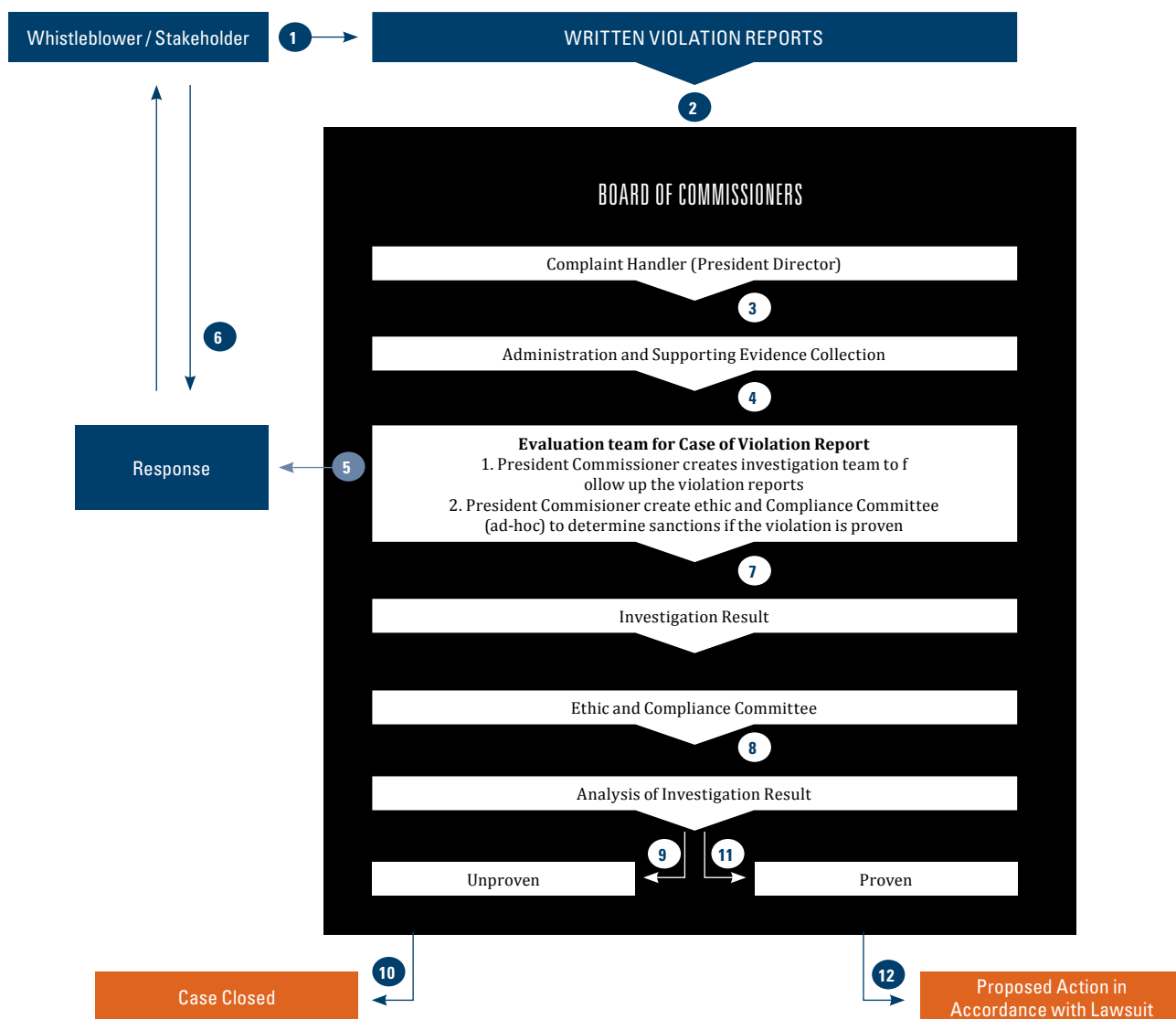
### WHISTLEBLOWING SYSTEM SOCIALIZATION

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

## WHISTLEBLOWING SYSTEM PROCEDURES OF VIOLATIONS DONE BY THE BOARD OF DIRECTORS



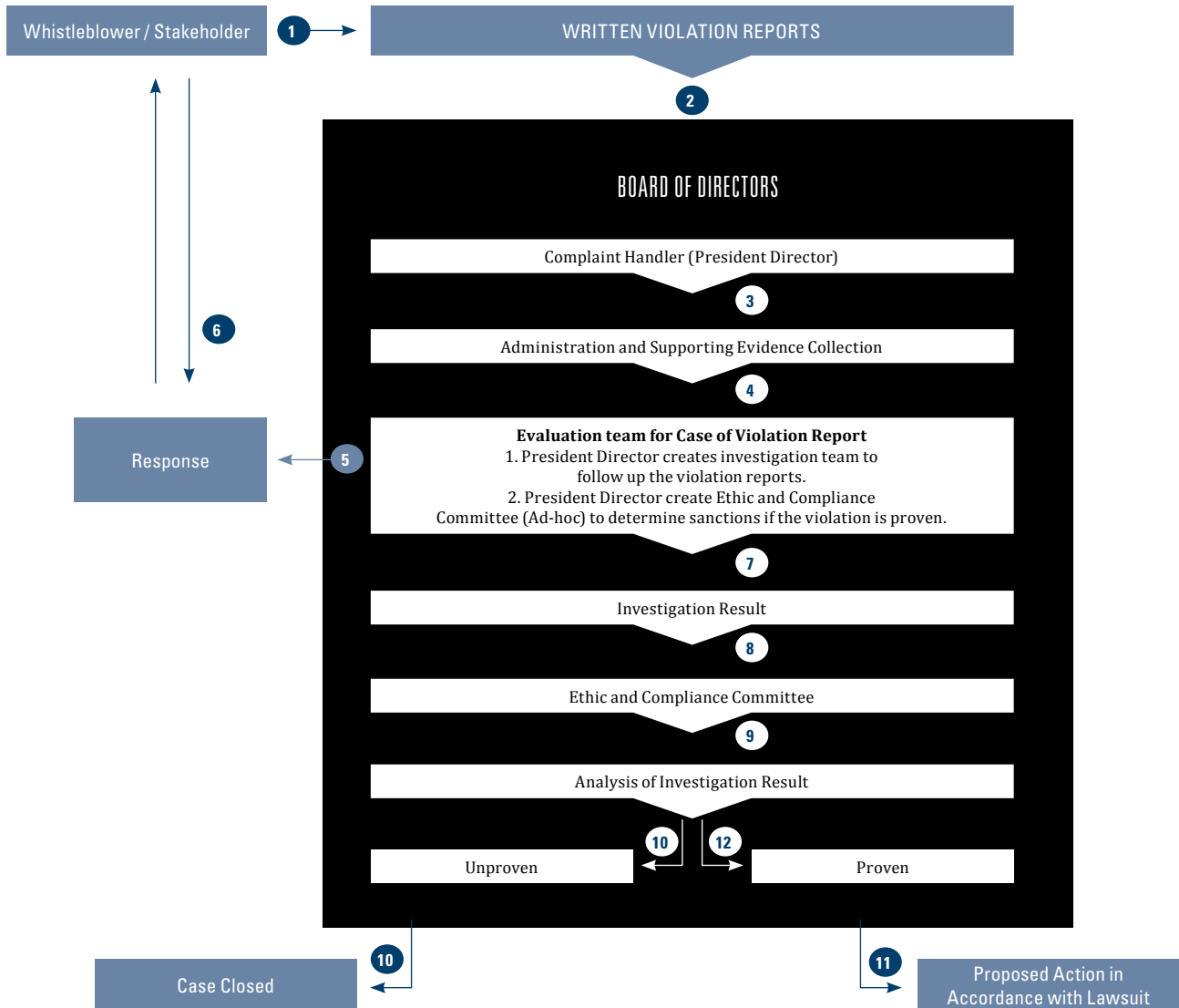
parties. The socialization for internal party will be focusing on the understanding, awareness and requirements to implement consistent GCG. The socialization to the external party is intended to provide understanding on the Company's applicable frameworks in accordance with GCG principles.

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.



## WHISTLEBLOWING SYSTEM PROCEDURES OF VIOLATIONS DONE BY THE BOARD OF COMMISSIONERS OR WBS MANAGERS



### WHISTLEBLOWER PROTECTION

To maintain stability and conducive environment, Whistleblowing System shall provide whistleblower protection to the Whistleblowers. The protection to the whistleblowers cover the following:

1. Independent, free and confidential reporting facilities;
2. Whistleblowers' identity confidentiality guarantee;

3. Protection against retaliation from the Offenders or the Company as well as the other protections within the ability of the Company;
4. Protection guarantee provided by the Company's Ethics & Compliance Committee to the Whistleblowers.

The protection on the retaliation from the Offenders as well as other protections within the Company's ability.

## Reports of Violations During 2019

Since the policies and procedures of Whistleblowing System was developed in 2012 and were intensively socialized to employees throughout 2019, up to December 31, 2019 the Company has not received any violation report.

## INFORMATION FOR INVESTORS

Since 2013 the Company started serious efforts to improve its financial position by means of, among others, restructuring of Company's debt through conversion of such debt into Company shares as approved by creditors or lenders.

Restructuring through conversion is carried out in stages by firstly implementing conversion of debts from creditors or lenders who have approved the conversion restructuring terms as proposed by the Company.

### CAPITAL INCREASE WITH NON PREEMPTIVE RIGHTS ("NPR") THROUGH ISSUANCE OF MANDATORY CONVERTIBLE BONDS

Extraordinary General Meeting of Shareholders of PT Bakrie & Brothers Tbk ("The Company") held on June 2nd, 2016 ("EGMS") has approved Capital Increase with Non Preemptive Rights ("NPR") with adherence to OJK Rule No.38/POJK.04/2014 through issuance of Mandatory Convertible Bonds ("MCB") and shares D series.

Before conducting the EGMS, the Company has disclosed its plan to issue MCB which will be converted into Company New Shares through Non Preemptive Rights mechanism ("Transaction Plan") by publishing Information to Shareholders on April 26, 2016.

The Company conducted capital increase with Non Preemptive Rights in accordance with POJK No.38/POJK.04/2014, specifically according to article 3 (b) that the Company has negative net working capital and has obligations greater than 80% of Company assets at the time EGMS was conducted, or article 3 (c) that the Company is unable to avoid default on its obligations to a non-affiliated lender and if such lender agrees to accept shares or convertible bonds of the Company in settlement of the loan.

The Company will issue MCB as much as Rp990,692,339,000 where each MCB holder will convert the MCB into Company New Shares through capital increase with NPR mechanism as much as 19,813,846,780 shares or equivalent to 17.45% of Company issued and fully paid capital after the execution of Transaction Plan with exercise price of Rp 50 with par value of Rp50 per share. The period of MCB conversion is 5 (five) years since the MCB issuance date.

Transaction Plan is a Material Transaction, however it was exempted from such definition as regulated in Rule IX.E.2 and it was not an Affiliated Transaction or Transaction with conflict of interests as described in Rule IX.E.1.

Company's debts that will be exchanged into MCB are debts from the following creditors:

1. Daley Capital Limited
2. Interventures Capital Pte Ltd
3. Smart Treasures Limited
4. Harus Capital Limited
5. PT Maybank Kim Eng Securities

Furthermore the aforementioned creditors became holders of MCB and are eligible to exercise conversion of MCB into Company New Shares.

### CAPITAL INCREASE WITH NON PREEMPTIVE RIGHTS ("NPR") FIRST STAGE CONVERSION ONE

On December 15, 2016 PT Bakrie & Brothers Tbk has executed capital increase with NPR through conversion of MCB with total additional shares of 3,300,000,000 shares valued at Rp 50 per share. The party that absorbed the shares was Daley Capital Ltd and the fund raised from this addition of shares was used to settle Company's debt. Before the execution of capital increase with NPR the Company issued and fully paid capital was as much as 93,721,717,528 shares and after the execution of capital increase with NPR its total increased to 97,021,717,528 shares.

## CAPITAL INCREASE WITH NON PREEMPTIVE RIGHTS ("NPR") FIRST STAGE CONVERSION TWO

On March 31, 2017 PT Bakrie & Brothers Tbk has executed capital increase with NPR through conversion of MCB with total additional shares of 16,458,094,820 shares valued at Rp 50 per share. The party that absorbed the shares was Daley Capital Ltd which appointed PT Solusi Sarana Sejahtera, Interventures Capital Pte Ltd, PT Maybank Kim Eng Securities, Harus Capital Ltd, and Smart Treasures. The fund raised from this addition of shares was used to restructure Company's debt. Before the execution of capital increase with NPR the Company issued and fully paid capital was as much as 97,021,717,528 shares and after the execution of capital increase with NPR its total increased to 113,479,812,348 shares.

## CAPITAL INCREASE WITH NON PREEMPTIVE RIGHTS ("NPR") FIRST STAGE CONVERSION THREE

On September 12, 2017 PT Bakrie & Brothers Tbk has executed capital increase with NPR through conversion of MCB with total additional shares of 55,751,960 shares valued at Rp 50 per share. The party that absorbed the shares was PT Solusi Sarana Sejahtera and the fund raised from this addition of shares was used to restructure Company's debt. Before the execution of capital increase with NPR the Company issued and fully paid capital was as much as 113,479,812,348 shares and after the execution of capital increase with NPR its total increased to 113,535,564,308 shares.

## CAPITAL INCREASE WITH NON PREEMPTIVE RIGHTS ("NPR") SECOND STAGE CONVERSION ONE

On April 3, 2018 PT Bakrie & Brothers Tbk has executed capital increase with NPR through conversion of MCB and issuance of ordinary shares D series with total additional shares of 7,624,865,069 shares valued at Rp 50 per share. The party that absorbed the shares was PT Solusi Sarana Sejahtera and Merrill Lynch International, the fund raised from this addition of shares was used to restructure Company's debt. Before the execution of capital increase with NPR the Company issued and fully

paid capital was as much as 113,535,564,308 shares and after the execution of capital increase with NPR its total increased to 121,160,429,377 shares.

## CAPITAL INCREASE WITH NON PREEMPTIVE RIGHTS ("NPR") AND CHANGE IN SHARE PAR VALUE THROUGH REDUCTION OF TOTAL OUTSTANDING SHARES (REVERSE STOCK)

The Company's effort to restructure its debt continues throughout 2018.

Extraordinary General Meeting of Shareholders of PT Bakrie & Brothers Tbk ("The Company") held on April 27, 2018 ("EGMS") has approved Capital Increase with Non Preemptive Rights ("NPR") with adherence to OJK Rule No.38/POJK.04/2014 through issuance of 72 (seventy two) shares C series with par value of Rp 114 per share and issuance of 551 (five hundred fifty one) shares D series with par value of Rp 50 per share, therefore total fund raised from NPR was as much as Rp 71,002. The NPR execution plan was Company's action to avoid odd-share potential resulting from implementation of Company Reverse Stock.

The EGMS held on April 27, 2018 also approved implementation of Reverse Stock with adherence to prevailing Capital Market regulations which include Decisions of the Board of Directors of the Indonesia Stock Exchange Inc. ("BEI") Kep-00001/BEI/01-2014 Rule of Securities Listing Number I-A concerning General Regulations on Listing of Equity-Type Securities in Stock Exchange (Attachment to the Decisions of the Board of Directors of the Jakarta Stock Exchange Inc. No: Kep-305/BEI/07-2004 dated July 19, 2004). The rationale of the Reverse Stock implementation was fulfillment of a prerequisite condition for Company debt restructuring process.

Before conducting the EGMS, the Company has disclosed its plan to carry out capital increase with Non Preemptive Rights and Reverse Stock ("Transaction Plan") by publishing Information to Shareholders (IKPS) on March 21, 2018, and then publishing Amendment of IKPS on April 25, 2018.

The Company executed capital increase with NPR in accordance with POJK No.38/POJK.04/2014, particularly article 4 (1), that is the Company may increase its capital without giving preemptive rights

to shareholders under the condition in the period of 2 (two) years the aforementioned capital increase does not exceed 10% (ten percent) of fully paid capital.

The Company also amended its articles of association concerning authorized capital increase of D series shares and change in share par value related with Reverse Stock. The Company increased authorized capital by as much as 8 (eight) D series shares to avoid odd share potential resulting from Reverse Stock implementation. The new D series shares from issuance of new shares with NPR are estimated to be listed on IDX at the latest May 21, 2018.

The Company implemented Reverse Stock on all issued and fully paid Company shares. Every 10 (ten) shares with old par value will undergo consolidation into 1 (one) share with new par value. The implementation of Reverse Stock will not cause changes to neither total of issued and fully paid capital nor authorized capital, however it may change ownership structure if any of the odd lot shares are purchased by the standby buyer. After the implementation of Reverse Stock, the Company will continue with the next corporate actions.

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

In accordance with resolution of EGMS held on April 27, 2018, on May 21, 2018 PT Bakrie & Brothers Tbk has issued and listed new shares totaling at 72 ordinary shares C series with par value of Rp114 and 551 shares D series with par value of Rp50 per share. Execution price of capital increase with NPR was Rp114 per share. Capital increase with NPR of the new shares was conducted on May 21, 2018, with PT Bakrie Capital Indonesia acting as the standby buyer of the shares. Fund raised from this addition of new shares will be used as additional working capital of the Company.

Before the execution of capital increase with NPR the Company issued and fully paid capital was as much as 121.160.429.377 shares and after the execution of capital increase with NPR its total increased to 121.160.430.000 shares.

## REVERSE STOCK IMPLEMENTATION

On May 31, 2018, also as a follow up on resolution of EGMS held on April 27, 2018, the Company announced total number of reverse stock shares (issued and fully paid capital) to comply with Rule of Securities Listing of the Indonesia Stock Exchange Number: Kep-00001/BEI/01-2014, as follows:

SHARE SERIES	OLD PAR VALUE	NEW PAR VALUE	TOTAL SHARES BEFORE REVERSE STOCK (issued and fully paid capital)	TOTAL SHARES AFTER REVERSE STOCK (issued and fully paid capital)
A	Rp 2,850	Rp 28,500	193,752,000	19,375,200
B	Rp 399	Rp 3,990	3,681,288,000	368,128,800
C	Rp 114	Rp 1,140	89,846,677,600	8,984,667,760
D	Rp 50	Rp 500	27,438,712,400	2,743,871,240
<b>TOTAL NUMBER OF SHARES</b>			<b>121,160,430,000</b>	<b>12,116,043,000</b>

## MATERIAL FACTS RELATED TO COMPANY DEBT AND CAPITAL INCREASE WITH NON PREEMPTIVE RIGHTS ("NPR")

On April 26, 2018 two transactions occurred, which are signing of Debt Transfer Agreement and Company Debt Settlement Agreement, with the following scheme:

1. Transfer of Company's debt from Mitsubishi Corporation RtM Japan Ltd to Fountain City Investment Ltd;
2. Settlement of the Company's debt to Fountain City Investment Ltd by:
  - a. Transfer of the Company's assets in the form of PT Bumi Resources Tbk shares previously used as collateral to the credit facility granted by Mitsubishi Corporation RtM Japan Ltd.
  - b. Issuance of Mandatory Convertible Bonds (MCB) to Fountain City Investment Ltd.
  - c. Issuance of Company new shares to Fountain City Investment Ltd.

The Company does not have any affiliation relationship with both parties conducting the aforementioned debt transfer.

On May 23, 2018 two transactions occurred, which are signing of Mutual Investment Agreement and Loan Agreement, with the following scheme:

1. Mutual Investment Agreement
  - Between Company as investor and Fitzroy Offshore Ltd as investee;
  - Company does not have any affiliation relationship with Fitzroy Offshore Ltd;
  - This agreement was investment agreement from Company to Fitzroy Offshore Ltd;
  - Investment value amounted to US\$416,061,000; and
  - Company bind itself with investee in the form of option to sell asset which is 806,595,000 shares of PT Bumi Resources Tbk ("BUMI Shares") owned by Company until all conditions has been fulfilled under the agreement, Company shall has the rights to receive the same amount of initial investment and in return as consequence Company had to transfer BUMI Shares to the investee.

## 2. Loan Agreement

- Between Company as debtor and Levoca Enterprise Ltd as creditor;
- Company does not have any affiliation relationship with Levoca Enterprise Ltd ;
- This agreement was loan agreement from Levoca Enterprise Ltd to Company;
- Loan value amounted to US\$416,061,000;
- Company obtain loan from creditor to invest in Mutual Investment Agreement described in point 1 above and such loan will be converted into Company equity.

Extraordinary General Meeting of Shareholders of PT Bakrie & Brothers Tbk ("The Company") held on November 21, 2018 ("EGMS") has approved the plan to convert some parts of Company's debt into New Shares and/or Mandatory Convertible Bond (MCB) which can be converted into Company's new shares through Capital Increase with Non Preemptive Rights ("Transaction Plan") with adherence to OJK Rule No.38/POJK.04/2014.

The EGMS was previously planned on October 26, 2018 and it was postponed after the Company received a letter from the Financial Services Authority (OJK) No: S-2391/PM.2/2018 dated October 25, 2018 which stated the Company may not conduct the EGMS on October 26, 2018. Therefore the Company republished the Information to Shareholders (IKPS) concerning the Transaction Plan on November 16, 2018; previously the IKPS has been published on November 19, 2018.

The Transaction Plan was carried out to restructure Company's debt from Company's Creditor totaling at Rp9,384,250,067,200 which will be done through conversion of Company's debt into New Shares as much as 8,655,934,00 shares and issuance of MCB which can be converted into Company's New Shares as much as 137,972,973,300 shares. Total number of New Shares as a result of either direct conversion or MCB conversion is as much as 146,628,907,300 shares or equivalent to 92.37% of Company issued and fully paid capital after the execution of Transaction Plan with exercise price of Rp64 with par value of Rp64 per share. The period of MCB conversion is 5 (five) years since the MCB issuance date.

The issuance of New Shares and/or Company MCB was conducted in accordance with POJK No.38/POJK.04/2014 article 3 (b), that is the Company



currently has negative net working capital and has obligations greater than 80% of Company assets at the time EGMS approved increase of capital with Non Preemptive Rights (NPR).

Transaction Plan is a Material Transaction, however it was exempted from such definition as regulated in Rule IX.E.2 and it was not an Affiliated Transaction or Transaction with conflict of interests as described in Rule IX.E.1.

Company's debts that will be exchanged into MCB are debts from the following creditors:

1. Fountain City Investment Ltd ("FCIL")
2. Levoca Enterprise Ltd ("Levoca")
3. Daley Capital Limited ("Daley")

Furthermore the aforementioned creditors became holders of MCB and are eligible to exercise conversion of MCB into Company New Shares.

#### **CAPITAL INCREASE WITH NON PREEMPTIVE RIGHTS ("NPR") FOURTH STAGE CONVERSION ONE**

In accordance with resolution of EGMS held on November 21, 2018, on December 12, 2018 PT Bakrie & Brothers Tbk has executed increase of issued and fully paid capital by issuing new shares E series totaling at 8,655,934,000 shares with par value of Rp64 per share through capital increase with NPR. The parties that absorbed the shares were Fountain City Investment Ltd and Daley Capital Ltd, and the fund raised from this addition of shares was used to restructure Company's debt.

Before the execution of capital increase with NPR the Company issued and fully paid capital was as much as 12,116,043,000 shares and after the execution of capital increase with NPR its total increased to 20,771,977,000 shares with par value of Rp64 per share.

#### **CAPITAL INCREASE WITH NON PREEMPTIVE RIGHTS ("NPR") SECOND STAGE CONVERSION TWO**

On February 27, 2019 PT Bakrie & Brothers Tbk has executed capital increase with NPR through conversion of MCB and issuance of ordinary shares D series with total additional shares of 91,076,480 shares valued at Rp 500 per share. The party that absorbed the shares was OL Master Limited, the fund raised from this addition of shares was used to restructure Company's debt. Before the execution of capital increase with NPR the Company issued and fully paid capital was as much as 20,771,977,000 shares and after the execution of capital increase with NPR its total increased to 20,863,053,480 shares with par value of Rp 500 per share.

#### **CHANGES IN CAPITAL STRUCTURE DUE TO CAPITAL INCREASE WITH NON PREEMPTIVE RIGHTS ("NPR")**

Addition of shares D series totaling at 91,076,480 shares with total nominal value of Rp 45,538,240,000 as a result of execution of capital increase with NPR Second Stage Conversion Two as announced by Indonesian Stock Exchange through announcement No. Peng-P-00050/BEL.PP1/02-2019 dated February 26, 2019 based on information as delivered by Securities Administration Bureau, namely PT EDI INDONESIA through letter No. 1753/DO4-EDI/HM.390/02/2019 dated February 26, 2019.

The shareholders have approved the capital increase with NPR in accordance with POJK No.38/POJK.04/2014 through issuance of Company new shares and mandatory convertible bonds (MCB) as stated in the Meeting Resolution Deed of PT Bakrie & Brothers Tbk No.83 dated March 20, 2019, therefore the Company capital structure has changed as follow.

SHARE SERIES	PAR VALUE PER SHARE	BEFORE CAPITAL INCREASE WITH NPR SECOND STAGE CONVERSION TWO (issued and fully paid capital)		AFTER CAPITAL INCREASE WITH NPR SECOND STAGE CONVERSION TWO (issued and fully paid capital)	
		Number of Shares	Nominal Value	Jumlah Saham	Nilai Nominal
A	Rp 28,500	19,375,200	Rp 552,193,200,000	19,375,200	Rp 552,193,200,000
B	Rp 3,990	368,128,800	Rp 1,468,833,912,000	368,128,800	Rp 1,468,833,912,000
C	Rp 1,140	8,984,667,760	Rp 10,242,521,246,400	8,984,667,760	Rp 10,242,521,246,400
D	Rp 500	2,743,871,240	Rp 1,371,935,620,000	2,834,947,720	Rp 1,417,473,860,000
E	Rp 64	8,655,934,000	Rp 553,979,776,000	8,655,934,000	Rp 553,979,776,000
TOTAL JUMLAH SAHAM			121,160,430,000		12,116,043,000

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# CORPORATE SOCIAL RESPONSIBILITY

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## CERTIFICATION IN OCCUPATIONAL HEALTH AND SAFETY SECTOR

BCons : OHSAS 18001:2007 from  
Bureau Veritas Certification

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BMI : OHSAS 18001:2007 from  
AJA Sertifikasi Indonesia

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BPI : OHSAS 18001:2007 from  
ABS Quality Evaluations

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BMC : OHSAS 18001:2007 from BSI, ANAB

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SEAPI : OHSAS 18001:2007 from  
TÜV Rheinland



## CERTIFICATION IN ENVIRONMENTAL SECTOR

BA : ISO 14001:2015 from TÜV SÜD PSB

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BCons : ISO 14001:2015 from Bureau  
Veritas Certification

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BMI : ISO 14001:2015 from AJA Europe

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BPI : ISO 14001:2015 from TÜV Rheinland

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BUMM : ISO 14001:2015 from SAI Global

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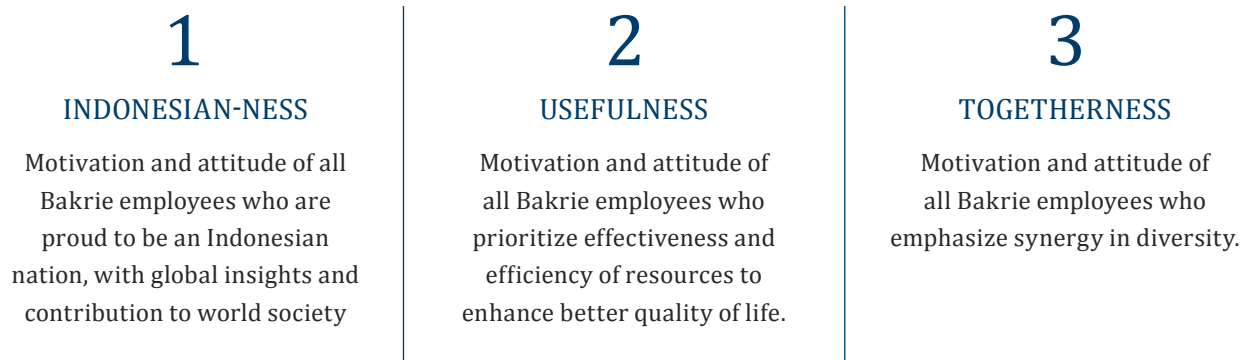
BMC : ISO 14001:2015 from BSI, ANAB,  
IAF, KAN

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SEAPI : ISO 14001:2015 from TÜV Rheinland

# CORPORATE SOCIAL RESPONSIBILITY

The implementation of CSR at BNBR and its subsidiaries is always guided by ISO 26000 and by our “Bakrie Untuk Negeri” (Bakrie for the Nation) philosophy. Our core values are then outlined in the “Trimatra Bakrie”, which consists of three dimensions:



Overall, this philosophy determines our **CSR master plan for the year 2019**, making sure that each and every CSR activity that is conducted reflects back on our core values.

## IMPLEMENTATION OF ISO 26000

ISO 26000 focuses on seven core subjects: “Organizational Governance”, “Human Rights”, “Labour Practices”, “The Environment”, “Fair Operating Practices”, “Consumer Issues” and “Community Involvement and Development”.

The Company’s interaction within these seven aspects is as follows:







With the determination of ISO 26000 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.

## 2019 CORPORATE SOCIAL RESPONSIBILITY ACTIVITY PLAN

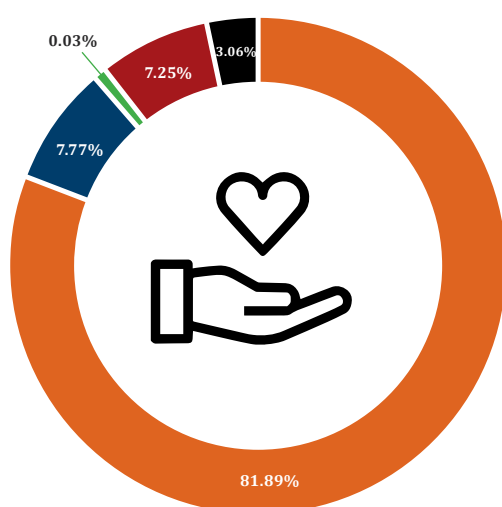
BNBR formulates its Corporate Social Responsibility activity plan through implementation of ISO 26000 as follows:

No	Core Subject	Target	2019 Activities
1.	<b>Organizational Governance</b>	1. Development and implementation of PT Bakrie & Brothers Tbk Code of Conduct and Business Conduct Policy.	Implementation and enforcement of: 1. Corporate Governance Guidelines; 2. Board Manual; 3. Conflict of Interest Guidelines; 4. Integrity Pacts; and 5. Corporate Culture.
		2. Commitment to respect law and responsibility to pay taxes..	BNBR Group and its management were not involved in any legal or taxes cases throughout 2019.
2.	<b>Human Rights</b>	1. Provide equal opportunities to every person to be employed receive training and develop their career in BNBR Group.	In accordance with Law No.13 Year 2003 concerning Employment, BNBR Group provides equal opportunities to every person above the age of 18 years old to be employed receive training and develop their career according to their competencies and performance.
		2. Respect civil and political rights, as well as economic, social and cultural rights.	1. BNBR respect individuals' rights to freedom of opinion and expression, to peaceful assembly and association, to seek and impart information, to due process and a fair hearing before taking disciplinary measures. 2. BNBR provides adequate medical benefit as well as educational aid for its employees and family.

3.	<b>Labor Practices</b>	1. Provide good conditions of work and social protection as well as support social dialogue.	1. Employee responsibilities and rights are discussed through a two-way communication board between the management and employees. 2. Extension of Collective Labor Agreement.
		2. Promote and maintain health and safety at work.	BNBR Group carried out training on health and safety topic every year to ensure that every employee has an adequate knowledge to practice health and safety on their daily work. In 2019 a total of 327 employees were trained.
		3. Encourage human development.	BNBR Group continuously improves employee competencies through various relevant training programs. More information can be learned from the Human Capital Management chapter of this 2019 Annual Report.
4.	<b>Environment</b>	1. Implement environmental risk management.	BNBR Group obtains external certification related to environmental issues. More information can be learned the Corporate Social Responsibility Towards Environment segment in this chapter.
		2. Adopt precautionary approach in handling environmental issues related to daily business operation.	
5.	<b>Fair Operating Practices</b>	1. Practice honesty in business dealings.	BNBR has enforced Policy and Procedure on Anti Fraud and Report of Accepting Gratification on January 21, 2016 which applies to every employee of BNBR Group.
		2. Respect property rights.	BNBR avoids counterfeiting or piracy and pays fair compensation for property acquired or used.
6.	<b>Consumer Issues</b>	1. Provide customer service, support and dispute resolution.	BNBR Group views its customers as valuable partners and seeks to treat them with the utmost importance. More information can be learned the Corporate Social Responsibility Towards Customer segment in this chapter.
		2. Provide clear and helpful user information of products or services.	
7.	<b>Community Involvement and Development</b>	1. Conduct social investment through improving social aspect of BNBR surrounding community life.	BNBR Group recognizes its long-term interest in the sustainability of the communities in which it operates. More information can be learned the Corporate Social Responsibility Towards Social and Community Development segment in this chapter.
		2. Engage in actions to improve educational quality and promote good health of its employees and surrounding community.	

BNBR's charity-based CSR activities are carried out by subsidiaries as well as channeled through Bakrie Amanah Foundation which was inaugurated on August 17, 2010 as a program under the auspices of Management Board of Bakrie Untuk Negeri (BP BUN), an institution established on August 17, 2007, to carry out the synergy functions of CSR activities of companies within the Bakrie Group including BNBR.

CSR activities carried out by BNBR and its subsidiaries adapted the programs implemented by BP BUN, in addition BNBR together with other Bakrie Group affiliated companies also carry out CSR activities coordinated through the Bakrie Amanah Foundation as briefly described in the following CSR expenditure table.



#### EXPENDITURE FOR CHARITY TYPE CORPORATE SOCIAL RESPONSIBILITY ACTIVITY

CSR Program	Expenditure (in Rupiah)
<i>Peduli Untuk Negeri</i> (Social and Religious)	14,630,597,691
<i>Cerdas Untuk Negeri</i> (Education)	1,388,532,100
<i>Hijau Untuk Negeri</i> (Environmental)	4,800,000
<i>Sehat Untuk Negeri</i> (Health)	1,295,572,076
<i>Kemitraan Untuk Negeri</i> (Community Development)	547,148,074
<b>Total</b>	<b>17,866,649,941</b>

## CORPORATE SOCIAL RESPONSIBILITY RELATED TO ENVIRONMENT

CSR implementation in the environment sector has become an integral part of BNBR and its subsidiaries' way of conducting business in reference to Government Regulation UU No.32 year 2009 concerning Environment Conservation and Management.

### UTILIZATION OF ENVIRONMENT-FRIENDLY MATERIALS

BNBR will always try to our full potential in producing environmentally friendly products. Our subsidiary, PT Bakrie Building Industries (BBI) have produced an environmentally friendly product, named Versa Wood. The product is a plank designed to be a substitute for wood, hoping to reduce deforestation. Versa Board and Versa Wood products are registered in the Indonesian Green Listing since 2015 for environmentally friendly architectural material product categories.

### ENVIRONMENT-FRIENDLY ENERGY

The company's subsidiary, PT Bakrie Power (BP) is dedicated in the development of clean energy projects that focuses on geothermal, solar, wind turbines, and biomass power plants. Development of this environmentally friendly energy power plants has reached total capacity of 195 MW.



### USAGE OF RECYCLED MATERIALS

BNBR manufacturing subsidiaries have begun using recyclable material in some part of their production process all in the effort of waste reduction. PT Bakrie Autoparts (BA) uses recycled material in the form of scrap from its machining process which is later utilized as raw material for its forging process.

### WASTE MANAGEMENT SYSTEM

BNBR and its subsidiaries manage waste created from the manufacturing process as well as that from supporting activities based on the 3R (Reduce, Reuse, and Recycle) principle while also performing safe disposal. BNBR group differentiates its waste into two main categories; Toxic and Hazardous (B3) waste, and Non-Toxic and Non-Hazardous (Non-B3) Waste. These two categories of waste are handled differently.

BNBR and its subsidiaries implement standard operating procedures as part of its oversight of every stage of solid and liquid B3 waste management. This oversight and management is comprehensive from collecting, storing, and transporting for further processing by waste management partners.

Wastewater or liquid waste produced by manufacturing production processes are also managed properly by partnering with waste management organizations. BBI also utilizes Wastewater Treatment Installations (IPAL) with circulation or sedimentation to tanks (sludge retrieval) in processing both its industrial and domestic wastewater.

### GREEN LANDING

Green landing is one of the main core activities for “Green for the Nation” (“Hijau Untuk Negeri”). In 2019, green landing program by business units is consistently carried out by PT Bakrie Pipe Industries annually by donating trees to the Medan Satria districts.

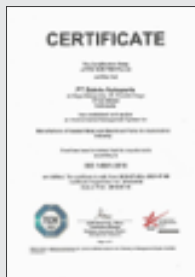
### DEVELOPING AN ECO-FRIENDLY CULTURE WITHIN THE COMPANY

To build an eco-friendly culture that is embedded within each stakeholder of the Company is an important mission. BNBR encourages and conducts educational and socialization programs relating to waste reduction & management, recycling, environmental preservation and management. One example of eco-friendly culture realization is carried out by PT Bina Usaha Mandiri Mizusawa through reforestation by planting trees in the environment in residential areas around the company.

### AIR QUALITY MANAGEMENT

Various management efforts have been applied by BNBR group to reduce effects of air quality decrease due to its industrial operation activities. Some of those efforts are installation of dust collector exhaust fan, ventilation and chimney equipped with filter, as well as planting trees in open space area in the factory site. The Company subsidiaries also performs emission test on its operational machinery and vehicles at least once every six months.

## ENVIRONMENTAL AWARDS & CERTIFICATES



### ISO 14001:2015 July 2018 – July 2021

BAKRIE AUTOPARTS

Environmental Management System Certificate; ISO 14001:2015 (TÜV SÜD PSB) for fabrication and construction services Manufacture of Casted and Machined Parts for Brake Drum, Fly Wheel, Disc Brake, Hub, Parking Brake Drum, and Bracket Generator was obtained by **PT Bakrie Autoparts (known at the time as PT Bakrie Tosanjaya)** on July 10, 2018. This certificate is valid until July 8, 2021.



### ISO 14001:2015 January 2017 – January 2020

BAKRIE CONSTRUCTIONS

Environmental Management System Certificate; ISO 14001:2015 (Bureau Veritas Certification) for fabrication and construction services for oil & gas onshore/offshore facilities, and mining that was obtained by **PT Bakrie Construction** on January 30, 2017. This certificate is recertified and is valid from January 5th, 2017 until January 5, 2020.



### ISO 14001: 2015 October 2018 – January 2023

BAKRIE METAL INDUSTRIES

Environmental Management System Certificate; ISO 14001:2015 (AJA Europe) with the scope of design, development and manufacture of structures, steel bridges and corrugated steel obtained by **PT Bakrie Metal Industries** in 2018 and valid until January 28 2023.



### PROPER 2019 December 2019

BAKRIE METAL INDUSTRIES

**PT Bakrie Metal Industries** received the 2018-2019 Blue PROPER certification for Environmental Management. The award was obtained on December 21, 2018.



### ISO 14001:2015 August 2019 - May 2022

BAKRIE PIPE INDUSTRIES

Environmental Management System Certificate; ISO 14001:2015 (TÜV Rheinland) for manufacture of Fabricated Steel Pipes, Steel Poles, Coated Steel Pipes, Galvanized Steel Pipes, Rectangular and Square Pipes was obtained by **PT Bakrie Pipe Industries** on August 28, 2019. This certificate is valid until Mei 2, 2022.









### ISO 14001 : 2015 April 2018 – April 2021

BINA USAHA MANDIRI MIZUSAWA

Environmental Management System Certificate; ISO 14001:2015 of Manufacture of iron casting product for automotive product & non automotive product by **PT Bina Usaha Mandiri Mizusawa** on April 9, 2018 and this certificate is valid until April 8, 2021.



### ISO 14001:2015 October 2018 – October 2021

BRAJA MUKTI CAKRA

Environmental Management Certificate; ISO 14001:2015 (BSI, ANAB, IAF, KAN) for Manufacture of Machining Part Used in Engine, Drive Axle, and Brake System by **PT Braja Mukti Cakra** on November 19th, 2018. This certificate is recertified and is valid from October 24, 2018 until October 23, 2021.



### ISO 14001:2015 September 2017 – September 2020

SOUTH EAST ASIA PIPE INDUSTRIES

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

## CORPORATE SOCIAL RESPONSIBILITIES RELATED TO 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 25th, 2013, and forms a guide to the creation of a safe and healthy workplace, as well as ensuring that Company activities caused the least negative effect on the environment. The implementation of this policy aims to allow the Company to reach ideal OHS indicators, as follows:

- Identification and evaluation of OHS aspects and threats, as well as control of risk and its effects in an acceptable level.
- Commitment to obey laws, regulations and other legal aspects.
- Prevention of workplace accidents, injuries, illnesses and pollution.
- Reduction of waste and the consumption of energy.
- Recording and socialization of OHS performance.
- Ensuring control of unsafe conditions and behavior, which may cause occupational accidents or injuries.
- Continued improvement of OHS implementation.

## OCCUPATIONAL HEALTH AND SAFETY TRAINING & ENHANCEMENT

In addition to complying with the BNBR OHS Policy, the Company also complies to the ISO and OHSAS (Occupational, Health, and Safety Assessment Series) international standards, and schedules trainings in relation to the ISO and OHSAS criteria for both mitigating accidents at work and also to maintain each employees general well-being outside work. Such programs include:

- ISO 14001 workshops
- Disease or illness prevention and awareness
- Enhancing awareness and environmental control, hazardous material handling, application of MSDS & spill response
- Load safety
- Hazard identification and safe behavior
- Fire Extinguishing and prevention
- Electrical safety

## EQUAL WORK OPPORTUNITY

One of BNBR's core philosophy focuses on "Togetherness" that aims to emphasize synergy in diversity. The Company applies the principle of equal opportunity in the recruitment process. Therefore recruitment of BNBR and its subsidiaries' employee is basically open for everyone. To obtain high quality and talented candidate employees to fill certain positions, BNBR applies the following recruitment method:

- Internal recruitment, to accelerate employee career paths.
- External recruitment.

## EMPLOYEE TURNOVER RATE

The Company strived to maintain the most optimal composition of human resources while taking into account business development plans. During 2019 BNBR has employed 348 new employees with 225 people among them being outsourced employees, and some of them were employees that were rehired with changes in the employment status. However a total of 87 people left the company.

## NUMBER OF EMPLOYEES RESIGNING

POSITION	2018	2019	Variance
Commissioner	0	0	N/A
Director	3	2	-33%
VP/ Senior Manager	9	2	-78%
Manager	23	6	-74%
Assistant Manager	4	8	100%
Staff	46	34	-26%
Non Staff	25	35	40%
Management Trainee	0	0	N/A
<b>TOTAL</b>	<b>110</b>	<b>87</b>	<b>-21%</b>

## NUMBER OF NEW EMPLOYEES

POSITION	2018	2019	Variance
Commissioner	0	1	N/A
Director	1	3	200%
VP/ Senior Manager	10	8	-20%
Manager	12	5	-58%
Assistant Manager	7	7	0%
Staff	73	93	27%
Non Staff	301	225	-25%
Management Trainee	4	7	75%
<b>TOTAL</b>	<b>408</b>	<b>348</b>	<b>-15%</b>

## ACCIDENT RATE

BNBR seeks to ensure that all of our facilities are well designed, well operated and well maintained to run safely. We have rigorous controls in place and monitor indicators that focus on the strength of these controls to prevent incidents. We follow industry standards for measuring our safety performance. It is our objectives to achieve Zero accident.

Although imperfect, we are fully committed on our safety performance and are devoted for continuous improvement in the implementation of our safety policy. As our procedures, we do a thorough evaluation after incident and accident. Moreover, we ensure our people aware and implement OHS-based operating procedures, according to the accredited standard.

### ACCIDENT RATE 2019

Subsidiaries	Severe Incident 2019	Minor Incident 2019	Lost Time Injury (LTI) 2019
BBI	1	3	0
BMI (BFU, BCONs, Construction Site Projects)	0	16	0
BPI (termasuk Seapi)	0	0	0
BA (BA, BUMM, BMC)	1	18	154
<b>TOTAL</b>	<b>2</b>	<b>37</b>	<b>154</b>

### ACCIDENT RATE 2018

Subsidiaries	Severe Incident 2019	Minor Incident 2019	Lost Time Injury (LTI) 2019
BBI	1	3	0
BMI (BFU, BCONs, Construction Site Projects)	0	6	0
BPI (including Seapi)	0	1	0
BA (BA, BUMM, BMC)	11	22	65
<b>TOTAL</b>	<b>11</b>	<b>32</b>	<b>65</b>

## OCCUPATIONAL, HEALTH AND SAFETY AWARDS & CERTIFICATES



### OHSAS 18001:2007 January 2017 – January 2020

BAKRIE CONSTRUCTIONS

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



### OHSAS 18001:2007 October 2018 – March 2021

BAKRIE METAL INDUSTRIES

Occupational Health and Safety Management System; OHSAS 18001:2007 (AJA Indonesia Certification) with the scope of design, development and manufacture of structures, steel bridges and corrugated steel obtained by **PT Bakrie Metal Industries** in 2012, update renewal certification in 2018 and valid until March 12, 2021.



### **Certificate of Appreciation – Occupational Safety and Health Management System** **July 2017 – July 2020**

**BAKRIE PIPE INDUSTRIES**

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



### **Certificate of Qualification – SMHSE Contractor** **February 2018 – December 2020**

**BAKRIE PIPE INDUSTRIES**

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



### **Award of HSE Qualification** **April 2018 – March 2020**

**BAKRIE PIPE INDUSTRIES**

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



### **OHSAS 18001:2007** **April 2019 – April 2021**

**BAKRIE PIPE INDUSTRIES**

Occupational, Health and Safety Management System Certificate; OHSAS 18001:2007 (ABS Quality Evaluations) for Manufacture of Fabricated Steel Pipe, Steel Poles, Coated Steel Pipes, Galvanized Steel Pipes, Rectangular and Square Pipes that was obtained by **PT Bakrie Pipe Industries** on April 28, 2013. This certificate is recertified and is valid from April 4, 2019 until April 11, 2021.



### **OHSAS 18001:2007** **November 2016 – November 2019**

**BRAJA MUKTI CAKRA**

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



### **OHSAS 18001:2007** **September 2017 – September 2020**

**SOUTH EAST ASIA PIPE INDUSTRIES**

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

## CORPORATE SOCIAL RESPONSIBILITY RELATED TO SOCIAL AND COMMUNITY DEVELOPMENT

The social and community development part of BNBR group's CSR activities is carried out through the "Cerdas Untuk Negeri" ("Education for the Nation"), "Sehat Untuk Negeri" ("Health for the Nation"), "Peduli Untuk Negeri" ("Care for the Nation") as well as "Kemitraan Untuk Negeri" ("Partnership for the Nation") programs. Through these programs, BNBR and its subsidiaries strive to enhance the quality of life of the community in terms of health, education and the economy.

### RECRUITMENT OF LOCAL MANPOWER

The Company continuously supports people empowerment to reach independency through development of people economy. BNBR manufacturing subsidiaries hired local people around their factories as office boy, security, driver, cleaning service and employee canteen management to support their daily operational activities.

### COMMUNITY DEVELOPMENT

Developing a community culture that within the Company and the area surrounding it is truly important. Such program is named "*Kemitraan Untuk Negeri*" which included activities such as partnership between the company and local residents in the management of environmental cleanliness, constructing and building sports facilities within the plant and opening them for the local community to use free of charge, and provision of venture capital funds to develop regional potential products.

"*Kemitraan Untuk Negeri*" totaled at Rp 547,148,074 for 2019.

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 health facility for employees, while BNBR subsidiaries carry out weekly sport session. For its surrounding community, BNBR group has implemented various activities such as blood donation, mass circumcision, provision of clean water, and public health services.

Total disbursement for "*Sehat Untuk Negeri*" program along 2019 is Rp 1,295,572,076.

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 BNBR, BMI and BA for university and high school



Gambar 2 Lapangan Basket SEAPI



students, as well as scholarship for employee's children with high achievements by BA. Some of BNBR Group employees also participated in the education field as lecturer and guest teacher at Bakrie University and schools in the surrounding area of its manufacturing sites. Total disbursement for "*Cerdas Untuk Negeri*" program along 2019 is Rp 1,388,532,100.

## IMPROVEMENT TO PUBLIC FACILITIES AND SOCIAL DONATIONS

As a manifestation of empathy, various activities have been carried out as a real form of concern and care for others, and also to maintain good relationship with surrounding community as well as improving public facilities around the Company area. BNBR group routinely participate in various activities such as supporting construction and improvement of places of worship, celebration of religious holy days, and providing administrative facilities and infrastructures for people around its manufacturing sites. The BNBR Group is also responsive in providing assistance in the event of a natural disaster in Indonesia. Total disbursement for "*Peduli Untuk Negeri*" program along 2019 is Rp 14,630,597,691.

## OTHER METHODS OF SOCIAL DONATIONS AND CHARITY

Following the philosophy, BNBR strives to improve the lives of others even outside the company by other means of charity.

### Blood Donation

BMC, BPI and SEAPI worked together with PMI (Indonesian Red Cross) in blood donor events in which employees were given the opportunity to donate.

### Letting locals use the company's idle land for farming

The company strongly believes in giving back to the communities it operates around. Some of the BNBR group's factories possess large lands in the area, which some of the asset remaining idle. While the land remains unused, the company lets the community to utilize the land throughout the year of 2019, to farm their crops there, allowing them to use them as paddy fields and taking part of the village's community development. This program is carried out by BPI's subsidiary, SEAPI.



## Communications of anti-corruption methods and procedures

BNBR has developed and implemented Whistleblowing System through the Policies and Procedures No. 258/BNBR/III/2012 concerning the Implementation of Whistleblowing System. The Whistleblowing System is intended to build loyalty to the Company and create conducive working environment, by supporting the whistleblowing towards matters that may cause financial or non-financial losses to the Company, including matters which may damage the Company's good name and image.

Whistleblowing System is a manifestation of good Corporate Governance principles enforcement, related with the business operations of transparent, accountable, and responsible. Whistleblowing System is expected to place the roles as prevention function and detections towards whistleblowing potentials. The Company provides this system as a facility to BNBR employees, subsidiaries, and or external parties, in disseminating feedbacks, complaints and reports on matters, events, or actions that are inappropriate towards the Company's conduct, community norms, prevailing laws and legislations. Whistleblowing System is considered as one of the most secure, effective and efficient in prevention, reporting, collective of evidence and following up actions on the violations by the Company's employees or management. This system protects the whistleblowers' identity and rights to support conducive follow up.

## CORPORATE SOCIAL RESPONSIBILITY RELATED TO RESPONSIBILITY TO CONSUMERS

BNBR considers customer satisfaction to be a fundamental and important service. This is based on the belief that customers are one group of stakeholders that have a critical role in ensuring business sustainability through purchase of Company's products and services; as such customers are main partners in developing business in the future. Consumer protection policy within each business unit of the Company uses its own mechanism according to the types of consumer group served by the respective business unit; however responsibility towards customer manifestation in BNBR group can be broadly described as follows.

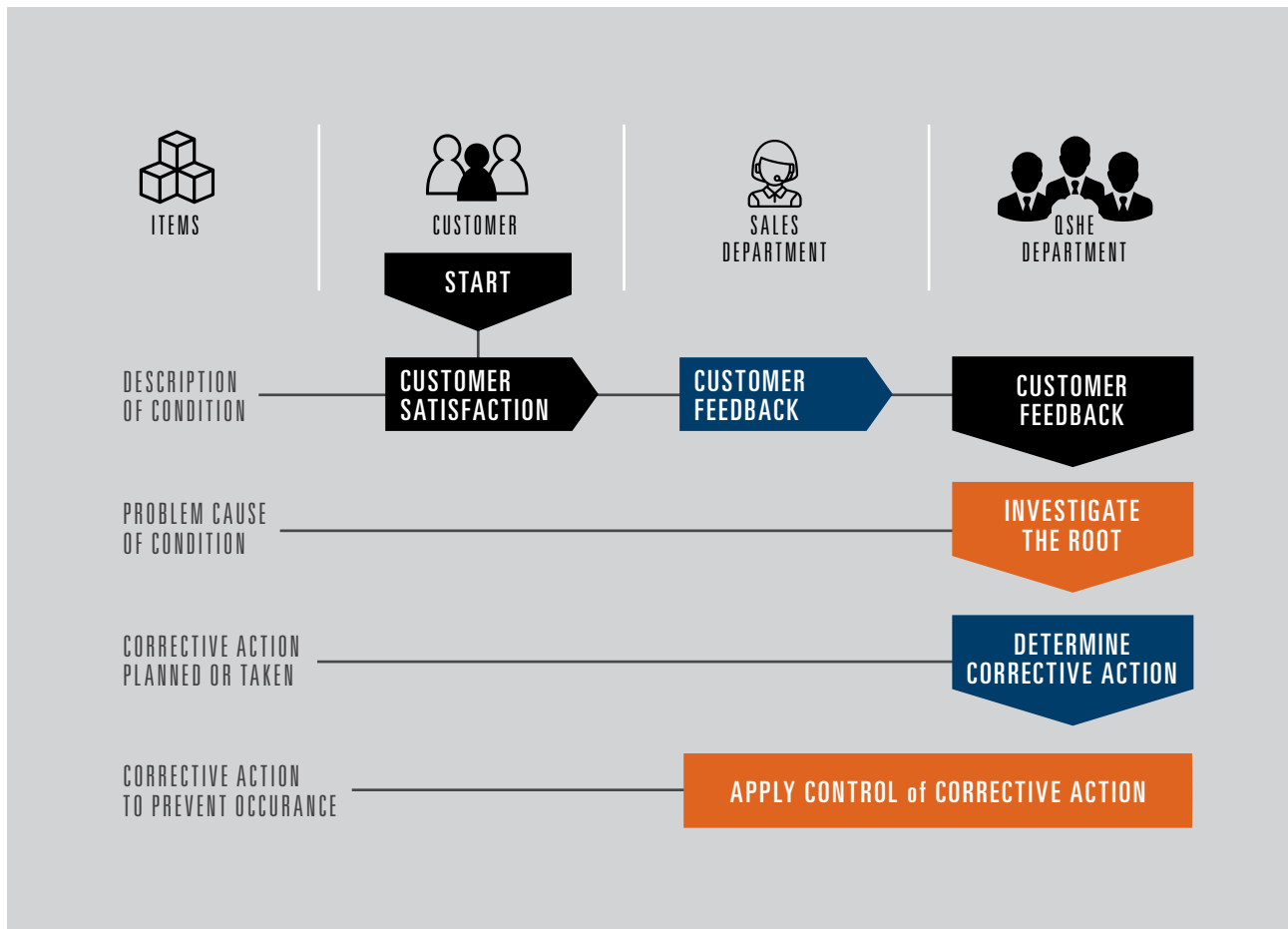
### PRODUCT INFORMATION AND RESPONSIBILITY

Information of products and services provided by BNBR group can be accessed at any time on BNBR website and respective subsidiaries website. BNBR's manufacturing subsidiaries also provide brochure and/or company profile in printed version that briefly describe its business, and if deemed necessary the Company also participates in exhibitions of related industry in order to introduce products and services offered to potential customer.

BNBR and its subsidiaries provide dedicated email address and hotline as means of communication with customers, moreover the Commercial and Quality Control Team also carry out customers' visit to directly discuss their complaints or needs.

### HANDLING CONSUMER CLAIMS

Customer complaint handling procedure is broadly illustrated below:



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# 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](http://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](http://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](http://www.bakrie-pipe.com)

#### Factory

Jl. Raya Pejuang, Medan Satria,  
Kota Bekasi 17131, Indonesia  
Phone : (62 21) 887 1135  
Fax : (62 21) 8898 6474

### PT South East Asia Pipe Industries

Jl. Lintas Pantai Timur,  
Bakau Kramat Desa Sumur, Kec. Ketapang,  
Bakauheni,  
Lampung Selatan 35592, Indonesia  
Phone : (62 727) 331 234 / 331 249  
Fax : (62 727) 331 348 / 331 413  
[www.seapi.co.id](http://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](http://www.bakrie-autoparts.com)

### PT Braja Mukti Cakra

Jl. Desa Harapan Kita No. 4 Harapan Jaya,  
Bekasi Utara 17124, Indonesia  
Phone : (62 21) 887 1836  
Fax : (62 21) 887 8949 / 887 1835  
[www.bmc.co.id](http://www.bmc.co.id)

### PT Bina Usaha Mandiri Mizusawa

Jl. EZ. Muttaqien Kelurahan Alam Jaya  
Kecamatan Jatiuwung, Tangerang, Banten 15133,  
Indonesia  
Phone : (62 21) 590 2488/89  
Fax : (62 21) 590 4584  
[www.bumm.co.id](http://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](http://www.bakrie-building.com)

## PT BAKRIE INDO INFRASTRUCTURE

### PT Bakrie Indo Infrastructure

#### Head Office

Bakrie Tower 34th Floor, Jl HR Rasuna Said,  
Jakarta Selatan, Jakarta 12940, Indonesia  
Phone : (62 21) 299 12345  
Fax : (62 21) 299 41955  
[http://www.bakrie-brothers.com/#/  
our\\_business/infrastructure\\_projects](http://www.bakrie-brothers.com/#/our_business/infrastructure_projects)



# CAPITAL MARKET SUPPORTING AGENCY AND PROFESSION

## SECURITIES ADMINISTRATION BUREAU

### **PT Edi Indonesia**

Divisi Biro Administrasi Efek

Wisma SMR, 10th Floor

Jl. Yos Sudarso Kav. 89, Jakarta 14350

Phone : (62 21) 650 5829; (62 21) 652 1010

Fax : (62 21) 650 5987

## PUBLIC ACCOUNTANT

### **Y. Santosa dan Rekan**

Jl. Sisingamangaraja No. 26, 2<sup>nd</sup> Floor Jakarta 12120

Phone : (62 21) 720 2605

Fax : (62 21) 7278 8954

## NOTARY

### **Humberg Lie, SH, SE, MKN**

Jl. Raya Pluit Selatan 103, Jakarta 14450

Phone : (62 21) 6669 7171/7272/7315/7316

Fax : (62 21) 667 8527

## LEGAL COUNSELLOR

### **Nasoetion & Atyanto**

Equity Tower Building, 26th Floor

Jl. Jenderal Sudirman, Kavling 52-53

Sudirman Central Business District, Jakarta 12190

Phone : (62 21) 5140 0311/12

Fax : (62 21) 5140 0313

## PUBLIC APPRAISER

### **Jennywati, Kusnanto dan Rekan**

Citywalk Sudirman lantai 6

Jl. KH Mas Mansyur No. 121, Jakarta 10220

Phone : (62 21) 2555 8778

Fax : (62 21) 2555 6665

# SENIOR MANAGEMENT OF PT BAKRIE & BROTHERS TBK



**BimoBayu Nimpuno**  
Head of Corporate  
Communication

**Ruddyar**  
Head of Group  
Accounting

**V. Bimo  
Kurniatmoko**  
SVP Strategic Business Development

**Indra Ginting**  
EVP Strategy  
& Business Control



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

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

**Bachril Bachtarudin**  
Head of Corporate Finance

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

# BAKRIE INDO INFRASTRUCTURE



**A. Amri Aswono Putro**  
Director of Bakrie Indo Infrastructure

**AD Erlangga**  
Director of Bakrie Indo Infrastructure



**A. Ardiansyah Bakrie**  
Chief Executive Officer

**Dodi Taufiq Wijaya**  
Chief Independent Officer

**Andri Kabul**  
Director of Bakrie Mina Bahari



# BAKRIE METAL INDUSTRIES



**Rachmat Harimurti**  
Chief Commercial Officer

**Mila Wijaya Kusuma**  
Chief Financial Officer



**R. Atok Hendrayanto**  
Chief Executive Officer



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



**Sumitro**  
Chief Technical Officer

# BAKRIE AUTOPARTS



**V. Bimo Kurniatmoko**  
Director



**Dino A. Ryandi**  
President Director & CEO



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

# BAKRIE PIPE INDUSTRIES



**Arief Djoko P**  
Chief Logistic Officer

**Iskandar I. Daulay**  
Chief Commercial Officer

**Deddy Kurnia**  
Chief Operations Officer





**R. Atok Hendrayanto**  
Chief Executive Officer

**Mila Wijaya Kusuma**  
Chief Financial Officer

**Rahmat Budiarto**  
Chief Corporate Support

# BAKRIE BUILDING INDUSTRIES



**Erti Sri Santi**  
General Manager Finance



**Indra Ginting**  
Director

**Yogi Pratomo Widhiarto**  
Chief Executive Officer

# MULTI KONTROL NUSANTARA



**Didit Ardyanto**  
President Director



**Handra Azwar**  
Director



OJK Rule  
No. 29 Year 2016  
Reference

I	GENERAL	PAGE
1	The Annual Report shall be written in good and correct Indonesian, and is recommended to be presented in English as well	✓
2	The Annual Report shall be printed with good quality using readable type and sized fonts	✓
3	The annual Report shall present clear identity of the Company The Company name and the annual report financial year shall be presented on; 1. Front Cover 2. Side Cover 3. Back Cover; and 4. Every Page	✓
4	The Annual Report shall be posted in the company's website Including the latest annual report as well as those for the last four years.	✓

II	KEY FINANCIAL HIGHLIGHTS	PAGE
1	Income Statement in comparison for 3 (three) financial years or since the commencement of business if the company has been running its business activities for less than 3 (three) years. Information contains the following: 1. Income 2. Profit (loss): a. Attributable to equity holders of the parent entity; and b. Attributable to non controlling interest; 3. Total comprehensive profit (loss): a. Attributable to equity holders of the parent entity; and b. Attributable to non controlling interest 4. Earning (loss) per share Note: if the company does not have subsidiaries, the profit (loss) and other comprehensive income is presented in total.	24
2	Financial Position in comparison for 3 (three) financial years or since the commencement of business if the company has been running its business activities for less than 3 (three) years Information contains the following; 1. Total investment on associates; 2. Total assets; 3. Total liabilities; and 4. Total equity.	24
3	Financial ratio in comparison for 3 (three) financial years or since the commencement of business if the company has been running its business activities for less than 3 (three) years Information covers 5 (five) financial ratios, which are generally applied and relevant to the company's industry.	24
4	Share price information in tables and charts 1. Number of shares outstanding 2. The table forms contain the following information; a. Market capitalization based on share price on the stock exchange where the shares are listed; and b. Trading volume of shares on the Stock Exchange where the shares are listed. 3. The graph forms contain at least the following information; a. The closing price of shares based on share price on The Stock Exchange where the shares are listed; and b. Trading volume of shares on the Stock Exchange where the shares are listed.  For each quarter in the latest 2 (two) financial years. Note: should be disclosed if the company does not have market capitalization, share price, and share trading volume.	25

5	Information regarding outstanding bonds, sukuk, or convertible bonds, in 2 (two) latest financial years Information contains: 1. Numbers of outstanding bonds, sukuk or convertible bonds; 2. Interest rate/yield; 3. Maturity date; and 4. Rating of bonds/sukuk in 2016 and 2017. Note: should be disclosed if the company does not have outstanding bonds, sukuk, or convertible bonds.	N/A
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III	BOARD OF COMMISSIONER'S AND BOARD OF DIRECTOR'S REPORT	PAGE
1	Board of Commissioner's Report Contain the following: 1. Assessment on the performance of the Board of Directors in managing the company and the basis for such evaluation; 2. Views on the business prospects of the company as prepared by the Board of Directors and the basis for such consideration 3. Views on the implementation /management of the Company's whistleblowing system (WBS) and the role of the Board of Commissioners in the WBS; and 4. Changes in the composition of the Board of Commissioners (if any) and the reason for such changes.	50-55
2	Board of Directors Report Contain the following: 1. Analysis of the company's performance, covering among others; a. strategic policies b. comparison between targets and achievements; and c. challenges faced by the company and initiatives to deal with those challenges; 2. Analysis on business prospects; 3. Development in the implementation of GCG during the fiscal year; and 4. Changes in the composition of the Board of Directors (if any) and the reason for such changes.	62-71
3	Signatures of the members of the Board of Commissioners and Board of directors Contain the following: 1. Signatures on a separate page; 2. Statement of responsibility of the Board of Commissioners and the Board of Directors for the accuracy of the contents of the Annual Report; 3. Signed by all members of the Board of Commissioners and Board of Directors by stating their names and positions; and 4. Written explanation in separate letter from the person(s) concerned in the event that member(s) of Board of Commissioners of Board of Directors fail to sign the annual report; or written explanation from the person(s) concerned.	84-85

IV	COMPANY PROFILE	PAGE
1	Name and complete address of the company information contains, among, others, name and address, postal code, telephone number, fax number, email, and website	6
2	Brief history of the company Contain among others; date/year of establishment, name of the company, change of name (if any), and effective date of the change of name Note: to be disclosed if the company never had a change of name.	7
3	Line of business Description of, among others: 1. The line of business as stated in the latest Articles of Association; 2. Business activities; and 3. Product and/or services offered.	6
4	Organization structure Diagram of organization structure, containing name and position of at least personnel up to one level below Director.	12-13

5	Vision, Mission and Corporate Culture covers; 1. Vision; 2. Mission; 3. Statement that the vision and mission have been reviewed and approved by the Board of Commissioners/Directors in the fiscal year; and 4. Statement on the corporate culture.	10-11
6	Profiles of members of the Board of Commissioners Contain information on: 1. Name; 2. Position and period in position (including position(s) held at other company/institution); 3. Age; 4. Domicile; 5. Education (study field and education institution); 6. Work experience (position, company and period in position); and 7. History of assignment (period and position) as member of the Board of Commissioners at the Company since the first appointment.	58-61
7	Profiles of members of the Board of Directors contain information on: 1. Name; 2. Position and period in position (including position(s) held at other company/institutions); 3. Age; 4. Domicile; 5. Education (study field and education institutions) 6. Work experience (position, company, and period in position); and 7. History of assignments (period and position) as member of the Board of Directors at the Company since the first appointment.	74-81
8	Total number of employees (comparative for 2 years) and data on employee competence development programs reflecting equal opportunities for each level of the organization Information contains among others: 1. Number of employees at each level of the organization; 2. Number of employees by education; 3. Number of employees by employment status; 4. Date on employee competence development programs during the fiscal year concerning position of participants, type of training, and purpose of training; and 5. The cost of employee competence development programs in the fiscal year.	112 112 113 114-115 114-115
9	Shareholders composition Covering among others; 1. Names of the 20 largest shareholders and their shareholding percentage; 2. Details of shareholders and shareholding percentage; a. with 5% or more shareholding, and b. Group of public shareholders with individual shareholding of less than 5% each. 3. Names of Director and Commissioner with direct or indirect share-ownership and the percentage of such shareholding. Note: should be disclosed if the Director and Commissioner does not own shares, directly or indirectly.	26
10	List of subsidiaries and/pr associated entities In table form, containing: 1. Name of subsidiary and/or associated entity; 2. Share-ownership percentage; 3. Line of business of subsidiary and/or associated entity; and 4. Operational status of subsidiary and/or associated entity (in commercial operation/not yet in commercial operation).	16-19
11	Corporate group structure Diagram of corporate group structure involving relationship of the parent company, subsidiary, associated entity, joint venture, and special purpose vehicle (SPV).	14-15

12	<p>Chronology of share listing (including private placement) and /or share listing from the share issuance up to the end of the fiscal year</p> <p>Covers, among others;</p> <ol style="list-style-type: none"> <li>1. Year of share issuance, number of shares issued, par valued, and share offer price, for each separate corporate action;</li> <li>2. Total number of shares outstanding following corporate action; and</li> <li>3. The stock exchange where the shares are listed.</li> </ol> <p>Note: should be disclosed if the company does not have a chronology of share listing.</p>	27
13	<p>Chronology of other securities issuance and/or listing from the time of issuance up until the end of the fiscal year</p> <p>Covers, among others;</p> <ol style="list-style-type: none"> <li>1. Name of security instrument, year of issuance, interest rate/yield of securities, and maturity date;</li> <li>2. Offering price of other securities;</li> <li>3. The stock exchange where the securities are listed; and</li> <li>4. Rating of securities.</li> </ol> <p>Note: should be disclosed if the company does not have chronology of other securities issuance/listing</p>	N / A
14	<p>Name and address of the supporting institutions and/or professionals</p> <p>Covers, among others;</p> <ol style="list-style-type: none"> <li>1. Name and address of the company's Share Registrar;</li> <li>2. Name and address of Public Accountant Firm; and</li> <li>3. Name and address of rating agencies.</li> </ol>	227
15	<p>Awards received during the fiscal year, or valid certification in the fiscal year, at both national and international levels</p> <p>Covers, among others;</p> <ol style="list-style-type: none"> <li>1. Name of award and/or certification;</li> <li>2. Year received/issued</li> <li>3. Name of institution that issued the award / certification; and</li> <li>4. Validity period (certification).</li> </ol>	28-45
16	<p>Name and address of subsidiaries and/or branch offices or representative offices (if any)</p> <p>Covers information on:</p> <ol style="list-style-type: none"> <li>1. Name and address of subsidiaries; and</li> <li>2. Name and address of branch/representative office</li> </ol> <p>Note: should be disclosed if the company does not have a subsidiary, branch office or representative office.</p>	16-19
17	<p>Information in the corporate website</p> <p>Covers at the very least:</p> <ol style="list-style-type: none"> <li>1. Information of shareholders up to the individual ultimate shareholder;</li> <li>2. Contents of the code of conduct;</li> <li>3. Information on the General Meeting of Shareholders (GMS), covering at least agenda of the GMS, summary of GMS resolutions, and information of pertinent dates, namely the dates of GMS announcement, GMS invitation, GMS event, and announcement of summary GMS resolutions;</li> <li>4. Annual financial statements (last 5 years);</li> <li>5. Profiles of the Board of Commissioners and Directors; and</li> <li>6. Board manual/Charter of the BoC, BoD, Committees and Internal Audit Unit.</li> </ol>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
18	<p>Training and education for the Board of Commissioners, Board of Directors, Committees, Corporate Secretary, and Internal Audit Unit</p> <p>Cover at least information of the type of training and participant of:</p> <ol style="list-style-type: none"> <li>1. Training and/or education for The Board Of Commissioners;</li> <li>2. Training and /or education for The Board Of Directors</li> <li>3. Training and/or education for Audit Committee;</li> <li>4. Training and/or education for Nomination and Remuneration Committee;</li> <li>5. Training and/or education for Other Committee(s);</li> <li>6. Training and/or education for Corporate Secretary; and</li> <li>7. Training and/or education for Internal Audit Units</li> </ol> <p>Note: should be disclosed if there are no training and/or education during the fiscal year.</p>	<p>136</p> <p>147</p> <p>155</p> <p>159</p> <p>162, 164</p> <p>166-167</p> <p>174</p>



V	MANAGEMENT DISCUSSION AND ANALYSIS ON THE COMPANY PERFORMANCE	PAGE
1	Operation review per business segment Includes analysis on: 1. Elaboration on each business segment. 2. Performance of each business segment, among others; a. Production b. Increase/decrease of production capacity; c. Sales/income; and d. Profitability.	86-87 88-89
2	Description on the Company's financial performance An analysis comparing the performance of the current year and that of the previous year (in the form of narration and tables) and the reasons for the increase/decrease of the accounts, including: 1. Current assets, non-current assets, and total assets; 2. Short-term liabilities, long-term liabilities, and total liabilities; 3. Equity; 4. Sales/operating revenues, expenses, profit (loss), other comprehensive income, comprehensive income for the current year; and 5. Cash flows.	94 94 94 93 95
3	Discussion and analysis on solvability and level of the company receivables collectability, by presenting relevant ratio calculation in line with the company's type of industry Explanation on: 1. Solvability, both short term and long term; and 2. Level of receivables collectability.	94
4	Discussion on capital structure, and management policy on capital structure Explanation on: 1. Details of capital structure comprising of interest-bearing debts/sukuk and equity; 2. Capital structure policies; and 3. Basis for determination of capital structure policies.	96
5	Discussion on material commitments of capital investments (instead of funding commitments) in the last fiscal year Explanation on: 1. Parties in the commitments; 2. Objectives of the commitments; 3. Sources of funds to meet the commitments; 4. Denomination currency of commitments; and 5. Initiatives taken to mitigate exchange rate risk. Note: should be disclosed if the company does not have any material commitment for capital investments in the fiscal year.	97
6	Discussion on capital investment realized at the latest financial year Explanation on: 1. Type of capital investment; 2. Objectives of capital investment; and 3. Nominal value of capital investment realized in the last fiscal year. Note: should be disclosed if there are no capital investment.	97
7	Information on the comparison between initial target at the beginning of financial year and the realization and target or projection for the next year concerning income, profit, capital structure, and others considered as significant target for the company. Contain information on: 1. Comparison of targets at the beginning of fiscal year and achievements; and 2. Targets or projections set for the next 1 (one) year.	97-98
8	Information and material facts following the date of accounting report (Subsequent events) Description of significant events following the date of accounting report including its impact on business risk and performance in the future Note: should be disclosed if there are no subsequent events.	98

9	Business prospects Description on business prospects related to the general industry and economy including quantitative supporting data from reliable resources.	98-102
10	Marketing aspects Descriptions on marketing aspects of the company's products and/or services, among others are marketing strategy and market shares.	103
11	Description on dividend policy and total cash dividend per share and total dividend per year that are published or disbursed during last 2 (two) financial years Contain information on; 1. Dividend payout policy; 2. Total dividend disbursement; 3. Total cash dividend per share; 4. Payout ratio; and 5. Announcement date and cash dividend payout for each year. Note: to disclose it there are no dividend disbursement and its reasons	103
12	Employee/Management Share Ownership Program (ESOP/MSOP) still ongoing in the fiscal year Contain information on: 1. Number of ESOP/MSOP shares and its execution; 2. Period; 3. Eligible employee / management; and 4. Exercise price. Note: should be disclosed if there are no such programs	103
13	Realization of initial public offering proceeds (in the event of the company is obligated to submit the report) Covers the following: 1. Total proceeds; 2. Proceeds utilization plan; 3. Proceeds utilization details; 4. Proceeds balance; and 5. The date of GMS/GMB resolution on the change of proceeds utilization (if any) Note: should be disclosed if there are no such information of realization proceeds of public offering.	104
14	Material transaction information with conflict of interest and/or transaction with related parties Covers the following: 1. Name of transacting parties and the nature of related parties; 2. Description of the transaction fairness; 3. Transaction background 4. Transaction realization at the last financial year; 5. Company policy related with transaction review mechanism; and 6. Compliance to relevant regulations and provisions Note: to disclose if there are no transactions.	104
15	Description on changes in laws and regulations during the fiscal year that impacted on the company Covers information on: 1. Name of regulations and 2. The impact (quantitative or qualitative) on the company, or statement, of the insignificant impact Note: To disclose if there are no changes in the laws and regulations during the last fiscal year.	105-106
16	Description on the changes in the accounting policy implemented by the company at the last financial year Descriptions include among others; 1. Changes in the accounting policy; 2. Reasons for the change; and 3. Quantitative impact on the financial statements. Note: To disclose if there are no changes in the accounting policies during the fiscal year.	107

17	Information on business continuity Disclosures on: 1. Significant issues on the company business continuity at the last financial year; 2. Management assessment on point 1; and 3. Assumption implemented by the management in conducting the assessment. Note: if there are no issues that potentially have significant influences to the company's business continuity at the last fiscal year, to disclose the basis of management assumption in ensuring that there are no issues that potentially have significant influences to the company's business continuity at the last fiscal year.	98-102 386
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VI	GOOD CORPORATE GOVERNANCE	PAGE
1	Description on the Board of Commissioners Covers the following: 1. Board of Commissioners responsibilities; 2. Assessment of performance of committees under the Board and the basis for such assessment; and 3. Board Charter disclosures (Board of Commissioners work guidelines and procedures).	132-133 154-164 132
2	Independent Commissioners (at least 30% of the total personnel of the Board of Commissioners) Covers the following: 1. Assignment criteria of independent Commissioners; and 2. Independency statement of each Independent Commissioner.	134-135
3	Description on the Board of Directors Covers information on, among others; 1. Duties and responsibilities of each member of the Board of Directors; 2. Assessment of performance of committees under the Board (if any); and 3. Board Charter disclosures (Board of Directors work guidelines and procedures).	143-145 165-170 142-143
4	GCG Implementation assessment for 2017, at least for aspects of the Board of Commissioners and/or Board of Directors Covers the following: 1. Assessment criteria; 2. Assessor; 3. Assessment score on each criteria; 4. Recommendation on results of assessment; and 5. Reasons for the delay or non implementation of such recommendations. Note: should be disclosed if there are no GCG assessment for fiscal year 2016.	128
5	Description of the remuneration policy for the Board of Commissioners and the Board of Directors Covers the following: 1. Disclosure of procedure for the proposal and determination of remuneration for the Board of Commissioners; 2. Disclosure of procedure for the proposal and determination for the Board of Directors; 3. Remuneration structure showing the remuneration components and amounts per component for each member of the Board of Commissioners; 4. Remuneration structure showing the remuneration components and amounts per components for each member of the Board of Directors; 5. Disclosure of indicators for the remuneration of the Board of Directors; and 6. Disclosure of performance bonus, non-performance bonus, and/or share option received by each members of the Board of Commissioners and Directors (if any). Note: should be disclosed if there are no performance bonus, non-performance bonus, and/or share option received by each member of the Board of Commissioners and Directors.	140-141 150-151 141 151 142 151
6	Meeting frequency and attendance of Board of Commissioners (at least once in 2 months), Board of Directors (at least once a month), and joint meetings of BoC and BoD (at least once in 4 months) Covers among others 1. Date; 2. Attendance; and 3. Agenda. Of each of the meetings of BoC, BoD, and Joint Meetings of BoC and BoD	137-139

7	Information on majority and controlling shareholders, direct or indirect, up to the ultimate individual shareholder Diagram with separate illustration for majority shareholders and controlling shareholders. Note: majority shareholders are parties that own, directly or indirectly, at least 20% of the voting rights of the total share with voting rights issued by the company, but is not the controlling shareholder	26
8	Disclosure of affiliation between members of the Board of Directors, Board of Commissioners and Majority/Controlling Shareholders Covers among others: 1. Affiliation between a member of the Board of Directors with fellow members of the Board of Directors; 2. Affiliation between a member of the Board of Directors with members of the Board of Commissioners; 3. Affiliation between a member of the Board of Directors with Majority and/or Controlling Shareholder; 4. Affiliation between a member of the Commissioners with fellow members of the Board of Commissioners; and 5. Affiliation between a member of the Commissioners with Majority and/or Controlling Shareholder Note: should be disclosed if there is no affiliation relationship.	151-152
9	Audit Committee Includes the following: 1. Name, position, and tenure of audit committee members; 2. Education qualification (study field and institution) and work experience (position, company and tenure) of audit committee members; 3. Independency of audit committee members; 4. Duties and responsibilities; 5. Brief report of audit committee activity; and 6. Meeting frequency and attendance of audit committee.	154-157
10	Nomination and/or Remuneration Committee Includes the following: 1. Name, position and brief profiles of members of the Nomination and/or Remuneration Committee; 2. Independency of Nomination and/or Remuneration Committee; 3. Duties and responsibilities; 4. Brief report of committee activity in the fiscal year; 5. Meeting frequency and attendance; 6. Statement of committee charter; and 7. Policies on Director succession.	157-160
11	Other committees under the Board of Commissioners Includes the following: 1. Name, position, and brief profile of members of committee; 2. Independency of committee; 3. Duties and responsibilities; 4. Committee activity in the fiscal year; and 5. Committee meeting frequency and attendance.	161-164
12	Description of duties and functions of Corporate Secretary Information on, among others: 1. Name and brief work experience of corporate secretary; 2. Domicile; 3. Duties and responsibilities; and 4. Report of Activities of corporate secretary in the fiscal year.	165-170
13	Description on Internal Audit Unit Includes the following: 1. Name of internal audit unit head; 2. Total employees (internal Auditors) in internal audit unit; 3. Certification on internal audit profession; 4. Internal audit unit composition in the company's structure; 5. Brief Report on internal audit unit activity implementation; and 6. The parties responsible to appoint/terminate the internal audit unit head.	173-177

14	<p>Public Accountant Includes the following</p> <ol style="list-style-type: none"> <li>1. Name and year of public accountant that audits the annual financial statements in the last 5 years;</li> <li>2. Name and year of the Public Accounting Firm that audits the annual financial statements in the last 5 years;</li> <li>3. The amount of fee for each service provided by Public Accounting Firm at the last financial year; and</li> <li>4. Other services provided by the Public Accounting Firm and public accountant apart from the audit service of annual financial statements at the last financial year.</li> </ol> <p>Note: to disclose if there are no other services rendered.</p>	177-178
15	<p>Description on risk management of the company Includes the following:</p> <ol style="list-style-type: none"> <li>1. Explanation on risk management system implemented by the company;</li> <li>2. Explanation on risk management system effectiveness evaluation;</li> <li>3. Explanation on risks faced by the company; and</li> <li>4. Risk mitigation.</li> </ol>	178-194
16	<p>Description of internal control system Includes the following:</p> <ol style="list-style-type: none"> <li>1. Brief explanation on internal control system, among others on financial and operational control;</li> <li>2. Explanation on internal control system alignment with international standard framework (COSO – internal control framework); and</li> <li>3. Explanation on internal control system effectiveness evaluation.</li> </ol>	171-173
17	<p>Description on corporate social responsibility related to environmental Covers information on, among others:</p> <ol style="list-style-type: none"> <li>1. Activity target/plans by the Management for 2019;</li> <li>2. Activities conducted and the quantitative impact of such activities, including environmental programs related to the company's operational activities such as utilization of environment-friendly materials and energy or recycled materials, waste management system, complaint handling of environmental issues, green lending, and others; and</li> <li>3. Environmental certifications.</li> </ol>	213-217
18	<p>Description on corporate social responsibility related to occupational, health, and safety Covers information on, among others:</p> <ol style="list-style-type: none"> <li>1. Activity target plans by the management for 2019; and</li> <li>2. Activities conducted and quantitative impact of such activities related to occupational, health, and safety aspects, such as gender equality, equal work opportunity, work health and safety requirement, employee turnover rate, accident rate, remuneration, complaint handling of work-related issues, and others.</li> </ol>	217-220
19	<p>Description on corporate social responsibility related to social and community development Covers information on, among others:</p> <ol style="list-style-type: none"> <li>1. Activity target/plans by the management for 2019;</li> <li>2. Activities conducted and impact of such activities; and</li> <li>3. Cost expended related to social and community development activities such as recruitment of local manpower, community development, donation in improvement to public facilities and infrastructure, other social donations, communications on anti-corruption policies and procedures, training on anti corruption, and others.</li> </ol>	221-222
20	<p>Description on corporate social responsibility related to responsibility to consumers Covers information on, among others:</p> <ol style="list-style-type: none"> <li>1. Activity target/plans by the Management for 2019; and</li> <li>2. Activities conducted and impact of such activities related to product responsibility, such as consumers health and safety, product information, facility, total and handling of consumers claims, and so forth.</li> </ol>	223

21	Significant litigation currently faced by the company, subsidiaries, and members of the Board of Commissioners and Board of Directors that served the position at the annual report period Includes the following; 1. The principal litigation/claims; 2. Settlement status of litigation/claims; 3. Impact to the company's condition; and 4. Administration sanctions charged to the company, members of the Board of Commissioners and Board of Directors, by relevant authorities (capital market, banking and others) at the last fiscal year (or a statement of no administration sanction being charged) Note: To disclose in the event of no litigation.	194
22	Access to company information and data Description on the availability of company information and data for public access. Including dissemination through company website (in Bahasa and English), mass media, mailing list, bulletin, analyst gatherings, and others.	194
23	Discussion on code of conduct Includes the following; 1. Contents of Code of Conduct; 2. Disclosure of code of conduct application in all level of organization; 3. Code of conduct dissemination; 4. Sanctions on code of conduct violations; and 5. Number of violation and sanction in the last fiscal year. Note: should be disclosed if there are no violations of code of conduct in the last fiscal year	196
24	Disclosure on whistleblowing system Includes the following mechanism of whistleblowing system: 1. Violations report submission; 2. Whistleblowers protection; 3. Claims handling; 4. Claims managers; 5. Total claims registered; and 6. Sanctions/report processed at the last fiscal year including its follow up measures. Note: should be disclosed if there is no report and follow up action in the last fiscal year.	196-202
25	Diversity of the Board of Commissioners and Board of directors Composition Description of written policy regarding diversity of the Board of Commissioners and Board of Directors composition regarding education, work experience, age, and gender Note: to disclose the reasons and considerations if there is no policy applied.	152-153

VII	FINANCIAL INFORMATION	PAGE
1	Board of Directors and/or Board of Commissioners' Statements regarding the Responsibility for the Financial Statements Conformity with related regulations regarding the Financial Statements Responsibility	259-260
2	Independent auditor opinion on financial statements	262
3	Independent Auditor Description in the Opinion Description contains the following: 1. Name and signatures; 2. Audit Report date; and 3. License of Public Accounting Firm and license of Public Accountant	263
4	Comprehensive financial statements Comprehensively covers the financial statements elements 1. Statements of financial position; 2. Statements of comprehensive income and other comprehensive income; 3. Statements of changes in equity; 4. Statements of cash flows; 5. Notes to financial statements; 6. Comparative information on previous periods; and 7. Statements of financial position at the beginning of previous periods upon the application of retrospective accounting policy by the entity of representation of financial statements postings, or reclassifications of postings in financial statements (if relevant).	264-267 268-269 270-271 272-273 274-391 264-269 N/A
5	Profitability level comparison Comparison of current profit (loss) with the previous year	268-269



6	<p>Statements of Cash Flows</p> <p>Conformity to the following provisions:</p> <ol style="list-style-type: none"> <li>1. Grouping into three category of activities of operations, investment, and financing;</li> <li>2. Direct method application in the statements of cash flows from operations activity;</li> <li>3. Separation of presentation between cash in and cash out during current year in the operation investment and financing activities;</li> <li>4. Disclosure of non cash transaction shall be stated in the notes to financial statements.</li> </ol>	272-273
7	<p>Summary of accounting policies</p> <p>Including at least:</p> <ol style="list-style-type: none"> <li>1. Compliance statement to Financial Accounting Standards;</li> <li>2. Basis of measurement and formulation of financial statements;</li> <li>3. Recognition of income and expense;</li> <li>4. Employee benefits; and</li> <li>5. Financial Instrument.</li> </ol>	<p>280</p> <p>281-311</p> <p>302-304</p> <p>298-300</p> <p>285-291</p>
8	<p>Disclosure of related parties transactions</p> <p>The disclosure includes;</p> <ol style="list-style-type: none"> <li>1. Name of related parties, and the nature and relationship with related parties;</li> <li>2. Transaction values and its percentage to total income and expense; and</li> <li>3. Total balance and its percentage to total assets or liabilities.</li> </ol>	368-371
9	<p>Disclosure related to taxes</p> <p>The disclosures shall include;</p> <ol style="list-style-type: none"> <li>1. Fiscal reconciliation and current tax expense calculation;</li> <li>2. Explanation of relationship between tax expenses (income) and accounting profit;</li> <li>3. Statement that Taxable Income as a result of reconciliation use as the basis in completing the 2019 Annual Corporate Income tax return</li> <li>4. The details of deferred tax assets and liabilities recognized in the financial position statements for every presentation period, and total deferred tax expenses (income) recognized in the income statements if the total are not visible from the total deferred tax assets or liabilities recognized in the financial position statements; and</li> <li>5. Disclosure of availability or un-availability of tax disputes.</li> </ol>	359-363
10	<p>Disclosure related to fixed assets</p> <p>The disclosures shall include:</p> <ol style="list-style-type: none"> <li>1. Used depreciation method;</li> <li>2. Description on accounting policies selected between revaluation model and cost model;</li> <li>3. Significant methods and assumptions used in estimation of fixed assets fair value (for revaluation model) or disclosure of fixed assets fair value (for cost model); and</li> <li>4. Reconciliation of gross total recorded and accumulation of fixed assets depreciation at the beginning and end of period by presenting: addition, deduction and reclassification.</li> </ol>	324-327
11	<p>Disclosure related to operations segments</p> <p>The disclosures shall include:</p> <ol style="list-style-type: none"> <li>1. General information covering factors used to identify reported segments;</li> <li>2. Information on segments reported profit loss, assets, and liabilities;</li> <li>3. Reconciliation of segment's total revenues, segment's reported profit loss, segment's assets, segment's liabilities, and segment's other material elements to related total in entity; and</li> <li>4. Disclosure of entity level, which covers information on products and/or services, geographic areas and main customers.</li> </ol>	371-373
12	<p>Disclosure related to Financial Instruments</p> <p>The disclosure shall include:</p> <ol style="list-style-type: none"> <li>1. Details on financial instruments owned according to its classification;</li> <li>2. Fair value and hierarchy of every financial instrument group;</li> <li>3. Explanation of risks related with financial instrument;</li> <li>4. Market risk, credit risk and liquidity risk;</li> <li>5. Risk management policy; and</li> <li>6. Quantitative analysis of risk related to financial instrument.</li> </ol>	376-378
13	<p>Financial statement publication</p> <p>The disclosure includes:</p> <ol style="list-style-type: none"> <li>1. The date of financial statements authorized for publication; and</li> <li>2. Parties responsible to authorize the financial statements.</li> </ol>	259-260

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# FINANCIAL REPORT





**Laporan Keuangan Konsolidasian  
Beserta Laporan Auditor Independen  
Untuk Tahun yang Berakhir pada  
Tanggal-tanggal 31 Desember 2019 dan 2018**

***Consolidated Financial Statements  
With Independent Auditors' Report  
For the Years Then Ended  
December 31, 2019 and 2018***

**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 2019**  
**PERIOD 31 DECEMBER 2019**  
**PT BAKRIE & BROTHERS TBK DAN ENTITAS ANAK**  
**PT BAKRIE & BROTHERS Tbk AND SUBSIDIARIES**



Kami yang bertanda tangan di bawah ini; / We the undersigned;

- |  |   |
|--|---|
| 1. Nama/Name                           | : Anindya Novyan Bakrie   |
| Alamat Kantor/Office Address           | : Bakrie Tower, Lt. 39,<br>Jl. H. R. Rasuna Said,<br>Jakarta 12940                                |
| Alamat Domisili<br>Address of Domicile | : Jl. Mega Kuningan Barat<br>Kav. E. 3-5/5<br>Kuningan Timur, Setia Budi<br>Jakarta Selatan       |
| Nomor Telepon/Telephone Number         | : +62 21 2991 2222  |
| Jabatan/Position                       | : Direktur Utama / President Director   |
|  |   |
| 2. Nama/Name                           | : Ir. A. Amri Aswono Putro  |
| Alamat Kantor/Office Address           | : Bakrie Tower, Lt. 36,<br>Jl. H. R. Rasuna Said,<br>Jakarta 12940                                |
| Alamat Domisili<br>Address of Domicile | : Perum Lb. Bulus Riveria No. 12<br>RT/RW : 008/002,<br>Lebak Bulus, Cilandak,<br>Jakarta Selatan |
| Nomor Telepon/Telephone Number         | : +62 21 2991 2222  |
| Jabatan/Position                       | : Direktur Keuangan/Finance Director  |

menyatakan bahwa/state that :

- Bertanggung jawab atas penyusunan dan penyajian laporan keuangan konsolidasian PT Bakrie & Brothers Tbk ("Perusahaan") dan Entitas Anak; / to take responsibility upon the composing and presenting of the consolidated financial statements of PT Bakrie & Brother Tbk (the "Company") and Subsidiaries.

PT Bakrie & Brothers Tbk

Bakrie Tower Lt. 39-40 Road  
 Bakrie Tower Lt. 36,  
 Jl. H. R. Rasuna Said,  
 Jakarta 12940  
 Telp. (021) 2991 2222  
 Telepon. (021) 2991 2222  
 E-mail: info@bakrie-brothers.com  
 Web: www.bakrie-brothers.com



2. Laporan keuangan konsolidasian Perusahaan dan Entitas Anak telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia; / *The consolidated financial statements of the Company and Subsidiaries has been composed and presented in accordance with Indonesian Financial Accounting Standard;*
3. a. Semua informasi dalam laporan keuangan konsolidasian Perusahaan dan Entitas Anak telah dimuat secara lengkap dan benar; / *all information in the consolidated financial statements of the Company and Subsidiaries has been composed completely and correctly.*  
b. Laporan keuangan konsolidasian Perusahaan dan Entitas Anak tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material; / *the consolidated financial statements of the Company and Subsidiaries does not contain of any misstatement and does not eliminate any material information;*
4. Bertanggung jawab atas sistem pengendalian intern dalam Perusahaan. / *to take responsibility upon internal control system in the Company.*

Demikian pernyataan ini dibuat dengan sebenarnya / *This statement has been made in good faith.*

Jakarta, 30 Maret 2020 / 30 March 2020  
PT Bakrie & Brothers Tbk

**Anindya Novyan Bakrie**  
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 12110, Indonesia  
Tel: +62 21 720 2605 • Fax: +62 21 7278 8954

## Laporan Auditor Independen

Laporan No

00023/2.0902/AU.1/10/0457-1/1/III/2020

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 2019, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas konsolidasian untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

## Tanggung jawab manajemen atas laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan konsolidasian tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan konsolidasian yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

## Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan konsolidasian tersebut berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan konsolidasian tersebut bebas dari kesalahan penyajian material.

## Independent Auditors' Report

Report No

00023/2.0902/AU.1/10/0457-1/1/III/2020

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, 2019, and the consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## Auditors' responsibility

Our responsibility is to express an opinion on such consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such consolidated financial statements are free from material misstatement.



## Y. SANTOSA DAN REKAN

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan secara keseluruhan.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

### Opini

Menurut opini kami, laporan keuangan konsolidasian terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan konsolidasian PT Bakrie & Brothers Tbk dan Entitas Anaknya tanggal 31 Desember 2019, 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 47 atas laporan keuangan konsolidasian, pada tanggal 31 Desember 2019, Kelompok Usaha mengalami kerugian berulang dari kegiatan usahanya yang mengakibatkan defisit dan total liabilitas jangka pendek Kelompok Usaha telah melampaui total aset lancarnya. Kondisi tersebut, bersama dengan hal-hal lain sebagaimana dijelaskan dalam Catatan 47, mengindikasikan adanya suatu ketidakpastian material yang dapat menyebabkan keraguan signifikan atas kemampuan Kelompok Usaha untuk mempertahankan kelangsungan usahanya. Rencana manajemen untuk mengatasi kondisi tersebut juga diungkapkan dalam Catatan 47 atas laporan keuangan konsolidasian. Laporan keuangan konsolidasian tidak mencakup penyesuaian yang mungkin harus dilakukan yang berasal dari kondisi ketidakpastian tersebut.

*An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.*

*We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.*

### Opinion

*In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Bakrie & Brothers Tbk and its Subsidiaries as of December 31, 2019, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.*

### Emphasis of matter

*We draw attention to Note 47 to the consolidated financial statements, as of December 31, 2019, the Group has incurred recurrent losses from its operations resulting in incurred deficits and the total current liabilities of the Group exceeded its total current assets. These conditions, along with other matters as set forth in Note 47, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Management's plans in regard to these matters are also disclosed in Note 47 to the consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.*

## Y. SANTOSA DAN REKAN

Opini kami tidak dimodifikasi sehubungan dengan hal tersebut

*Our opinion is not qualified in respect of this matter*

Y. Santosa dan Rekan

**Hilda Ong**

Registrasi Akuntan Publik / *Public Accountant Registration*  
No. AP.0457

30 Maret 2020 / *March 30, 2020*

### NOTICE TO READERS

*The accompanying consolidated financial statements are not intended to present the financial position, results of operations, and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Indonesia. The standards, procedures and practices utilized to audit such consolidated financial statements may differ from those generally accepted in countries and jurisdictions other than Indonesia. Accordingly, the accompanying consolidated financial statements and the auditors' report thereon are not intended for use by those who are not informed about Indonesian accounting principles and auditing standards, and their application in practice.*

Y. Santosa dan Rekan  
Registered Public Accountants  
Licence Number: 430/KM.1/2012



**PT BAKRIE & BROTHERS Tbk  
DAN ENTITAS ANAK  
LAPORAN POSISI KEUANGAN  
KONSOLIDASIAN  
31 DESEMBER 2019 DAN 2018**  
(Angka dalam tabel disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)

**PT BAKRIE & BROTHERS Tbk  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF  
FINANCIAL POSITION  
DECEMBER 31, 2019 AND 2018**  
(Amounts in tables are expressed in millions of Rupiah,  
unless otherwise stated)

	Catatan/ Notes	Desember/December 31,		
		2019	2018	
<b>ASET</b>				<b>ASSETS</b>
<b>ASET LANCAR</b>				<b>CURRENT ASSETS</b>
Kas dan setara kas	3d,3e,5	126.177	118.877	Cash and cash equivalents
Investasi jangka pendek - setelah dikurangi penyisihan kerugian atas penurunan nilai	3e,6			Short-term investments - net of allowance for impairment losses
Pihak ketiga		7.689.773	6.942.347	Third parties
Pihak berelasi	3f,39b	10.756	10.980	Related parties
Piutang usaha - setelah dikurangi penyisihan kerugian atas penurunan nilai	3e,7a			Trade receivables - net of allowance for impairment losses
Pihak ketiga		1.053.149	796.424	Third parties
Pihak berelasi	3f,39a	8.996	11.837	Related parties
Piutang lain-lain - setelah dikurangi penyisihan kerugian atas penurunan nilai				Other receivables - net of allowance for impairment losses
Pihak ketiga	3e,8	1.361.509	1.284.926	Third parties
Tagihan bruto kepada pelanggan	3s,9a	-	51.066	Gross amounts due from customers
Persediaan - setelah dikurangi penyisihan persediaan usang	3g,10	705.325	825.956	Inventories - net of allowance for inventory obsolescence
Beban dibayar dimuka	3h,11	3.943	3.103	Prepaid expenses
Pajak dibayar dimuka	3v, 36a	75.657	147.234	Prepaid taxes
Kelompok lepasan yang diklasifikasikan sebagai dimiliki untuk dijual	3m,49	60.162	162	Disposal group classified as held for sale
Aset lancar lainnya	3e,12	163.755	192.227	Other current assets
<b>Total Aset Lancar</b>		<b>11.259.202</b>	<b>10.385.139</b>	<b>Total Current Assets</b>

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 2019 DAN 2018  
(Angka dalam tabel disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)**

**PT BAKRIE & BROTHERS Tbk  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF  
FINANCIAL POSITION  
DECEMBER 31, 2019 AND 2018  
(Amounts in tables are expressed in millions of Rupiah,  
unless otherwise stated)**

	Catatan/ Notes	Desember/December 31,		
		2019	2018	
<b>ASET TIDAK LANCAR</b>				<b>NON-CURRENT ASSETS</b>
Piutang pihak berelasi - setelah dikurangi penyisihan kerugian atas penurunan nilai	3e,3f,39c	282.778	280.803	<i>Due from related parties - net of allowance for impairment losses</i>
Piutang usaha jangka panjang - neto	3e,7b	-	442.523	<i>Long-term trade receivables - net</i>
Investasi pada entitas asosiasi dan entitas pengendalian bersama - setelah dikurangi penyisihan kerugian atas penurunan nilai	3i,13	10.000	389.948	<i>Investments in associates and jointly controlled entities - net of allowance for impairment losses</i>
Investasi jangka panjang lainnya	3e,3j,14	263.067	263.067	<i>Other long-term investments</i>
Aset tetap - setelah dikurangi dengan akumulasi penyusutan	3k,3l,3n,3o,15	2.108.395	2.328.449	<i>Fixed assets - net of accumulated depreciation</i>
Aset pajak tangguhan - neto	3v,36d	94.023	90.058	<i>Deferred tax assets - net</i>
Biaya pengembangan proyek - setelah dikurangi penyisihan kerugian atas penurunan nilai	3p,16	26.210	30.748	<i>Project development costs - net of allowance for impairment losses</i>
Aset tidak lancar lainnya	3d,3e,3f,17	320.863	124.373	<i>Other non-current assets</i>
Total Aset Tidak Lancar		3.105.336	3.949.969	<i>Total Non-Current Assets</i>
<b>TOTAL ASET</b>		<b>14.364.538</b>	<b>14.335.108</b>	<b>TOTAL ASSETS</b>

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 2019 DAN 2018**

(Angka dalam tabel disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)

**PT BAKRIE & BROTHERS Tbk  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF  
FINANCIAL POSITION**

**DECEMBER 31, 2019 AND 2018**

(Amounts in tables are expressed in millions of Rupiah,  
unless otherwise stated)

	Catatan/ Notes	31 Desember /December 31,		
		2019	2018	
<b>LIABILITAS DAN EKUITAS</b>				<b>LIABILITIES AND EQUITY</b>
<b>LIABILITAS JANGKA PENDEK</b>				<b>CURRENT LIABILITIES</b>
Pinjaman jangka pendek				Short-term loans
Pihak ketiga	3e, 18	442.854	551.562	Third parties
Pembiayaan musyarakah				Short-term musyarakah
jangka pendek	3r	12.000	12.000	financing
Utang usaha	3e, 19			Trade payables
Pihak ketiga		722.462	804.806	Third parties
Pihak berelasi	3f, 39d	14.381	17.208	Related parties
Utang lain-lain	3e, 20			Other payables
Pihak ketiga		198.909	163.367	Third parties
Pihak berelasi	3f, 39e	38.232	27.134	Related parties
Utang bruto kepada				Gross amounts due to
pelanggan	3s, 9b	-	8.535	customers
Beban masih harus dibayar	3e, 3s, 21	765.815	799.729	Accrued expenses
Uang muka pelanggan	3s, 22	212.638	173.745	Customer deposits
Utang pajak	3v, 36b	86.732	100.815	Taxes payable
Liabilitas derivatif	3e, 43b	7.140.463	6.451.552	Derivative liabilities
Liabilitas jangka panjang yang				Current maturities of
jatuh tempo dalam satu tahun:	3e			long-term liabilities:
Pinjaman jangka panjang	23	1.465.296	1.534.015	Long-term loans
Utang sewa pembiayaan	3o, 24	668	935	Finance lease payables
Pembiayaan murabahah	3q, 26	5.278	11.304	Murabahah financing
Pembiayaan musyarakah	3r, 25	9.515	10.865	Musyarakah financing
Total Liabilitas Jangka Pendek		11.115.243	10.667.572	Total Current Liabilities
<b>LIABILITAS JANGKA PANJANG</b>				<b>NON-CURRENT LIABILITIES</b>
Liabilitas pajak tangguhan - neto	3v, 36d	145.920	171.540	Deferred tax liabilities - net
Liabilitas imbalan pascakerja	3t, 37	316.641	361.671	Post-employment benefits
Utang pihak yang berelasi	3f, 39f	203.020	198.495	liability
Liabilitas jangka panjang - setelah				Due to related parties
dikurangi bagian yang jatuh tempo				Long-term liabilities - net of
dalam satu tahun:	3e			current maturities:
Pinjaman jangka panjang	23	211.214	185.319	Long-term loans
Utang sewa pembiayaan	3o, 24	895	1.798	Finance lease payables
Pembiayaan murabahah	3q, 26	5.186	10.455	Murabahah financing
Pembiayaan musyarakah	3r, 25	11.741	59.219	Musyarakah financing
Total Liabilitas Jangka Panjang		894.617	988.497	Total Non-Current Liabilities
Total Liabilitas		12.009.860	11.656.069	Total Liabilities

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 2019 DAN 2018**

(Angka dalam tabel disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)

**PT BAKRIE & BROTHERS Tbk  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF  
FINANCIAL POSITION  
DECEMBER 31, 2019 AND 2018**

(Amounts in tables are expressed in millions of Rupiah,  
unless otherwise stated)

	Catatan/ Notes	31 Desember /December 31,		
		2019	2018	
<b>EKUITAS</b>				<b>EQUITY</b>
Ekuitas yang dapat diatribusikan kepada pemilik entitas induk				Equity attributable to owners of the Parent
Modal saham - nilai nominal Rp28.500, Rp3.990, Rp1.140, Rp500 dan Rp64 pada tanggal tanggal 31 Desember 2019 dan 2018 untuk masing-masing saham Seri A, Seri B, Seri C, Seri D dan Seri E				Share capital - Rp28,500, Rp3,990, Rp1,140, Rp500 and Rp64 par value as of December 31, 2019 and 2018 for each A Series, B Series, C Series, D Series and E Series shares
Modal dasar 293.715.580.156 saham pada tanggal 31 Desember 2019 dan 2018				Authorized capital 293,715,580,156 shares as of December 31, 2019 and 2018
Modal ditempatkan dan disetor penuh 20.863.053.480 saham pada tanggal 31 Desember 2019 dan 20.771.977.000 saham pada tanggal 31 Desember 2018	1b,27	14.235.002	14.189.464	Issued and fully paid capital 20,863,053,480 shares as of December 31, 2019 and 20,771,977,000 shares as of December 31, 2018
Tambahan modal disetor	3r,28	(2.504.322)	(1.395.308)	Additional paid-in capital
Obligasi wajib konversi	3e,29	9.440.986	9.486.524	Mandatory convertible bonds
Cadangan modal lainnya	3e, 3t, 3u, 3v, 30	216.589	301.167	Other capital reserves
Defisit	3aa	(19.042.966)	(19.895.922)	Deficit
Subtotal		2.345.289	2.685.925	Subtotal
Kepentingan nonpengendali	3b,31	9.389	(6.886)	Non-controlling interest
Ekuitas - Neto		2.354.678	2.679.039	Equity - Net
<b>TOTAL LIABILITAS DAN EKUITAS</b>		<b>14.364.538</b>	<b>14.335.108</b>	<b>TOTAL LIABILITIES AND EQUITY</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  
DAN ENTITAS ANAK  
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**PT BAKRIE & BROTHERS Tbk  
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(Amounts in tables are expressed in millions of Rupiah,  
unless otherwise stated)**

	Catatan/ Notes	2019	2018	
<b>PENDAPATAN NETO</b>	3s,32	3.235.677	3.340.451	<b>NET REVENUES</b>
<b>BEBAN POKOK PENDAPATAN</b>	3s,33	2.557.420	2.664.887	<b>COST OF REVENUES</b>
<b>LABA BRUTO</b>		678.257	675.564	<b>GROSS PROFIT</b>
<b>BEBAN USAHA</b>	3s,34			<b>OPERATING EXPENSES</b>
Beban karyawan		261.789	262.837	Personnel expenses
Beban umum dan administrasi		157.081	220.796	General and administrative expenses
Beban penjualan		121.718	107.784	Selling expenses
Total Beban Usaha		540.588	591.417	Total Operating Expenses
<b>LABA USAHA</b>		137.669	84.147	<b>OPERATING PROFIT</b>
<b>PENGHASILAN (BEBAN) LAIN-LAIN</b>				<b>OTHER INCOME (CHARGES)</b>
Bagian laba atas neto entitas asosiasi dan entitas pengendalian bersama	3i,13	758.870	173.213	Share in net profit of associates and jointly controlled entities
Keuntungan (kerugian) selisih kurs - neto	3u	90.130	(708.617)	Gain (loss) on foreign exchange - net
Pendapatan bunga		34.124	9.818	Interest income
Keuntungan atas penjualan aset tetap		1.747	-	Gain on sale of fixed assets
Beban bunga dan keuangan	35	(175.103)	(349.995)	Interest and financial expenses
Beban bagi hasil musyarakah	3r,25	(5.774)	(7.403)	Musyarakah sharing expense
Perubahan nilai wajar instrumen keuangan - neto	3e,42	(5.545)	(524.027)	Fair value changes of financial instruments - net
Beban murabahah	3q,26	(2.246)	(5.608)	Murabahah expense
Keuntungan atas pelepasan saham	1c,3b	-	121.174	Gain on sale of investment
Lain-lain - neto		47.652	(3.387)	Others - net
Penghasilan (Beban) Lain-lain - Neto		743.855	(1.294.832)	Other Income (Charges) - Net
<b>LABA (RUGI) SEBELUM MANFAAT (BEBAN) PAJAK PENGHASILAN</b>		881.524	(1.210.685)	<b>PROFIT (LOSS) BEFORE INCOME TAX BENEFIT (EXPENSE)</b>
<b>MANFAAT (BEBAN) PAJAK PENGHASILAN</b>	3v,36			<b>INCOME TAX BENEFIT (EXPENSE)</b>
Kini		(58.427)	(55.869)	Current
Tangguhan		40.173	16.341	Deferred
Beban Pajak Penghasilan - Neto		(18.254)	(39.528)	Income Tax Expense - Net
<b>LABA (RUGI) NETO</b>		<b>863.270</b>	<b>(1.250.213)</b>	<b>NET PROFIT (LOSS)</b>

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

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(Amounts in tables are expressed in millions of Rupiah,  
unless otherwise stated)**

	Catatan/ Notes	2019	2018	
<b>PENGHASILAN (RUGI) KOMPREHENSIF LAIN</b>				<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>
<b>Pos-pos yang akan direklasifikasi lebih lanjut ke laba rugi:</b>				<b>Items that will be subsequently reclassified to profit or loss:</b>
Selisih kurs karena penjabaran laporan keuangan	3u	(84.607)	(22.953)	Exchange differences due to financial statements translation
Perubahan neto atas nilai wajar aset keuangan tersedia untuk dijual	3e,6	(224)	(1.604)	Net changes in fair value of available-for-sale financial asset
Bagian atas penghasilan (kerugian) komprehensif lain dari entitas asosiasi dan entitas pengendalian bersama	3i,13	(29.804)	16.985	Share in other comprehensive income (loss) of associates and jointly controlled entities
Kerugian yang direalisasi atas efek tersedia dijual	3e,30	-	(121.174)	Realized loss on available-for-sale securities
Subtotal		(114.635)	(128.746)	Subtotal
<b>Pos-pos yang tidak akan direklasifikasi lebih lanjut ke laba rugi:</b>				<b>Items that will not be subsequently reclassified to profit or loss:</b>
Pengukuran kembali atas program pensiun imbalan pasti	3t,37	47.658	67.135	Remeasurement of defined benefit pension plan
Pajak penghasilan terkait	3v,36	(10.588)	(11.839)	Related income tax
Subtotal		37.070	55.296	Subtotal
<b>RUGI KOMPREHENSIF LAIN - SETELAH DIKURANGI PAJAK</b>		(77.565)	(73.450)	<b>OTHER COMPREHENSIVE LOSS - NET OF TAX</b>
<b>PENGHASILAN (RUGI) KOMPREHENSIF NETO</b>		<b>785.705</b>	<b>(1.323.663)</b>	<b>NET COMPREHENSIVE INCOME (LOSS)</b>
<b>LABA (RUGI) NETO YANG DAPAT DIATRIBUSIKAN KEPADA:</b>				<b>NET PROFIT (LOSS) ATTRIBUTABLE TO:</b>
Pemilik entitas induk		852.956	(1.260.970)	Owners of parent
Kepentingan nonpengendali	3b,31	10.314	10.757	Non-controlling interest
<b>NETO</b>		<b>863.270</b>	<b>(1.250.213)</b>	<b>NET</b>
<b>PENGHASILAN (RUGI) KOMPREHENSIF NETO YANG DAPAT DIATRIBUSIKAN KEPADA:</b>				<b>NET COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:</b>
Pemilik entitas induk		768.378	(1.332.439)	Owners of parent
Kepentingan nonpengendali	3b,31	17.327	8.776	Non-controlling interest
<b>NETO</b>		<b>785.705</b>	<b>(1.323.663)</b>	<b>NET</b>
<b>LABA (RUGI) NETO PER SAHAM DASAR/DILUSIAN DIATRIBUSIKAN KEPADA PEMILIK ENTITAS INDUK (Angka Penuh)</b>	3x,38	<b>447,16</b>	<b>(661,05)</b>	<b>BASIC/DILUTED EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE PARENT (Full Amount)</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  
DAN ENTITAS ANAK**

**LAPORAN PERUBAHAN EKUITAS KONSOLIDASIAN  
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**PT BAKRIE & BROTHERS Tbk  
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**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED  
DECEMBER 31, 2019 AND 2018**

(Amounts in tables are expressed in millions of Rupiah, unless otherwise stated)

	Ekuitas yang Dapat Diatribusikan Kepada Pemilik Entitas Induk/ Equity Attributable to Owners of the Parent										Balance as of January 1, 2018	
	Tambahan Modal Disetor/ Additional Paid-in Capital		Selisih Nilai				Other Capital Reserves/ Cadangan Modal Lainnya					
	Selisih Penerimaan dari Penerbitan Saham atas Nilai Nominal/ Paid-in Capital in Excess of Par Value	Tambahan Modal Disetor dari Pengampunan Pajak/ Paid-in Capital from Tax Amnesty	Selisih Nilai Transaksi Restrukturisasi Entitas Sepengendali/ Difference in Restructuring of Entities Under Common Control	Obligasi Wajib Konversi/ Mandatory Convertible Bonds	Selisih Kurs Penjabaran Laporan Keuangan/ Exchange Differences due to Financial Statements Translation	Keuntungan Investasi Jangka Pendek yang Belum Terealisasi/ Unrealized Gain on Short-term Investments	Akumulasi Pengukuran Kembali atas Liabilitas Imbalan Pasca-kerja/ Cumulative Remeasurements on Post-Employment Benefits Liability	Defisit/ Deficit	Subtotal/ Subtotal	Kepentingan Non-pengendali/ Non-controlling Interest		
Modal Saham/ Share Capital											Ekuitas (Defisiensi Modal - Neto/ Equity (Capital Deficiency) - Net	
Saldo 1 Januari 2018	13.254.241	61.728	1.164.536	1.037.497	1.037.497	368.769	124.903	(121.036)	(18.634.952)	(5.365.886)	(16.408)	(5.382.294)
Penerbitan saham melalui OWK (Catatan 27 dan 29)	381.243	-	-	-	(381.243)	-	-	-	-	-	-	-
Penerbitan OWK (Catatan 29)	-	-	-	-	8.830.270	-	-	-	-	8.830.270	-	8.830.270
Penerbitan saham Akuisisi Entitas Anak baru (Catatan 4)	553.980	-	-	-	-	-	-	-	-	553.980	-	553.980
Laba (rugi) neto tahun berjalan	-	-	-	-	-	-	-	-	-	-	746	746
Rugi komprehensif lain yang direklasifikasi ke laba rugi	-	-	-	-	-	-	-	-	(1.260.970)	(1.260.970)	10.757	(1.250.213)
Penghasilan komprehensif lain yang tidak direklasifikasi ke laba rugi	-	-	-	-	-	(3.161)	(122.778)	-	-	(125.939)	(2.807)	(128.746)
	-	-	-	-	-	-	-	54.470	-	54.470	826	55.296
Saldo 31 Desember 2018	14.189.464	61.728	1.164.536	9.486.524	9.486.524	365.608	2.125	(66.566)	(19.895.922)	2.685.925	(6.886)	2.679.039

Catatan atas laporan 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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(Amounts in tables are expressed in millions of Rupiah, unless otherwise stated)**

	Ekuitas yang Dapat Diatribusikan Kepada Pemilik Entitas Induk/ Equity Attributable to Owners of the Parent									
	Tambahan Modal Disetor/ Additional Paid-in Capital			Other Capital Reserves						
	Tambahan Modal Disetor/ Additional Paid-in Capital			Cadangan Modal Lainnya						
	Selisi Penerimaan dari Penerbitan Saham atas Nilai Nominal/ Paid-in Capital in Excess of Par Value	Tambahan Modal Disetor dari Pengampunan Pajak/ Paid-in Capital from Tax Amnesty	Selisi Nilai Transaksi/ Restrukturisasi Entitas Sepengendali/ Difference in Restructuring of Entities Under Common Control	Selisi Kurs Penjabaran Laporan Keuangan/ Exchange Differences due to Financial Statements Translation	Keuntungan Investasi Jangka Pendek yang Belum Terealisasi/ Unrealized Gain on Short-term Investments	Akumulasi Pengukuran Kembali atas Liabilitas Imbalan Pascakerja/ Cumulative Remeasurements on Post-Employment Benefits Liability	Defisit/ Deficit	Subtotal/ Subtotal	Kepentingan Nonpengendali/ Non-controlling Interest	Ekuitas - Neto/ Equity - Net
Saldo 1 Januari 2019	14.189.464	61.728	1.164.536	365.608	2.125	(66.566)	(19.895.922)	2.685.925	(6.886)	2.679.039
Penerimaan saham melalui OWK (Catatan 27 dan 29)	-	-	-	-	-	-	-	-	-	-
Pelepasan investasi oleh Entitas Anak (Catatan 4)	45.538	-	-	(45.538)	-	-	-	-	-	-
Pembagian dividen oleh Entitas Anak	-	-	-	-	-	-	-	(1.109.014)	-	(1.109.014)
Laba neto tahun berjalan	-	-	-	-	-	-	-	852.956	(1.052)	(1.052)
Penghasilan (rugi) komprehensif lain yang direklasifikasi ke laba rugi	-	-	-	-	-	-	-	852.956	10.314	863.270
Penghasilan (rugi) komprehensif lain yang tidak direklasifikasi ke laba rugi	-	-	-	(122.700)	(224)	-	-	(122.924)	8.289	(114.635)
Saldo 31 Desember 2019	14.235.002	61.728	1.164.536	242.908	1.901	(28.220)	(19.042.966)	2.345.289	9.389	2.354.678

Balance as of January 1, 2019  
Issuance of shares through conversion of MCB (Notes 27 and 29)  
Disposal of investment by Subsidiary (Note 4)  
Distribution of dividends by Subsidiary  
Net profit for the year  
Other comprehensive income (loss) to be reclassified to profit or loss  
Other comprehensive income (loss) not to be reclassified to profit or loss  
Balance as of December 31, 2019

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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CONSOLIDATED STATEMENTS OF CASH FLOWS  
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(Amounts in tables are expressed in millions of Rupiah,  
unless otherwise stated)**

	2019	2018	
<b>ARUS KAS DARI AKTIVITAS OPERASI</b>			<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>
Penerimaan kas dari pelanggan	3.529.855	2.859.706	Cash receipt from customers
Pembayaran kas untuk pemasok	(2.297.628)	(2.456.720)	Cash payments to suppliers
Pembayaran kas untuk karyawan	(650.683)	(176.172)	Cash payments to employees
Kas neto yang diperoleh dari aktivitas operasi	581.544	226.814	Net cash provided by operating activities
Penerimaan dari:			Cash received from:
Pajak	41.021	67.829	Taxes
Bunga	9.797	5.610	Interest income
Pembayaran untuk:			Cash paid for:
Pajak	(187.893)	(112.878)	Taxes
Beban bunga	(88.666)	(50.559)	Interest expense
Beban bagi hasil musyarakah	(5.774)	(7.403)	Musyarakah sharing expense
Beban murabahah	(2.246)	(5.608)	Murabahah expense
Penerimaan dari aktivitas operasi lainnya	29	77	Receipts from other operating activities
Arus Kas Neto Diperoleh dari Aktivitas Operasi	347.812	123.882	Net Cash Flows Provided by Operating Activities
<b>ARUS KAS DARI AKTIVITAS INVESTASI</b>			<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>
Penerimaan dari penjualan aset tetap	83.677	401	Receipts from sale of fixed assets
Penurunan (kenaikan) neto piutang pihak berelasi	(253)	6.057	Net decrease (increase) in due from related parties
Pembayaran untuk:			Payments for:
Penambahan aset tetap	(148.550)	(95.732)	Acquisition of fixed assets
Biaya pengembangan proyek	(980)	(535)	Project development costs
Penambahan investasi jangka panjang lainnya	-	(9.442)	Acquisition of other long-term investments
Penambahan investasi jangka pendek	-	(5.000)	Acquisition of short-term investments
Kas neto dari akuisisi entitas anak	-	4.344	Net cash of acquired subsidiaries
Arus Kas Neto Digunakan untuk Aktivitas Investasi	(66.106)	(99.907)	Net Cash Flows Used in Investing Activities

Lihat Catatan 48 atas laporan keuangan konsolidasian untuk informasi tambahan arus kas

See Note 48 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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(Amounts in tables are expressed in millions of Rupiah,  
unless otherwise stated)**

	2019	2018	
<b>AKTIVITAS PENDANAAN</b>			<b>FINANCING ACTIVITIES</b>
Penerimaan dari:			Proceeds from:
Utang jangka pendek	278.388	399.944	Short-term loans
Utang jangka panjang	9.300	24.721	Long-term loans
Pembiayaan musyarakah	18.700	24.000	Musyarakah financing
Penarikan kas di bank yang dibatasi penggunaannya - neto	(121.814)	39.366	Withdrawals of restricted cash in banks - net
Pembayaran untuk:			Payments for:
Utang jangka pendek	(330.369)	(406.509)	Short-term loans
Utang jangka panjang	(39.968)	(69.689)	Long-term loans
Pembiayaan musyarakah	(67.528)	(31.026)	Musyarakah financing
Pembiayaan murabahah	(11.295)	(9.868)	Murabahah financing
Utang sewa pembiayaan	(1.170)	(226)	Finance lease payables
Penurunan neto utang pihak berelasi	(7.445)	(411)	Net decrease in due to related parties
Arus Kas Neto Digunakan untuk Aktivitas Pendanaan	(273.201)	(29.698)	Net Cash Flows Used in Financing Activities
<b>KENAIKAN (PENURUNAN) NETO KAS DAN SETARA KAS</b>	8.505	(5.723)	<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>
<b>PENGARUH PERUBAHAN KURS MATA UANG ASING ATAS KAS DAN SETARA KAS</b>	(1.205)	252	<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>
<b>KAS DAN SETARA KAS AWAL TAHUN</b>	118.877	124.348	<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>
<b>KAS DAN SETARA KAS AKHIR TAHUN</b>	126.177	118.877	<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>

Lihat Catatan 48 atas laporan keuangan konsolidasian untuk informasi tambahan arus kas

See Note 48 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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DAN ENTITAS ANAK  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
31 DESEMBER 2019 DAN 2018 SERTA  
UNTUK TAHUN YANG BERAKHIR PADA  
TANGGAL-TANGGAL TERSEBUT  
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**1. UMUM**

**a. Pendirian Perusahaan**

PT Bakrie & Brothers Tbk ("Perusahaan") didirikan di Republik Indonesia berdasarkan Akta Notaris No. 55 tanggal 13 Maret 1951 dari Notaris Sie Khwan Djioe dengan nama "N.V. Bakrie & Brothers". Akta Pendirian tersebut telah mendapatkan persetujuan dari Menteri Kehakiman Republik Indonesia melalui Surat Keputusan No. J.A.8/81/6 tanggal 25 Agustus 1951 dan diumumkan dalam Berita Negara No. 94 Tambahan No. 550 tanggal 23 November 1951. Anggaran Dasar Perusahaan telah mengalami beberapa kali perubahan, terakhir berdasarkan Akta Notaris No. 83 tanggal 20 Maret 2019 oleh Humbert Lie, S.H., S.E., M.Kn., mengenai penerbitan saham Perusahaan melalui penerbitan modal tambahan melalui Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu (PHMTHMETD) yang mengakibatkan perubahan struktur modal Perusahaan. Perubahan ini telah disetujui oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan Surat No. AHU-AH.01.03-016823 tanggal 26 Maret 2019 dan menunggu pengumuman dalam Berita Negara Republik Indonesia.

Sesuai dengan Pasal 3 Anggaran Dasar Perusahaan, ruang lingkup kegiatan Perusahaan antara lain meliputi perdagangan umum, jasa konstruksi, pertanian, pertambangan, industri, terutama produksi pipa baja, bahan bangunan dan bahan konstruksi lainnya, sistem telekomunikasi, barang elektronik dan elektrik serta investasi termasuk penyertaan modal pada perusahaan lain.

Perusahaan berdomisili di Jakarta Selatan, dengan kantor pusat berlokasi di Bakrie Tower, Lantai 35-37, Komplek Rasuna Epicentrum, Jalan H.R. Rasuna Said, Jakarta Selatan. Perusahaan beroperasi secara komersial mulai tahun 1951.

Perusahaan tergabung dalam Kelompok Usaha Bakrie.

**b. Penawaran Umum dan Pencatatan Saham dan Obligasi Perusahaan di Bursa Efek**

<b>Sifat Aksi Korporasi</b>	<b>Jumlah Saham/ Number of Shares</b>
Penawaran Umum Perdana di Bursa Efek Indonesia (BEI) (dahulu Bursa Efek Jakarta)	2.850.000

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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 and was published in the State Gazette No. 94, Supplement No. 550 dated November 23, 1951. The Articles of Association have been amended several times, the most recent being based on Notarial Deed No. 83 dated March 20, 2019 by Humbert Lie, S.H., S.E., M.Kn. regarding issuance of the Company's shares through the issuance of additional capital through Non-Preemptive Right (NPR) resulting to changes in the Company's capital structure. This amendment was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-AH.01.03-016823 dated March 26, 2019 and is awaiting publication in the State Gazette of the Republic of Indonesia.

According to Article 3 of the Articles of Association, the scope of the Company's activities comprises general trading, construction, agriculture, mining, industry, especially steel pipe manufacturing, building materials and other construction products, telecommunication systems, electronic and electrical goods and investment including equity investment in other companies.

The Company is domiciled in South Jakarta, with the head office is located at Bakrie Tower, 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**

<b>Tanggal Efektif/ Effective Date</b>	<b>Nature of Corporate Action</b>
28 Agustus 1989/ August 28, 1989	Initial Public Offering on the Indonesia Stock Exchange (IDX) (formerly Jakarta Stock Exchange)

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**1. UMUM (Lanjutan)**

**1. GENERAL (Continued)**

<b>Sifat Aksi Korporasi</b>	<b>Jumlah Saham/ Number of Shares</b>	<b>Tanggal Efektif/ Effective Date</b>	<b>Nature of Corporate Action</b>
Pencatatan atas saham para pendiri Perusahaan dalam bentuk <i>Company Listing</i>	16.150.000	9 Maret 1990/ March 9, 1990	Listed founders' shares in the form of <i>Company Listing</i>
<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	24 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>

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<b>Sifat Aksi Korporasi</b>	<b>Jumlah Saham/ Number of Shares</b>	<b>Tanggal Efektif/ Effective Date</b>	<b>Nature of Corporate Action</b>
Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu	16.458.094.820	31 Maret 2017/ March 31, 2017	Additional Capital through Non-preemptive Rights
Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu	55.751.960	11 September 2017/ September 11, 2017	Additional Capital through Non-preemptive Rights
Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu	7.624.865.069	3 April 2018/ April 3, 2018	Additional Capital through Non-preemptive Rights
Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu	623	21 Mei 2018/ May 21, 2018	Additional Capital through Non-preemptive Rights
Penggabungan Saham III	(109.044.387.000)	31 Mei 2018/ May 31, 2018	Reverse Stock Split III
Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu	8.655.934.000	12 Desember 2018/ December 12, 2018	Additional Capital through Non-preemptive Rights
Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu	91.076.480	27 Februari 2019/ February 27, 2019	Additional Capital through Non-preemptive Rights

**1. GENERAL (Continued)**

**c. Struktur Entitas Anak, Ventura Bersama dan Entitas Asosiasi**

Pada tanggal 31 Desember 2019 dan 2018, Perusahaan mempunyai kepemilikan saham secara langsung maupun tidak langsung pada Entitas Anak (selanjutnya secara bersama-sama disebut sebagai "Kelompok Usaha"), entitas pengendalian bersama dan entitas asosiasi:

**c. Structure of the Subsidiaries, Joint Venture and Associates**

As of December 31, 2019 and 2018, the Company has direct and indirect share ownership in the following Subsidiaries (together with the Company hereinafter referred to as the "Group"), jointly controlled entities and associates:

Nama Entitas/ Name of Entity	Domisili/ Domicile	Bidang Usaha/ Scope of Activities	Tahun Pendirian/ Kegiatan Usaha/ Year of Establishment/ Commercial Operations	Persentase Kepemilikan/ Percentage of Ownership		Total Aset Sebelum Eliminasi/ Total Assets Before Elimination	
				2019 (%)	2018 (%)	2019	2018
Entitas Anak/Subsidiaries Kepemilikan secara langsung/ Direct Ownership							
PT Bakrie Building Industries (BBI)	Jakarta	Industri produk dari fiber semen/ Fiber cement building	1974	99,99	99,99	1.161.598	1.192.545
PT Bakrie Metal Industries (BMI)	Bekasi	Pabrikasi baja bergelombang dan "multiplate" / Corrugated metal products and multiplate	1982	99,99	99,99	3.723.871	3.986.027



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**1. UMUM (Lanjutan)**

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Nama Entitas/ <i>Name of Entity</i>	Domisili/ <i>Domicile</i>	Bidang Usaha/ <i>Scope of Activities</i>	Tahun Pendirian/ Kegiatan Usaha - Year of Establishment/ Commercial Operations	Persentase Kepemilikan/ Percentage of Ownership		Total Aset Sebelum Eliminasi/ Total Assets Before Elimination	
				2019 (%)	2018 (%)	2019	2018
PT Bakrie Harper (BHP)	Jakarta	Konstruksi baja/ <i>Steel construction</i>	1996	70,00	70,00	37.738	37.738
PT Bakrie Indo Infrastructure (BIIN)	Jakarta	Pembangunan dan jasa/ <i>Development and services</i>	2008	99,99	99,99	635.448	681.223
Sebastopol Inc. (SI)	Cayman Islands	Investasi/ <i>Investment</i>	2008	100,00	100,00	496.995	482.975
Bakrie Energy International Pte. Ltd.	Singapura/ <i>Singapore</i>	Perdagangan/ <i>Trading</i>	2009	100,00	100,00	56.086	425.484
PT Bakrie Solusi Strategis (BSS)	Jakarta	Perdagangan, jasa, industri/ <i>Trading, services, industry</i>	2010	99,99	99,99	5.629	4.978
PT Kreasindo Jaya Utama (KJU)	Jakarta	Perdagangan/ <i>Trading</i>	2009	99,99	99,99	-	-
<b><u>Kepemilikan secara tidak langsung/ Indirect Ownership</u></b>							
<b><u>Melalui BBI/Through BBI</u></b>							
PT Bangun Bantala Indonesia (Bantala)	Jakarta	Perdagangan umum/ <i>General trading</i>	2013	99,72	99,72	61.659	70.327
<b><u>Melalui BMI/Through BMI</u></b>							
PT Bakrie Pipe Industries (BPI)	Jakarta	Pabrikasi pipa baja/ <i>Steel pipe manufacturer</i>	1979	99,99	99,99	2.715.951	2.490.772
PT Bakrie Construction (BCons)	Jakarta	Konstruksi baja/ <i>Steel construction</i>	1986	98,11	97,57	289.656	427.613
PT Bakrie Autoparts (BA)	Bekasi	Pabrikasi besi cor dan komponen otomotif/ <i>Foundry and automotive component</i>	1976	99,99	99,99	694.181	803.036
<b><u>Melalui BIIN/Through BIIN</u></b>							
PT Bakrie Gas (BG)	Jakarta	Perdagangan minyak dan gas bumi/ <i>Oil and gas trading</i>	2006	99,50	99,50	19.998	19.998
PT Bakrie Gasindo Utama (BGU)	Jakarta	Perdagangan minyak dan gas bumi/ <i>Oil and gas trading</i>	2006	99,50	99,50	19.998	19.998
PT Bakrie Java Energy (BJE)	Jakarta	Perdagangan minyak dan gas bumi/ <i>Oil and gas trading</i>	2006	99,99	99,99	498	498
PT Energas Daya Pratama (EDP)	Jakarta	Perdagangan minyak dan gas bumi/ <i>Oil and gas trading</i>	2006	99,50	99,50	9.998	9.998
PT Bakrie Power (BP)	Jakarta	Pembangkit tenaga Listrik/ <i>Energy and electrical power</i>	1994	99,99	99,99	406.367	411.529
PT Bangun Infrastruktur Nusantara (BIN)	Jakarta	Pembangunan dan jasa/ <i>Development and services</i>	2008	99,99	99,99	20.266	20.267
PT Bakrie Oil & Gas Infrastructure	Jakarta	Pembangunan dan jasa/ <i>Development and services</i>	2008	99,99	99,99	1	1
PT Bakrie Telco Infrastructure (BTelco)	Jakarta	Pembangunan dan jasa/ <i>Development and services</i>	2008	99,50	99,50	10.000	10.000
PT Bakrie Toll Indonesia (BTI)	Jakarta	Pembangunan dan jasa/ <i>Development and services</i>	2008	99,99	99,99	4.678	4.678

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**1. GENERAL (Continued)**

Nama Entitas/ <i>Name of Entity</i>	Domisili/ <i>Domicile</i>	Bidang Usaha/ <i>Scope of Activities</i>	Tahun Pendirian/ Kegiatan Usaha - Year of Establishment/ Commercial Operations	Persentase Kepemilikan/ Percentage of Ownership		Total Aset Sebelum Eliminasi/ Total Assets Before Elimination	
				2019 (%)	2018 (%)	2019	2018
PT Bakrie Port Indonesia (BPort)	Jakarta	Pembangunan dan jasa/ <i>Development and services</i>	2008	99,50	99,50	10.100	10.100
PT Bakrie Mina Bahari	Jakarta	Perdagangan umum/ <i>General trading</i>	2017	70,00	70,00	10.766	10.249
PT Multi Kontrol Nusantara (MKN)	Jakarta	Jasa informasi teknologi, telekomunikasi, sistem integrasi, multimedia dan jaringan/ <i>Information technology, telecommunication, integration system, multimedia and network</i>	1984	99,93	99,93	210.772	253.276
<u>Melalui BEI/Through BEI</u> PT Bakrie Kimia Investama (BKIV)	Jakarta	Konsultasi manajemen/ <i>Management consultation</i>	2009	99,00	99,00	34.101	34.540
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 Olein / <i>Trading in Olein</i>	2009	100,00	100,00	-	-
<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	5	5
<u>Melalui BPI/Through BPI</u> PT South East Asia Pipe Industries	Jakarta	Pabrikan pipa baja/ <i>Steel pipe manufacturer</i>	2001	99,85	99,85	566.029	580.544
<u>Melalui BA/Through BA</u> PT Bakrie Steel Industries (BSI)	Jakarta	Industri dan perdagangan/ <i>Industries and trading</i>	2007	99,99	99,99	7.143	5.600
PT Braja Mukti Cakra (BMC)	Bekasi	Industri suku cadang kendaraan bermotor/ <i>Automotive components</i>	1986	50,00	50,00	249.365	238.169
PT Bina Usaha Mandiri Mizusawa (BUMM)	Tangerang	Industri suku cadang kendaraan bermotor/ <i>Automotive components</i>	1986	99,90	99,90	93.361	128.693
<u>Melalui BP/Through BP</u> PT Bakrie Darmakarya Energi (BDE)	Jakarta	Pembangkit tenaga Listrik/ <i>Energy and electrical power</i>	2011	98,00	98,00	438.976	438.799
PT Kuala Tanjung Power (KTP)	Jakarta	Pembangkit tenaga Listrik/ <i>Energy and electrical power</i>	2010	99,00	99,00	2.863	2.866
<u>Melalui BIN/Through BIN</u> PT Bakrie Mina Bahari	Jakarta	Perdagangan Umum/ <i>General trading</i>	2017	30,00	30,00	10.766	10.249
<u>Melalui MKN/Through MKN</u> PT Graha Multimedia Nusantara	Jakarta	Jasa internet dan TV kabel/ <i>Internet services and TV cable</i>	2007	99,96	99,96	43.946	30.998
PT Cipta Wisesa (CTW)	Jakarta	Perdagangan/ <i>Trading</i>	2013	99,00	99,00	113.147	61.451

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**1. UMUM (Lanjutan)**

**1. GENERAL (Continued)**

Nama Entitas/ Name of Entity	Domisili/ Domicile	Bidang Usaha/ Scope of Activities	Tahun Pendirian/ Kegiatan Usaha - Year of Establishment/ Commercial Operations	Persentase Kepemilikan/ Percentage of Ownership		Total Aset Sebelum Eliminasi/ Total Assets Before Elimination	
				2019 (%)	2018 (%)	2019	2018
PT Starbit Technology Nusantara	Jakarta	Informasi teknologi, infrastruktur dan jasa/ Information technology, infrastructure and services	2007	75,00	75,00	5.122	2.375
<u>Melalui BKIV/Through BKIV</u>							
PT Batuta Kimia Utama (BKU)	Jakarta	Industri pupuk buatan/ Non-organic fertilizer industry	2009	95,00	95,00	-	-
<u>Melalui CTW/Through CTW</u>							
PT Batuta Kimia Perdana (BKP)	Jakarta	Industri kimia dasar chlororganik/Chemical industries-organic chlor	2009	45,00	45,00	-	-
<u>Melalui CTW/Through CTW</u>							
PT System Energi Nusantara (SEN)	Jakarta	Perdagangan umum/ General trading	2008	99,00	99,00	64.783	59.951
PT Armada Anugrah Dirgantara (AAD)	Jakarta	Jasa penyewaan alat transportasi udara/Airport transport rental services	2018	40,00	-	24.152	-

PT Armada Anugrah Dirgantara (AAD)

Pada tanggal 1 Maret 2019, PT Multi Kontrol Nusantara (MKN) melalui entitas anaknya, PT Cipta Wisesa (CTW) bersama dengan para pemegang saham lainnya mendirikan PT Armada Anugrah Dirgantara (AAD). AAD suatu perusahaan yang bergerak dalam bidang alat transportasi udara. CTW memiliki sejumlah 400 saham AAD atau setara dengan 40% kepemilikan saham yang memberikan pengendali CTW atas AAD. Laporan keuangan AAD dikonsolidasikan ke dalam laporan keuangan MKN.

PT Armada Anugrah Dirgantara (AAD)

On March 1, 2019, PT Multi Kontrol Nusantara (MKN) through its subsidiary, PT Cipta Wisesa (CTW) together with other shareholders established PT Armada Anugrah Dirgantara (AAD). AAD is a company engaged in the field of air transportation. CTW has ownership in AAD totaling 400 shares or equivalent to 40% share ownership which also gives CTW control over AAD. The financial statements of AAD is consolidated into MKN's financial statements.

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

Susunan Dewan Komisaris dan Direksi Perusahaan pada tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

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

As of December 31, 2019 and 2018, the members of the Company's Boards of Commissioners and Directors were as follows:

	2019	2018	
<b>Dewan Komisaris</b>			<b>Board of Commissioners</b>
Komisaris Utama	Sutanto *)	Anindya Novyan Bakrie	President Commissioner
Komisaris	Armansyah Yamin	Armansyah Yamin	Commissioner
Komisaris	Firmanzah *)	Firmanzah *)	Commissioner
Komisaris	Gafur Sulistyono Umar	-	Commissioner

\*) Komisaris Independen

\*) Independent Commissioner

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**1. GENERAL (Continued)**

	2019	2018	
<b>Direksi</b>			<b>Board of Directors</b>
Direktur Utama	Anindya Novyan Bakrie	Gafur Sulistyo Umar	President Director
Wakil Direktur Utama	Anindra Ardiansyah Bakrie	Anindra Ardiansyah Bakrie	Vice-President Director
Direktur	A. Amri Aswono Putro	A. Amri Aswono Putro	Director
Direktur	R.A. Sri Dharmayanti	R.A. Sri Dharmayanti	Director
Direktur	Hendrajanto Marta Sakti	-	Director
Direktur Independen	Dody Taufiq Wijaya	Dody Taufiq Wijaya	Independent Director
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.I.5, dimana susunan anggota Komite Audit pada tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:			
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.I.5, whereas the members of the Audit Committee as of December 31, 2019 and 2018, were as follows:			

**2019 dan/and 2018**

Ketua	Firmanzah	Chairman
Anggota	Irwan Sjarkawi	Member
Anggota	Arief A. Dhani	Member

Pada tanggal 31 Desember 2019 dan 2018, Kelompok Usaha mempekerjakan masing-masing 2.733 karyawan dan 2.704 karyawan (tidak diaudit).

As of December 31, 2019 and 2018, the Group employed 2,733 staffs and 2,704 staffs, respectively (unaudited).

**e. Penyelesaian Laporan Keuangan Konsolidasian**

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

Manajemen Perusahaan bertanggung jawab atas penyusunan laporan keuangan konsolidasian ini, yang telah disetujui oleh Direksi untuk diterbitkan pada tanggal 30 Maret 2020.

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 30, 2020.

**2. PERNYATAAN KEPATUHAN**

**2. STATEMENT OF COMPLIANCE**

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).

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 or Public Companies issued by the Financial Services Authority (OJK).

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
DITERAPKAN**

**a. Dasar Penyusunan Laporan Keuangan  
Konsolidasian**

Kebijakan akuntansi yang diterapkan dalam penyusunan laporan keuangan konsolidasian ini adalah selaras dengan kebijakan akuntansi yang diterapkan dalam penyusunan laporan keuangan konsolidasian Kelompok Usaha untuk tahun yang berakhir pada tanggal 31 Desember 2018, kecuali untuk penerapan amandemen dan penyesuaian pernyataan serta interpretasi baru yang berlaku efektif tanggal 1 Januari 2019 seperti yang dijelaskan dalam kebijakan akuntansi terkait.

Laporan keuangan konsolidasian, kecuali laporan arus kas konsolidasian, telah disusun secara akrual dengan menggunakan konsep biaya perolehan (*historical cost*), kecuali untuk akun-akun tertentu yang diukur berdasarkan basis lain seperti yang dijelaskan dalam kebijakan akuntansi terkait.

Laporan arus kas konsolidasian disusun dengan menggunakan metode langsung, dan dikelompokkan ke dalam aktivitas operasi, investasi dan pendanaan. Pengungkapan tambahan disajikan untuk mengevaluasi perubahan pada liabilitas yang timbul dari aktivitas pendanaan, termasuk perubahan yang timbul dari arus kas maupun perubahan nonkas.

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**

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 atau investor tersebut mengendalikan *investee*.

Investor mengendalikan *investee* ketika investor terekspos atau memiliki hak atas imbal hasil variabel dari keterlibatannya dengan *investee* dan memiliki kemampuan untuk memengaruhi imbal hasil tersebut melalui kekuasaannya atas *investee*. Dengan demikian, investor mengendalikan *investee* jika, dan hanya jika, investor memiliki seluruh hal berikut ini:

- (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 memengaruhi jumlah imbal hasil investor.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED**

**a. Basis of Preparation of the Consolidated  
Financial Statements**

*The accounting policies applied in the preparation of these consolidated financial statements are consistent with the accounting policies applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2018, except for the adoption of amendment and improvements to statements and new interpretations effective January 1, 2019 as described in the related accounting policies.*

*The consolidated financial statements, except for the consolidated statements of cash flows, have been prepared on an accrual basis of accounting using the historical cost concept, except for certain accounts that are measured on the other bases as described in the related accounting policies.*

*The consolidated statements of cash flows are prepared using the direct method, and classified into operating, investing and financing activities. Additional disclosure is presented to evaluate changes in liabilities arising from financing activities, including the changes arising from cash flows or non-cash changes.*

*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 certain of its Subsidiaries.*

**b. Principles of Consolidation**

*An entity (the parent) that controls one or more other entities (subsidiaries) present consolidated financial statements. Investors, apart from the nature of their involvement with an entity (investee), determine whether they are a parent by assessing or they 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, it 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.



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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
DITERAPKAN (Lanjutan)**

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 rugi dan aset neto yang tidak diatribusikan kepada entitas induk dan disajikan secara terpisah dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian dan ekuitas pada laporan posisi keuangan konsolidasian, dipisahkan dari ekuitas yang dapat diatribusikan kepada entitas induk.

Total penghasilan komprehensif lain diatribusikan kepada pemilik entitas induk dan kepentingan nonpengendali bahkan jika hal ini mengakibatkan kepentingan nonpengendali mempunyai saldo defisit.

Seluruh saldo akun dan transaksi yang material antar entitas yang dikonsolidasi telah dieliminasi.

Perubahan Bagian Kepemilikan

Perubahan dalam bagian kepemilikan entitas induk pada entitas anak yang tidak mengakibatkan hilangnya pengendalian dicatat sebagai transaksi ekuitas, dimana jumlah tercatat kepentingan pengendali dan nonpengendali disesuaikan untuk mencerminkan perubahan bagian relatifnya atas entitas anak. Perbedaan antara jumlah kepentingan nonpengendali disesuaikan dan nilai wajar imbalan yang diberikan atau diterima diakui secara langsung dalam ekuitas dan diatribusikan pada pemilik entitas induk.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
(Continued)**

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

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

*A parent determines whether the it 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 statements of financial position, separately from equity attributable to the parent.*

*Total other comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.*

*All significant intercompany transactions and balances have been eliminated.*

Changes in the Ownership Interests

*Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions, in which the carrying amount 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 is recognized directly in equity and attributed to the owners of the parent.*



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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
DITERAPKAN (Lanjutan)**

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 2019, Kelompok Usaha menerapkan PSAK No. 22 (Penyesuaian 2018), "Kombinasi Bisnis", yang menjelaskan bahwa memperoleh kendali atas bisnis yang merupakan operasi bersama, adalah kombinasi bisnis yang dicapai secara bertahap. Pengakuisisi harus mengukur kembali kepentingan yang sebelumnya dimiliki dalam operasi bersama pada nilai wajar pada tanggal akuisisi.

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

Kombinasi bisnis dicatat dengan menggunakan metode akuisisi. Jika aset yang diperoleh bukan suatu bisnis, maka Kelompok Usaha mencatatnya sebagai akuisisi aset. Biaya perolehan dari sebuah akuisisi diukur berdasarkan nilai agregat imbalan yang dialihkan yang diukur pada nilai wajar tanggal akuisisi dan jumlah setiap kepentingan nonpengendali pada pihak yang diakuisisi. Untuk setiap kombinasi bisnis, Kelompok Usaha memilih mengukur kepentingan nonpengendali pada pihak yang diakuisisi baik pada nilai wajar atau pada bagian proporsional dari aset neto yang teridentifikasi dari pihak diakuisisi. Biaya terkait akuisisi dibebankan pada saat terjadi dan diakui dalam laba rugi.

Jika kombinasi bisnis dilakukan secara bertahap, setiap kepentingan ekuitas yang dimiliki sebelumnya diukur kembali pada nilai wajar tanggal akuisisi dan setiap keuntungan atau kerugian yang dihasilkan diakui dalam laba rugi.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
(Continued)**

*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 statements 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, if 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, 2019, the Group applied PSAK No. 22 (2018 Improvement), "Business Combination," which clarifies that obtaining control of a business that is a joint operation, is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date.*

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

*Business combinations are accounted for using the acquisition method. If the asset acquired is not a business, the Group accounts for it as asset acquisition. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition-date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and recognized in profit or loss.*

*If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition-date fair value and any resulting gain or loss is recognized in profit or loss.*

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
DITERAPKAN (Lanjutan)**

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.

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.

**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
(Continued)**

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PSAK No. 55, is measured at fair value with changes in fair value recognized either in profit or loss or in other comprehensive income. If the contingent consideration is not within the scope of PSAK No. 55, it is measured in accordance with the appropriate PSAK. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

*Goodwill* is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred in the case of a bargain purchase, the difference is recognized directly in profit or loss.

After initial recognition, *goodwill* is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, *goodwill* acquired in a business combination, from the acquisition date, is allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

**d. Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand and in banks, and time deposits with original maturities within three (3) months or less and not pledged as collateral or restricted in use.

Cash in banks and time deposits, which are restricted in use, are presented as "Restricted Cash in Banks." Restricted cash in banks to be used to pay currently maturing obligations due within one (1) year is presented under current assets. Other bank accounts and time deposits that are restricted in use are presented under non-current assets.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
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**e. Instrumen Keuangan**

**1. Aset Keuangan**

Pengakuan Awal

Aset keuangan pada awalnya diakui sebesar nilai wajarnya ditambah biaya transaksi, kecuali untuk aset keuangan yang diklasifikasikan pada nilai wajar melalui laba rugi yang pada awalnya diukur dengan nilai wajar. Klasifikasi aset keuangan antara lain sebagai aset keuangan yang ditetapkan untuk diukur pada nilai wajar melalui laba rugi (FVTPL), pinjaman yang diberikan dan piutang atau aset keuangan tersedia untuk dijual (AFS). Kelompok Usaha menetapkan klasifikasi aset keuangannya pada saat pengakuan awal dan, sepanjang diperbolehkan dan diperlukan, ditelaah kembali pengklasifikasian aset tersebut pada setiap akhir periode pelaporan.

Pengukuran Selanjutnya

• Aset keuangan FVTPL

Aset keuangan diklasifikasikan sebagai FVTPL jika aset keuangan diperoleh untuk diperdagangkan atau ditetapkan sebagai FVTPL pada saat pengakuan awal. Aset keuangan diklasifikasikan sebagai kelompok diperdagangkan jika diperoleh untuk tujuan dijual atau dibeli kembali dalam waktu dekat. Aset derivatif juga diklasifikasikan sebagai kelompok diperdagangkan kecuali aset derivatif tersebut ditetapkan sebagai instrumen lindung nilai efektif.

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.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
(Continued)**

**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), loans and receivables or available-for-sale (AFS) financial assets. The Group determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates the designation of such assets at each end of reporting period.

Subsequent Measurement

• Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial assets are either held for trading or they are designated as FVTPL at initial recognition. Financial assets are classified as held for trading if they are acquired for the purpose of sale or repurchase in the near term. Derivative assets are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets at FVTPL are carried on the consolidated statements 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.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
DITERAPKAN (Lanjutan)**

• Aset keuangan AFS

Aset keuangan AFS adalah aset keuangan nonderivatif yang ditetapkan sebagai tersedia untuk dijual atau yang tidak diklasifikasikan dalam tiga (3) kategori sebelumnya. Setelah pengakuan awal, aset keuangan AFS diukur dengan nilai wajar dengan keuntungan atau kerugian yang belum terealisasi diakui dalam penghasilan komprehensif lain, kecuali untuk kerugian penurunan nilai dan keuntungan atau kerugian akibat perubahan kurs, sampai aset keuangan tersebut dihentikan pengakuannya. Pada saat itu, keuntungan atau kerugian kumulatif yang sebelumnya diakui dalam penghasilan komprehensif lain direklasifikasi dari ekuitas ke laba rugi sebagai penyesuaian reklasifikasi. Akan tetapi, bunga yang dihitung menggunakan metode suku bunga efektif diakui dalam laba rugi. Aset keuangan ini diklasifikasikan sebagai aset tidak lancar kecuali aset keuangan tersebut ditujukan untuk dilepaskan dalam waktu dua belas (12) bulan dari tanggal pelaporan.

Penurunan Nilai Aset Keuangan

Pada setiap akhir periode 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 jumlah tercatat aset dengan nilai kini estimasi arus kas masa datang (tidak termasuk kerugian kredit di masa datang yang belum terjadi) yang didiskonto menggunakan suku bunga efektif yang dihitung saat pengakuan awal aset tersebut, diakui pada laba rugi.

• Aset keuangan AFS

Jika terdapat bukti objektif bahwa aset AFS mengalami penurunan nilai, maka kerugian kumulatif yang sebelumnya diakui dalam penghasilan komprehensif lain direklasifikasi dari ekuitas ke laba rugi sebagai penyesuaian reklasifikasi meskipun aset keuangan tersebut belum dihentikan pengakuannya.

**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
(Continued)**

• AFS financial assets

AFS financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three (3) preceding categories. After initial recognition, AFS financial assets are measured at fair value with unrealized gains or losses being recognized in other comprehensive income, except for impairment losses and gains or losses due to changes in exchange rates, until the financial assets are derecognized. At that time, the cumulative gains or losses previously reported in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustments. However, interest calculated using the effective interest method is recognized in profit or loss. These financial assets are classified as non-current assets unless the intention is to dispose of them within twelve (12) months from the reporting date.

Impairment of Financial Assets

The Group evaluates at the end of each reporting period whether any of its financial asset is impaired.

• Financial assets measured at amortized cost

If there is objective evidence of impairment, the amount of loss, which is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the effective interest rate computed at initial recognition of the asset, shall be recognized in profit or loss.

• AFS financial assets

If there is objective evidence that an AFS asset is impaired, the cumulative loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as reclassification adjustments even though such financial asset is not derecognized.



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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
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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 mengalihkan 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 mengalihkan aset keuangan, maka Kelompok Usaha mengevaluasi sejauh mana Kelompok Usaha tetap memiliki risiko dan manfaat atas kepemilikan aset keuangan tersebut.

**2 Liabilitas Keuangan dan Instrumen Ekuitas**

Pengakuan Awal

Kelompok Usaha menetapkan klasifikasi liabilitas keuangannya pada saat pengakuan awal. Instrumen utang dan ekuitas dikelompokkan sebagai liabilitas keuangan atau sebagai ekuitas sesuai dengan substansi pengaturan kontraktual.

Liabilitas keuangan diklasifikasikan sebagai liabilitas keuangan yang diukur pada FVTPL, 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 liabilitas keuangan yang diukur pada biaya perolehan diamortisasi, 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.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
(Continued)**

Derecognition of Financial Assets

The Group derecognizes financial assets if, and only if, the contractual rights to the cash flows from the financial asset expire, the contractual rights to receive the cash flows of the financial asset are transferred, or the contractual rights to receive the cash flows of the financial asset are retained but assumes a contractual obligation to pay those cash flows to one or more recipients in an arrangement that meets certain conditions. When the Group transfers a financial asset, it evaluates the extent to which it retains the risks and rewards of ownership of the financial asset.

**2 Financial Liabilities and Equity Instruments**

Initial Recognition

The Group determines the classification of its financial liabilities at initial recognition. Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities are classified as financial liabilities at FVTPL, 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 financial liabilities measured at amortized cost, 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.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
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Instrumen keuangan majemuk, seperti obligasi atau instrumen sejenis yang dapat dikonversi oleh pemegangnya menjadi saham biasa dengan jumlah yang telah ditetapkan, dipisahkan antara liabilitas keuangan dan ekuitas sesuai dengan substansi pengaturan kontraktual. Pada tanggal penerbitan instrumen keuangan majemuk, nilai wajar dari komponen liabilitas diestimasi dengan menggunakan suku bunga yang berlaku di pasar untuk instrumen *non-convertible* yang serupa. Jumlah ini dicatat sebagai liabilitas dengan dasar biaya perolehan diamortisasi menggunakan metode suku bunga efektif sampai dengan liabilitas tersebut berakhir melalui konversi atau pada tanggal instrumen jatuh tempo. Komponen ekuitas ditentukan dengan cara mengurangi jumlah komponen liabilitas dari keseluruhan nilai wajar instrumen keuangan majemuk. Jumlah tersebut diakui dan dicatat dalam ekuitas, dikurangi dengan pajak penghasilan, dan tidak ada pengukuran setelah pengakuan awal.

Pengukuran Selanjutnya

- Liabilitas keuangan FVTPL

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 ketika liabilitas tersebut dihentikan pengakuannya atau mengalami penurunan nilai, dan melalui proses amortisasi.

**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
(Continued)**

Compound financial instruments, a bond or similar instrument convertible by the holder into a fixed number of ordinary shares, are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issuance of compound financial instruments, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound financial instruments as a whole. This amount is recognized and included in equity, net of income tax effects, and is not subsequently remeasured.

Subsequent Measurement

- Financial liabilities at FVTPL

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 to sell or repurchase 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 amortized cost

After initial recognition, financial liabilities in this category are subsequently measured at amortized cost using the effective interest method. Gains or losses are recognized in profit or loss when the financial liabilities are derecognized or impaired, as well as through the amortization process.



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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
DITERAPKAN (Lanjutan)**

Penghentian Pengakuan Liabilitas Keuangan

Kelompok Usaha menghentikan pengakuan liabilitas keuangan jika, dan hanya jika, kewajiban Kelompok Usaha dilepaskan, dibatalkan atau kedaluwarsa.

**3 Fasilitas Repo**

Fasilitas repo diakui pada awalnya sebesar nilai wajar dan termasuk biaya transaksi yang dapat diatribusikan secara langsung, dan selanjutnya diukur pada biaya perolehan diamortisasi. Selisih antara harga pembelian kembali dengan nilai nominal pinjaman diakui sebagai beban keuangan menggunakan metode suku bunga efektif.

**4 Instrumen Derivatif**

Instrumen derivatif dicatat pada pengakuan awal sebesar nilai wajar pada tanggal perjanjian derivatif ditandatangani dan diukur kembali setiap akhir periode laporan. Derivatif dicatat sebagai aset keuangan saat nilai wajar positif dan liabilitas keuangan saat nilai wajar negatif.

Derivatif melekat disajikan dengan kontrak utamanya pada laporan posisi keuangan konsolidasian yang mencerminkan penyajian yang memadai atas seluruh arus kas pada masa datang dari instrumen tersebut secara keseluruhan. Derivatif yang melekat pada instrumen keuangan atau kontrak awal diperlakukan sebagai derivatif yang berbeda saat risiko dan karakteristiknya tidak saling berhubungan dengan kontrak utamanya dan kontrak utama tersebut tidak diukur dengan nilai wajar serta perubahan pada nilai wajar diakui dalam laba rugi.

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.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
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Derecognition of Financial Liabilities

The Group derecognizes financial liabilities if, and only if, the Group's obligations are discharged, cancelled or expire.

**3 Repo Facility**

Repo facility is recognized initially at fair value and inclusive of directly attributable transaction costs, and subsequently measured at amortized cost. The difference between the repurchase price and the loan nominal value is recognized as financial charges using the effective interest method.

**4 Derivative Instruments**

Derivative instruments are initially recognized at fair value as at 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 statements 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 non-current liability if the remaining maturity of the instrument is more than twelve (12) months and it is not expected to be realized or settled within twelve (12) months.

Gains or losses arising from changes in the fair value of the derivative instrument are recognized currently in earnings, unless meeting all the specific requirements (i.e., formal documentation, designation and assessment of the effectiveness of the transaction) to allow deferral as "Other Comprehensive Income" under certain types of hedge accounting.

None of the derivative instruments of the Group meets the specific criteria for hedge accounting, and therefore, are not designated as hedges for accounting purposes.

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**5 Saling Hapus Instrumen Keuangan**

Aset keuangan dan liabilitas keuangan saling hapus dan jumlah netonya dilaporkan dalam laporan posisi keuangan konsolidasian jika, dan hanya jika, saat ini memiliki hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui dan terdapat niat untuk menyelesaikannya secara neto, atau untuk merealisasikan aset dan menyelesaikan liabilitasnya secara simultan.

**6 Nilai Wajar dari Instrumen Keuangan**

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur antara pelaku pasar di pasar utama (atau pasar yang paling menguntungkan) pada tanggal pengukuran dalam kondisi pasar saat ini (yaitu harga keluar) terlepas apakah harga tersebut dapat diobservasi secara langsung atau diestimasi dengan menggunakan teknik penilaian lain pada tanggal pengukuran.

Pengukuran nilai wajar mengasumsikan bahwa transaksi untuk menjual aset atau mengalihkan liabilitas terjadi:

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

Kelompok Usaha mengukur nilai wajar suatu aset atau liabilitas menggunakan asumsi yang akan digunakan pelaku pasar ketika menentukan harga aset atau liabilitas tersebut, dengan asumsi bahwa pelaku pasar bertindak dalam kepentingan ekonomis terbaiknya.

Pengukuran nilai wajar aset nonkeuangan memperhitungkan kemampuan pelaku pasar untuk menghasilkan manfaat ekonomis dengan menggunakan aset dalam penggunaan tertinggi dan terbaiknya (*highest and best use*) 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.

**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
(Continued)**

**5 Offsetting of Financial Instruments**

*Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.*

**6 Fair Value of Financial Instruments**

*Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous market) at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique at the measurement date.*

*A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:*

- (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 at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use.*

*The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.*

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
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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 - *input* yang tidak dapat diobservasi untuk aset atau liabilitas.

Untuk aset dan liabilitas yang diakui pada laporan keuangan konsolidasian secara berulang, Kelompok Usaha menentukan apakah terjadi transfer antara Level di dalam hirarki dengan cara mengevaluasi kategori (berdasarkan *input* level terendah yang signifikan dalam pengukuran nilai wajar) setiap akhir periode pelaporan.

Kelompok Usaha menentukan kelas aset dan liabilitas yang sesuai dengan sifat, karakteristik, dan risiko aset dan liabilitas, dan level hirarki nilai wajar dimana pengukuran nilai wajar tersebut dikategorikan.

**f. Transaksi Pihak-pihak Berelasi**

Kelompok Usaha mengungkapkan transaksi dengan pihak-pihak berelasi. Transaksi ini dilakukan berdasarkan persyaratan yang disetujui oleh kedua belah pihak, dimana persyaratan tersebut mungkin tidak sama dengan transaksi lain yang dilakukan dengan pihak-pihak yang tidak berelasi.

Semua transaksi yang signifikan dengan pihak-pihak berelasi, baik yang dilakukan dengan syarat dan kondisi yang sama dengan pihak ketiga ataupun tidak, diungkapkan dalam catatan atas laporan keuangan konsolidasian.

**g. Persediaan**

Persediaan dinyatakan sebesar nilai yang lebih rendah antara biaya perolehan atau nilai realisasi neto (*the lower of cost or net realizable value*). Biaya perolehan ditentukan dengan metode rata-rata tertimbang. Nilai realisasi neto adalah estimasi harga jual dalam kegiatan usaha biasa dikurangi estimasi biaya penyelesaian dan estimasi biaya yang diperlukan untuk membuat penjualan.

Harga perolehan barang jadi dan barang dalam penyelesaian terdiri dari biaya bahan baku, tenaga kerja langsung, biaya langsung lainnya dan biaya *overhead* produksi (berdasarkan kapasitas normal operasi).

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
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Fair value hierarchy is categorized into three (3) levels of 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**

The Group discloses transactions with related parties. The transactions are made based on terms agreed by the parties, whereas such terms may not be the same as those for transactions with unrelated parties.

All significant transactions with related parties whether or not conducted under the same terms and conditions as those with third parties, are disclosed in the notes to the consolidated financial statements.

**g. Inventories**

Inventories are valued at the lower of cost or net realizable value. Cost is determined using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business less applicable estimated costs of completion and estimated costs necessary to make the sale.

The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity).

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
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Penyisihan persediaan usang ditentukan berdasarkan hasil penelaahan atas keadaan persediaan pada akhir periode pelaporan.

**h. Beban Dibayar Dimuka**

Beban dibayar dimuka diamortisasi sesuai masa manfaatnya dengan menggunakan metode garis lurus.

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

Efektif tanggal 1 Januari 2019, Kelompok Usaha menerapkan PSAK No. 66 (Penyesuaian 2019) "Pengaturan Bersama", yang mengklarifikasi bahwa pihak yang memperoleh kendali bersama atas bisnis yang merupakan operasi bersama tidak boleh mengukur kembali kepentingan yang sebelumnya dimiliki dalam operasi bersama.

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

Entitas asosiasi adalah entitas yang mana Kelompok Usaha memiliki pengaruh signifikan dan bukan merupakan entitas anak maupun bagian partisipasi dalam ventura bersama. Pemilikan, secara langsung maupun tidak langsung, 20% atau lebih hak suara *investee* dianggap pemilikan pengaruh signifikan, kecuali dapat dibuktikan dengan jelas hal yang sebaliknya.

Operasi bersama adalah pengaturan bersama yang mengatur bahwa para pihak yang memiliki pengendalian bersama atas pengaturan memiliki hak atas aset, dan kewajiban terhadap liabilitas, terkait dengan pengaturan tersebut. Para pihak tersebut disebut operator bersama.

Ventura bersama adalah pengaturan bersama yang mengatur bahwa para pihak yang memiliki pengendalian bersama atas pengaturan memiliki hak atas aset neto pengaturan tersebut. Para pihak tersebut disebut venturer bersama.

Entitas dengan investasinya pada entitas asosiasi atau ventura bersama mencatat investasinya dengan menggunakan metode ekuitas. Dalam metode ekuitas, investasi pada entitas asosiasi atau ventura bersama pada awalnya diakui sebesar biaya perolehan dan jumlah tercatat tersebut ditambah atau dikurang untuk mengakui bagian investor atas laba rugi *investee* setelah tanggal perolehan.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
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*Allowance for inventory obsolescence is provided based on a review of the condition of inventories at the end of the reporting period.*

**h. Prepaid Expenses**

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

**i. Investments in Associates and Joint Arrangements**

*Effective January 1, 2019, the Group applied PSAK No. 66 (2019 Improvement), "Joint Arrangements," which clarifies that the party obtaining joint control of a business that is a joint operation should not re-measure its previously held interest in the joint operation.*

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

*An associate is an entity, over which the Group has significant influence but is neither a subsidiary nor an interest in a joint venture. Direct or indirect ownership of 20% or more of the voting power of an investee is presumed to be an ownership of significant influence, unless it can be clearly demonstrated that this is not the case.*

*A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators.*

*A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.*

*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.*



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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
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Selanjutnya, bagian Kelompok Usaha atas laba rugi entitas asosiasi atau ventura bersama, setelah penyesuaian yang diperlukan terhadap dampak penyeragaman kebijakan akuntansi dan eliminasi laba atau rugi yang dihasilkan dari transaksi antara Kelompok Usaha dan entitas asosiasi atau ventura bersama, akan menambah atau mengurangi jumlah tercatat investasi tersebut dan diakui sebagai laba rugi Kelompok Usaha. Penerimaan distribusi dari entitas asosiasi atau ventura bersama mengurangi jumlah tercatat investasi. Penyesuaian terhadap jumlah tercatat tersebut juga diperlukan jika terdapat perubahan dalam proporsi bagian Kelompok Usaha atas entitas asosiasi atau ventura bersama yang timbul dari penghasilan komprehensif lain dari entitas asosiasi atau ventura bersama. Bagian Kelompok Usaha atas perubahan tersebut diakui dalam penghasilan komprehensif lain dari Kelompok Usaha.

*Goodwill* yang terkait dengan akuisisi entitas asosiasi atau ventura bersama termasuk dalam jumlah tercatat investasi. *Goodwill* tidak diamortisasi dan dilakukan uji penurunan nilai setiap tahun.

Apabila nilai tercatat investasi telah mencapai nilai nol, kerugian selanjutnya akan diakui hanya jika Kelompok Usaha mempunyai komitmen untuk menyediakan bantuan pendanaan atau menjamin kewajiban entitas asosiasi atau ventura bersama yang bersangkutan.

Jika investasi pada entitas asosiasi menjadi investasi pada ventura bersama atau sebaliknya, maka entitas melanjutkan penerapan metode ekuitas dan tidak mengukur kembali kepentingan yang tersisa.

Perubahan Bagian Kepemilikan

Jika bagian kepemilikan 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. Jumlah tercatat investasi diturunkan nilainya untuk mengakui penurunan nilai yang bersifat permanen. Setiap penurunan nilai investasi dibebankan langsung pada laba rugi.

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Subsequently, the Group's share of the profit or loss of the associate or joint venture, after any adjustments necessary to give effect to uniform accounting policies and elimination of profits or losses resulting from transactions between the Group and the associate or joint venture, increases or decreases its carrying amount and is recognized in the Group's profit or loss. Distributions received from the associate or joint venture reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the associate or joint venture arising from changes in the associate's or joint venture's other comprehensive income. The Group's share of those changes is recognized in other comprehensive income of the Group.

*Goodwill* on acquisition of associate or joint venture is included in the carrying amount of the investment. *Goodwill* is no longer amortized but annually assessed for impairment.

Once an investment's carrying value has been reduced to zero, further losses are taken up only if the Group has committed to provide financial support to, or has guaranteed the obligations of the associate or joint venture.

If an investment in an associate becomes an investment in a joint venture or vice versa, the entity continues to apply the equity method and does not remeasure the retained interest.

Changes in the Ownership Interests

If the Group's ownership interest in an associate is reduced, but the investment continues to be an associate, the Group reclassifies to profit or loss only a proportionate amount of the gain or loss previously recognized in other comprehensive income.

**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.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
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**k. Aset Tetap**

Kelompok Usaha telah memilih untuk menggunakan model biaya sebagai kebijakan akuntansi pengukuran aset tetapnya, kecuali hak atas tanah.

Penyusutan dihitung dengan menggunakan metode garis lurus selama masa manfaat aset. Taksiran masa manfaat aset tetap adalah sebagai berikut:

	Tahun / Years
Prasarana tanah	5 - 30
Bangunan dan prasarana	4 - 20
Mesin dan peralatan	5 - 20
Peralatan telekomunikasi	10 - 15
Alat-alat pengangkutan	3 - 20
Perabotan dan peralatan kantor	3 - 10

Masa manfaat aset tetap dan metode penyusutan ditelaah dan disesuaikan, jika sesuai keadaan, pada setiap akhir periode pelaporan.

Tanah dinyatakan sebesar biaya perolehan dan tidak disusutkan.

ISAK No. 25, "Hak Atas Tanah", menetapkan bahwa biaya pengurusan legal hak atas tanah dalam bentuk Hak Guna Usaha ("HGU"), Hak Guna Bangunan ("HGB") dan Hak Pakai ("HP") ketika tanah diperoleh pertama kali diakui sebagai bagian dari biaya perolehan tanah pada akun "Aset Tetap" dan tidak diamortisasi. Sementara biaya pengurusan atas perpanjangan atau pembaruan legal hak atas tanah dalam bentuk HGU, HGB dan HP diakui sebagai bagian dari akun "Beban Ditangguhkan" pada laporan posisi keuangan konsolidasian dan diamortisasi sepanjang mana yang lebih pendek antara umur hukum dan umur ekonomis tanah.

Aset dalam pengerjaan dinyatakan sebesar biaya perolehan dan disajikan sebagai bagian dari "Aset Tetap" dalam laporan posisi keuangan konsolidasian. Akumulasi biaya perolehan akan dipindahkan ke masing-masing akun aset tetap yang bersangkutan dihentikan pada saat aset tersebut selesai dikerjakan dan siap digunakan.

Beban perbaikan dan pemeliharaan dibebankan pada laba rugi pada saat terjadinya; biaya penggantian atau inspeksi yang signifikan dikapitalisasi pada saat terjadinya dan jika besar kemungkinan manfaat ekonomis di masa depan berkenaan dengan aset tersebut akan mengalir ke Kelompok Usaha, dan biaya perolehan aset dapat diukur secara andal. Aset tetap dihentikan pengakuannya pada saat dilepaskan atau ketika tidak ada manfaat ekonomis masa depan yang diharapkan dari penggunaan atau pelepasannya. Keuntungan atau kerugian yang timbul dari penghentian pengakuan aset dimasukkan dalam laba rugi pada periode aset tersebut dihentikan pengakuannya.

**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
(Continued)**

**k. Fixed Assets**

The Group had chosen the cost model as the accounting policy for its fixed assets measurement, except land rights.

Depreciation is calculated on a straight-line basis over the useful lives of the assets. Estimated useful lives of the assets are as follows:

	Tahun / Years	
Land improvements	5 - 30	Land improvements
Buildings and improvements	4 - 20	Buildings and improvements
Machinery and equipment	5 - 20	Machinery and equipment
Telecommunication equipment	10 - 15	Telecommunication equipment
Transportation equipment	3 - 20	Transportation equipment
Office equipment	3 - 10	Office equipment

The fixed assets' useful lives and methods of depreciation are reviewed and adjusted, if appropriated, at each end of reporting period.

Land is stated at cost and is not depreciated.

ISAK No. 25, "Land Rights," prescribes that the legal cost of land right in the form of Business Usage Rights ("Hak Guna Usaha" or "HGU"), Building Usage Rights ("Hak Guna Bangunan" or "HGB") and Usage Rights ("Hak Pakai" or "HP") when the land was initially acquired is recognized as part of the cost of the land under the "Fixed Assets" account and not amortized. Meanwhile the extension or the legal renewal costs of land rights in the form of HGU, HGB and HP are recognized as part of "Deferred Charges" account in the consolidated statements of financial position and are amortized over the shorter of the rights' legal life and land's economic life.

Assets under construction are stated at cost and presented as part of "Fixed Asset" in the consolidated statements of financial position. The accumulated cost will be reclassified to the appropriate fixed asset accounts and capitalization of these borrowing costs ceases when construction is completed and assets are ready for their intended use.

The cost of repairs and maintenance is charged to profit or loss as incurred; replacement or major inspection costs are capitalized when incurred if it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be reliably measured. An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the period in which the asset is derecognized.



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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
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**l. Penurunan Nilai Aset Nonkeuangan**

Pada setiap tanggal pelaporan, Kelompok Usaha menilai apakah terdapat indikasi aset mengalami penurunan nilai. Jika terdapat indikasi tersebut, maka Kelompok Usaha mengestimasi jumlah terpulihkan aset tersebut. Jumlah terpulihkan suatu aset atau unit penghasil kas adalah jumlah yang lebih tinggi antara nilai wajar dikurangi biaya pelepasan dan nilai pakainya. Jika jumlah terpulihkan suatu aset lebih kecil dari jumlah tercatatnya, jumlah tercatat aset harus diturunkan menjadi sebesar jumlah terpulihkan. Kerugian penurunan nilai diakui segera dalam laba rugi.

Pembalikan rugi penurunan nilai untuk aset nonkeuangan selain *goodwill*, diakui jika, dan hanya jika, terdapat perubahan estimasi yang digunakan dalam menentukan jumlah terpulihkan aset sejak pengujian penurunan nilai terakhir kali. Pembalikan rugi penurunan nilai tersebut diakui segera dalam laba rugi, kecuali aset yang disajikan pada jumlah revaluasi sesuai dengan PSAK lain. Rugi penurunan nilai yang diakui atas *goodwill* tidak dibalik lagi.

**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 nonpengendalian 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.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
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**l. Impairment of NonFinancial Assets**

The Group evaluates at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. Whenever the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized immediately in profit or loss.

Reversal on impairment loss for non-financial assets other than goodwill would be recognized if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment test was carried out. Reversal in impairment losses is immediately recognized in profit or loss, except for assets that presented using the revaluation model in accordance with another PSAK. Impairment losses relating to goodwill are not 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 (or disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

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**n. Biaya Pinjaman**

Efektif tanggal 1 Januari 2019, Kelompok Usaha menerapkan PSAK No. 26 (Penyesuaian 2018), "Biaya Pinjaman", yang mengklarifikasi bahwa jika pinjaman tertentu tetap beredar setelah aset kualifikasi terkait siap untuk digunakan atau dijual, maka pinjaman itu menjadi bagian dari pinjaman umum. Perubahan ini berlaku secara prospektif untuk biaya pinjaman yang timbul pada atau setelah tanggal efektifnya.

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

Biaya pinjaman, baik yang secara langsung maupun tidak langsung digunakan untuk mendanai suatu proses pembangunan aset tertentu yang memenuhi syarat ("aset kualifikasian"), dikapitalisasi hingga saat proses pembangunannya selesai. Untuk pinjaman yang secara khusus digunakan untuk perolehan aset kualifikasian, jumlah yang dikapitalisasi adalah sebesar biaya pinjaman yang terjadi selama periode berjalan, dikurangi dengan penghasilan investasi jangka pendek dari pinjaman tersebut.

Untuk pinjaman yang tidak secara khusus digunakan untuk perolehan aset kualifikasian, jumlah biaya pinjaman yang dikapitalisasi ditentukan dengan mengalikan tingkat kapitalisasi tertentu terhadap pengeluaran untuk aset kualifikasian tersebut.

**o. Sewa**

Sewa yang mengalihkan secara substansial semua risiko dan manfaat yang terkait dengan kepemilikan aset kepada lessee diklasifikasikan sebagai sewa pembiayaan. Pada awal masa sewa, sewa pembiayaan dikapitalisasi sebesar nilai wajar aset sewaan atau sebesar nilai kini dari pembayaran sewa minimum, jika nilai kini lebih rendah dari nilai wajar.

Pembayaran sewa minimum dipisahkan antara bagian yang merupakan beban keuangan dan bagian yang merupakan pelunasan liabilitas sehingga menghasilkan suatu tingkat bunga periodik yang konstan atas saldo liabilitas. Beban keuangan dibebankan pada laba rugi. 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.

**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
(Continued)**

**n. Borrowing Costs**

Effective January 1, 2019, the Group applied PSAK No. 26 (2018 Improvement), "Borrowing Costs," which clarifies that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings. This improvement applies prospectively for borrowing costs incurred on or after its effective date.

The adoption of this improvement had no impact on the Group's consolidated financial statements.

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.

**o. Leases**

Leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the lessee are classified as finance leases. Finance leases are capitalized at the inception of the lease at the fair value of the leased assets or at the present value of the minimum lease payments if the present value is lower than the fair value.

Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recorded in profit or loss. 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 jumlah tercatat ditangguhkan dan diamortisasi selama masa sewa.

Sewa yang tidak mengalihkan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset diklasifikasikan sebagai sewa operasi.

**p. Biaya Pengembangan Proyek**

Biaya yang terjadi sehubungan dengan pengembangan proyek ditangguhkan sampai proyek tersebut beroperasi. Biaya pengembangan proyek yang gagal akan dibebankan pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian pada saat proyek tersebut dinyatakan gagal.

**q. Murabahah**

Murabahah adalah transaksi penjualan barang dengan menyatakan harga perolehan dan keuntungan (margin) yang disepakati oleh penjual dan pembeli.

Murabahah pada awalnya diukur pada nilai neto yang dapat direalisasi. Setelah pengakuan, murabahah diukur pada biaya perolehan diamortisasi menggunakan metode tingkat imbal hasil efektif.

**r. Musyarakah**

Musyarakah adalah akad kerjasama antara dua pihak atau lebih untuk suatu usaha tertentu, dimana masing-masing pihak memberikan kontribusi dana dengan ketentuan bahwa keuntungan dibagi berdasarkan kesepakatan, sedangkan kerugian berdasarkan porsi kontribusi dana.

Musyarakah dinyatakan sebesar saldo pembiayaan.

**s. Pengakuan Pendapatan dan Beban**

**Penjualan barang dan jasa**

Pendapatan diakui jika besar kemungkinan manfaat ekonomi akan diperoleh oleh Kelompok Usaha dan jumlahnya dapat diukur secara andal. Pendapatan diukur pada nilai wajar imbalan yang diterima, tidak termasuk diskon, rabat dan pajak penjualan (PPN).

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
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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.*

**p. Project Development Costs**

*Costs incurred regarding the development of certain projects are deferred until these projects operate. Costs related to unsuccessful projects will be charged to the consolidated statement of profit or loss and other comprehensive income at the time the projects declare failed.*

**q. Murabahah**

*Murabahah is sales transaction for goods that provides the purchase price and margin agreed by both buyer and seller.*

*Murabahah are initially measured at net realizable value. After initial recognition, murabahah are measured at amortized cost based on effective rate of return method.*

**r. Musyarakah**

*Musyarakah financing is an agreement between two or more parties for a particular business, in which each party contributes funds provided that the profits are divided according to the agreement, while losses are based on the portion of fund contributions.*

*Musyarakah financing is stated at outstanding balance.*

**s. Revenues and Expenses Recognition**

**Sale of goods and services**

*Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and sales taxes (VAT).*

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
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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. Bila besar kemungkinan terjadi bahwa total biaya kontrak akan melebihi total pendapatan kontrak, taksiran rugi segera diakui sebagai beban periode berjalan.

**Biaya, Estimasi Laba dan Tagihan atas Kontrak yang Belum Selesai**

Akun "Tagihan bruto kepada pemberi kerja atas kontrak yang belum selesai", yang merupakan jumlah kewajiban dari pelanggan untuk kontrak pekerjaan, merupakan total biaya kontrak yang terjadi dan taksiran laba diakui lebih dari jumlah yang ditagih, yang disajikan sebagai aset dalam laporan posisi keuangan konsolidasian.

**Pendapatan diterima dimuka**

Pendapatan sewa dan jasa ditagihkan dimuka berdasarkan kontrak. Tagihan yang belum diakui sebagai pendapatan pada tanggal pelaporan dicatat sebagai "Pendapatan Ditangguhkan" dalam komponen liabilitas jangka pendek pada laporan posisi keuangan konsolidasian.

**Pendapatan lain-lain**

Pendapatan jasa lainnya diakui pada saat penyerahan jasa tersebut.

**Pengakuan beban**

Beban diakui pada saat terjadinya (basis akrual).

**t. Imbalan Kerja**

Efektif tanggal 1 Januari 2019, Kelompok Usaha menerapkan Amandemen PSAK No. 24, "Imbalan Kerja", yang mensyaratkan entitas untuk menggunakan asumsi yang diperbarui untuk menentukan biaya jasa kini dan bunga neto untuk sisa periode setelah amandemen, kurtailmen atau penyelesaian rencana; dan untuk mengakui laba rugi sebagai bagian dari biaya jasa masa lalu, atau keuntungan atau kerugian dari penyelesaian, setiap pengurangan surplus, bahkan jika surplus itu sebelumnya tidak diakui karena dampak dari batas atas aset.

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*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 with the terms of the contracts provided that the amount can be measured reliably. When it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately recognized as current period expense.*

**Cost, Estimated Earnings and Billings on Uncompleted Contracts**

*"Costs and estimated earnings in excess of billings on uncompleted contracts" account, which is the amount due from customers for contract work, represents total contract costs incurred and estimated earnings recognized in excess of amounts billed, which is presented as asset in the consolidated statements of financial position.*

**Unearned revenue**

*Revenue from rent and services are invoiced in advance based on agreements. Unrecognized revenue as of the reporting date is recorded as "Unearned Revenue" in the short-term liabilities section in the consolidated statements of financial position.*

**Other revenue**

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

**Expenses recognition**

*Expenses are recognized when incurred (accrual basis).*

**t. Employee Benefits**

*Effective January 1, 2019, the Group applied Amendment to PSAK No. 24, "Employee Benefits," which requires an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.*

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Penerapan amandemen ini tidak berdampak terhadap laporan keuangan konsolidasian Kelompok Usaha

Imbalan Kerja Jangka Pendek

Imbalan kerja jangka pendek merupakan kompensasi yang diberikan oleh Kelompok Usaha seperti gaji, tunjangan, bonus dan pembayaran manfaat pensiun, yang diakui pada saat terutang kepada karyawan.

Imbalan Pascakerja

Kelompok Usaha menentukan liabilitas imbalan pascakerja sesuai dengan Undang-undang Ketenagakerjaan No.13/2003 ("Undang-Undang") tanggal 25 Maret 2003. PSAK No. 24 mensyaratkan entitas menggunakan metode "Projected Unit Credit" untuk menentukan nilai kini kewajiban imbalan pasti, biaya jasa kini terkait, dan biaya jasa lalu.

Perusahaan dan Entitas Anak tertentu yang berdomisili di Indonesia menyelenggarakan program pensiun manfaat pasti untuk seluruh karyawan tetap yang memenuhi syarat.

Kewajiban menurut Undang-undang dihitung dengan membandingkan imbalan yang akan diterima oleh karyawan pada usia pensiun normal melalui program pensiun dengan imbalan yang dihitung berdasarkan Undang-undang setelah dikurangi akumulasi iuran karyawan dan hasil pengembangannya. Jika bagian iuran yang didanai Perusahaan dan Entitas Anak melalui program pensiun kurang dari imbalan yang diwajibkan menurut Undang-undang, Kelompok Usaha akan melakukan 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.

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

Short-term Employee Benefits

*Short-term employee benefits represent compensation provided by the Group such as salaries, allowance, bonus and pension contribution paid, which are recognized when they accrue to the employees.*

Post-employment Benefits

*The Group determines its post-employment benefits liability under the Labor Law No. 13/2003 dated March 25, 2003 (the "Law"). PSAK No. 24 requires the present value of the defined benefit obligation, the related current service cost, and past service cost to be determined using the "Projected Unit Credit" method.*

*The Company and certain domestic Subsidiaries domiciled in Indonesia have defined retirement benefit plans, covering substantially all of their eligible permanent employees.*

*The obligation for the Law has been calculated by comparing the benefit that will be received by an employee at normal pension age from the pension plan with the benefit as stipulated under the Law after deduction of accumulation of employee contribution and the related investment results. If the employer funded portion of the pension plan benefit is less than the benefit as required by the Law, the Group will provide for such shortage.*

*When an entity has a surplus in a defined benefit plan, it measures the defined benefit asset at the lower amount between the surplus of defined benefit plan and the upper limit on assets determined using a discount rate.*

*An entity recognizes the components of defined benefit cost, except SAK requires or permits such costs as the acquisition cost of the asset, as follows:*

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



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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.

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.

Imbalan Kerja Jangka Panjang Lainnya

Perhitungan imbalan kerja jangka panjang lainnya ditentukan dengan menggunakan metode *Projected Unit Credit*. Jumlah diakui sebagai liabilitas untuk imbalan kerja jangka panjang lainnya di laporan posisi keuangan konsolidasian adalah nilai kini kewajiban imbalan pasti.

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*Remeasurement on net liability (asset) of defined benefit recognized in other comprehensive income is not reclassified to profit or loss in subsequent periods. However, the entity may transfer the amounts recognized as other comprehensive income in another account in equity.*

*Remeasurement the net liability (asset) of defined benefit consists of:*

- (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 at the earlier of when the amendments or curtailment of program occurs and when the entity recognizes related restructuring costs or severances.*

*The Group recognizes gains or losses on the settlement of a defined benefit plan when such occurs. A curtailment occurs when an entity make a material reduction in the number of employees covered by a plan or amends the terms of a defined benefit plan so that 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, or gains and losses on the settlement, the Group shall remeasure the net liability (asset) of defined benefit using current fair value of plan assets and current actuarial assumptions (including current market interest rates and other current market prices) that reflects the rewards offered in the program prior to amendment, curtailment or settlement program.*

Other Long-term Employee Benefits

*The costs of providing other long-term benefits is determined using the Projected Unit Credit method. The provision for long-term employee benefits recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation.*



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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
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**u. Transaksi dan Saldo dalam Mata Uang Asing**

Efektif tanggal 1 Januari 2019, Kelompok Usaha menerapkan ISAK No. 33, "Transaksi Valuta Asing dan Imbalan di Muka" yang mempertimbangkan bagaimana menentukan tanggal transaksi ketika menerapkan standar PSAK 10 "Pengaruh Perubahan Kurs Valuta Asing". Interpretasi ini berlaku ketika entitas membayar atau menerima imbalan terlebih dahulu untuk kontrak yang dalam mata uang asing.

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

Transaksi dalam mata uang asing dijabarkan ke dalam mata uang fungsional dengan kurs yang berlaku pada saat transaksi dilakukan. Pada akhir periode pelaporan, aset dan liabilitas moneter dalam mata uang asing disesuaikan ke dalam mata uang fungsional menggunakan kurs tengah yang ditetapkan oleh Bank Indonesia pada tanggal terakhir transaksi perbankan pada periode tersebut. Keuntungan atau kerugian yang timbul dari penyesuaian kurs maupun penyelesaian aset dan liabilitas moneter dalam mata uang asing tersebut dikreditkan atau dibebankan sebagai laba rugi periode berjalan.

Untuk tujuan penyajian laporan keuangan konsolidasian dari Entitas Anak dan Entitas Asosiasi yang mata uang fungsionalnya bukan Rupiah pada tanggal pelaporan, aset dan liabilitas dijabarkan ke dalam mata uang Rupiah dengan menggunakan kurs pada tanggal pelaporan, sedangkan pendapatan dan beban dijabarkan dengan menggunakan kurs rata-rata pada periode yang bersangkutan. Penyesuaian selisih kurs karena penjabaran tersebut disajikan sebagai bagian dari penghasilan komprehensif lain.

Kurs penutup yang digunakan pada tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

	2019	2018
Pound Sterling	18.250	18.373
Euro	15.589	16.560
Dolar Amerika Serikat	13.901	14.481
Dolar Singapura	10.321	10.603
Dolar Australia	9.739	10.211
Rupiah India	205	207
Yen Jepang	128	131

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
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**u. Foreign Currency Transactions and Translation**

Effective January 1, 2019, the Group applied ISAK No. 33, "Foreign Currency Transactions and Advance Consideration," which considers how to determine the date of the transaction when applying PSAK 10 "The Effects of Changes in Foreign Exchange Rates". The interpretation applies where an entity either pays or receives consideration in advance for foreign currency denominated contracts.

The adoption of this interpretation had no impact on the Group's consolidated financial statements.

Transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing at the time the transactions are made. At the end of reporting period, monetary assets and liabilities denominated in foreign currencies are adjusted to functional currency to reflect the middle exchange rate published by Bank Indonesia at the last banking transaction date of the period. Gains or losses resulting from such adjustment or settlement of each monetary asset and liability denominated in foreign currencies are credited or charged as current period profit or loss.

For consolidation purposes of Subsidiaries and Associates for which Rupiah is not their functional currency, assets and liabilities at the reporting date are translated into Rupiah using the exchange rates at reporting date, while revenues and expenses are translated at the average rates of exchange for the period. The resulting translation adjustments are presented as part of other comprehensive income.

The closing exchange rates used as of December 31, 2019 and 2018 were as follows:

Pound Sterling
Euro
US Dollar
Singapore Dollar
Australian Dollar
Indian Rupee
Japanese Yen

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**v. Perpajakan**

**(1) Pajak Penghasilan**

Efektif tanggal 1 Januari 2019, Kelompok Usaha menerapkan PSAK No. 46 (Penyesuaian 2018), "Pajak Penghasilan", yang mengklarifikasi bahwa konsekuensi pajak penghasilan dari dividen pada instrumen keuangan yang diklasifikasikan sebagai ekuitas harus diakui sesuai dengan transaksi atau peristiwa masa lalu yang menghasilkan laba yang dapat dibagikan diakui. Persyaratan ini berlaku untuk semua konsekuensi pajak penghasilan dari dividen.

Kelompok Usaha juga menerapkan ISAK No. 34 "Ketidakpastian dalam Pengakuan Pajak Penghasilan" yang menjelaskan bagaimana persyaratan pengakuan dan pengukuran PSAK 46 'Pajak Penghasilan', diterapkan apabila terdapat ketidakpastian perlakuan pajak penghasilan.

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

Beban pajak kini ditetapkan berdasarkan taksiran laba kena pajak periode 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 memiliki intensi 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 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 kena pajak 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.

**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
(Continued)**

**v. Taxation**

**(1) Income Taxes**

Effective January 1, 2019, the Group applied PSAK No. 46 (2018 Improvement), "Income Taxes," which clarifies that the income tax consequences of dividends on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits were recognized. This requirement applies to all income tax consequences of dividends.

The Group also applied ISAK No. 34 "Uncertainty over Income Tax Treatments" which clarifies how the recognition and measurement requirements of PSAK 46 'Income Taxes', are applied where there is uncertainty over income tax treatments.

The adoption of these improvement and interpretation had no impact on the Group's consolidated financial statements.

Current tax expense is provided based on the estimated taxable profit for the period.

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 recognized amounts; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are recognized for temporary differences between the financial and 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 carryforward of unused tax losses, are also recognized to the extent that realization of such benefits is probable.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
DITERAPKAN (Lanjutan)**

Aset dan liabilitas pajak tangguhan diukur pada tarif pajak yang diharapkan akan digunakan pada periode ketika aset direalisasi atau ketika liabilitas dilunasi berdasarkan tarif pajak (dan peraturan perpajakan) yang berlaku atau secara substansial telah diberlakukan pada akhir periode pelaporan.

Aset pajak tangguhan dan liabilitas pajak tangguhan dilakukan saling hapus jika, dan hanya jika, entitas memiliki hak secara hukum untuk saling hapus aset pajak kini terhadap liabilitas pajak kini, dan aset pajak tangguhan dan liabilitas pajak tangguhan terkait dengan pajak penghasilan yang dikenakan oleh otoritas perpajakan atas entitas kena pajak, yang sama atau entitas kena pajak berbeda yang bermaksud untuk memulihkan aset dan liabilitas pajak kini dengan dasar neto, atau merealisasikan aset dan menyelesaikan liabilitas secara bersamaan, pada setiap periode masa depan yang mana jumlah signifikan atas aset atau liabilitas pajak tangguhan diharapkan diselesaikan atau dipulihkan.

Perubahan terhadap kewajiban perpajakan diakui pada saat penetapan pajak diterima dan/atau, jika Kelompok Usaha mengajukan keberatan dan/atau banding, pada saat keputusan atas keberatan dan/atau banding telah ditetapkan.

**(2) Aset dan Liabilitas Pengampunan Pajak**

Kelompok Usaha menerapkan PSAK No. 70 (2016), "Akuntansi Aset dan Liabilitas Pengampunan Pajak".

PSAK ini mengatur perlakuan akuntansi atas aset dan liabilitas pengampunan pajak sesuai dengan Undang-Undang No. 11/2016 tentang Pengampunan Pajak ("UU Pengampunan Pajak"), yang berlaku efektif tanggal 1 Juli 2016.

PSAK No. 70 memberikan pilihan kebijakan dalam pengakuan awal aset atau liabilitas yang timbul dari pelaksanaan UU Pengampunan Pajak, yaitu dengan mengikuti SAK yang relevan menurut sifat aset dan/atau liabilitas yang diakui (PSAK No. 70 Par. 06) atau mengikuti ketentuan yang diatur dalam PSAK No. 70 paragraf 10 hingga 23 (Pendekatan Opsional). Keputusan yang dibuat oleh entitas harus konsisten untuk semua aset dan liabilitas pengampunan pajak yang diakui.

Aset pengampunan pajak diakui sebesar biaya perolehan berdasarkan Surat Keterangan Pengampunan Pajak (SKPP). Liabilitas pengampunan pajak diakui sebesar kewajiban kontraktual untuk menyerahkan kas untuk menyelesaikan kewajiban yang berkaitan langsung dengan perolehan aset pengampunan pajak.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
(Continued)**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of reporting period.

Deferred tax assets and deferred tax liabilities are offset if, and only if, the entity has a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity, or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Amendments to tax obligations are recorded when an assessment is received and/or, if objected to and/or appealed against by the Group, when the result of the objection and/or appeal is determined.

**(2) Assets and Liabilities under Tax Amnesty**

The Group applies PSAK No. 70 (2016), "Accounting for Tax Amnesty Assets and Liabilities". This

PSAK provides accounting treatment for assets and liabilities from Tax Amnesty in accordance with Law No. 11/2016 about Tax Amnesty ("Tax Amnesty Law"), which became effective on July 1, 2016.

PSAK No. 70 provides options in the initial recognition of the assets or liabilities arising from the implementation of the Tax Amnesty Law, whether to follow the relevant existing SAK according to the nature of the assets and/or liabilities recognized (PSAK No. 70 Par. 06) or to follow the provisions stated in PSAK No. 70 paragraphs 10 to 23 (Optional Approach). The decision made by the entity must be consistent for all recognized tax amnesty assets and/or liabilities.

Tax amnesty assets are measured at acquisition cost based on Tax Amnesty Acknowledgement Letter (SKPP). Tax amnesty liabilities are measured at contractual obligation to deliver cash to settle the obligations directly related to the acquisition of tax amnesty assets.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
DITERAPKAN (Lanjutan)**

Kelompok Usaha mengakui selisih antara aset pengampunan pajak dan liabilitas pengampunan pajak sebagai bagian dari tambahan modal disetor di ekuitas. Selisih tersebut tidak dapat diakui sebagai laba atau rugi direalisasi maupun direklasifikasi ke saldo laba.

Kelompok Usaha telah memilih untuk mengukur kembali aset dan liabilitas pengampunan pajak berdasarkan nilai wajar sesuai dengan SAK pada tanggal SKPP. Selisih pengukuran kembali antara nilai wajar tersebut dengan biaya perolehan yang telah diakui sebelumnya, disesuaikan dalam saldo "Tambahan modal disetor".

Setelah Kelompok Usaha melakukan pengukuran kembali aset dan liabilitas pengampunan pajak pada nilai wajar sesuai SAK, Kelompok Usaha mereklasifikasi aset dan liabilitas pengampunan pajak tersebut ke dalam pos aset dan liabilitas serupa.

**w. Selisih Nilai Transaksi Entitas dengan  
Sepengendali**

Kombinasi bisnis entitas sepengendali dicatat berdasarkan PSAK No. 38, "Kombinasi Bisnis Entitas Sepengendali", dengan menggunakan metode penyatuan kepemilikan. Selisih antara harga pengalihan dengan nilai buku dicatat dalam akun "Selisih Nilai Transaksi dengan Entitas Sepengendali" dan disajikan sebagai bagian dari akun "Tambahan Modal Disetor" dalam laporan posisi keuangan konsolidasian.

**x. Laba atau Rugi per Saham**

Laba atau rugi per saham dasar dihitung dengan membagi laba atau rugi yang dapat diatribusikan kepada pemegang saham biasa entitas induk, dengan jumlah rata-rata tertimbang saham biasa yang beredar, dalam suatu periode.

Laba atau rugi per saham dilusi dihitung dengan membagi laba atau rugi yang dapat diatribusikan kepada pemegang saham biasa entitas induk, dengan jumlah rata-rata tertimbang saham yang beredar, atas dampak dari semua efek yang mempunyai potensi saham biasa yang bersifat dilutif.

**y. Provisi dan Kontinjensi**

Provisi diakui jika Kelompok Usaha memiliki kewajiban kini (baik bersifat hukum maupun bersifat konstruktif) yang akibat peristiwa masa lalu, besar kemungkinannya penyelesaian kewajiban tersebut mengakibatkan arus keluar sumber daya yang mengandung manfaat ekonomi dan estimasi yang andal mengenai jumlah kewajiban tersebut dapat dibuat.

**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
(Continued)**

*The Group shall recognize the difference between assets and liabilities of tax amnesty as part of additional paid-in capital in equity. This difference shall not be recycled to profit or loss or reclassified to retained earnings subsequently.*

*The Group has opted to remeasure its tax amnesty assets and liabilities to their fair value according to SAK on the date of the SKPP. The difference between the aforementioned fair values with the acquisition cost initially recognized is adjusted to "Additional paid-in capital".*

*After the Group remeasured its tax amnesty assets and liabilities to its fair value according to SAK, the Group reclassified the tax amnesty assets and liabilities into similar line items of assets and liabilities.*

**w. 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 as part of "Additional Paid-in Capital" account in the consolidated statement of financial position.*

**x. Earning or Loss per Share**

*Basic earnings or losses per share are calculated by dividing profits or losses attributable to ordinary equity holders of the parent entity, by the weighted average number of ordinary shares outstanding, during the period.*

*Diluted earnings or losses per share are calculated by dividing profits or losses attributable to ordinary equity holders of the parent entity, by the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares.*

**y. Provisions and Contingencies**

*Provisions are recognized when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.*



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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
DITERAPKAN (Lanjutan)**

Provisi ditelaah pada setiap akhir periode pelaporan dan disesuaikan untuk mencerminkan estimasi terbaik yang paling kini. Jika arus keluar sumber daya untuk menyelesaikan kewajiban kemungkinan besar tidak terjadi, maka provisi dibatalkan.

Aset dan liabilitas kontinjensi tidak diakui dalam laporan keuangan konsolidasian. Liabilitas kontinjensi diungkapkan dalam laporan keuangan konsolidasian, kecuali arus keluar sumber daya yang mengandung manfaat ekonomi kemungkinannya kecil. Aset kontinjensi diungkapkan dalam laporan keuangan konsolidasian jika terdapat kemungkinan besar arus masuk manfaat ekonomis akan diperoleh.

**z. Dividen**

Pembagian dividen final diakui sebagai liabilitas ketika dividen tersebut disetujui Rapat Umum Pemegang Saham Perusahaan. Pembagian dividen diakui sebagai liabilitas ketika dividen disetujui berdasarkan keputusan rapat Direksi sesuai dengan Anggaran Dasar Perusahaan.

**aa. Informasi Segmen**

Entitas mengungkapkan informasi yang memungkinkan pengguna laporan keuangan untuk mengevaluasi sifat dan dampak keuangan dari aktivitas bisnis dan menggunakan "pendekatan manajemen" dalam menyajikan informasi segmen menggunakan dasar yang sama seperti halnya pelaporan internal. Segmen operasi dilaporkan dengan cara yang konsisten dengan pelaporan internal yang disampaikan kepada pengambil keputusan operasional. Dalam hal ini pengambil keputusan operasional yang mengambil keputusan strategis adalah Direksi.

**bb. Kuasi-Reorganisasi**

Sesuai dengan PSAK No. 51 (Revisi 2003), kuasi-reorganisasi merupakan prosedur akuntansi yang mengatur entitas merestrukturisasi ekuitasnya dengan mengeliminasi defisit dan menilai kembali seluruh aset dan liabilitas pada nilai wajar. Dengan melakukan prosedur ini, entitas diharapkan dapat melanjutkan usahanya seperti baru, dengan laporan posisi keuangan yang menunjukkan posisi keuangan yang lebih baik tanpa defisit dari masa lampau.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
(Continued)**

Provisions are reviewed at each end of reporting period 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 assets and liabilities are not recognized in the consolidated financial statements. Contingent liabilities are disclosed in the consolidated financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are disclosed in the consolidated financial statements where an inflow of economic benefits is probable.

**z. Dividends**

Final dividend distributions are recognized as a liability when the dividends are approved in the General Meeting of the Company's Shareholders. Dividend distributions are recognized as a liability when the dividends are approved based on a Board of Directors' resolution in accordance with the Company's Articles of Association.

**aa. Segment Information**

Entities disclose information that enable users of the financial statements to evaluate the nature and financial effects of the business activities and use "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board of Directors that makes strategic decisions.

**bb. Quasi-Reorganization**

Pursuant to PSAK No. 51 (Revised 2003), a quasi-reorganization is an accounting procedure that enables an entity to restructure its equity by eliminating its deficit and reappraising all of its assets and liabilities. By this procedure, the entity is expected to continue its business as if it was a fresh start, with a statement of financial position showing a better financial position with no past deficit.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
DITERAPKAN (Lanjutan)**

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 46, Perusahaan melakukan kuasi-reorganisasi pada tanggal 30 Juni 2011 mengikuti persyaratan dari PSAK di atas.

**4. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG  
PENTING**

Penyusunan laporan keuangan konsolidasian, sesuai dengan Standar Akuntansi Keuangan di Indonesia, mewajibkan manajemen untuk membuat estimasi dan pertimbangan yang memengaruhi jumlah-jumlah yang dilaporkan dalam laporan keuangan. Sehubungan dengan adanya ketidakpastian yang melekat dalam membuat estimasi, hasil sebenarnya yang dilaporkan di masa mendatang dapat berbeda dengan jumlah estimasi yang dibuat.

Kelompok Usaha mendasarkan estimasi dan pertimbangannya pada parameter yang tersedia pada saat laporan keuangan disusun. Situasi mengenai perkembangan masa depan mungkin berubah akibat perubahan pasar atau situasi diluar kendali Kelompok Usaha. Perubahan tersebut dicerminkan dalam pertimbangan terkait pada saat terjadinya.

**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
(Continued)**

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) general 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 Difference in Restructuring Transactions of Entities under Common Control is subject to change at the time of quasi-reorganization and can be used to eliminate or increase deficit.

As discussed in Note 46, the Company conducted quasi-reorganization as of June 30, 2011 following the provisions of the above PSAK.

**4. CRITICAL ACCOUNTING ESTIMATES AND  
JUDGMENTS**

The preparation of consolidated financial statements, in conformity with Indonesian Financial Accounting Standards, requires management to make estimations and judgments 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 estimations and judgments on parameters available when the financial statements are prepared. Existing circumstances about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the judgments as they occur.



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**4. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG  
PENTING (Lanjutan)**

Estimasi dan pertimbangan berikut ini dibuat oleh manajemen dalam rangka penerapan kebijakan akuntansi Kelompok Usaha yang memiliki pengaruh paling signifikan atas jumlah yang diakui dalam laporan keuangan konsolidasian:

Menentukan mata uang fungsional

Faktor-faktor yang dipertimbangkan dalam menentukan mata uang fungsional Perusahaan dan masing-masing Entitas Anak termasuk, antara lain, mata uang:

- yang paling memengaruhi harga jual barang dan jasa,
- dari negara yang kekuatan persaingan dan peraturannya sebagian besar menentukan harga jual barang dan jasa entitas,
- yang paling memengaruhi biaya tenaga kerja, bahan baku, dan biaya lain dari pengadaan barang atau jasa,
- yang mana dana dari aktivitas pendanaan dihasilkan, dan
- yang mana penerimaan dari aktivitas operasi pada umumnya ditahan.

Berdasarkan substansi ekonomis dari kondisi yang sesuai dengan Kelompok Usaha, mata uang fungsional telah ditentukan berupa Rp, karena hal ini berkaitan dengan fakta bahwa mayoritas bisnis Kelompok Usaha dipengaruhi oleh lingkungan ekonomi utama dimana Kelompok Usaha beroperasi dan harga jual barang dalam mata uang Rp.

Menentukan klasifikasi aset dan liabilitas keuangan

Kelompok Usaha menetapkan klasifikasi atas aset dan liabilitas tertentu sebagai aset keuangan dan liabilitas keuangan dengan mempertimbangkan apakah definisi yang ditetapkan PSAK No. 55 dipenuhi. Dengan demikian, aset keuangan dan liabilitas keuangan diakui sesuai dengan kebijakan akuntansi Kelompok Usaha seperti diungkapkan pada Catatan 3.

Menentukan nilai wajar dan perhitungan biaya perolehan diamortisasi dari instrumen keuangan

Kelompok Usaha mencatat aset dan liabilitas keuangan tertentu pada nilai wajar dan pada biaya perolehan diamortisasi, yang mengharuskan penggunaan estimasi akuntansi. Sementara komponen signifikan atas pengukuran nilai wajar dan asumsi yang digunakan dalam perhitungan biaya perolehan diamortisasi ditentukan menggunakan bukti objektif yang dapat diverifikasi, jumlah nilai wajar atau amortisasi dapat berbeda bila Kelompok Usaha menggunakan metodologi penilaian atau asumsi yang berbeda. Perubahan tersebut dapat memengaruhi secara langsung laba rugi Kelompok Usaha. Penjelasan lebih rinci diungkapkan dalam Catatan 44.

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**4. CRITICAL ACCOUNTING ESTIMATES AND  
JUDGMENTS (Continued)**

The following estimations and judgments made by management in the process of applying the Group's accounting policies have the most significant effects on the amounts recognized in the consolidated financial statements:

Determining functional currency

The factors considered in determining the functional currency of the Company and each of its Subsidiary include, among others, the currency:

- that mainly influences sales prices for goods and services;
- of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services;
- that mainly influences labor, material and other costs of providing goods or services;
- in which funds from financing activities are generated; and
- in which receipts from operating activities are usually retained.

Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency has been determined to be Rp, as this reflects 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 are in Rp 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 as disclosed in Note 3.

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 require the use of accounting estimates. While significant components of fair value measurement and assumptions used in the calculation of cost amortization are determined using verifiable objective evidence, the fair value or amortization amount would differ if the Group utilized different valuation methodology or assumptions. Such changes would directly affect the Group's profit or loss. Further details were disclosed in Note 44.

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**4. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG  
PENTING (Lanjutan)**

Menilai jumlah terpulihkan dari aset keuangan

Kelompok Usaha mengevaluasi akun piutang tertentu yang diketahui bahwa pelanggan tertentu tidak dapat memenuhi kewajiban keuangannya. Dalam hal tersebut, Kelompok Usaha menggunakan pertimbangan, berdasarkan fakta dan situasi yang tersedia, termasuk namun tidak terbatas pada, jangka waktu hubungan dengan pelanggan dan status kredit dari pelanggan berdasarkan catatan kredit dari pihak ketiga yang tersedia dan faktor pasar yang telah diketahui, untuk mencatat penyisihan spesifik atas pelanggan terhadap jumlah terutang guna mengurangi jumlah piutang yang diharapkan dapat diterima oleh Kelompok Usaha. Penyisihan spesifik ini dievaluasi kembali dan disesuaikan jika tambahan informasi yang diterima memengaruhi jumlah penyisihan atas penurunan nilai piutang. Penjelasan lebih rinci diungkapkan dalam Catatan 7 and 8.

Menilai jumlah terpulihkan dari aset nonkeuangan

Penyisihan penurunan nilai pasar dan keusangan persediaan diestimasi berdasarkan fakta dan situasi yang tersedia, termasuk namun tidak terbatas kepada, kondisi fisik persediaan yang dimiliki, harga jual pasar, estimasi biaya penyelesaian dan estimasi biaya yang timbul untuk penjualan. Penyisihan dievaluasi kembali dan disesuaikan jika terdapat tambahan informasi yang memengaruhi jumlah yang diestimasi. Penjelasan lebih rinci diungkapkan dalam Catatan 10.

Jumlah terpulihkan investasi pada entitas asosiasi, properti investasi, aset tetap, beban tanggungan hak atas tanah, goodwill dan aset tidak lancar lainnya 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 estimasi ini mungkin memiliki dampak material terhadap pengukuran jumlah terpulihkan dan bisa mengakibatkan penyesuaian penyisihan penurunan nilai yang sudah dibukukan. Penjelasan lebih rinci diungkapkan dalam Catatan 13, 15 dan 16.

Menentukan metode penyusutan dan estimasi masa manfaat aset tetap

Biaya perolehan aset tetap disusutkan dengan menggunakan metode garis lurus berdasarkan estimasi masa manfaatnya. Manajemen mengestimasi masa manfaat aset tetap empat (4) tahun sampai dengan dua puluh (20) tahun. Ini adalah ekspektasi umur yang secara umum diterapkan dalam industri dimana Kelompok Usaha menjalankan bisnisnya. Perubahan tingkat pemakaian dan perkembangan teknologi dapat memengaruhi masa manfaat dan nilai sisa aset, dan karenanya biaya penyusutan masa depan mungkin direvisi. Penjelasan lebih rinci diungkapkan dalam Catatan 15.

**4. CRITICAL ACCOUNTING ESTIMATES AND  
JUDGMENTS (Continued)**

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 allowance for impairment. Further details are disclosed in Notes 7 and 8.

Assessing recoverable amounts of non-financial assets

Allowance for impairment 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 provision is re-evaluated and adjusted as additional information received affects the estimated amount. Further details are disclosed in Note 10.

The recoverable amounts of investments in associates, investment properties, fixed assets, deferred charges of land title, goodwill and other non-current assets 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 estimations may have a material impact on the measurement of the recoverable amount and could result in adjustments to the allowance of impairment already booked. Further details were disclosed in Notes 13, 15 and 16.

Determining depreciation method and estimated useful lives of fixed assets

The costs of fixed assets are depreciated on a straight-line basis over their estimated useful lives. Management properly estimates the useful lives of these fixed assets to be within four (4) years up to twenty (20) 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 useful lives and the residual values of these assets, and therefore future depreciation charges could be revised. Further details are disclosed in Note 15.

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**4. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG  
PENTING (Lanjutan)**

Menentukan klasifikasi pengaturan bersama

Pertimbangan diperlukan untuk menentukan apakah Kelompok Usaha memiliki pengendalian bersama, yang membutuhkan penilaian mengenai aktivitas yang relevan dan ketika keputusan yang berkaitan dengan aktivitas tersebut membutuhkan persetujuan dengan suara bulat. Kelompok Usaha menentukan bahwa aktivitas yang relevan untuk pengaturan bersama adalah aktivitas yang berkaitan dengan operasi dan pengambilan keputusan dalam pengaturan tersebut.

Pertimbangan juga diperlukan untuk mengklasifikasikan pengaturan bersama sebagai operasi bersama atau ventura bersama. Pengklasifikasian pengaturan tersebut mengharuskan Kelompok Usaha untuk menilai hak dan kewajiban yang timbul dari pengaturan tersebut. Secara khusus, Kelompok Usaha mempertimbangkan:

- Struktur dari pengaturan bersama - apakah dibentuk melalui kendaraan terpisah.
- Ketika pengaturan tersebut terstruktur melalui kendaraan terpisah, Kelompok Usaha juga mempertimbangkan hak dan kewajiban yang timbul dari:
  - Bentuk legal dari kendaraan terpisah;
  - Persyaratan dari perjanjian kontraktual; dan
  - Fakta dan ketentuan lain (ketika relevan).

Penilaian ini sering membutuhkan pertimbangan yang signifikan, dan kesimpulan yang berbeda mengenai pengendalian bersama dan apakah pengaturan tersebut merupakan operasi bersama atau ventura bersama, dapat memiliki dampak material terhadap akuntansi.

Kelompok Usaha memiliki pengaturan bersama yang terstruktur melalui ventura bersama, KPP, GA dan CPB. Struktur dan persyaratan dari perjanjian kontraktual mengindikasikan bahwa Kelompok Usaha memiliki hak atas aset neto dari pengaturan bersama tersebut. Kelompok Usaha menilai fakta dan kondisi lain yang berkaitan dengan pengaturan ini dan kesimpulan final dari penilaian yang dilakukan adalah pengaturan tersebut merupakan ventura bersama. Penjelasan lebih rinci diungkapkan dalam Catatan 13.

Menilai pengendalian atau pengaruh signifikan pada entitas lain

Kelompok Usaha menilai apakah Kelompok Usaha memiliki pengendalian atau pengaruh signifikan pada entitas lain melalui:

- adanya dewan perwakilan Kelompok Usaha pada entitas lain dan pernyataan kontraktual.
- Kelompok Usaha merupakan pemegang saham mayoritas dengan kepentingan ekuitas yang lebih besar dari pemegang saham lainnya.
- memiliki kekuatan untuk berpartisipasi dalam pengambilan keputusan keuangan dan operasi.

Penjelasan lebih rinci diungkapkan dalam Catatan 13 dan 14.

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**4. CRITICAL ACCOUNTING ESTIMATES AND  
JUDGMENTS (Continued)**

Determining classification of joint arrangements

*Judgment is required to determine whether the Group has joint control, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group has determined that the relevant activities for their joint arrangements are those relating to the operating and capital decisions of the arrangement.*

*Judgment is also required to classify a joint arrangement as either a joint operation or joint venture. Classifying the arrangement requires the Group to assess its rights and obligations arising from the arrangement. Specifically, the Group considers:*

- *The structure of the joint arrangement - whether it is structured through a separate vehicle.*
- *When the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from:*
  - *The legal form of the separate vehicle;*
  - *The terms of the contractual arrangement; and*
  - *Other facts and circumstances (when relevant).*

*This assessment often requires significant judgment, and a different conclusion on joint control and also whether the arrangement is a joint operation or a joint venture, may materially impact the accounting.*

*The Group has a joint arrangement which is structured through joint ventures, KPP, GA and CPB. This structure and the terms of the contractual arrangement indicate that the Group has rights to the net assets of the arrangement. The Group also assesses the other facts and circumstances relating to this arrangement and the final conclusion is that the arrangement is a joint venture. Further details are disclosed in Note 13.*

Assessing control or significant influence on other entities

*The Group has assessed the significant influence of the Group in other entities through:*

- *the presence of the board representative of the Group and the contractual term.*
- *the Group was the majority shareholder with greater interest than other shareholders.*
- *has the power to participate in the financial and operating policy decisions.*

*Further details are disclosed in Notes 13 and 14.*

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**4. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG  
PENTING (Lanjutan)**

Estimasi biaya dan liabilitas imbalan pascakerja

Penentuan liabilitas dan biaya imbalan pascakerja Kelompok Usaha bergantung pada pemilihan asumsi yang digunakan dalam menghitung jumlah-jumlah tersebut. Asumsi tersebut termasuk antara lain, tingkat diskonto, tingkat kenaikan gaji, tingkat pengunduran diri, tingkat cacat, umur pensiun normal dan tingkat mortalitas. Sementara Kelompok Usaha berkeyakinan bahwa asumsi tersebut adalah wajar dan sesuai, perbedaan signifikan pada hasil aktual atau perubahan signifikan dalam asumsi yang ditetapkan Kelompok Usaha dapat memengaruhi secara material liabilitas dan beban imbalan pascakerja. Penjelasan lebih rinci diungkapkan dalam Catatan 37.

Menentukan pajak penghasilan

Pertimbangan signifikan dilakukan dalam menentukan provisi atas pajak penghasilan badan. Terdapat transaksi dan perhitungan tertentu yang penentuan pajak akhirnya tidak pasti sepanjang kegiatan usaha normal. Kelompok Usaha mengakui liabilitas atas pajak penghasilan badan yang diharapkan berdasarkan estimasi apakah akan terdapat tambahan pajak penghasilan badan yang akan jatuh tempo. Penjelasan lebih rinci diungkapkan dalam Catatan 36.

Kelompok Usaha menelaah aset pajak tangguhan pada setiap tanggal pelaporan dan mengurangi jumlah tercatat sepanjang tidak ada kemungkinan bahwa laba kena pajak memadai untuk mengompensasi sebagian atau seluruh aset pajak tangguhan. Kelompok Usaha juga menelaah waktu yang diharapkan dan tarif pajak atas pembalikan perbedaan temporer dan menyesuaikan pengaruh atas pajak tangguhan yang sesuai. Penjelasan lebih rinci diungkapkan dalam Catatan 36.

Mengevaluasi provisi dan kontinjensi

Kelompok Usaha melakukan pertimbangan untuk membedakan antara provisi dan kontinjensi serta mempersiapkan provisi yang sesuai untuk proses hukum atau kewajiban konstruktif, jika ada, sesuai dengan kebijakan provisinya dan mempertimbangkan risiko dan ketidakpastian yang relevan.

Pada tanggal 31 Desember 2019, Kelompok Usaha tidak yakin bahwa proses-proses tersebut akan berpengaruh secara signifikan terhadap laporan keuangan konsolidasian.

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**4. CRITICAL ACCOUNTING ESTIMATES AND  
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Estimate of post-employment benefits expense and liability

The determination of the Group's liability and expense for post-employment benefits is dependent on its selection of certain assumptions used in calculating such amounts. These assumptions include among others, discount rate, salary increment rate, turnover rates, disability rate, normal pension 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 post-employment liability and expense. Further details are disclosed in Note 37.

Determining income taxes

Significant judgment is involved in determining provision for corporate income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for expected corporate income tax based on estimates as to whether additional corporate income tax will be due. Further details are disclosed in Note 36.

The Group reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent 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 36.

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.

As of December 31, 2019, the Group does not believe that those proceedings will have a significant adverse effect on the consolidated financial statements.



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**4. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG  
PENTING (Lanjutan)**

Menentukan nilai wajar dan biaya untuk menjual serta  
klasifikasi dari aset tidak lancar yang dimiliki untuk dijual

Nilai wajar dan biaya untuk menjual dari aset tidak lancar dan kelompok lepasan yang diklasifikasikan sebagai dimiliki untuk dijual didasarkan pada estimasi dan asumsi khususnya mengenai prospek pasar terkait dengan aset dalam kondisi kininya. Setiap perubahan dalam prospek pasar mungkin memiliki dampak material terhadap pengukuran nilai wajar dan biaya untuk menjual dari aset tersebut dan bias mengakibatkan penyesuaian pada jumlah yang dibukukan dalam laporan keuangan konsolidasian.

Penentuan aset tidak lancar dan kelompok lepasan yang diklasifikasikan sebagai dimiliki untuk dijual adalah berdasarkan pertimbangan manajemen yang mungkin berubah akibat perubahan situasi di masa mendatang yang di luar kendali Kelompok Usaha. Penjelasan lebih rinci diungkapkan dalam Catatan 49.

**5. KAS DAN SETARA KAS**

	2019	2018
<b>Kas</b>		
Rupiah	1.833	937
Yen Jepang	171	168
Dolar AS	39	49
Rupiah Indian	38	39
Dolar Singapura	2	2
<b>Total kas</b>	<b>2.083</b>	<b>1.195</b>
<b>Kas di bank</b>		
Rupiah		
PT Bank Rakyat Indonesia (Persero) Tbk	53.211	24.916
PT Bank Mandiri (Persero) Tbk	13.946	17.092
PT Bank Central Asia Tbk	6.308	10.533
PT Bank Negara Indonesia (Persero) Tbk	4.967	13.646
PT Bank Permata Tbk	2.312	1.176
PT Bank Negara Indonesia Syariah	2.306	2.446
PT Bank Muamalat Indonesia Tbk	1.695	1.634
PT Bank Artha Graha Internasional Tbk	1.675	26
PT Bank Kesejahteraan Ekonomi	1.051	1.542
Lain-lain (dibawah Rp1 miliar)	3.889	3.063
<b>Subtotal</b>	<b>91.360</b>	<b>76.074</b>

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**4. CRITICAL ACCOUNTING ESTIMATES AND  
JUDGMENTS (Continued)**

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 49.

**5. CASH AND CASH EQUIVALENTS**

<b>Cash on hand</b>
Rupiah
Japanese Yen
US Dollar
Indian Rupee
Singapore Dollar
<b>Total cash on hand</b>
<b>Cash in banks</b>
Rupiah
PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank Mandiri (Persero) Tbk
PT Bank Central Asia Tbk
PT Bank Negara Indonesia (Persero) Tbk
PT Bank Permata Tbk
PT Bank Negara Indonesia Syariah
PT Bank Muamalat Indonesia Tbk
PT Bank Artha Graha Internasional Tbk
PT Bank Kesejahteraan Ekonomi
Others (below Rp1 billion)
<b>Subtotal</b>



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**5. KAS DAN SETARA KAS (Lanjutan)**

	<b>2019</b>	<b>2018</b>
Mata uang asing		
PT Bank Rakyat Indonesia (Persero) Tbk	9.760	432
PT Bank Maybank Indonesia Tbk	7.532	7.842
PT Bank MNC Internasional Tbk	3.861	4.150
PT Bank Mega Tbk	2.669	134
PT Bank Negara Indonesia (Persero) Tbk	2.241	2.227
PT Bank Mandiri (Persero) Tbk	2.187	1.720
PT Bank Central Asia Tbk	685	1.060
Lain-lain (dibawah Rp1 miliar)	2.567	2.826
Subtotal	<u>31.502</u>	<u>20.391</u>
Total kas di bank	<u>122.862</u>	<u>96.465</u>
<b>Setara kas</b>		
Deposito berjangka (Rupiah)		
PT Bank Negara Indonesia (Persero) Tbk	994	12.979
PT Bank Rakyat Indonesia (Persero) Tbk	-	8.000
PT Bank Mega Tbk	238	238
Total setara kas	<u>1.232</u>	<u>21.217</u>
<b>Total</b>	<u><b>126.177</b></u>	<u><b>118.877</b></u>

Kisaran suku bunga tahunan untuk deposito berjangka dari 5,25% sampai dengan 5,50% dan 5,00% sampai dengan 7,00% untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2019 dan 2018.

Seluruh kas dan setara kas ditempatkan pada pihak ketiga.

Rincian kas dan setara kas berdasarkan mata uang adalah sebagai berikut:

<b>Mata uang</b>	<b>2019</b>	<b>2018</b>
Rupiah	94.425	98.228
Dolar AS	31.273	20.318
Yen Jepang	355	200
Euro	84	90
Rupiah India	38	39
Dolar Singapura	2	2
<b>Total</b>	<u><b>126.177</b></u>	<u><b>118.877</b></u>

**5. CASH AND CASH EQUIVALENTS (Continued)**

Foreign currencies	
PT Bank Rakyat Indonesia (Persero) Tbk	
PT Bank Maybank Indonesia Tbk	
PT Bank MNC Internasional Tbk	
PT Bank Mega Tbk	
PT Bank Negara Indonesia (Persero) Tbk	
PT Bank Mandiri (Persero) Tbk	
PT Bank Central Asia Tbk	
Others (below Rp1 billion)	
Subtotal	
Total cash in banks	
<b>Cash equivalents</b>	
Time deposits (Rupiah)	
PT Bank Negara Indonesia (Persero) Tbk	
PT Bank Rakyat Indonesia (Persero) Tbk	
PT Bank Mega Tbk	
Total cash equivalents	
<b>Total</b>	

The annual interest rates of time deposits ranged from 5.25% to 5.50% and 5.00% to 7.00% for the years ended December 31, 2019 and 2018, respectively.

All placements in cash and cash equivalents were with third parties.

Details of cash and cash equivalents based on currencies were as follows:

<b>Currencies</b>
Rupiah
US Dollar
Japanese Yen
Euro
Indian Rupee
Singaporean Dollar
<b>Total</b>

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**6. INVESTASI JANGKA PENDEK**

**6. SHORT-TERM INVESTMENTS**

	2019	2018	
<b>Pihak ketiga</b>			<b>Third parties</b>
<b>Diukur pada nilai wajar melalui laba rugi</b>			<b>Fair value through profit or loss</b>
Diperdagangkan (USD)			Held for trading (USD)
Sherwin Investment Limited	49.835	-	Sherwin Investment Limited
Dana investasi (USD)			Investment funds (USD)
Fitzroy Offshore Ltd.	7.140.666	6.457.300	Fitzroy Offshore Ltd.
Purple Rain Resources Ltd.	492.072	477.847	Purple Rain Resources Ltd.
Dana investasi (Rp)			Investment funds (Rp)
Purple Rain Resources Ltd.	5.000	5.000	Purple Rain Resources Ltd.
Subtotal	7.637.738	6.940.147	Subtotal
<b>Pinjaman dan piutang</b>			<b>Loan and receivables</b>
Deposito berjangka			Time deposits
PT Bank Mandiri (Persero) Tbk	2.200	2.200	PT Bank Mandiri (Persero) Tbk
Total pihak ketiga	7.689.773	6.942.347	Total third parties
<b>Pihak berelasi (Catatan 39b)</b>			<b>Related parties (Note 39b)</b>
<b>Efek tersedia untuk dijual</b>			<b>Available-for-sale securities</b>
Efek ekuitas tercatat			Quoted equity securities
PT Bakrie Sumatera Plantation Tbk (UNSP)	3.766	3.990	PT Bakrie Sumatera Plantation Tbk (UNSP)
PT Bakrieland Development Tbk (ELTY)	3.597	3.597	PT Bakrieland Development Tbk (ELTY)
PT Bakrie Telecom Tbk (BTEL)	2.152	2.152	PT Bakrie Telecom Tbk (BTEL)
PT Darma Henwa Tbk (DEWA)	1.240	1.240	PT Darma Henwa Tbk (DEWA)
PT Energi Mega Persada Tbk (ENRG)	1	1	PT Energi Mega Persada Tbk (ENRG)
Total pihak berelasi	10.756	10.980	Total related parties
<b>Total</b>	<b>7.700.529</b>	<b>6.953.327</b>	<b>Total</b>

**Aset keuangan yang diukur pada nilai wajar melalui laba rugi**

Pada tahun 2015, Sebastopol, Entitas Anak, mengadakan perjanjian jasa pengelolaan investasi dengan Purple Rain Resources Ltd. ("Purple Rain"), perusahaan yang didirikan di British Virgin Island yang tidak terafiliasi dengan Perusahaan, 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.

**Financial assets measured at fair value through profit or loss**

In 2015, Sebastopol, Subsidiary, entered into an investment management service agreement with Purple Rain Resources Ltd. ("Purple Rain"), company incorporated in British Virgin Islands that is not affiliated with the Company, 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.

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**6. INVESTASI JANGKA PENDEK (Lanjutan)**

Pada tanggal 23 Mei 2018, Perusahaan menandatangani perjanjian Mutual Investment Agreement dengan Fitzroy Offshore Ltd (Fitzroy), perusahaan yang didirikan di Kepulauan Marshall yang tidak terafiliasi dengan Perusahaan, dengan nilai investasi sebesar USD416 juta. Perusahaan mengikatkan diri dengan Fitzroy dalam bentuk opsi untuk menjual aset berupa 806.595.000 saham PT Bumi Resources Tbk ("Saham BUMI") yang dimiliki oleh Perusahaan sehingga apabila kondisi yang disyaratkan dalam perjanjian telah terpenuhi maka Perusahaan dapat memperoleh kembali sejumlah nilai investasi awal ditambah keuntungan hasil investasi dan Perusahaan wajib menyerahkan Saham BUMI kepada Fitzroy.

Pada tanggal 20 Desember 2019, Perusahaan menandatangani Perjanjian Investasi dengan Sherwin Investment Ltd (Sherwin), perusahaan yang didirikan di Kepulauan Marshall yang tidak terafiliasi dengan Perusahaan, dengan nilai investasi sebesar USD3,6 juta. Perusahaan dan Sherwin menyetujui opsi investasi yang mengharuskan Sherwin menyerahkan, mentransfer, dan/atau menyediakan 10% bagian saham PT Petromine Energy Trading pada atau sebelum tanggal jatuh tempo (16 Desember 2029).

Pada tanggal 31 Desember 2019, nilai buku neto aset keuangan yang diukur pada nilai wajar melalui laba rugi masing-masing sebesar Rp5,0 miliar dan USD552,7 juta (setara dengan Rp7,7 triliun).

Pada tanggal 31 Desember 2018, nilai buku neto aset keuangan yang diukur pada nilai wajar melalui laba rugi masing-masing sebesar Rp5,0 miliar dan USD478,9 juta (setara dengan Rp6,9 triliun).

**Pinjaman dan piutang**

Deposito berjangka merupakan penempatan dana dengan jangka waktu empat (4) sampai dengan enam (6) bulan dan memperoleh suku bunga tahunan berkisar antara 5,5% sampai dengan 6,25%.

Manajemen berkeyakinan bahwa tidak terdapat kejadian-kejadian atau perubahan-perubahan keadaan yang mengindikasikan adanya penurunan nilai investasi jangka pendek pada tanggal 31 Desember 2019.

**Efek Tersedia untuk Dijual**

Kepemilikan saham Perusahaan atas pihak berelasi adalah sebagai berikut:

<b>Jumlah saham (dalam ribuan)</b>	<b>2019</b>	<b>2018</b>	<b>Number of shares (in thousands)</b>
UNSP	37.286	37.286	UNSP
ELTY	71.943	71.943	ELTY
BTEL	43.043	43.043	BTEL
DEWA	24.800	24.800	DEWA
ENRG	13	13	ENRG

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**6. SHORT-TERM INVESTMENTS (Continued)**

On May 23, 2018, the Company entered into an Mutual Investment Agreement with Fitzroy Offshore Ltd (Fitzroy), company incorporated in Marshall Islands that is not affiliated with the Company, with the value of USD416 million. The Company binded itself with Fitzroy in the form of an option to sell an asset, which is 806,595,000 shares of PT Bumi Resources Tbk ("BUMI Shares") owned by the Company until all conditions will be fulfilled under the agreement, the Company has the rights to receive the same amount of initial investment and in return, the Company has to transfer BUMI Shares to Fitzroy.

On December 20, 2019, the Company entered into an Investment Agreement with Sherwin Investment Ltd (Sherwin), company incorporated in Marshall Islands that is not affiliated with the Company, with the value of USD3.6 million. The Company and Sherwin agreed to an investment option which requires Sherwin to deliver, transfer, and/or make available 10% share in PT Petromine Energy Trading on or before maturity date (December 16, 2029).

As of December 31, 2019, the net book value of financial assets at fair value through profit or loss amounted to Rp5.0 billion and USD552.7 million (equivalent to Rp7.7 trillion).

As of December 31, 2018, the net book value of financial assets at fair value through profit or loss amounted to Rp5.0 billion and USD478.9 million (equivalent to Rp6.9 trillion), respectively.

**Loan and receivables**

Time deposits represented placements with terms of four (4) to six (6) months and earned interest at annual rates ranging from 5.5% to 6.25%.

The management believed that there were no events or changes in circumstances that indicated any impairment in the value of short-term investments as of December 31, 2019.

**Available-for-Sale Securities**

The Company's share ownership in related parties were as follows:

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**6. INVESTASI JANGKA PENDEK (Lanjutan)**

Keuntungan yang belum terealisasi atas perubahan nilai investasi jangka pendek yang disajikan sebagai bagian dari ekuitas pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp1,9 miliar dan Rp2,1 miliar.

Rincian investasi jangka pendek berdasarkan mata uang adalah sebagai berikut:

<b>Mata uang</b>	<b>2019</b>	<b>2018</b>	<b>Currencies</b>
Dolar AS	7.682.573	6.935.147	US Dollar
Rupiah	17.956	18.180	Rupiah
<b>Total</b>	<b>7.700.529</b>	<b>6.953.327</b>	<b>Total</b>

**6. SHORT-TERM INVESTMENTS (Continued)**

Unrealized gain for changes in the value of short-term investments presented as part of equity as of December 31, 2019 and 2018 amounted to Rp1.9 billion and Rp2.1 billion, respectively.

Details of short-term investments based on currencies were as follows:

**7. PIUTANG USAHA**

**a. Aset lancar**

	<b>2019</b>	<b>2018</b>
<b>Pendapatan sudah ditagih</b>		
<b>Pihak ketiga</b>		
PT Perusahaan Listrik		
Negara (Persero)	88.891	32.945
BUT Saka Indonesia Pangkah	43.690	-
Jatirim Binau Lines Banten	33.761	-
PT Meindo Elang Indah	24.575	-
PT Mitsubishi Motor		
Kramayudha Indonesia	22.704	29.264
PT Krama Yudha Tiga Berlian	19.981	9.594
PT Hino Motors Manufacturing		
Indonesia	17.071	15.307
Lihir Gold Ltd.	16.908	10.223
PT Waskita Karya Tbk	15.354	76.022
PT Wira Cipta Perkasa	14.705	-
PT Alisan Catur Perkasa	11.935	13.215
Premier Oil Natuna B.V.	11.579	14.827
PT Intisumber Bajasakti	10.448	-
Husky CNOOC Madura Ltd	4.074	107.403
PT Pertamina EP	3.272	41.337
PT Waskita Karya Tbk - Acset KSO	1.069	11.449
PT Punj Lloyd Indonesia	414	12.138
PT Pertamina (Persero) Tbk	-	98.836
John Holland Pte. Ltd.	-	17.856
Lain-lain (dibawah Rp10 miliar)	230.872	212.259
<b>Subtotal</b>	<b>571.303</b>	<b>702.675</b>
Pihak berelasi (Catatan 39b)	14.282	17.921
<b>Total pendapatan sudah ditagih</b>	<b>585.585</b>	<b>720.596</b>

**7. TRADE RECEIVABLES**

**a. Current assets**

<b>Billed revenues</b>	
<b>Third parties</b>	
PT Perusahaan Listrik	
Negara (Persero)	
BUT Saka Indonesia Pangkah	
Jatirim Binau Lines Banten	
PT Meindo Elang Indah	
PT Mitsubishi Motor	
Kramayudha Indonesia	
PT Krama Yudha Tiga Berlian	
PT Hino Motors Manufacturing	
Indonesia	
Lihir Gold Ltd.	
PT Waskita Karya Tbk	
PT Wira Cipta Perkasa	
PT Alisan Catur Perkasa	
Premier Oil Natuna B.V.	
PT Intisumber Bajasakti	
Husky CNOOC Madura Ltd	
PT Pertamina EP	
PT Waskita Karya Tbk - Acset KSO	
PT Punj Lloyd Indonesia	
PT Pertamina (Persero) Tbk	
John Holland Pte. Ltd.	
Others (below Rp10 billion)	
<b>Subtotal</b>	
<b>Related parties (Note 39b)</b>	
<b>Total billed revenues</b>	

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**7. PIUTANG USAHA (Lanjutan)**

	<b>2019</b>	<b>2018</b>
<b>Pendapatan belum ditagih</b>		
Pihak ketiga	131.263	209.006
<b>Total</b>	<b>716.848</b>	<b>929.602</b>
Dikurangi penyisihan kerugian atas penurunan nilai	(122.456)	(121.341)
<b>Neto</b>	<b>594.392</b>	<b>808.261</b>

Mutasi penyisihan kerugian atas penurunan nilai  
piutang usaha adalah sebagai berikut:

	<b>2019</b>	<b>2018</b>
Saldo awal tahun	121.341	101.931
Perubahan selama tahun berjalan:		
Penyisihan kerugian penurunan nilai	5.123	1.825
Pemulihan penyisihan	(3.862)	(428)
Selisih kurs	(146)	4.363
Akuisisi entitas anak baru	-	13.650
<b>Saldo Akhir Tahun</b>	<b>122.456</b>	<b>121.341</b>

**b. Aset tidak lancar**

	<b>2019</b>	<b>2018</b>
<b>Pihak ketiga</b>		
Piper Price & Company Limited	481.264	481.264
Diskonto yang belum diamortisasi	(13.511)	(38.741)
<b>Neto</b>	<b>467.753</b>	<b>442.523</b>
Dikurangi bagian lancar	(467.753)	-
<b>Bagian tidak lancar</b>	<b>-</b>	<b>442.523</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 dibayarkan pada tanggal 30 Juni 2011, dengan opsi perpanjangan. Berdasarkan perjanjian antara Perusahaan dan PPC, tanggal pembayaran telah diubah beberapa kali, terakhir pada tanggal 30 September 2020.

**7. TRADE RECEIVABLES (Continued)**

**Unbilled revenues**  
**Third parties**  
  
**Total**  
**Less allowance for**  
**impairment losses**  
  
**Net**

The movements in the allowance for impairment  
losses on trade receivables were as follows:

**Balance at beginning of year**  
**Changes during the year:**  
**Provision for impairment losses**  
**Reversal of provision**  
**Foreign exchange translation**  
**Acquisition of new subsidiary**  
  
**Balance at End of Year**

**b. Non-current assets**

**Third party**  
**Piper Price & Company Limited**  
**Unamortized discount**  
  
**Net**  
  
**Less current portion**  
  
**Non-current portion**

**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, to be paid on June 30, 2011 and subject to extension. Based on agreement between the Company and PPC, payment date has been amended several times, the latest on September 30, 2020.



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**7. PIUTANG USAHA (Lanjutan)**

Rincian umur piutang usaha adalah sebagai berikut:

	2019	2018
Belum jatuh tempo		
sampai dengan 1 bulan	450.518	558.763
1 bulan - 3 bulan	112.883	284.704
3 bulan - 6 bulan	159.576	262.846
6 bulan - 1 tahun	71.602	64.482
Lebih dari 1 tahun	390.022	201.330
<b>Total</b>	<b>1.184.601</b>	<b>1.372.125</b>
Dikurangi penyisihan kerugian atas penurunan nilai	(122.456)	(121.341)
<b>Neto</b>	<b>1.062.145</b>	<b>1.250.784</b>

Rincian piutang usaha berdasarkan mata uang adalah sebagai berikut:

Mata uang	2019	2018	Currencies
Rupiah	975.060	1.127.642	Rupiah
Dolar AS	87.085	123.142	US Dollar
<b>Total</b>	<b>1.062.145</b>	<b>1.250.784</b>	<b>Total</b>

Manajemen berkeyakinan bahwa penyisihan kerugian atas penurunan nilai piutang usaha adalah cukup untuk menutup penurunan nilai kerugian atas tidak tertagihnya piutang usaha.

**7. TRADE RECEIVABLES (Continued)**

Details of aging schedule of trade receivables were as follows:

Not yet past due until  
up to 1 month  
1 month - 3 months  
3 months - 6 months  
6 months - 1 year  
Over 1 year

Total  
Less allowance for  
impairment losses

**Net**

Details of trade receivables based on currencies were as follows:

The management believed that allowance for impairment losses on trade receivables was adequate to cover any impairment losses on uncollectible trade receivables.

Pada tanggal 31 Desember 2019 dan 2018, beberapa Entitas Anak menggunakan piutang usaha sebagai jaminan atas pinjaman jangka pendek dan jangka panjang (Catatan 18 dan 23).

As of December 31, 2019 and 2018, several Subsidiaries used trade receivables, as collateral for short-term and long-term loans (Notes 18 and 23).

**8. PIUTANG LAIN-LAIN**

**a. Aset lancar**

	2019	2018
<b>Pihak ketiga</b>		
PT Pilar Agra Unggul	871.312	701.671
PT Southeast Asia Capital Investment	240.000	240.000
CV Inti Mandiri Sadaya	196.457	196.457
TJA Power Corporation (Asia) Ltd.	186.483	194.264
PT Suplindo Sejahtera	14.345	14.345
Lain-lain (dibawah Rp10 miliar)	18.644	17.024
<b>Total</b>	<b>1.527.241</b>	<b>1.363.761</b>
Dikurangi penyisihan kerugian atas penurunan nilai	(165.732)	(78.835)
<b>Neto</b>	<b>1.361.509</b>	<b>1.284.926</b>

**8. OTHER RECEIVABLES**

**a. Current assets**

**Third parties**  
PT Pilar Agra Unggul  
PT Southeast Asia Capital Investment  
CV Inti Mandiri Sadaya  
TJA Power Corporation (Asia) Ltd.  
PT Suplindo Sejahtera  
Others (below Rp10 billion)

Total  
Less allowance for  
impairment losses

**Net**

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**8. PIUTANG LAIN-LAIN (Lanjutan)**

Mutasi penyisihan kerugian atas penurunan nilai piutang lain-lain adalah sebagai berikut:

	2019	2018
Saldo awal	78.835	72.675
Perubahan selama tahun berjalan:		
Penyisihan penurunan nilai	89.604	6.463
Selisih kurs	(2.707)	(303)
<b>Saldo Akhir</b>	<b>165.732</b>	<b>78.835</b>

**PT Pilar Agra Unggul (PAU)**

Pada tanggal 23 Februari 2018, PT Bakrie Building Industries (BBI), entitas anak, menandatangani Akta Jual Beli No. 27/2018 dibuat dihadapan Nurhasanah, S.H., M.Kn, dengan PAU untuk penjualan tanah Hak Guna Bangunan (HGB) yang dimiliki BBI seluas 135.495 m2 yang berlokasi di Kalideres, Jakarta Barat, dengan total harga jual sebesar Rp880,7 miliar.

**PT Southeast Asia Capital Investment (SECI)**

Pada tanggal 15 November 2015, PT Bakrie Pipe Industries (BPI), entitas anak, mengadakan perjanjian dengan SECI untuk memberikan pinjaman kepada SECI sebesar Rp240 miliar untuk tujuan operasional SECI. Pinjaman ini dijamin dengan saham PT Diva Perdana Pesona, Perusahaan yang didirikan berdasarkan hukum negara Republik Indonesia yang berkedudukan di Jakarta Selatan dan dimiliki oleh PT North Auto Mega dan PT Gemilang Indo Raya. Pinjaman akan jatuh tempo pada tanggal 15 November 2020.

**TJA Power Corporation (Asia) Ltd. (TJA)**

Pada tanggal 28 Maret 2012, PT Bakrie Power (BP), entitas anak, memberikan fasilitas pinjaman kepada TJA sebesar USD5 juta yang dikenakan bunga sebesar LIBOR ditambah 6% per tahun dan telah jatuh tempo pada tanggal 29 Maret 2014.

Pada tanggal 27 Desember 2013, perjanjian atas pemberian fasilitas pinjaman kepada TJA telah diubah sebagai berikut:

- perpanjangan periode utang untuk dua tahun dan jatuh tempo pada tanggal 28 Maret 2016; dan
- bunga pinjaman menjadi 5,5% pada tahun kedua, 6,0% pada tahun ketiga dan 6,5% pada tahun keempat.

Pada tanggal 20 Agustus 2015, TJA mengalihkan uang mukanya di PT Tanjung Jati Power Company (TJPC) kepada BP untuk mengurangi saldo fasilitas pinjaman sebesar USD2,8 juta. Kemudian, TJA menjual seluruh kepemilikan di TJPC dan penerimaan sebesar USD1,3 juta digunakan untuk penyelesaian utang ke BP.

Pada tanggal 31 Desember 2019 dan 2018, saldo pinjaman adalah sebesar USD13,4 juta (masing-masing setara dengan Rp186,5 miliar dan Rp194,3 miliar).

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**8. OTHER RECEIVABLES (Continued)**

The movements in the allowance for impairment losses on other receivables were as follows:

	2019	2018	
Saldo awal	78.835	72.675	Beginning balance
Perubahan selama tahun berjalan:			Changes during the year:
Penyisihan penurunan nilai	89.604	6.463	Provision for impairment losses
Selisih kurs	(2.707)	(303)	Foreign exchange translation
<b>Saldo Akhir</b>	<b>165.732</b>	<b>78.835</b>	<b>Ending Balance</b>

**PT Pilar Agra Unggul (PAU)**

On February 23, 2018, PT Bakrie Building Industries (BBI), subsidiary, entered into a sale and purchase decree based on Notarial Decree No 27/2018 of Nurhasanah, SH., M.Kn., between with PAU for the sale of BBI's building usage rights (HGB) covering total land area of 135,495 m2 located at Kalideres, Jakarta Barat, with total selling price of Rp880.7 billion.

**PT Southeast Asia Capital Investment (SECI)**

On November 15, 2015, PT Bakrie Pipe Industries (BPI), a subsidiary, entered into an agreement with SECI to grant loan to SECI amounting to Rp240 billion for SECI's operational purposes. The loan was secured by shares of PT Diva Perdana Pesona, a Company established under the law of the Republic of Indonesia domiciled in South Jakarta and owned by PT North Auto Mega and PT Gemilang Indo Raya. The loan matured on November 15, 2020.

**TJA Power Corporation (Asia) Ltd. (TJA)**

On March 28, 2012, PT Bakrie Power (BP), subsidiary, provided a loan facility to TJA amounting to USD5 million that bears annual interest of LIBOR plus 6% and was due on March 29, 2014.

On December 27, 2013, the loan facility agreement to TJA was amended as follows:

- extension of the loan period for another two years and was due on March 28, 2016; and
- annual interest on the loan shall be 5.5% for the second year, 6.0% for the third year and 6.5% for the fourth year.

On August 20, 2015, TJA assigned to BP TJA's advances in PT Tanjung Jati Power Company (TJPC) which reduced the outstanding balance of the loan facility by USD2.8 million. Furthermore, TJA sold all of its shares in TJPC and the proceeds amounting to USD1.3 million was applied to the loan payable to BP.

As of December 31, 2019 and 2018, outstanding balance of the loan facility amounted to USD13.4 million (equivalent to Rp186.5 billion and Rp194.3 billion, respectively).

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**8. PIUTANG LAIN-LAIN (Lanjutan)**

**CV Inti Mandiri Sadaya (IMS)**

Pada tanggal 28 Oktober 2016, Perusahaan mengakui hak tagih dari IMS sehubungan dengan layanan teknis yang disediakan oleh BP kepada IMS.

Rincian piutang lain-lain berdasarkan mata uang adalah sebagai berikut:

<b>Mata uang</b>	<b>2019</b>	<b>2018</b>	<b>Currencies</b>
Rupiah	1.239.346	1.157.668	Rupiah
Dolar AS	122.163	127.258	US Dollar
<b>Total</b>	<b>1.361.509</b>	<b>1.284.926</b>	<b>Total</b>

Manajemen berkeyakinan bahwa penyisihan kerugian atas penurunan nilai piutang lain-lain adalah cukup untuk menutup kemungkinan kerugian atas tidak tertagihnya piutang lain-lain.

**8. OTHER RECEIVABLES (Continued)**

**CV Inti Mandiri Sadaya (IMS)**

On October 28, 2016, the Company recognized receivables from IMS in relation to technical services provided by BP to IMS.

Details of other receivables based on currencies were as follows:

**9. TAGIHAN (UTANG) BRUTO KEPADA PELANGGAN**

**a. Tagihan bruto kepada pelanggan**

	<b>2019</b>	<b>2018</b>	
Akumulasi biaya sampai dengan tanggal pelaporan	-	561.511	Accumulated costs up to reporting date
Estimasi laba (rugi)	-	(235.973)	Estimated earnings (losses)
<b>Total</b>	<b>-</b>	<b>325.538</b>	<b>Total</b>
Tagihan sampai dengan tanggal pelaporan	-	(274.472)	Progress billings up to reporting date
<b>Neto</b>	<b>-</b>	<b>51.066</b>	<b>Net</b>

**b. Utang bruto kepada pelanggan**

	<b>2019</b>	<b>2018</b>	
Akumulasi biaya sampai dengan tanggal pelaporan	-	60.384	Accumulated costs up to reporting date
Estimasi rugi	-	(42.986)	Estimated losses
<b>Total</b>	<b>-</b>	<b>17.398</b>	<b>Total</b>
Tagihan sampai dengan tanggal pelaporan	-	(25.933)	Progress billings up to reporting date
<b>Neto</b>	<b>-</b>	<b>(8.535)</b>	<b>Net</b>

**9. GROSS AMOUNTS DUE FROM (TO) CUSTOMERS**

**a. Gross amounts due from customers**

**b. Gross amounts due to customers**

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**9. TAGIHAN (UTANG) BRUTO KEPADA PELANGGAN  
(Lanjutan)**

Kontrak perjanjian konstruksi BCons yang signifikan adalah sebagai berikut:

1. Kontrak konstruksi dengan Husky-CNOOC Madura Limited – *Engineering, Procurement, Construction and Installation (EPCI)* untuk Pengembangan Bidang MDA dan MBH dimulai pada bulan November 2015 untuk jangka waktu dua puluh enam (26) bulan. Pada tanggal 31 Desember 2018, total nilai kontrak asli dan variasi sebesar USD41,4 juta, tidak termasuk PPN, dan total biaya yang dikeluarkan sebesar USD38,4 juta. Pada tanggal 31 Desember 2019, proyek ini telah selesai.

1. Kontrak konstruksi dengan Black & Veatch untuk Proyek Pembangkit Listrik Tenaga Uap Batu Bara Lontar, Baja Struktural dan Logam Lain-lain dimulai pada tanggal 15 Desember 2016 untuk jangka waktu dua belas (12) bulan. Pada tanggal 31 Desember 2019, total nilai kontrak asli dan variasi pesanan adalah sebesar USD10,0 juta, tidak termasuk PPN, dan total biaya yang dikeluarkan sebesar USD4,2 juta. Pada tanggal 31 Desember 2019, proyek ini telah selesai.

Jaminan yang diberikan atas proyek ini adalah dalam bentuk bank garansi, *performance bond*, jaminan pemeliharaan (*warranty bond*) (Catatan 17).

**9. GROSS AMOUNTS DUE FROM (TO) CUSTOMERS  
(Continued)**

Significant construction contract agreements of BCons were as follows:

1. Construction contract with Husky-CNOOC Madura Limited - *Engineering, Procurement, Construction and Installation (EPCI)* for the MDA and MBH Fields Development commenced in November 2015 for a period of twenty six (26) months. As of December 31, 2018, the total original contract and variation amounted to USD41.4 million, excluding VAT, and total costs incurred amounted to USD38.4 million. As of December 31, 2019, the project was complete.

2. Construction contract with Black & Veatch for the Lontar Extension Coal Fired Steam Power Plant Project, Structural Steel and Miscellaneous Metals commenced on December 15, 2016 for a period of twelve (12) months. As of December 31, 2019, the total original contract price and variation orders amounted to USD10.2 million, excluding VAT, and total costs incurred amounted to USD4.2 million. As of December 31, 2019, the project was complete.

Collateral given for several projects were in the form of bank guarantee, *performance bond* and *warranty bond* (Note 17).

**10. PERSEDIAAN**

	2019	2018
Barang jadi	464.526	497.046
Bahan baku	113.263	148.104
Bahan pembantu dan suku cadang	74.449	73.841
Barang dalam proses	60.052	120.125
Lain-lain (dibawah Rp1 miliar)	12.481	6.855
Total	724.771	845.971
Dikurangi penyisihan persediaan usang	(19.446)	(20.015)
<b>Neto</b>	<b>705.325</b>	<b>825.956</b>

Mutasi penyisihan persediaan usang adalah sebagai berikut:

	2019	2018
Saldo awal	20.015	21.680
Perubahan selama tahun berjalan		
Pemulihan penyisihan	(476)	(7.237)
Selisih kurs	(93)	149
Penyisihan penurunan nilai	-	5.423
<b>Saldo Akhir</b>	<b>19.446</b>	<b>20.015</b>

**10. INVENTORIES**

Finished goods  
Raw materials  
Indirect materials and spare-parts  
Work-in-process  
Others (below Rp1 billion)

Total  
Less allowance for inventory obsolescence

**Net**

Movements in the allowance for inventory obsolescence were as follows:

Beginning balance  
Changes during the year  
Reversal of allowance  
Translation adjustments  
Provision for inventory obsolescence  
Ending Balance

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**10. PERSEDIAAN (Lanjutan)**

Berdasarkan hasil penelaahan atas kondisi persediaan, manajemen berkeyakinan bahwa penyisihan persediaan usang cukup untuk menutup kemungkinan kerugian atas penurunan nilai persediaan.

Manajemen mengasuransikan persediaan terhadap risiko kebakaran dan risiko lainnya melalui suatu paket polis. Jumlah nilai pertanggungan asuransi persediaan adalah masing-masing sebesar Rp157,0 miliar and Rp212,0 miliar pada tanggal 31 Desember 2019 dan 2018. Nilai pertanggungan asuransi atas persediaan milik BA, BUMM, BMC, BMI, BPI, SEAPI dan BBI ditanggung melalui suatu paket polis gabungan dengan asuransi aset tetap (Catatan 15). Manajemen berkeyakinan bahwa nilai pertanggungan tersebut cukup untuk menutup kemungkinan kerugian dari risiko kebakaran dan risiko tertentu lainnya atas persediaan yang dipertanggungan.

Pada tanggal 31 Desember 2019 dan 2018, persediaan bahan baku dan barang jadi masing-masing sebesar Rp533,5 miliar dan Rp614,4 miliar digunakan sebagai jaminan atas pinjaman jangka pendek dan jangka panjang (Catatan 18 dan 23).

**11. BEBAN DIBAYAR DIMUKA**

	2019	2018
Asuransi	1.924	676
Sewa	1.021	531
Lain-lain (dibawah Rp1 miliar)	998	1.896
<b>Total</b>	<b>3.943</b>	<b>3.103</b>

**12. ASET LANCAR LAINNYA**

	2019	2018
Uang muka		
Pembelian	102.722	95.747
Proyek	20.441	7.664
Operasional	12.922	11.751
Investasi	-	51.700
Lain-lain (dibawah Rp10 miliar)	14.261	11.251
Kas di bank yang dibatasi penggunaannya	13.409	14.114
<b>Total</b>	<b>163.755</b>	<b>192.227</b>

Uang muka pembelian merupakan uang muka yang berkaitan dengan pembelian bahan baku.

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**10. INVENTORIES (Continued)**

Based on review of the condition of inventories, the management believed that the allowance for inventory obsolescence was adequate to cover possible losses due to the decline in the value of inventories.

The management insured inventories against losses from fire and other risks under blanket policies. Total sum insured for inventories amounted to Rp157.0 billion and Rp212.0 billion as of December 31, 2019 and 2018, respectively. The insurance coverage for inventories of BA, BUMM, BMC, BMI, BPI, SEAPI and BBI are included in the blanket policies of insurance with fixed assets (Note 15). The management believed that the total sum insured was adequate to cover possible losses from fire and certain other risks of the inventories insured.

As of December 31, 2019 and 2018, raw materials and finished goods totaling Rp533.5 billion and Rp614.4 billion, respectively, were pledged as collateral for short-term and long-term loans (Notes 18 and 23).

**11. PREPAID EXPENSES**

Insurance  
Rent  
Others (below Rp1 billion)  
**Total**

**12. OTHER CURRENT ASSETS**

Advances  
Purchases  
Projects  
Operational  
Investments  
Others (below Rp10 billion)

Restricted cash in banks

**Total**

Advances for purchases consisted of advances for the purchases of raw materials.



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### 13. INVESTMENTS IN ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

Carrying amounts and changes of investment in associates and jointly controlled entities were as follows:

		2019				
	Jumlah Tercatat Awal Tahun/ Carrying Amounts at the Beginning of the Year	Bagian atas Laba Rugi Neto/ Share in Net Profit	Bagian atas Rugi Komprehensif Lain/ Share in Other Comprehensive Loss	Pengaruh Entitas Sepengendali/ Effect of Transactions with Entities under Common Control	Jumlah Tercatat Akhir Tahun/ Carrying Amounts at the End of the Year	
<b>Asosiasi</b>						<b>Associates</b>
Bakrie Petroleum International Pte Ltd	379.948	758.870	(29.804)	(1.109.014)	-	Bakrie Petroleum International Pte Ltd
PT Bakrie Investa Eco Industri	10.000	-	-	-	10.000	PT Bakrie Investa Eco Industri
<b>Total</b>	<b>389.948</b>	<b>758.870</b>	<b>(29.804)</b>	<b>(1.109.014)</b>	<b>10.000</b>	<b>Total</b>
		2018				
	Jumlah Tercatat Awal Tahun/ Carrying Amounts at the Beginning of the Year	Bagian atas Laba Rugi Neto/ Share in Net Profit (Loss)	Bagian atas Penghasilan Komprehensif Lain/ Share in Other Comprehensive Income	Reklasifikasi/ Reclassification	Jumlah Tercatat Akhir Tahun/ Carrying Amounts at the End of the Year	
<b>Asosiasi</b>						<b>Associates</b>
Bakrie Petroleum International Pte Ltd	189.801	173.247	16.900	-	379.948	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 Pk	-	-	-	-	-	PT Kalimantan Prima Pk
PT Guruh Agung	-	-	-	-	-	PT Guruh Agung
PT Citra Prima Buana	111	(34)	85	(162)	-	PT Citra Prima Buana
<b>Total</b>	<b>201.187</b>	<b>173.213</b>	<b>16.985</b>	<b>(1.437)</b>	<b>389.948</b>	<b>Total</b>

Financial information of associates and joint control entities were as follows:

	2019				
	<u>Aset/ Assets</u>	<u>Liabilitas/ Liabilities</u>	<u>Pendapatan/ Revenue</u>	<u>Laba (rugi)/ Profit (loss)</u>	
<b><u>Asosiasi</u></b>					<b><u>Associate</u></b>
Bakrie Petroleum International Pte. Ltd.	1.739.954	2.781.610	-	1.850.902	Bakrie Petroleum International Pte. Ltd.
<b><u>Entitas Pengendalian Bersama</u></b>					<b><u>Jointly Controlled Entities</u></b>
PT Kalimantan Prima Power	2.480.675	1.103.312	254.836	48.302	PT Kalimantan Prima Power
PT Guruh Agung	21.528	-	-	(15)	PT Guruh Agung
PT Citra Prima Buana	3.154	-	-	(7)	PT Citra Prima Buana

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**13. INVESTASI PADA ENTITAS ASOSIASI DAN ENTITAS  
PENGENDALIAN BERSAMA (Lanjutan)**

**13. INVESTMENTS IN ASSOCIATES AND JOINTLY  
CONTROLLED ENTITIES (Continued)**

2018					
	<u>Aset/ Assets</u>	<u>Liabilitas/ Liabilities</u>	<u>Pendapatan/ Revenue</u>	<u>Laba (rugi)/ Profit (loss)</u>	
<b>Asosiasi</b>					<b>Associate</b>
Bakrie Petroleum International Pte. Ltd.	2.610.520	997.376	-	423.890	Bakrie Petroleum International Pte. Ltd.
<b>Entitas Pengendalian Bersama</b>					<b>Jointly Controlled Entities</b>
PT Kalimantan Prima Power	2.789.413	1.421.354	287.866	(53.915)	PT Kalimantan Prima Power
PT Guruh Agung	22.442	-	-	(12)	PT Guruh Agung
PT Citra Prima Buana	3.293	-	-	(8)	PT Citra Prima Buana

Pada tanggal 31 Desember 2018, jumlah tercatat investasi pada entitas pengendalian bersama sebesar Rp162 juta direklasifikasi kepada aset tidak lancar yang diklasifikasikan sebagai kelompok lepasan dimiliki untuk dijual (Catatan 49).

As of December 31, 2018, investment in jointly controlled entities (PT Kalimantan Prima Power, PT Guruh Agung and PT Citra Prima Buana) amounting to Rp162 million was reclassified to disposal group classified as held for sale (Note 49).

**14. INVESTASI JANGKA PANJANG LAINNYA**

**14. OTHER LONG-TERM INVESTMENTS**

**a. Penyertaan saham**

**a. Investments in shares of stocks**

2019 dan/and 2018			
<b>Penyertaan Saham</b>	<b>Persentase Kepemilikan/ Percentage of Ownership (%)</b>	<b>Jumlah/ Amount</b>	<b>Investment in Shares of Stock</b>
PT Seamless Pipe Indonesia Jaya	4.80	128.908	PT Seamless Pipe Indonesia Jaya
PT Kalimantan Jawa Gas	20.00	110.045	PT Kalimantan Jawa Gas
PT Sokoria Geothermal Indonesia	3.00	10.342	PT Sokoria Geothermal Indonesia
PT Cimanggis Cibitung Tollways	10.00	9.343	PT Cimanggis Cibitung Tollways
PT Tanjung Jati Power Company	20.00	1.714	PT Tanjung Jati Power Company
PT Petro Storindo Energi	0.45	1.275	PT Petro Storindo Energi
PT Sarana Lampung Ventura	3.07	585	PT Sarana Lampung Ventura
PT Global Komunikasi Dewata	35.00	525	PT Global Komunikasi Dewata
PT Sarana Papua Ventura	5.63	330	PT Sarana Papua Ventura
<b>Total</b>		<b>263.067</b>	<b>Total</b>

**b. Mutasi investasi jangka panjang lainnya**

**b. Changes in other long-term investments**

	<b>2019</b>	<b>2018</b>	
Jumlah tercatat awal tahun	263.067	251.825	Carrying amounts at beginning of year
Penambahan	-	9.442	Additions
Reklasifikasi	-	1.275	Reclassification
Akuisisi entitas anak baru	-	525	Acquisition of new subsidiary
<b>Jumlah Tercatat Akhir Tahun</b>	<b>263.067</b>	<b>263.067</b>	<b>Carrying Amounts at End of Year</b>

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**14. INVESTASI JANGKA PANJANG LAINNYA (Lanjutan)**

Kelompok Usaha melakukan investasi penyertaan saham pada perusahaan lain yang sahamnya tidak diperdagangkan di bursa dengan tujuan untuk memperoleh hasil dari potensi pertumbuhan jangka panjang dari perusahaan-perusahaan tersebut.

Pada tanggal 31 Desember 2019 dan 2018, manajemen berkeyakinan bahwa tidak terdapat penurunan nilai atas investasi jangka panjang lainnya.

**14. OTHER LONG-TERM INVESTMENTS (Continued)**

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.

As of December 31, 2019 and 2018, the management believed that there was no impairment in value of other long-term investments.

**15. ASET TETAP**

**15. FIXED ASSETS**

	Saldo 1 Januari/ Balance as of January 1, 2019	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	Selisih Kurs Penjabaran/ Translation Adjustment	Akuisisi Entitas Anak Baru Acquisition of New Subsidiary	Saldo 31 Desember/ Balance as of December 31, 2019	
<b>Biaya Perolehan</b>								<b>Acquisition Costs</b>
<u>Pemilikan langsung</u>								<u>Direct ownership</u>
Tanah	426.573	2.798	(65.748)	-	(662)	-	362.961	Land
Hak atas tanah	44.439	-	-	-	-	-	44.439	Landrights
Prasarana tanah	40.627	187	-	-	-	-	40.814	Land improvements
Bangunan dan prasarana	585.588	5.569	(17.084)	548	(3.721)	-	570.900	Buildings and improvements
Mesin dan peralatan	2.632.425	56.703	(4.841)	(164.726)	(5.211)	-	2.514.350	Machinery and equipment
Alat telekomunikasi	118.581	338	-	941	-	-	119.860	Telecommunication equipment
Alat pengangkutan	53.269	3.551	(1.554)	(180)	303	-	55.389	Transportation equipment
Perabotan dan peralatan kantor	190.520	3.853	(572)	-	(4.765)	-	189.036	Office equipment furniture and fixtures
Subtotal	4.092.022	72.999	(89.799)	(163.417)	(14.056)	-	3.897.749	Subtotal
<u>Pemilikan tidak langsung</u>								<u>Indirect ownership</u>
<u>Aset sewaan</u>								<u>Leased assets</u>
Mesin dan peralatan	295	-	-	(295)	-	-	-	Machinery and equipment
Alat telekomunikasi	6.013	-	(1.174)	-	-	-	4.839	Telecommunication equipment
Subtotal	6.308	-	(1.174)	(295)	-	-	4.839	Subtotal
<u>Aset dalam Pengerjaan</u>								<u>Assets under Construction</u>
Bangunan dan prasarana	1.497	14.532	(248)	(28)	-	-	15.753	Buildings and improvements
Mesin dan peralatan	15.130	36.144	-	(2.934)	-	-	48.340	Machinery and equipment
Alat telekomunikasi	788	212	-	(941)	-	-	59	Telecommunication equipment
Subtotal	17.415	50.888	(248)	(3.903)	-	-	64.152	Subtotal
<b>Total Biaya Perolehan</b>	<b>4.115.745</b>	<b>123.887</b>	<b>(91.221)</b>	<b>(167.615)</b>	<b>(14.056)</b>	<b>-</b>	<b>3.966.740</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	26.665	-	-	-	-	-	26.665	Landrights
Prasarana tanah	27.886	1.966	-	(8)	-	-	29.844	Land improvements
Bangunan dan prasarana	347.663	16.874	(3.678)	(379)	(3.163)	-	357.317	Buildings and improvements
Mesin dan peralatan	1.038.533	158.605	(2.628)	(84.583)	(4.995)	-	1.104.932	Machinery and equipment
Alat telekomunikasi	90.992	7.180	-	179	-	-	98.351	Telecommunication equipment
Alat pengangkutan	41.282	3.747	(845)	554	(967)	-	43.771	Transportation equipment
Perabotan dan peralatan kantor	170.797	9.218	(363)	-	(2.338)	-	177.314	Office equipment furniture and fixtures
Subtotal	1.743.818	197.590	(7.514)	(84.237)	(11.463)	-	1.838.194	Subtotal
<u>Pemilikan tidak langsung</u>								<u>Indirect ownership</u>
<u>Aset sewaan</u>								<u>Leased assets</u>
Alat telekomunikasi	3.193	516	(465)	(260)	-	-	2.984	Telecommunication equipment
<b>Total Akumulasi Penyusutan</b>	<b>1.747.011</b>	<b>198.106</b>	<b>(7.979)</b>	<b>(84.497)</b>	<b>(11.463)</b>	<b>-</b>	<b>1.841.178</b>	<b>Total Accumulated Depreciation</b>
<b>Penyisihan kerugian penurunan nilai</b>								<b>Allowance for impairment loss</b>
Mesin dan peralatan	40.285	-	-	(23.118)	-	-	17.167	Machinery and equipment
<b>Jumlah Tercatat</b>	<b>2.328.449</b>						<b>2.108.395</b>	<b>Carrying Amounts</b>

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**15. ASET TETAP (Lanjutan)**

**15. FIXED ASSETS (Continued)**

	Saldo 1 Januari/ Balance as of January 1, 2018	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	Selisih Kurs Penjabaran/ Translation Adjustment	Akuisisi Entitas Anak Baru Acquisition of New Subsidiary	Saldo 31 Desember/ Balance as of December 31, 2018	
<b>Biaya Perolehan</b>								<b>Acquisition Costs</b>
<u>Pemilikan langsung</u>								<u>Direct ownership</u>
Tanah	697.955	-	-	(26.093)	1.066	(246.355)	426.573	Land
Hak atas tanah	664.987	7.748	-	-	-	(628.296)	44.439	Landrights
Prasarana tanah	40.207	420	-	-	-	-	40.627	Land improvements
Bangunan dan prasarana	519.599	6.139	-	26.093	5.986	27.771	585.588	Buildings and improvements
Mesin dan peralatan	2.562.166	61.361	-	516	8.382	-	2.632.425	Machinery and equipment
								Telecommunication
Alat telekomunikasi	-	-	-	-	-	118.581	118.581	equipment
Alat pengangkutan	42.140	4.996	(1.175)	2.357	414	4.537	53.269	Transportation equipment
Perabotan dan peralatan kantoor	163.876	2.439	-	-	3.706	20.499	190.520	Office equipment furniture and fixtures
Subtotal	4.690.930	83.103	(1.175)	2.873	19.554	(703.263)	4.092.022	Subtotal
<u>Pemilikan tidak langsung</u>								<u>Indirect ownership</u>
<u>Aset sewaan</u>								<u>Leased assets</u>
Mesin dan peralatan	-	295	-	-	-	-	295	Machinery and equipment
								Telecommunication
Alat telekomunikasi	8.198	172	-	(2.357)	-	-	6.013	equipment
Subtotal	8.198	467	-	(2.357)	-	-	6.308	Subtotal
<u>Aset dalam Pengerjaan</u>								<u>Assets under Construction</u>
Bangunan dan prasarana	520	835	-	-	142	-	1.497	Buildings and improvements
Mesin dan peralatan	4.878	11.327	-	(516)	(559)	-	15.130	Machinery and equipment
								Telecommunication
Alat telekomunikasi	-	-	-	-	-	788	788	equipment
Subtotal	5.398	12.162	-	(516)	(417)	788	17.415	Subtotal
<b>Total Biaya Perolehan</b>	<b>4.704.526</b>	<b>95.732</b>	<b>(1.175)</b>	<b>-</b>	<b>19.137</b>	<b>(702.475)</b>	<b>4.115.745</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	23.965	-	-	-	-	2.700	26.665	Landrights
Prasarana tanah	12.206	13.790	-	(100)	1.990	-	27.886	Land improvements
Bangunan dan prasarana	324.975	6.902	-	100	4.118	11.568	347.663	Buildings and improvements
Mesin dan peralatan	991.712	43.395	-	(4.444)	7.870	-	1.038.533	Machinery and equipment
								Telecommunication
Alat telekomunikasi	-	-	-	-	-	90.992	90.992	equipment
Alat pengangkutan	34.004	3.866	(1.175)	293	410	3.884	41.282	Transportation equipment
Perabotan dan peralatan kantoor	133.469	10.474	-	4.675	3.619	18.560	170.797	Office equipment furniture and fixtures
Subtotal	1.520.331	78.427	(1.175)	524	18.007	127.704	1.743.818	Subtotal
<u>Pemilikan tidak langsung</u>								<u>Indirect ownership</u>
<u>Aset sewaan</u>								<u>Leased assets</u>
Alat telekomunikasi	2.728	989	-	(524)	-	-	3.193	Telecommunication equipment
<b>Total Akumulasi Penyusutan</b>	<b>1.523.059</b>	<b>79.416</b>	<b>(1.175)</b>	<b>-</b>	<b>18.007</b>	<b>127.704</b>	<b>1.747.011</b>	<b>Total Accumulated Depreciation</b>
<b>Penyisihan kerugian penurunan nilai</b>								<b>Allowance for impairment loss</b>
Mesin dan peralatan	17.167	-	23.118	-	-	-	40.285	Machinery and equipment
<b>Jumlah Tercatat</b>	<b>3.164.300</b>						<b>2.328.449</b>	<b>Carrying Amounts</b>

Alokasi beban penyusutan adalah sebagai berikut:

Allocation of depreciation expense was as follows:

	2019	2018	
Beban pokok pendapatan	178.069	57.708	Cost of revenues
Beban umum dan administrasi (Catatan 34)	20.037	21.708	General and administrative expenses (Note 34)
<b>Total</b>	<b>198.106</b>	<b>79.416</b>	<b>Total</b>

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**15. ASET TETAP (Lanjutan)**

Rincian aset dalam pengerjaan adalah sebagai berikut:

	Persentase Penyelesaian/ Percentage of Completion (%)	Nilai Tercatat/ Carrying Value (Rp)
<b>2019</b>		
Mesin dan peralatan	51-95	48.340
Bangunan dan prasarana	51-95	15.753
Alat telekomunikasi	35	59
<b>Total</b>		<b>64.152</b>
<b>2018</b>		
Mesin dan peralatan	51-95	15.130
Bangunan dan prasarana	51-95	1.497
Alat telekomunikasi	35	788
<b>Total</b>		<b>17.415</b>

Manajemen berkeyakinan bahwa tidak ada hambatan yang dapat mengganggu penyelesaian atas aset-aset tersebut.

Pada tanggal 31 Desember 2019 dan 2018, tidak terdapat aset tetap yang tidak dipakai sementara dan aset tetap yang dihentikan dari penggunaan aktif.

Pada tanggal 31 Desember 2019 dan 2018, jumlah tercatat aset tetap bruto yang telah disusutkan penuh dan masih digunakan masing-masing adalah sebesar Rp913,4 miliar dan Rp707,6 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 Rp1,9 triliun dan USD5 juta pada tanggal 31 Desember 2019 serta Rp2,0 triliun dan USD5,0 juta pada tanggal 31 Desember 2018. Nilai pertanggungan asuransi atas aset tetap BMI, BCONS, BPI, SEAPI, BBI, BA, BUMM, BMC, BIIN dan MKN termasuk nilai pertanggungan asuransi atas persediaan (Catatan 10).

Manajemen berkeyakinan bahwa nilai pertanggungan tersebut telah memadai untuk menutup kemungkinan kerugian atas aset tetap yang dipertanggungkan.

Pada tanggal 31 Desember 2019 dan 2018, tanah, bangunan dan mesin milik BPI dan BA, tanah dan bangunan pabrik milik BBI digunakan sebagai jaminan atas pinjaman jangka pendek dan pinjaman jangka panjang (Catatan 18 dan 23).

**15. FIXED ASSETS (Continued)**

Details of assets under construction were as follows:

	Estimasi Tahun Penyelesaian/ Estimated Year of Completion	
<b>2019</b>		
Machinery and equipment	2020	
Building and improvements	2020	
Telecommunication equipment	2020	
<b>Total</b>		
<b>2018</b>		
Machinery and equipment	2019	
Building and improvements	2019	
Telecommunication equipment	2019	
<b>Total</b>		

The management believed that there were no obstacles that can interfere with the completion of these assets.

As of December 31, 2019 and 2018, there were no temporarily idle fixed assets and fixed assets retired from active use.

As of December 31, 2019 and 2018, the gross carrying amount of fully depreciated fixed assets that were still used amounting to Rp913.4 billion and Rp707.6 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 Rp1.9 trillion and USD5 million as of December 31, 2019 and Rp2.0 trillion and USD5.0 million as of December 31, 2018. The insurance coverage for fixed assets of BMI, BCONS, BPI, SEAPI, BBI, BA, BUMM, BMC, BIIN and MKN includes sum insured for inventories (Note 10).

The management believed that the sum insured was adequate to cover the possible losses from these insured risks.

As of December 31, 2019 and 2018, land, buildings and machinery of BPI and BA, land and factory buildings of BBI were pledged as collateral for short-term loans and long-term loans (Notes 18 and 23).



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**15. ASET TETAP (Lanjutan)**

Tidak ada perbedaan signifikan antara jumlah terpulihkan dan jumlah tercatat aset tetap selain mesin dan peralatan. Kelebihan dari jumlah tercatat terhadap jumlah terpulihkan yang diakui sebagai penyisihan kerugian penurunan nilai pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp17,2 miliar dan Rp40,3 miliar.

Berdasarkan penelaahan terhadap jumlah tercatat aset tetap, manajemen Kelompok Usaha berkeyakinan bahwa penyisihan kerugian penurunan nilai telah memadai.

**16. BIAYA PENGEMBANGAN PROYEK**

Akun ini terutama merupakan akumulasi biaya-biaya yang terjadi sehubungan dengan proyek-proyek sebagai berikut:

	2019	2018
Pipa dan besi baja - Kertapati	200.792	200.792
Lain-lain	116.301	122.068
Total	317.093	322.860
Dikurang penyisihan kerugian atas penurunan nilai	(290.883)	(292.112)
<b>Neto</b>	<b>26.210</b>	<b>30.748</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 tanggal 19 Mei 1997. Proyek tersebut berbentuk "Build and Rent" (B&R), dimana BHP merencanakan akan membangun dan mengoperasikan jaringan tersebut sedangkan PT Pertamina (Persero) akan menyewa jaringan tersebut dari BHP.

Akibat kondisi ekonomi yang memburuk, proyek tersebut untuk sementara dihentikan dan Pertamina bermaksud untuk menegosiasikan kembali proyek tersebut. Pada tahun 2001, BHP dan Pertamina telah menilai kewajiban Pertamina kepada BHP (Catatan 41b).

Pada tahun 2009, manajemen memutuskan untuk melakukan penyisihan penuh sejumlah Rp200,8 miliar atas nilai proyek tersebut, karena belum ada kejelasan tentang kelanjutan proyek tersebut dan adanya ketidakpastian kapan dana yang telah dikeluarkan untuk membiayai proyek tersebut dapat tertagih.

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**15. FIXED ASSETS (Continued)**

There is no significant difference between the recoverable amount and carrying amount of fixed assets other than machinery and equipment. The excess of the carrying amount against the recoverable amount recognized as allowance for impairment loss as of December 31, 2019 and 2018 amounted to Rp17.2 billion and Rp40.3 billion, respectively.

Based on a review of the carrying amounts of fixed assets, the management of the Group believed that allowance for impairment loss was adequate.

**16. PROJECT DEVELOPMENT COSTS**

This account represents accumulated costs incurred in relation to the projects as follows:

	2019	2018
Pipa and steel - Kertapati	200.792	200.792
Others	116.301	122.068
Total	317.093	322.860
Less allowance for impairment losses	(290.883)	(292.112)
<b>Net</b>	<b>26.210</b>	<b>30.748</b>

**Pipe and steel - Kertapati**

Pipe and steel project (Kertapati) is a pipeline project which distributes fuel oil from Kertapati to Jambi with a distance of 300 kilometers and was started on May 19, 1997. The project is a "Build and Rent" (B&R), whereby PT Bakrie Harper (BHP), a Subsidiary, planned to build and operate the network, which has been rented by PT Pertamina (Persero).

Due to the adverse economic condition, the project has been temporarily halted and PT Pertamina (Persero) intends to renegotiate the project. In 2001, BHP and Pertamina have evaluated Pertamina's obligation to BHP (Note 41b).

In 2009, the management decided to provide full allowance amounting to Rp200.8 billion due to the uncertainty as to whether the project will be continued and when the utilized funds to finance such project will be collectible.

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**16. BIAYA PENGEMBANGAN PROYEK (Lanjutan)**

Pada tanggal 21 Februari 2018, Badan Arbitrasi Nasional Indonesia (BANI) telah memutuskan perkara antara PT Bakrie Harper selaku "Pemohon" dan PT Pertamina (Persero) selaku "Termohon", adapun putusan tersebut berdasarkan adanya permohonan dari Pemohon untuk menyelesaikan pengakhiran perjanjian dan kewajiban Termohon terhadap Pemohon berdasarkan Perjanjian Pembangunan, Pengoperasian, Penyewaan dan Pemeliharaan Pipanisasi Kertapati-Jambi No. SPB-1474A/C000/96 tertanggal 20 November 1996 ("Perjanjian"), dimana Pemohon telah melaksanakan proyek sesuai Perjanjian namun terhenti karena adanya permintaan dari Termohon untuk melakukan negosiasi dan menilai ulang nilai Perjanjian. Pada putusannya, BANI menetapkan antara lain bahwa Perjanjian dinyatakan berakhir dan Termohon wajib melakukan pembayaran atas pekerjaan yang telah dilakukan oleh Pemohon sesuai dengan permintaan dari Pemohon.

**16. PROJECT DEVELOPMENT COSTS (Continued)**

On February 21, 2018, Badan Arbitrasi Nasional Indonesia (BANI) has decided that the lawsuit between PT Bakrie Harper as "Plaintiff" and PT Pertamina (Persero) as "Defendant", while the decision is based on appeal from the Plaintiff to complete termination of agreement and obligations of the Defendant against the Plaintiff based on Agreement of Development, Operation, Leasing and Maintenance of Kertapati-Jambi Pipeline No. SPB-1474 A/C000/96 dated November 20, 1996 ("Agreement"), whereby the Plaintiff has carried out the project under the Agreement but was suspended due to appeal from the Defendant to negotiate and reassess the Agreement. In its decision, BANI stipulates, among others, that the Agreement is expired and the Defendant should make payment for the work which has been done by the Plaintiff in accordance with appeal from the Plaintiff.

**17. ASET TIDAK LANCAR LAINNYA**

**17. OTHER NON-CURRENT ASSETS**

	2019	2018	
Kas di bank yang dibatasi penggunaannya			Restricted cash in banks
<u>Rupiah</u>			<u>Rupiah</u>
PT Bank Rakyat Indonesia (Persero) Tbk	150.609	36.702	PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank Mandiri (Persero) Tbk	7.000	-	PT Bank Mandiri (Persero) Tbk
PT Bank Negara Indonesia Tbk	5.555	3.973	PT Bank Negara Indonesia Tbk
Lain-lain (dibawah Rp1 miliar)	871	1.159	Others (below Rp1 billion)
Subtotal	164.035	41.834	Subtotal
<u>Mata uang asing</u>			<u>Foreign currency</u>
PT Bank Rakyat Indonesia (Persero) Tbk	700	484	PT Bank Rakyat Indonesia (Persero) Tbk
Total kas di bank yang dibatasi penggunaannya	164.735	42.318	Total restricted cash in banks
Taksiran restitusi pajak	91.498	3.495	Estimated claims for tax refund
Jaminan	19.383	1.273	Security deposits
Bank garansi	12.436	42.430	Bank guarantee
Biaya riset dan pengembangan	7.227	12.042	Research and development costs
Piutang dari komisaris, direktur dan karyawan (Catatan 39d)	316	216	Receivable from commissioners, directors and employees (Note 39d)
Lain-lain (dibawah Rp1 miliar)	25.268	22.599	Others (below Rp1 billion)
<b>Total</b>	<b>320.863</b>	<b>124.373</b>	<b>Total</b>

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**17. ASET TIDAK LANCAR LAINNYA (Lanjutan)**

Kas di bank yang dibatasi penggunaannya digunakan sebagai jaminan untuk pembayaran pokok atas pinjaman bank jangka panjang dan sebagai jaminan atas kontrak konstruksi (Catatan 9) dan kontrak jangka panjang dengan pemasok yang diterima Kelompok Usaha (Catatan 23). Seluruh kas di bank yang dibatasi penggunaannya ditempatkan pada pihak ketiga.

**17. OTHER NON-CURRENT ASSETS (Continued)**

Restricted cash in banks were used as collateral for payment of principal for long-term bank loans and guarantee for construction contracts (Note 9) and other long-term contracts with suppliers obtained by the Group (Note 23). All placements of restricted cash in banks were with third parties.

**18. PINJAMAN JANGKA PENDEK**

**18. SHORT-TERM LOANS**

	2019	2018
<b>Pinjaman Bank dan Bukan Bank Rupiah</b>		
PT Bank Rakyat Indonesia Tbk, Indonesia	150.464	110.536
Surat Sanggup Seri II, Indonesia	148.875	148.875
Surat Sanggup Seri I, Indonesia	39.662	39.662
PT Bank Artha Graha Internasional Tbk, Indonesia	23.705	50.927
PT Bank Bukopin Tbk, Indonesia	12.282	25.057
PT Timas Suplindo, Indonesia	9.716	13.989
PT Bank MNC Internasional Tbk, Indonesia	9.365	11.539
Winn Metals Corporation, Indonesia	3.911	31.056
PT Indo Surya Inti Finance, Indonesia	-	25.000
Lain-lain (dibawah Rp10 miliar)	22.160	25.676
Subtotal	420.140	482.317
<b>Mata uang asing (USD)</b>		
Daley Capital Limited, Kepulauan Cayman	13.887	28.947
Lain-lain (dibawah Rp10 miliar)	8.827	13.298
Subtotal	22.714	42.245
<b>Repo - Rupiah</b>		
PT Rekapital Aset Indonesia, Indonesia	-	27.000
<b>Total</b>	<b>442.854</b>	<b>551.562</b>

<b>Bank and Non-Bank Loans Rupiah</b>
PT Bank Rakyat Indonesia Tbk, Indonesia
Promissory Note II, Indonesia
Promissory Note I, Indonesia
PT Bank Artha Graha Internasional Tbk, Indonesia
PT Bank Bukopin Tbk, Indonesia
PT Timas Suplindo, Indonesia
PT Bank MNC Internasional Tbk, Indonesia
Winn Metals Corporation, Indonesia
PT Indo Surya Inti Finance, Indonesia
Others (below Rp10 billion)
Subtotal
<b>Foreign currency (USD)</b>
Daley Capital Limited, Cayman Island
Others (below Rp10 billion)
Subtotal
<b>Repo - Rupiah</b>
PT Rekapital Aset Indonesia, Indonesia
<b>Total</b>

Pinjaman jangka pendek dikenakan bunga tahunan sebagai berikut:

Short-term loans bear annual interest rates as follows:

	2019 dan / and 2018	
Rupiah	7,5% - 20,5%	Rupiah
Dolar AS	3% - 20%	US Dollar

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**18. PINJAMAN JANGKA PENDEK (Lanjutan)**

**a. PT Bank Rakyat Indonesia (Persero) Tbk**

1. Berdasarkan Akta Notaris Dewantari Handayani S.H., MPA. No. 14, 15, 16 dan 17 pada tanggal 5 Juli 2018, BPI menandatangani perjanjian pinjaman dengan PT Bank Rakyat Indonesia (Persero) Tbk ("BRI") untuk menyediakan fasilitas kredit yang digunakan untuk kegiatan operasional BPI. Fasilitas ini terdiri dari:
  - i. Fasilitas Kredit Modal Kerja Impor (KMKI)/ Penangguhan Jaminan Impor (PJI) valuta asing dalam bentuk *Pseudo R/C* dengan plafon maksimal sebesar USD13,0 juta yang bersifat interchangeable dengan fasilitas PJI, baik *Sight* maupun *Usance Letter of Credit (L/C)*/Surat Kredit Berdokumen Dalam Negeri (SKBDN) dengan jangka waktu maksimal seratus delapan puluh (180) hari;
  - ii. Fasilitas Kredit Modal Kerja *Withdrawal with Approval (W/A)* dalam bentuk *pseudo Rekening Koran (R/K)* sesuai dengan kontrak proyek, dengan plafon maksimal sebesar Rp140,0 miliar untuk tambahan modal kerja;
  - iii. Fasilitas Bank Garansi dengan maksimum plafon sebesar USD16,0 juta; dan
  - iv. Fasilitas *Forex Line* dengan maksimum plafon sebesar USD20,0 juta yang digunakan untuk transaksi jual beli valuta asing dengan penyelesaian valuta dalam periode tertentu (*value today, tomorrow, spot dan forward*).

Fasilitas tersebut dijamin dengan:

- i. Agunan pokok terdiri dari persediaan barang bahan baku (HRC), barang jadi (pipa) dan piutang usaha BPI atas proyek yang dibiayai dari fasilitas kredit BRI.
- ii. Agunan tambahan ruang kantor BPI yang berada di Bakrie Tower Lt. 7 dengan luas 533,10 m<sup>2</sup>, tanah, bangunan dan mesin di Jl. Raya Perjuangan, Medan Satria, Bekasi Barat dengan luas 122.745 m<sup>2</sup> dan agunan kredit atas nama BMI

Perjanjian pinjaman telah mengalami beberapa kali perubahan, terakhir berdasarkan dengan Akta Notaris No. 48, 49, 50, 51, 52, 53 dan 54 oleh Dewantari Handayani S.H., MPA. Tanggal 27 Mei 2019. Fasilitas pinjaman tersebut telah diperpanjang sampai dengan tanggal 10 Juni 2020. Berdasarkan perpanjangan perjanjian pinjaman, plafon maksimal dari fasilitas pinjaman yang diperbarui sebagai berikut:

- i. KMKI/PJI valuta asing dalam bentuk *Pseudo R/C* dengan plafon maksimal sebesar USD26,0 juta.
- ii. KMK W/A dalam bentuk *pseudo R/K* sesuai dengan kontrak proyek, dengan plafon maksimal sebesar Rp280,0 miliar.

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**18. SHORT-TERM LOANS (Continued)**

**a. PT Bank Rakyat Indonesia (Persero) Tbk**

1. Based on Notarial Deed Nos. 14, 15, 16 and 17 of Dewantari Handayani S.H., MPA. Dated July 5, 2018, BPI entered into a loan agreement with PT Bank Rakyat Indonesia (Persero) Tbk ("BRI") to provide credit facilities used for operating activities of BPI. The facilities consisted of:
  - i. Import Working Capital Credit Facility (KMKI)/ Import Suspension (PJI) of foreign currency in the form of *Pseudo R/C* with maximum plafond amounting to USD13.0 million which is interchangeable with PJI facility, either *Sight* or *Usance Letter of Credit (L/C)*/Surat Kredit Berdokumen Dalam Negeri (SKBDN) with maximum term of one hundred and eighty (180) days;
  - ii. Working Capital Withdrawal with Approval (W/A) Credit Facility in the form of *pseudo Bank Account (R/K)* in accordance with project contract with maximum plafond amounting to Rp140.0 billion for additional working capital;
  - iii. Bank Guarantee facility with maximum plafond amounting to USD16.0 million; and
  - iv. Forex Line facility with maximum plafond amounting to USD20.0 million used for foreign exchange sale and purchase transactions with the settlement of currencies within a certain period (*value today, tomorrow, spot and forward*).

The facilities were secured by:

- i. Principal collateral consisted of the BPI's raw materials (HRC), finished goods (pipe) inventories and trade receivables on projects financed from the credit facilities with BRI.
- ii. Additional collateral consisted of the BPI's office space at Bakrie Tower Lt. 7 with area of 533.10 m<sup>2</sup>, land, building and machinery at Jl. Raya Perjuangan, Medan Satria, Bekasi Barat with area of 122,745 m<sup>2</sup> and credit collateral under name of BMI.

The loan agreement has been amended several times, the latest being based on Notarial Deed Nos. 48, 49, 50, 51, 52, 53 and 54 of Dewantari Handayani S.H., MPA. Dated May 27, 2019. The loan facilities have been extended until June 10, 2020. Based on the amended loan agreement, the maximum plafond of the following loan facilities were updated as follows:

- i. KMKI/PJI of foreign currency in the form of *Pseudo R/C* with maximum plafond amounting to USD26.0 million.
- ii. Working Capital W/A Credit Facility in the form of *pseudo R/K* in accordance with project contract with maximum plafond amounting to Rp280.0 billion.

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**18. PINJAMAN JANGKA PENDEK (Lanjutan)**

Pada tanggal 16 April 2019, BPI menandatangani Akta Perjanjian Cash Collateral No. 23, 26 dan B-279 dengan BRI untuk menyediakan fasilitas kredit dengan maksimum kredit sejumlah Rp53,89 miliar yang digunakan untuk kegiatan operasional Perusahaan. Fasilitas tersebut dijamin dengan jaminan deposito sebesar Rp55 miliar.

Berdasarkan perjanjian-perjanjian, BPI tidak diperkenankan melakukan kegiatan-kegiatan berikut tanpa persetujuan tertulis terlebih dahulu dari BRI, antara lain:

- i. Menyatakan kebangkrutan atau mengajukan surat permohonan pailit ke Pengadilan.
- ii. Mendapatkan fasilitas kredit dari bank atau lembaga keuangan lainnya.
- iii. Melakukan perubahan anggaran dasar, perubahan atau pengalihan kepemilikan saham dan perubahan struktur permodalan.
- iv. Menjual jaminan kepada pihak lain.
- v. Menjaga *Current Ratio* minimal 1:1, *Debt to Equity Ratio* maksimal 2:1 dan *Debt Service Coverage Ratio* minimal 1:1.

Pada tahun 2019, BPI telah membayar sebesar Rp194,9 miliar atas fasilitas pinjaman ini.

2. Berdasarkan Akta Perjanjian Kredit No. 89 pada tanggal 27 November 2017, PT Bangun Bantala Indonesia (Bantala) memperoleh fasilitas Kredit Modal Kerja dalam bentuk Rekening Koran (R/K Maksimum Co. Tetap), *interchangeable* dengan fasilitas Surat Kredit Berdokumen Dalam Negeri (SKBDN) dan/atau bank garansi dari BRI dengan batas pinjaman maksimum sebesar Rp5,0 miliar dan fasilitas SKBDN dan/atau bank garansi dengan batas pinjaman maksimum sebesar Rp3,0 miliar. Fasilitas ini telah diperpanjang beberapa kali, berdasarkan perjanjian terakhir akan jatuh tempo pada tanggal 27 November 2020.

Fasilitas pinjaman ini dijamin dengan piutang usaha dan persediaan milik Bantala, serta dua (2) bidang tanah dan bangunan dengan SHGB No. 175 dan SHGB No. 176 atas nama BBI yang berlokasi di Jl. Jenderal Gatot Subroto No. 30 RT 01/01 Kelurahan Pahoman, Kecamatan Enggal, Kota Bandar Lampung, Propinsi Lampung.

Pada tanggal 28 Desember 2018, Bantala memperoleh fasilitas Kredit Modal Kerja dalam bentuk R/K *Maximum Co. Fixed* dengan batas maksimum kredit sebesar Rp4,95 miliar. Fasilitas ini jatuh tempo dalam 12 bulan.

Berdasarkan perjanjian, Bantala tidak diperkenankan melakukan kegiatan-kegiatan berikut tanpa persetujuan tertulis terlebih dahulu dari BRI, antara lain:

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**18. SHORT-TERM LOANS (Continued)**

On April 16, 2019, BPI entered into Cash Collateral Loan Agreement Nos. 23, 26 and B-279 with BRI to provide credit facility with maximum credit amounting to Rp53.89 billion to be used for the operational activities of the Company. The credit facility was secured by deposits amounting to Rp55 billion.

Based on these agreements, BPI shall not perform transactions to carryout the following activities without the prior written approval from the BRI, among others:

- i. Declare bankruptcy or submit letter of bankruptcy petition to the Courts.
- ii. Obtain credit facility from a bank or other financial institution.
- iii. Change the article of association, changes or transfers the shares ownership and structure of capital.
- iv. Sell the collateral assets to another party.
- v. Maintained the *Current Ratio* at minimum 1:1, *Debt to Equity Ratio* at maximum 2:1 and *Debt Service Coverage Ratio* at minimum 1:1.

In 2019, BPI paid a total amount of Rp194.9 billion for these loan facilities.

2. Based on Credit Agreement Deed No. 89 on November 27, 2017, PT Bangun Bantala Indonesia (Bantala) obtain a Working Capital Loan with R/K *Maximum Co. Fixed*, interchangeable with the Local Letter of Credit Facility (SKBDN) and/or bank guarantee from BRI with maximum credit facility amounting to Rp5.0 billion and SKBDN facility and/or bank guarantee with maximum credit facility amounting to Rp3.0 billion. This facility has been extended several times, based on the latest agreement will be due on November 27, 2020.

This loan facility is secured with Bantala's trade receivables and inventories, and two (2) units of land and building with SHGB No. 175 and SHGB No. 176 on behalf of BBI located at Jl. Jenderal Gatot Subroto No. 30 RT 01/01, Pahoman Sub-district, Enggal District, Bandar Lampung City, Lampung Province.

On December 28, 2018, Bantala obtained a Working Capital Loan with R/K *Maximum Co. Fixed* with maximum credit amounting to Rp4.95 billion. This facility was be due in twelve (12) months.

Based on the agreement, Bantala shall not perform transactions to carryout the following activities without the prior written approval from the BRI, among others:



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**18. PINJAMAN JANGKA PENDEK (Lanjutan)**

- Menyatakan kebangkrutan atau mengajukan surat permohonan pailit ke Pengadilan.
- Mendapatkan fasilitas kredit dari bank atau lembaga keuangan lainnya.
- Melakukan perubahan anggaran dasar, perubahan atau pengalihan kepemilikan saham dan perubahan struktur permodalan.

Pada tahun 2019, Bantala telah membayar sebesar Rp11,3 miliar atas fasilitas pinjaman ini.

Pada tanggal 31 Desember 2019 dan 2018, saldo pinjaman masing-masing adalah sebesar Rp150,5 miliar dan Rp114,7 miliar (terdiri dari Rp110,5 miliar dan USD0,3 juta).

**b. Surat Sanggup (PN) Seri II**

Pada tanggal 9 Februari 2012, Perusahaan bersama-sama dengan beberapa pihak, menandatangani Perjanjian Penerbitan Surat Sanggup Seri II dengan jumlah nominal sebesar Rp2,6 triliun yang jatuh tempo 90 hari sejak tanggal penerbitan.

Surat Sanggup Seri II ini diterbitkan bersamaan dengan Surat Sanggup Seri I yang digunakan untuk menyelesaikan kewajiban Surat Utang Jangka Menengah dengan kewajiban keseluruhan sebesar Rp3,2 triliun. Rincian pemberi pinjaman sebagai berikut:

<b>Surat Sanggup Seri II / Promissory Notes Series II</b>			
<b>Pemberi pinjaman</b>	<b>2019</b>	<b>2018</b>	<b>Nilai Penerbitan PN/ Nominal PN Issued</b>
PT Prima Elok Makmur	73.258	73.258	-
PT Danpac Futures	47.007	47.007	-
PT Batasa Capital	-	-	289.537
PT Ciptadana Securities	-	-	130.236
HPAM Maestro Flexi 1	-	-	1.589.324
HPAM Maestro Flexi 2	-	-	314.801
MSN Tara Ltd	-	-	111.284
Lain-lain	28.610	28.610	150.508
<b>Total</b>	<b>148.875</b>	<b>148.875</b>	<b>2.585.690</b>
			<b>Lenders</b>
			PT Prima Elok Makmur
			PT Danpac Futures
			PT Batasa Capital
			PT Ciptadana Securities
			HPAM Maestro Flexi 1
			HPAM Maestro Flexi 2
			MSN Tara Ltd
			Others
			<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 Rp47,0 miliar kepada PT Danpac Futures.

Pada tanggal 8 Desember 2016, PT Ciptadana Capital mengalihkan Surat Sanggup Nomor BNBR-PN003-II/2012 sebesar Rp73,3 miliar kepada PT Prima Elok Makmur.

**18. SHORT-TERM LOANS (Continued)**

- Declare bankruptcy or submit letter of bankruptcy petition to the Courts.
- Obtain credit facility from a bank or other financial institution.
- Change the article of association, changes or transfers the shares ownership and structure of capital.

In 2019, Bantala paid a total amount of Rp11.3 billion for these loan facilities.

As of December 31, 2019 and 2018, the outstanding balance of these loans amounted to Rp150.5 billion and Rp114.7 billion (consists of Rp110.5 billion and USD0.3 million), respectively.

**b. Promissory Notes (PN) Series II**

On February 9, 2012, the Company, together with certain parties, signed an agreement for Promissory Notes Series II amounting to Rp2.6 trillion, which is due within 90 days from the date of issuance.

The Promissory Notes Series II were issued at the same time with Promissory Notes Series I which were used to settle the Company's Medium Term Notes amounting to Rp3.2 trillion. Details of lenders were as follows:

On September 11, 2013, PT Ciptadana Securities transferred Promissory Notes No. BNBR-PN003-II/2012 amounting to Rp73.3 billion to PT Ciptadana Capital and Promissory Notes No. BNBR-PN004-II/2012 amounting to Rp47.0 billion to PT Danpac Futures.

On December 8, 2016, PT Ciptadana Capital transferred Promissory Notes No. BNBR-PN003-II/2012 amounting to Rp73.3 billion to PT Prima Elok Makmur.

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**18. PINJAMAN JANGKA PENDEK (Lanjutan)**

Pada tahun 2016, Perusahaan melakukan penyelesaian beberapa pemegang PN II melalui penerbitan OWK.

Saldo surat sanggup ini pada tanggal 31 Desember 2019 dan 2018 adalah sebesar Rp148,9 miliar.

**c. Surat Sanggup (PN) Seri I**

Pada tanggal 9 Februari 2012, Perusahaan bersama-sama dengan beberapa pihak, menandatangani Perjanjian Penerbitan Surat Sanggup Seri I tanpa bunga dengan jumlah nominal sebesar Rp642,2 miliar yang jatuh tempo dalam 45 hari sejak tanggal penerbitan.

Rincian pemberi pinjaman adalah sebagai berikut:

<b>Surat Sanggup Seri I / Promissory Notes Series I</b>				<b>Lenders</b>
<b>Pemberi pinjaman</b>	<b>2019</b>	<b>2018</b>	<b>Nilai Penerbitan PN/ Nominal PN Issued</b>	
PT Prima Elok Makmur	32.559	32.559	-	PT Prima Elok Makmur
PT Ciptadana Securities	-	-	32.559	PT Ciptadana Securities
PT Batasa Capital	-	-	71.885	PT Batasa Capital
HPAM Maestro Flexi 1	-	-	394.592	HPAM Maestro Flexi 1
HPAM Maestro Flexi 2	-	-	78.158	HPAM Maestro Flexi 2
MSN Tara Ltd	-	-	27.629	MSN Tara Ltd
Lain-lain	7.103	7.103	37.368	Others
<b>Total</b>	<b>39.662</b>	<b>39.662</b>	<b>642.191</b>	<b>Total</b>

Pada tanggal 11 September 2013, PT Ciptadana Securities mengalihkan Surat Sanggup No. BNBR-PN003-I/2012 senilai Rp32,6 miliar kepada PT Ciptadana Capital.

Pada tanggal 8 Desember 2016, PT Ciptadana Capital mengalihkan Surat Sanggup No. BNBR-PN003-I/2012 senilai Rp32,6 miliar kepada PT Prima Elok Makmur.

Surat Sanggup ini digunakan untuk menyelesaikan Surat Utang Jangka Menengah Perusahaan.

Pada tahun 2016, Perusahaan melakukan penyelesaian saldo terutang kepada beberapa pemegang PN I melalui penerbitan OWK.

Saldo Surat Sanggup pada tanggal 31 Desember 2019 dan 2018 adalah sebesar Rp39,7 miliar.

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**18. SHORT-TERM LOANS (Continued)**

In 2016, the Company has settled outstanding balance from several PN II holders through the issuance of MCB.

Outstanding balance of these Promissory Notes as of December 31, 2019 and 2018 amounted to Rp148.9 billion.

**c. 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 lenders were as follows:

On September 11, 2013, PT Ciptadana Securities transferred Promissory Notes No. BNBR-PN003-I/2012 amounting to Rp32.6 billion to PT Ciptadana Capital.

On December 8, 2016, PT Ciptadana Capital transferred Promissory Notes No. BNBR-PN003-I/2012 amounting to Rp32.6 billion to PT Prima Elok Makmur.

These Promissory Notes were issued to settle the Company's Medium Term Notes.

In 2016, the Company has settled outstanding balance from several PN I holders through issuance of MCB.

Outstanding balance of these Promissory Notes as of December 31, 2019 and 2018 amounted to Rp39.7 million.

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**18. PINJAMAN JANGKA PENDEK (Lanjutan)**

**d. PT Bank Artha Graha Internasional Tbk**

Pada tanggal 7 Januari 2011, MKN memperoleh fasilitas kredit dari PT Bank Artha Graha Internasional Tbk (BAG) dengan plafon sebesar Rp84 miliar yang dipergunakan untuk pembiayaan proyek MKN. Fasilitas kredit ini memiliki jangka waktu kredit dua belas (12) bulan. Pinjaman ini dijamin dengan tanah, bangunan (termasuk sarana pelengkap) serta mesin dan peralatan atas nama SEAPI di Desa Sumur, Jl. Lintas Timur Sumatera, Penengahan, South Lampung.

Perjanjian pinjaman ini telah diperpanjang beberapa kali, terakhir pada tanggal 21 Juni 2019 dan memperpanjang tanggal jatuh tempo pinjaman pada tanggal 18 April 2020.

Berdasarkan perjanjian, MKN tidak diperkenankan melakukan kegiatan-kegiatan berikut tanpa persetujuan tertulis terlebih dahulu dari BAG, antara lain:

- i. Melakukan merger atau konsolidasi dengan badan usaha lain.
- ii. Melakukan perubahan anggaran dasar, perubahan atau pengalihan kepemilikan saham dan perubahan struktur permodalan.
- iii. Bertindak sebagai penjamin dan menjaminkan harta kekayaan yang telah dijamin kepada BAG kepada pihak lain.
- iv. Memperoleh pinjaman baru dari bank atau lembaga keuangan lainnya.
- v. Menjual atau mengalihkan aset-aset MKN yang dijaminkan kepada BAG dan yang bisa mengakibatkan terganggunya operasional MKN.

Pada tahun 2019, MKN telah membayar sebesar Rp28,2 miliar atas fasilitas pinjaman ini.

Pada tanggal 31 Desember 2019 dan 2018, saldo pinjaman masing-masing adalah sebesar Rp23,7 miliar dan Rp50,9 miliar.

**e. PT Bank Bukopin Tbk**

1. Pada tanggal 12 April 2018, BA memperoleh fasilitas pinjaman dari PT Bank Bukopin Tbk ("Bukopin") dengan plafon maksimal sebesar Rp15,0 miliar dalam bentuk *Letter of Credit Usance Payable at Sight* (L/C UPAS) dengan jangka waktu maksimal tiga (3) bulan. Pinjaman tersebut digunakan oleh BA sebagai talangan pembayaran tagihan listrik PLN.

Fasilitas tersebut dijamin dengan:

- i. Dana dalam bentuk Giro di Bukopin sebesar 20% dari plafon.
- ii. Satu (1) unit ruang kantor di Bakrie Tower Lantai 37 Nomor dengan luas 1.427,3 m<sup>2</sup>

**18. SHORT-TERM LOANS (Continued)**

**d. PT Bank Artha Graha Internasional Tbk**

On January 7, 2011, MKN obtained credit facilities from PT Bank Artha Graha Internasional Tbk (BAG) with plafond amounting to Rp84 billion which was used to finance MKN's projects. These credit facilities have a credit period of twelve (12) months. The loan is collateralized by SEAPI's land, factory building (including improvements) and machinery and equipment located at Desa Sumur, Jl. Lintas South Sumatera, Penengahan, South Lampung.

The loan agreement has been amended several times, the latest being on June 21, 2019 and extended the maturity date of the loan to April 18, 2020.

Based on the agreement, MKN shall not perform transactions to carryout the following activities without the prior written approval from the BAG, among others:

- i. Merge or consolidate with other business entities.
- ii. Change the articles of association, changes or transfers the shares ownership and structure of capital.
- iii. Act as a guarantor and pledge the assets that have been designated as collateral by BAG to third parties;
- iv. Obtain credit facility from a bank or other financial institution.
- v. Sell or transfer MKN's assets used as collateral to BAG and which can result to disrupt MKN's operational activities.

In 2019, MKN paid a total amount of Rp28.2 billion for these loan facilities.

As of December 31, 2019 and 2018, the outstanding balance of this loan amounted to Rp23.7 billion and Rp50.9 billion, respectively.

**e. PT Bank Bukopin Tbk**

1. On April 12, 2018, BA obtained a loan facility from PT Bank Bukopin Tbk ("Bukopin") with maximum plafond amounting to Rp15.0 billion in the form of *Letter of Credit Usance Payable at Sight* (L/C UPAS) with maximum term of three (3) months. The loan was used by BA for electricity bill payments to PLN.

The facility was secured by:

- i. Funds in the form of Giro with Bukopin equivalent to 20% from plafond.
- ii. One (1) unit of office space located at Bakrie Tower, 37<sup>th</sup> Floor with land area of 1,427.3 m<sup>2</sup>.

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**18. PINJAMAN JANGKA PENDEK (Lanjutan)**

Berdasarkan perjanjian, BA tidak diperkenankan memberikan pinjaman kepada pihak berelasi lain atau kepada pihak lain yang tidak berkaitan dengan bidang usaha BA.

2. Pada tanggal 14 November 2018, BUMM menandatangani Perjanjian Kerjasama Pembiayaan Tagihan Listrik PLN (Perjanjian *Flexy Bill*) antara PT PLN (Persero) Unit Induk Distribusi Banten UP3 Area Teluk Naga dengan Bukopin. Perjanjian ini akan jatuh tempo dalam 2 bulan ditambah 1 bulan setelah berakhirnya jangka waktu pembiayaan dan dapat diperpanjang. Berdasarkan perjanjian terakhir, pembiayaan ini akan jatuh tempo pada tanggal 19 November 2020.
3. Pada tanggal 6 Maret 2018, Bantala memperoleh fasilitas modal kerja dan *Letter of Credit Usance Payable At Sight (UPAS)* dari Bukopin. Fasilitas ini digunakan untuk modal kerja dan biaya operasional. Fasilitas ini dijamin dengan unit bangunan kantor yang berlokasi di Gedung Bakrie Tower Lantai 34 nomor BT.34-A di Jl. Taman Rasuna Said, Jakarta Selatan dan akan jatuh tempo dalam dua puluh empat (24) bulan. Berdasarkan perubahan yang terakhir, jangka waktu fasilitas ini diperpanjang sampai dengan tanggal 14 Maret 2022.

Pada tahun 2019, BA, BUMM dan Bantala telah membayar sebesar Rp33,3 miliar atas fasilitas pinjaman ini.

Saldo fasilitas pinjaman pada tanggal 31 Desember 2019 dan 2018 adalah masing-masing sebesar Rp12,3 miliar dan Rp25,1 miliar.

**f. PT Timas Suplindo**

Pada tanggal 8 Maret 2017, BCons menandatangani perjanjian pinjaman dengan PT Timas Suplindo untuk mendanai konsorsium PT Timas-PT Bakrie Construction untuk *MDA and MBH Fields Development Project*. Pinjaman ini tanpa jaminan.

Tidak ada pembatasan terkait perjanjian pinjaman ini.

Pada tanggal 31 Desember 2019 dan 2018, saldo pinjaman adalah masing-masing sebesar Rp9,7 miliar dan Rp14,0 miliar.

**g. PT Bank MNC Internasional Tbk**

Pada tanggal 5 Februari 2013, Perusahaan, BA dan MKN mendapat penambahan fasilitas pinjaman masing-masing sebesar Rp33,2 miliar, Rp29,1 miliar dan Rp12,4 miliar dari Bank MNC. Pinjaman tersebut merupakan bagian dari fasilitas Bank MNC untuk Kelompok Usaha dengan nilai maksimum sebesar Rp50,0 miliar dan USD15,0 juta (setara dengan Rp230,0 miliar).

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**18. SHORT-TERM LOANS (Continued)**

Based on the loan agreement, BA was not permitted to provide loans to other related parties or to other parties which was not related to BA's business.

2. On November 14, 2018, BUMM entered into a PLN Bill Financing Agreement (*Flexy Bill Agreement*) between PT PLN (Persero) Unit Induk Distribusi Banten and Bukopin. This agreement will mature in 2 months plus 1 month after the end of the financing period and can be extended. Based on the latest agreement, this financing will be due on November 19, 2020.
3. On March 6, 2018, Bantala obtained working capital facility and *Letter of Credit Usance Payable at Sight (UPAS)* from Bukopin. The facility was used for working capital and operational expenses. These facilities were secured by office building unit located at 34th floor number BT.34-A, Bakrie Tower, Jl. Taman Rasuna Said, South Jakarta and due in twenty four (24) months. Based on the latest amendment, the terms of the facilities are extended until March 14, 2022.

In 2019, BA, BUMM and Bantala paid a total amount of Rp33.3 billion for these loan facilities.

Outstanding balance of these loan facilities as of December 31, 2019 and 2018 amounted to Rp12.3 billion and Rp25.1 billion, respectively.

**f. PT Timas Suplindo**

On March 8, 2017, BCons entered into a loan agreement with PT Timas Suplindo to fund the PT Timas-PT Bakrie Construction consortium work for *MDA and MBH Fields Development Project*. This loan facility has no collateral.

There were no covenants related to this loan agreement.

As of December 31, 2019 and 2018, the outstanding balance of this loan amounted to Rp9.7 billion and Rp14.0 billion, respectively.

**g. PT Bank MNC Internasional Tbk**

On February 5, 2013, the Company, BA and MKN received additional loan facility from Bank MNC amounting to Rp33.2 billion, Rp29.1 billion and Rp12.4 billion, respectively. This facility is a part of Bank MNC facility to the Group with a maximum amount of Rp50.0 billion and USD15.0 million (equivalent to Rp230.0 billion).

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**18. PINJAMAN JANGKA PENDEK (Lanjutan)**

Pada tahun 2019, MKN telah membayar sebesar Rp3,9 miliar, terdiri dari Rp1,6 miliar dan USD164.831 (setara dengan 2,3 miliar), atas fasilitas pinjaman ini.

Saldo pinjaman pada tanggal 31 Desember 2019 dan 2018, masing-masing sebesar Rp9,4 miliar dan Rp11,5 miliar.

**h. Winn Metals Corporation**

Pada tanggal 21 Maret 2016, BCons memperoleh fasilitas pinjaman dari Winn Metals Corporation dengan nilai maksimum sebesar USD2,0 juta. Pinjaman tersebut digunakan oleh BCons untuk membiayai progres pelaksanaan pekerjaan berdasarkan kontrak konstruksi dengan Husky CNOOC Madura Limited. Fasilitas pinjaman ini tanpa jaminan kecuali pembayaran setelah penerimaan atas tagihan penyelesaian.

Tidak ada pembatasan terkait perjanjian pinjaman ini.

Pada tahun 2019, BCons telah membayar sebesar Rp32,3 miliar atas fasilitas pinjaman ini.

Pada tanggal 31 Desember 2019 dan 2018, saldo pinjaman ini masing-masing sebesar Rp3,9 miliar dan Rp31,1 miliar.

**i. PT IndoSurya Inti Finance**

Pada tanggal 21 Maret 2018, Perusahaan menandatangani perjanjian pinjaman dengan PT IndoSurya Inti Finance untuk pembiayaan modal kerja dan telah jatuh tempo di dalam satu tahun.

Fasilitas ini dijamin dengan unit bangunan kantor yang berlokasi di Gedung Bakrie Tower lantai 36, nomor BT.36-A di Jalan Taman Rasuna Said, Jakarta Selatan.

Pada tanggal 29 April 2019, fasilitas ini telah diperpanjang dan akan jatuh tempo pada tanggal 22 Maret 2024. Saldo pinjaman sebesar Rp25 miliar direklasifikasi sebagai pinjaman jangka panjang (Catatan 23).

Pada tahun 2019, Perusahaan telah membayar sebesar Rp2,2 miliar atas fasilitas pinjaman ini.

Pada tanggal 31 Desember 2019 dan 2018, saldo pinjaman adalah masing-masing sebesar nihil dan Rp25,0 miliar.

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**18. SHORT-TERM LOANS (Continued)**

In 2019, MKN paid a total amount of Rp3.9 billion, consisting of Rp1.6 billion and USD164,831 (equivalent to Rp2.3 billion) for this loan facility.

The outstanding loan balance as of December 31, 2019 and 2018 amounted to Rp9.4 billion and Rp11.5 billion, respectively.

**h. Winn Metals Corporation**

On March 21, 2016, BCons obtained loan facility from Winn Metals Corporation with a maximum amount of USD2.0 million. The loan will be used by BCons to fund the performance of work progress under its construction contract with Husky CNOOC Madura Limited. This loan facility has no collateral except for repayment upon collection of progress billing.

There were no covenants related to this loan agreement.

In 2019, BCons paid a total amount of Rp32.3 billion for this loan facility.

As of December 31, 2019 and 2018, the outstanding balances of this loan amounted to Rp3.9 billion and Rp31.1 billion, respectively.

**i. PT IndoSurya Inti Finance**

On March 21, 2018, the Company entered into a loan agreement with PT IndoSurya Inti Finance for working capital financing and matured within one year.

This facility is secured by unit of office building located at 36th floor, number BT.36-A, Bakrie Tower, Jalan Taman Rasuna Said, Jakarta Selatan.

On April 29, 2019, this facility was extended and will be due on March 22, 2024. The outstanding loan balance amounting to Rp25 billion was reclassified as long-term loan (Note 23).

In 2019, the Company paid a total amount of Rp2.2 billion for this loan facility.

The outstanding balance of this loan as of December 31, 2019 and 2018 amounted to nil and Rp25.0 billion, respectively.



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**18. PINJAMAN JANGKA PENDEK (Lanjutan)**

**j. Daley Capital Limited**

Pada tanggal 15 Maret 2017, Perusahaan memperoleh fasilitas pinjaman dari Daley Capital Limited (Daley) yang terdiri dari:

- i. USD4,5 juta yang diselesaikan melalui konversi pinjaman menjadi saham Perusahaan dengan harga saham Rp50,0 per lembar saham.
- ii. USD0,8 juta yang diselesaikan melalui pembayaran tunai dalam satu tahun.

Pada tanggal 12 Juli 2017, Perusahaan telah mendapatkan persetujuan dari Rapat Umum Pemegang Saham Luar Biasa untuk menerbitkan OWK untuk konversi pinjaman menjadi saham Perusahaan seri D.

Pada tanggal 15 Desember 2017, Perusahaan memperoleh fasilitas pinjaman dari Daley Capital Limited (Daley) yang terdiri dari:

- i. USD6,7 juta yang diselesaikan melalui konversi pinjaman menjadi saham Perusahaan dengan harga saham Rp50,0 per lembar saham.
- ii. USD1,2 juta yang diselesaikan melalui pembayaran tunai dalam satu tahun.

Pada tanggal 15 Desember 2017, Perusahaan memperoleh fasilitas pinjaman tambahan dari Daley senilai USD7,9 juta yang digunakan untuk penyelesaian pinjaman kepada Credit Suisse. Fasilitas ini jatuh tempo di dalam satu tahun. Fasilitas tersebut USD6,7 juta akan dibayar dengan saham dan sisanya akan dibayar tunai.

Pada tanggal 21 November 2018, Perusahaan telah mendapatkan persetujuan dari Rapat Umum Pemegang Saham Luar Biasa untuk menerbitkan saham untuk konversi pinjaman menjadi saham Perusahaan seri C.

Pada tahun 2019, Perusahaan telah membayar sebesar USD1,0 juta (setara dengan Rp14,1 miliar) atas fasilitas pinjaman ini.

Pada tanggal 31 Desember 2019 dan 2018, saldo pinjaman ini masing-masing sebesar USD1,0 juta (setara dengan Rp13,9 miliar) dan USD2,0 juta (setara dengan Rp28,9 miliar).

**k. PT Rekapital Aset Indonesia**

Pada tanggal 17 Juni 2013, Perusahaan memperoleh fasilitas repo dari PT Rekapital Sekuritas Indonesia (Rekapital Sekuritas) sebesar Rp35,0 miliar. Pada tahun 2013, Perusahaan menilai kembali fasilitas ini menggunakan harga pembelian kembali dalam perjanjian sebesar Rp36,9 miliar. Fasilitas ini telah jatuh tempo pada tanggal 30 November 2013 dan dijamin dengan 322,8 juta saham UNSP (Catatan 6) dan telah diperpanjang sampai dengan tanggal 3 September 2014.

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**18. SHORT-TERM LOANS (Continued)**

**j. Daley Capital Limited**

On March 15, 2017, the Company obtained a loan facility from Daley Capital Limited (Daley) consisting of:

- i. USD4.5 million settled through conversion into Company's shares with share price amounting to Rp50.0 per share.
- ii. USD0.8 million settled through cash payment within one year.

On July 12, 2017, the Company has received approval from Extra Ordinary Shareholders General Meeting in order to issue MCB for the conversion of loan to Company's share series D.

On December 15, 2017, the Company obtained a loan facility from Daley Capital Limited (Daley) consisting of:

- i. USD6.7 million settled through conversion into Company's shares with share price amounting to Rp50.0 per share.
- ii. USD1.2 million settled through cash payment within one year.

On December 15, 2017, the Company obtained an additional loan facility from Daley amounting to USD7.9 million that was used for the repayment of loan to Credit Suisse. The facility will be due in one year. The loan facility amounting to USD6.7 million will be settled through issuance of shares and the remaining balance will be repaid through cash.

On November 21, 2018, the Company has received approval from Extra Ordinary Shareholders General Meeting in order to issue shares for the conversion of loan to Company's share series C.

In 2019, the Company paid a total amount of USD 1.0 million (equivalent to Rp14.1 billion) for this loan facility.

As of December 31, 2019 and 2018, the outstanding balance of this loan amounted to USD1.0 million (equivalent to Rp13.9 billion) and USD2.0 million (equivalent to Rp28.9 billion), respectively.

**k. PT Rekapital Aset Indonesia**

On June 17, 2013, the Company obtained repo facility from PT Rekapital Sekuritas Indonesia (Rekapital Sekuritas) amounting to Rp35.0 billion. In 2013, the Company revalued the facility using the repurchase price in the agreement amounting to Rp36.9 billion. This facility matured on November 30, 2013 and is secured by 322.8 million UNSP shares (Note 6) and has been extended until September 3, 2014.

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**18. PINJAMAN JANGKA PENDEK (Lanjutan)**

Pada tanggal 3 September 2014, Perusahaan telah melakukan pembayaran sebagian fasilitas repo kepada Rekapital Sekuritas sebesar Rp9,9 miliar.

Pada tanggal 4 September 2017, Rekapital Sekuritas mengalihkan fasilitas repo Perusahaan kepada PT Rekapital Aset Indonesia.

Fasilitas repo ini dengan nilai sisa sebesar Rp27,0 miliar telah diperpanjang beberapa kali, perpanjangan terakhir dengan perjanjian tanggal 29 Mei 2019, dimana perjanjian ini diperpanjang dan akan jatuh tempo pada 29 Mei 2022. Pada bulan Juni 2019, fasilitas repo ini direklasifikasi sebagai pinjaman jangka panjang (Catatan 23).

Pada tanggal 31 Desember 2019 dan 2018, saldo fasilitas ini masing-masing sebesar nihil dan Rp27,0 miliar.

Manajemen berkeyakinan bahwa seluruh pinjaman jangka pendek Kelompok Usaha telah memenuhi persyaratan dan kondisi sebagaimana diatur dalam perjanjian pinjaman.

**18. SHORT-TERM LOANS (Continued)**

On September 3, 2014, the Company has partially settled the repo facility to Rekapital Sekuritas amounting to Rp9.9 billion.

On September 4, 2017, Rekapital Sekuritas transferred the Company's repo facility to PT Rekapital Aset Indonesia.

This repo facility with remaining balance amounting to Rp27.0 billion has been extended several times, the latest being on May 29, 2019, wherein the agreement was extended and will be due on May 29, 2022. In June 2019, this repo facility was reclassified as long-term loan (Note 23).

As of December 31, 2019 and 2018, the outstanding balance of this facility amounted to nil and Rp27.0 billion, respectively.

The management believed that all short-term loans of the Group has complied with the terms and conditions stipulated in the agreements.

**19. UTANG USAHA**

**19. TRADE PAYABLES**

	2019	2018	
Pihak berelasi (Catatan 39d)	14.381	17.208	Related parties (Note 39d)
Pihak ketiga			Third parties
Cumic Steel Limited	89.808	-	Cumic Steel Limited
PT Posco Daewo	80.797	-	PT Posco Daewo
Samsung C&T Corporation	56.732	-	Samsung C&T Corporation
Ural Chrysotile, JSC	31.489	35.337	Ural Chrysotile, JSC
SK Network Co Ltd	26.382	-	SK Network Co Ltd
PT KHI Pipe Industries	26.169	9.254	PT KHI Pipe Industries
Tottle Partner	23.585	-	Tottle Partner
PT Fedsin Rekayasa Pratama	21.030	33.059	PT Fedsin Rekayasa Pratama
Winn Metals Corporation	16.894	35.189	Winn Metals Corporation
PT Gunung Raja Paksi	12.599	14.960	PT Gunung Raja Paksi
PT Solusi Prima Raya	12.325	-	PT Solusi Prima Raya
PT Intisumber Bajasakti	11.009	12.118	PT Intisumber Bajasakti
PT Subur Buana Raya	10.120	12.338	PT Subur Buana Raya
PT Graha Sarana Metal	10.067	10.369	PT Graha Sarana Metal
PT Mammoet Indonesia	9.931	12.698	PT Mammoet Indonesia
PT Bhakti Buana Makmur Distributor	2.529	11.975	PT Bhakti Buana Makmur Distributor
PT Sentra Karya Mandiri	1.861	119.010	PT Sentra Karya Mandiri
PT Indal Steel	1.184	43.699	PT Indal Steel
PT Krakatau Steel	-	133.819	PT Krakatau Steel
PT Raja Besi	-	10.721	PT Raja Besi
PT Java Pacific	-	10.534	PT Java Pacific
PT Krakatau Posco	-	10.146	PT Krakatau Posco
Lain-lain (dibawah Rp10 miliar)	277.951	289.580	Others (below Rp10 billion)
<b>Total</b>	<b>736.843</b>	<b>822.014</b>	<b>Total</b>

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**19. UTANG USAHA (Lanjutan)**

Rincian umur utang usaha adalah sebagai berikut:

	2019	2018
Sampai dengan 1 bulan	238.993	417.104
1 bulan - 3 bulan	115.710	173.363
3 bulan - 6 bulan	174.549	37.049
6 bulan - 1 tahun	52.444	84.242
Lebih dari 1 tahun	155.147	110.256
<b>Total</b>	<b>736.843</b>	<b>822.014</b>

Rincian utang usaha berdasarkan mata uang adalah sebagai berikut:

Mata uang	2019	2018
Rupiah	377.748	709.506
Dolar AS	358.894	112.298
Dolar Australia	201	210
<b>Total</b>	<b>736.843</b>	<b>822.014</b>

**19. TRADE PAYABLES (Continued)**

*Details of aging schedule of trade payables were as follows:*

*Up to 1 month  
1 month - 3 months  
3 months - 6 months  
6 months - 1 year  
Over 1 year*

**Total**

*Details of trade payable based on currencies were as follows:*

**Currencies**  
*Rupiah  
US Dollar  
Australian Dollar*

**Total**

**20. UTANG LAIN-LAIN**

	2019	2018
Pihak ketiga	198.909	163.367
Pihak berelasi (Catatan 39e)		
Dana Pensiun Bakrie	26.828	21.372
Lain-lain (dibawah Rp10 miliar)	11.404	5.762
Subtotal	38.232	27.134
<b>Total</b>	<b>237.141</b>	<b>190.501</b>

**20. OTHER PAYABLES**

*Third parties  
Related parties (Note 39e)  
Dana Pensiun Bakrie  
Others (below Rp10 billion)*

**Subtotal**

**Total**

**21. BEBAN MASIH HARUS DIBAYAR**

	2019	2018
Denda	617.443	550.120
Gaji, upah dan tunjangan	46.827	57.644
Proyek	26.235	41.077
Bunga	19.583	15.601
Jasa <i>outsourcing</i>	8.869	6.973
Pesangon	6.896	4.927
Listrik, air dan telepon	5.400	2.303
Pengangkutan	4.052	2.461
Jasa profesional	2.873	5.106
Sewa	1.167	1.132
Biaya produksi	-	74.074
Lain-lain (dibawah Rp1 miliar)	26.470	38.311
<b>Total</b>	<b>765.815</b>	<b>799.729</b>

*Penalty  
Salaries, wages and allowances  
Projects  
Interest  
Outsourcing services  
Severance payment  
Electricity, water and telephone  
Transportation  
Professional fees  
Rental  
Production costs  
Others (below Rp1 billion)*

**Total**

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## 22. UANG MUKA PELANGGAN

Pada tanggal 31 Desember 2019 dan 2018, uang muka pelanggan masing-masing sebesar Rp212,6 miliar dan Rp173,7 miliar, semua dari pihak ketiga.

## 22. CUSTOMER DEPOSITS

As of December 31, 2019 and 2018, customer deposits amounting to Rp212.6 billion and Rp173.7 billion, respectively, were all from third parties.

## 23. PINJAMAN JANGKA PANJANG

	2019	2018
<b>Rupiah</b>		
PT Rekapital Aset Indonesia, Indonesia	25.140	-
PT Indosurya Inti Finance, Indonesia	22.840	-
PT Bank Bukopin Tbk, Indonesia	21.197	31.338
PT Timur Properti Investindo, Indonesia	18.338	18.338
PT Bank J Trust Indonesia, Indonesia	14.974	17.342
PT Bank Kesejahteraan Ekonomi, Indonesia	8.783	24.196
Lain-lain (dibawah Rp10 miliar)	13.712	17.881
Subtotal	124.984	109.095
<b>Mata uang asing (USD)</b>		
Eurofa Capital		
Investment Inc, Singapura	1.431.804	1.491.543
PT Bank MNC Internasional Tbk, Indonesia	121.635	118.696
Subtotal	1.553.439	1.610.239
Total	1.678.423	1.719.334
Dikurangi biaya perolehan diamortisasi	(1.913)	-
<b>Pinjaman Jangka Panjang pada Biaya Perolehan Diamortisasi</b>	1.676.510	1.719.334
Dikurangi bagian yang jatuh tempo dalam satu tahun	(1.465.296)	(1.534.015)
<b>Bagian Jangka Panjang pada Biaya Perolehan Diamortisasi</b>	<b>211.214</b>	<b>185.319</b>

<b>Rupiah</b>	
PT Rekapital Aset Indonesia, Indonesia	
PT Indosurya Inti Finance, Indonesia	
PT Bank Bukopin Tbk, Indonesia	
PT Timur Properti Investindo, Indonesia	
PT Bank J Trust Indonesia, Indonesia	
PT Bank Kesejahteraan Ekonomi, Indonesia	
Others (each below Rp10 billion)	
Subtotal	
<b>Foreign currency (USD)</b>	
Eurofa Capital	
Investment Inc, Singapore	
PT Bank MNC Internasional Tbk, Indonesia	
Subtotal	
Total	
Less unamortized cost	
Total at amortized cost	
Less current portion	
<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:

	2019 dan/and 2018	
Rupiah	12 % - 15 %	Rupiah
Dolar AS	2,5 % - 7 %	US Dollar

### a. PT Rekapital Aset Indonesia

Fasilitas pinjaman Perusahaan dengan PT Rekapital Aset Indonesia telah beberapa kali diubah, terakhir pada tanggal 29 Mei 2019, dimana perjanjian diperpanjang dan diperbarui menjadi fasilitas pinjaman serta akan jatuh tempo pada 29 Mei 2022. Pada bulan Juni 2019, fasilitas pinjaman direklasifikasi sebagai pinjaman jangka panjang (Catatan 18).

### a. PT Rekapital Aset Indonesia

Existing loan facility of the Company with PT Rekapital Aset Indonesia has been amended several times, the latest being on May 29, 2019, wherein the agreement was extended and amended to become loan facility which will be due on May 29, 2022. In June 2019, the loan facility was reclassified as long-term loan (Note 18).

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**23. PINJAMAN JANGKA PANJANG (Lanjutan)**

Pada tanggal 31 Desember 2019 dan 2018, saldo fasilitas ini masing-masing sebesar Rp25.1 miliar dan nihil.

**b. PT Bank Bukopin Tbk**

1. Pada tanggal 26 April 2013, PT Bakrie Building Industries (BBI) menandatangani Perjanjian Fasilitas Kredit Investasi dengan PT Bank Bukopin Tbk ("Bukopin") dengan batas kredit sebesar Rp22,0 miliar dan jatuh tempo dalam waktu 5 tahun. Fasilitas ini digunakan untuk pembelian 2 unit bangunan kantor.

Berdasarkan perjanjian, BBI tidak diperkenankan melakukan pembagian dividen dan pelunasan utang kepada pemegang saham atau pihak berelasi atau pihak ketiga lainnya.

2. Pada tanggal 11 Desember 2017, BUMM menandatangani perjanjian pinjaman dengan Bukopin untuk menyediakan fasilitas kredit kepada BUMM yang terdiri dari:
  - i. Fasilitas Kredit Investasi dengan plafon maksimal sebesar Rp3,0 miliar dengan jangka waktu maksimal enam puluh (60) bulan digunakan untuk mengambil alih (*take over*) pinjaman dari PT Bank BNI Syariah;
  - ii. Fasilitas Kredit Investasi dengan plafon maksimal sebesar Rp24,9 miliar dengan jangka waktu maksimal enam puluh (60) bulan digunakan untuk pembelian mesin.

Fasilitas tersebut dijamin dengan:

- i. Tanah berikut bangunan beserta peralatan dan sarana pelengkap yang berada di atasnya, terletak di Jalan K.H. E.Z. Muttaqien, Gembor, Periuk, Tangerang, Banten tercatat atas nama BUMM.
- ii. Satu (1) unit ruang kantor di Bakrie Tower Lantai 37 Nomor dengan luas 1.427,3 m<sup>2</sup> yang digunakan sebagai *cross collateral* dengan fasilitas kredit antara BUMM dan Bukopin.

Berdasarkan perjanjian, BUMM tidak diperkenankan melakukan pembagian dividen dan pelunasan utang kepada pemegang saham atau pihak berelasi atau pihak ketiga lainnya.

Pada tahun 2019, Perusahaan, BBI dan BUMM telah membayar sejumlah Rp10,1 miliar atas pinjaman ini.

Pada tanggal 31 Desember 2019 dan 2018, saldo pinjaman ini masing-masing sebesar Rp21,2 miliar dan Rp31,3 miliar.

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**23. LONG-TERM LOANS (Continued)**

As of December 31, 2019 and 2018, the outstanding balance of this facility amounted to Rp25.1 billion and nil, respectively.

**b. PT Bank Bukopin Tbk**

1. On April 26, 2013, PT Bakrie Building Industries (BBI) entered into a Facility Credit Investment Agreement with PT Bank Bukopin Tbk ("Bukopin") with a credit limit of Rp22.0 billion and matured in 5 years. This facility was used to acquire 2 units of office building.

Based on the loan agreement, BBI is not permitted to distribute dividends and repay loans to shareholders or related parties or other third parties.

2. On December 11, 2017, BUMM entered into a loan agreement with Bukopin to provide credit facilities to BUMM which consisted of the following:
  - i. Investment Credit Facility with maximum plafond amounting to Rp3.0 billion with maximum term of sixty (60) months to be used for take over of outstanding loan from PT Bank BNI Syariah;
  - ii. Investment Credit Facility with maximum plafond amounting to Rp24.9 billion with maximum term of sixty (60) months to be used for the acquisition of machinery.

The facility was secured by:

- i. Land and building with equipment and facilities located at Jalan K.H. E.Z. Muttaqien, Gembor, Periuk, Tangerang, Banten registered under BUMM.
- ii. One (1) unit of office space located at Bakrie Tower, 37th Floor with land area of 1,427.3 m<sup>2</sup> which was also used as cross collateral with existing credit facilities between BUMM and Bukopin.

Based on the loan agreement, BUMM is not permitted to distribute dividends and repay loans to shareholders or related parties or other third parties.

In 2019, the Company, BBI and BUMM paid a total amount of Rp10.1 billion for these loans.

As of December 31, 2019 and 2018, the outstanding balance of these loan amounted to Rp21.2 billion and Rp31.3 billion, respectively.



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**23. PINJAMAN JANGKA PANJANG (Lanjutan)**

**c. PT Indosurya Inti Finance**

Fasilitas pinjaman Perusahaan dengan PT Indosurya Inti Finance telah beberapa kali diubah, terakhir pada tanggal 29 April 2019, dimana perjanjian diperpanjang dan diperbarui menjadi fasilitas pinjaman serta akan jatuh tempo pada 22 Maret 2024. Pada tahun 2019, fasilitas pinjaman direklasifikasi sebagai pinjaman jangka panjang (Catatan 18).

Pada tanggal 31 Desember 2019 dan 2018, saldo pinjaman ini masing-masing sebesar Rp22,8 miliar dan nihil.

**d. PT Timur Properti Investindo**

Pada tanggal 6 November 2017, BA menandatangani Kesepakatan Bersama dengan PT Timur Properti Investindo untuk memperoleh pinjaman dengan plafon maksimal penarikan sebesar Rp25,0 miliar. Fasilitas ini akan jatuh tempo pada tanggal 6 November 2020.

Pinjaman tersebut dijamin dengan:

- i. Satu (1) unit ruang kantor di Bakrie Tower Lantai 35 dengan luas 1.422 m<sup>2</sup>.
- ii. *Sinking fund* terdiri dari tiga (3) bulan pokok dan bunga sebesar Rp4,1 miliar.

Tidak ada pembatasan terkait perjanjian pinjaman ini.

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, fasilitas ini masih dalam proses penyelesaian.

Pada tanggal 31 Desember 2019 dan 2018, saldo pinjaman ini sebesar Rp18,3 miliar.

**e. PT Bank J Trust Indonesia Tbk**

Pada tanggal 22 Maret 2011, BA memperoleh fasilitas pinjaman investasi dari PT Bank J Trust Indonesia Tbk ("J Trust") dengan batas kredit sebesar Rp20,0 miliar. Fasilitas ini dijamin dengan tanah, bangunan, mesin dan peralatan di Jl. Tipar Cakung, Cakung, Jakarta Timur dan telah jatuh tempo pada tanggal 22 Maret 2016.

Fasilitas kredit telah diperpanjang beberapa kali, terakhir pada tanggal 22 Maret 2017 dimana batas kredit diubah menjadi sebesar Rp15,0 miliar dan akan jatuh tempo pada tanggal 22 Maret 2022.

Fasilitas tersebut dijamin dengan:

- i. Persediaan dan piutang dagang sebesar Rp26,0 miliar.
- ii. Tanah, bangunan pabrik dan sarana pelengkap di Bekasi KM 27, Pondok Ungu, Medan Satria, Bekasi Barat dengan luas tanah 51.645 m<sup>2</sup>.

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**23. LONG-TERM LOANS (Continued)**

**c. PT Indosurya Inti Finance**

Existing loan facility of the Company with PT Indosurya Inti Finance has been amended several times, the latest being on April 29, 2019, wherein the agreement was extended and amended to become loan facility which will be due on March 22, 2024. In 2019, the loan facility was reclassified as long-term loan (Note 18).

As of December 31, 2019 and 2018, the outstanding balance of these loan amounted to Rp22.8 billion and nil, respectively.

**d. PT Timur Properti Investindo**

On November 6, 2017, BA entered into a Mutual Agreement with PT Timur Properti Investindo to obtain loan with maximum credit limit of Rp25.0 billion. The facility will be due on November 6, 2020.

The loan was secured by:

- i. One (1) unit of office space located at Bakrie Tower, 35<sup>th</sup> Floor with land area of 1,422 m<sup>2</sup>.
- ii. *Sinking fund* comprised of three (3) months of principal and interest totaling Rp4.1 billion.

There were no covenants related to this loan agreement.

As of completion date of the consolidated financial statements, the facility is still in process of settlement.

As of December 31, 2019 and 2018, the outstanding loan balance amounted to Rp18.3 billion.

**e. PT Bank J Trust Indonesia Tbk**

On March 22, 2011, BA obtained investment loan facility from PT Bank J Trust Indonesia Tbk ("J Trust") with maximum credit limit of Rp20.0 billion. This facility was secured with land, building, machinery and equipment located at Jl. Tipar Cakung, Cakung, East Jakarta and was due on March 22, 2016.

The credit facility has been extended several times, the latest being on March 22, 2017 whereby the credit limit was changed to become Rp15.0 billion and will be due on March 22, 2022.

The facility was secured by:

- i. Inventories and trade receivables totaling Rp26.0 billion.
- ii. Land, building and office equipment located at Bekasi KM 27, Pondok Ungu, Medan Satria, Bekasi Barat with land area of 51,645 m<sup>2</sup>.

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**23. PINJAMAN JANGKA PANJANG (Lanjutan)**

Berdasarkan perjanjian, BA tidak diperkenankan melakukan kegiatan-kegiatan berikut tanpa persetujuan tertulis terlebih dahulu dari J Trust, antara lain:

- i. Melakukan pemindahtanganan barang jaminan.
- ii. Memperoleh fasilitas kredit atau pinjaman dari bank lain.
- iii. Mengambil bagian dari dividen/modal untuk kepentingan diluar usaha atau kepentingan pribadi.
- iv. Tidak meminjam dari atau meminjamkan uang kepada pihak ketiga selain daripada yang timbul dalam usahanya.
- v. Mengurangi utang kepada pemegang saham.

Pada tahun 2019, BA telah membayar sebesar Rp2,4 miliar atas fasilitas pinjaman ini.

Pada tanggal 31 Desember 2019 dan 2018, saldo pinjaman ini masing-masing sebesar Rp15,0 miliar dan Rp17,3 miliar.

**f. PT Bank Kesejahteraan Ekonomi**

Pada tanggal 13 September 2017, MKN memperoleh fasilitas pinjaman dari PT Bank Kesejahteraan Ekonomi (BKE) dalam bentuk fasilitas pinjaman kredit modal kerja dengan batas kredit sebesar Rp25,0 miliar. Pinjaman akan jatuh tempo pada tanggal 31 Oktober 2020.

Fasilitas ini dijamin dengan dua (2) unit bangunan kantor di Rasuna Office Park, Jl. H.R. Rasuna Said, Kuningan serta tanah dan bangunan milik BBI di Jl Raya Semanan No. 50B, Kalideres, Jakarta Barat. Jaminan tersebut akan diikat sesuai dengan ketentuan yang berlaku dengan nilai perjaminan sebesar Rp52,5 miliar dan merupakan bagian yang tidak terpisahkan dari perjanjian pinjaman ini.

Pada tahun 2019, MKN telah membayar sebesar Rp15,4 miliar atas fasilitas pinjaman ini.

Pada tanggal 31 Desember 2019 dan 2018, saldo pinjaman ini masing-masing sebesar Rp8,8 miliar dan Rp24,2 miliar.

**g. Eurofa Capital Investment Inc**

Pada tanggal 16 Desember 2010, Perusahaan menerbitkan *Equity Linked Notes (Notes)* sejumlah USD109,0 juta kepada Eurofa Capital Investment Inc. ("Eurofa") yang telah jatuh tempo pada tanggal 16 Desember 2015. Perusahaan membayar Eurofa *upfront fee* sebesar USD6,4 juta.

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**23. LONG-TERM LOANS (Continued)**

Based on the agreement, BA shall not perform transactions to carry-out the following activities without the prior written approval from the J Trust, among others:

- i. Transfer of assets used as collateral.
- ii. Obtain credit or loan facilities from other bank.
- iii. Take part in dividends/capital distribution for interests outside of business or personal interests.
- iv. Do not borrow from or lend money to third parties other than those that arise from the business.
- v. Reduction of loans from shareholders.

In 2019, BA has been paid in total amount of Rp2.4 billion for this loan facility.

As of December 31, 2019 and 2018, the outstanding balance of this loan amounted to Rp15.0 billion and Rp17.3 billion, respectively.

**f. PT Bank Kesejahteraan Ekonomi**

On September 13, 2017, MKN obtained loan facility from PT Bank Kesejahteraan Ekonomi (BKE) in the form of working capital credit facility with a credit limit of Rp25.0 billion. The loan will be due on October 31, 2020.

The loan is collateralized by 2 units of office building located at Rasuna Office Park, Jl H.R. Rasuna Said, Kuningan and BBI's land and building located at Jl. Raya Semanan No. 50B, Kalideres, West Jakarta. The guarantee will be binding in accordance with the applicable provisions with a guarantee value of Rp52.5 billion and is an integral part of this loan agreement.

In 2019, MKN has been paid in total amount of Rp15.4 billion for this loan facility.

As of December 31, 2019 and 2018, the outstanding balance of this loan amounted to Rp8.8 billion and Rp24.2 billion, respectively.

**g. Eurofa Capital Investment Inc.**

On December 16, 2010, the Company issued *Equity Linked Notes (Notes)* amounting to USD109.0 million to Eurofa Capital Investment Inc. ("Eurofa") that matured on December 16, 2015. The Company paid Eurofa an *upfront fee* of USD6.4 million.

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**23. PINJAMAN JANGKA PANJANG (Lanjutan)**

Berdasarkan perjanjian tersebut, Eurofa mempunyai hak untuk melakukan konversi jumlah pokok pinjaman menjadi saham biasa Perusahaan setelah kejadian berikut ini:

- a. Perusahaan gagal dalam melakukan pembayaran secara penuh atas *Notes* pada tanggal yang ditentukan untuk pelunasan;
- b. *Notes* tersebut tidak dibayar pada tanggal jatuh tempo; dan
- c. Terjadinya peristiwa cedera janji dan terus berlanjut.

Pada tanggal 25 Juni 2014, Eurofa mengalihkan sebagian *Notes* kepada Ecoline Investment Limited sebesar USD6.0 juta.

Saldo *Notes* ini pada tanggal 31 Desember 2019 dan 2018 adalah sebesar USD103,0 juta (masing-masing setara dengan Rp1,4 triliun dan Rp1,5 triliun).

**h. PT Bank MNC Internasional Tbk**

1. Pada tanggal 3 Desember 2009, Perusahaan, BPI, SEAPI, BCons, BMI, BBI, BA dan MKN ("Kelompok Usaha") mengadakan perjanjian fasilitas pinjaman dengan PT Bank MNC Internasional Tbk (Bank MNC) untuk kebutuhan modal kerja Kelompok Usaha dengan nilai maksimum sebesar Rp200,0 miliar atau USD20,0 juta. Fasilitas ini terdiri dari:
  - i. Pinjaman tetap yang digunakan oleh Kelompok Usaha untuk membiayai modal kerja atau untuk membayar *Sight Letter of Credit* yang akan jatuh tempo. Tingkat suku bunga untuk pinjaman dalam mata uang Rupiah adalah 1% di atas bunga deposito Rupiah yang dijamin dan 1,25% di atas bunga deposito USD untuk pinjaman mata uang USD. *Sight Letter of Credit* dan/atau *Usance Letter of Credit* akan digunakan oleh Kelompok Usaha untuk membiayai modal kerja.
  - ii. *Bank guarantee* yang akan digunakan oleh Kelompok Usaha untuk menjamin pembayaran kepada pihak ketiga baik dalam bentuk *tender/bid bond*, *performance bond*, *advance payment bond*, *retention bond*, dan lainnya.
  - iii. *Contra guarantee* dan/atau *Standby Letter of Credit* yang akan digunakan oleh Kelompok Usaha untuk menjamin pembayaran kepada pihak ketiga, baik bank maupun bukan bank, dalam bentuk *tender/bid bond*, *performance bond*, *advance payment bond*, *retention bond*, dan lainnya.

Pada tanggal 3 Desember 2012, Kelompok Usaha menandatangani perjanjian perubahan terhadap perjanjian kredit dimana nilai batas kredit diubah menjadi sebesar Rp136,4 miliar.

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**23. LONG-TERM LOANS (Continued)**

Based on the agreement, Eurofa has the right to convert the principal amount into ordinary shares of the Company after the occurrence of the following:

- a. The Company defaults in making payment in full in respect of the Notes on the date fixed for redemption thereof;
- b. The Notes are not redeemed on the maturity date; and
- c. An event of default occurs and is continuing.

On June 25, 2014, Eurofa transferred partial Notes to Ecoline Investment Limited amounting to USD6.0 million.

Outstanding balance of this Notes as of December 31, 2019 and 2018 amounted to USD103.0 million (equivalent to Rp1.4 trillion and Rp1.5 trillion, respectively).

**h. PT Bank MNC Internasional Tbk**

1. On December 3, 2009, the Company, BPI, SEAPI, BCons, BMI, BBI, BA and MKN (the "Group") entered into a loan facility agreement with PT Bank MNC Internasional Tbk (MNC Bank) for its working capital requirements with a maximum amount of Rp200.0 billion or USD20.0 million. This facility consisted of:
  - i. Fixed loan that will be used by the Group to finance its working capital or to pay maturing *Sight Letter of Credit*. The interest rate for Rupiah facility is 1% above the secured Rupiah time deposit rate and 1.25% above the secured USD time deposit rate for USD facility. *Sight Letter of Credit* and/or *Usance Letter of Credit* will be used by the Group for working capital.
  - ii. Bank guarantee that will be used by the Group to guarantee payment to third parties is either in the form of *tender/bid bond*, *performance bond*, *advance payment bond*, *retention bond*, and others.
  - iii. Contra guarantee and/or Standby Letter of Credit that will be used by the Group to guarantee payment to third parties, either bank or non-bank, is in the form of *tender/bid bond*, *performance bond*, *advance payment bond*, *retention bond*, and others.

On December 3, 2012, the Group entered into an amendment to the loan agreement with a total credit limit amounting to Rp136.4 billion.

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**23. PINJAMAN JANGKA PANJANG (Lanjutan)**

Fasilitas pinjaman ini telah mengalami beberapa kali perubahan, terakhir dengan perjanjian tanggal 17 Desember 2019, dimana perjanjian ini diperpanjang dan akan jatuh tempo 17 Desember 2024.

2. Berdasarkan Surat Persetujuan Penambahan Fasilitas Kredit No. 329/CCBG-MKN/XI/12, tanggal 26 November 2012 menyatakan bahwa MKN telah memperoleh penambahan fasilitas pinjaman kredit dari Bank MNC sebagai berikut:
  - i. Fasilitas Pinjaman Transaksi Khusus (PTK) dengan plafon sebesar Rp18,0 miliar untuk pembiayaan investasi untuk proyek *multi-year* termasuk pembiayaan *Letter of Credit* (L/C) yang digunakan untuk pembelian "bahan baku" atas proyek yang dibiayai.
  - ii. Fasilitas Pinjaman Tetap (PT1) dan/atau L/C Impor dengan limit sebesar USD4,0 juta atau setara dengan Rp36,0 miliar dan dengan sublimit Fasilitas Bank Garansi dengan plafon sebesar USD2,5 juta atau setara dengan Rp22,5 miliar dengan rincian sebagai berikut:
    - Pinjaman Tetap dapat digunakan oleh MKN untuk pembelian bahan baku/pelunasan Sight LC;
    - LC Impor digunakan untuk pembelian bahan baku; dan
    - Sublimit Fasilitas ini digunakan untuk jaminan pembayaran kepada pihak ketiga baik berupa *Tender/Bid Bond*, *Performance Bond*, *Advance Payment Bond* dan *Retention Bond*.
  - iii. Fasilitas Pinjaman Tetap (PT 2) dan/atau Surat Kredit Berdokumen Dalam Negeri (SKBDN) dan/atau bank garansi dengan batas pinjaman sebesar Rp4 miliar.
  - iv. Fasilitas Pinjaman Rekening Koran (PRK) dengan plafon sebesar Rp1,0 miliar untuk pembiayaan modal kerja operasional.
  - v. Fasilitas *Forex Exchange* sebesar USD2,5 juta untuk transaksi jual beli valuta asing.

Fasilitas tersebut dijamin dengan:

- i. Rekening deposito berjangka sebesar Rp5,0 miliar yang ditempatkan pada Bank MNC.
- ii. Akta jaminan fidusia atas piutang dagang milik MKN sebesar Rp20,0 miliar.
- iii. Hak Tanggungan atas tanah di Jl. Daan Mogot, KM 17,3, Semanan Raya, Kalideres, Jakarta dimiliki oleh BBI.
- iv. Hak Tanggungan atas tanah di Jl. Mekar Raya No. 56, Mekar Mulya, Rancasari, Gedebage, Bandung dimiliki oleh MKN.
- v. Fidusia piutang dagang atas proyek yang dibiayai minimum 200% dari kredit limit.
- vi. Unit peralatan yang dibiayai minimum 125% dari nilai pinjaman yang dicairkan.

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**23. LONG-TERM LOANS (Continued)**

*These credit facilities has been amended several times, the latest being on December 17, 2019, wherein the agreement was extended and will be due on December 17, 2024.*

2. *Based on the additional Letter of Credit Agreement No. 329/CCBG-MKN/XI/12 dated November 26, 2012, MKN received additional credit facility from Bank MNC as follows:*
  - i. *Special Transaction Loan (PTK) Facility with plafond amounting to Rp18.0 billion used for investment financing of multi-year projects including a Letter of Credit (L/C) facility to buy "raw materials" for the funded projects.*
  - ii. *Fixed Loan Facility (PT1) and/or Import LC with limit amounting to USD4.0 million or equivalent to Rp36.0 billion and with sublimit facility Bank Guarantee with plafond of USD2.5 million or Rp22.5 billion with details as follows:*
    - *Fixed Loan can be used by MKN to purchase raw materials/to pay Sight LC*
    - *Import LC used to buy raw materials; and*
    - *Sublimit Facility used as guarantee for payments to third parties in the form of Tender/Bid Bond, Performance Bond, Advance Payment Bond and Retention Bond.*
  - iii. *Fixed Loan Facility (PT 2) and/or Letter of Credit with Domestic Document (SKBDN) and or Bank Guarantee up to Rp4 billion.*
  - iv. *Bank Loan (PRK) Facility with ceiling amounting to Rp1.0 billion to finance operational working capital.*
  - v. *Forex Exchange Facility amounting to USD2.5 million for buying and selling foreign currency.*

*The facility was secured by:*

- i. *Time deposits amounting to Rp5.0 billion placed in MNC Bank.*
- ii. *Fiduciary deed for MKN's trade receivables amounting to Rp20.0 billion.*
- iii. *Landrights located at Jl. Daan Mogot, KM 17.3, Semanan Raya, Kalideres, West Jakarta, owned by BBI.*
- iv. *Landrights located at Jl. Mekar Raya No. 56, Mekar Mulya, Rancasari, Gedebage, Bandung, owned by MKN.*
- v. *Fiduciary trade receivables from projects financed at minimum of 200% from the credit limit.*
- vi. *Equipment units that were financed by minimum of 125% of the value of loans disbursed.*



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**23. PINJAMAN JANGKA PANJANG (Lanjutan)**

Fasilitas-fasilitas tersebut diperpanjang beberapa kali, yang terakhir pada tanggal 27 Februari 2019 dimana jangka waktu fasilitas diperpanjang sebagai berikut:

<b>Fasilitas</b>	<b>Tanggal Jatuh Tempo/ Maturity Date</b>
PRK	27 November/November 27, 2019
PTK 1	23 Desember/December 23, 2023
PT 2	27 November/November 27, 2019
PTK 2	23 April/April 23, 2022

Saldo pinjaman ini pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar USD8,6 juta (setara dengan Rp119,7 miliar) dan USD8,2 juta (setara dengan Rp118,7 miliar).

Seluruh pinjaman jangka panjang diperoleh dari pihak ketiga.

Pada tanggal 31 Desember 2019 dan 2018, manajemen berkeyakinan bahwa seluruh pinjaman jangka panjang Kelompok Usaha telah memenuhi persyaratan dan kondisi sebagaimana diatur dalam perjanjian pinjaman.

**23. LONG-TERM LOANS (Continued)**

The above-mentioned facilities have been amended several times, the latest being on February 27, 2019 wherein the term of the facility was extended as follows:

<b>Jumlah/Amount (Angka Penuh/Full Amount)</b>	<b>Facility</b>
Rp1.000.000.000	PRK
USD3.955.953,45	PTK 1
Rp4.000.000.000	PT 2
Rp8.437.204.605	PTK 1

The outstanding balance of these loan facilities as of December 31, 2019 and 2018 amounted to USD8.6 billion (equivalent to Rp119.7 billion), and USD8.2 billion (equivalent to Rp118.7 billion), respectively.

All long-term loans were obtained from third parties.

As of December 31, 2019 and 2018, the management believes that all long-term loans of the Group have met the terms and conditions as stipulated in the loan agreements.

**24. UTANG SEWA PEMBIAYAAN**

Kelompok Usaha memiliki utang sewa pembiayaan kepada:

<b>Perusahaan sewa pembiayaan</b>	<b>2019</b>	<b>2018</b>
PT Astra Credit Companies	556	782
PT Dipo Star Finance	317	632
PT CIMB Niaga Auto Finance	472	351
Lain-lain	218	968
<b>Total</b>	<b>1.563</b>	<b>2.733</b>
Dikurangi bagian yang jatuh tempo dalam satu tahun	(668)	(935)
<b>Bagian jangka panjang</b>	<b>895</b>	<b>1.798</b>

Utang sewa pembiayaan dijamin dengan aset yang dibiayai oleh utang ini (Catatan 15). Pembayaran sewa pembiayaan minimum di masa depan adalah sebagai berikut:

**24. FINANCING LEASE PAYABLES**

The Group had finance lease payables as follows:

<b>Lessor</b>
PT Astra Credit Companies
PT Dipo Star Finance
PT CIMB Niaga Auto Finance
Others
<b>Total</b>
Less current maturities
<b>Long term portion</b>

Finance lease payables are collateralized by assets financed by these payables (Note 15). Future minimum lease payments were as follows:



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**24. UTANG SEWA PEMBIAYAAN (Lanjutan)**

**24. FINANCING LEASE PAYABLES (Continued)**

	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>	
<b>31 Desember 2019</b>			<b>Desember 31, 2019</b>
Tidak lebih dari 1 tahun	739	668	Not later than 1 year
Lebih dari 1 - 5 tahun	941	895	Over 1- 5 years
<b>Jumlah</b>	<b>1.680</b>	<b>1.563</b>	<b>Total</b>
<b>31 Desember 2018</b>			<b>Desember 31, 2018</b>
Tidak lebih dari 1 tahun	935	935	Not later than 1 year
Lebih dari 1 - 5 tahun	1.798	1.798	Over 1- 5 years
<b>Jumlah</b>	<b>2.733</b>	<b>2.733</b>	<b>Total</b>

**25. PEMBIAYAAN MUSYARAKAH**

**25. MUSYARAKAH FINANCING**

	2019	2018	
<b>Rupiah</b>			<b>Rupiah</b>
<u>Jangka Pendek</u>			<u>Short-term</u>
PT Bank Negara Indonesia Syariah, Indonesia	12.000	12.000	PT Bank Negara Indonesia Syariah, Indonesia
<u>Jangka Panjang</u>			<u>Long-term</u>
PT Bank Muamalat Tbk, Indonesia	21.256	28.801	PT Bank Muamalat Tbk, Indonesia
PT Bank Rakyat Indonesia Syariah, Indonesia	-	40.953	PT Bank Rakyat Indonesia Syariah, Indonesia
PT Bank Negara Indonesia Syariah, Indonesia	-	330	PT Bank Negara Indonesia Syariah, Indonesia
<b>Total</b>	<b>21.256</b>	<b>70.084</b>	<b>Total</b>
Dikurangi bagian jangka pendek	(9.515)	(10.865)	Less current portion
<b>Bagian Jangka Panjang</b>	<b>11.741</b>	<b>59.219</b>	<b>Non-Current Portion</b>

**a. PT Bank Negara Indonesia Syariah**

**a. PT Bank Negara Indonesia Syariah**

- a. Pada tanggal 17 Februari 2016, BUMM memperoleh Fasilitas Musyarakah dari PT Bank BNI Syariah ("BNIS") dengan jumlah plafon sebesar Rp12,0 miliar. Fasilitas ini digunakan untuk modal kerja pembelian bahan baku. Fasilitas ini akan jatuh tempo dalam waktu dua belas (12) bulan dan telah diperpanjang beberapa kali, terakhir sampai dengan tanggal 29 Februari 2020.

- a. On February 17, 2016, BUMM obtained Musyarakah Facility from PT Bank BNI Syariah ("BNIS") with ceiling amounting to Rp12.0 billion. This facility was used to working capital purchase raw materials. This facility matures within twelve (12) months and has been extended several times, the latest until February 29, 2020.

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**25. PEMBIAYAAN MUSYARAKAH (Lanjutan)**

- b. Pada tanggal 29 Februari 2016, BUMM memperoleh Fasilitas Musyarakah dari BNIS dengan jumlah plafon sebesar Rp5,0 miliar dan telah jatuh tempo dalam waktu tiga puluh enam (36) bulan. Fasilitas ini digunakan untuk modal kerja pembelian bahan baku.

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, fasilitas ini masih dalam proses perpanjangan.

Fasilitas ini dijamin dengan:

- Segala harta yang bergerak maupun tidak bergerak;
- sebidang tanah, SHGB No. 291 dan No. 5340 atas nama BUMM yang berlokasi di Jl. KH. EZ. Muttaqien, Kelurahan Alam Jaya, Kecamatan Jatiuwung, Kota Tangerang, Propinsi Banten;
- rangkaian mesin dan perlengkapan yang diikat dengan kewajiban fidusia senilai Rp9,0 miliar; dan
- objek pembiayaan berupa persediaan yang dibiayai Bank akan diikat fidusia minimal senilai Rp5,0 miliar.
- corporate guarantee dari BA, pemegang saham utama BUMM.

**b. PT Bank Muamalat Indonesia Tbk**

Pada tanggal 14 Maret 2017, BMC memperoleh Fasilitas Musyarakah dari PT Bank Muamalat Indonesia Tbk ("Muamalat") dengan jumlah plafon sebesar Rp33,3 miliar dan akan jatuh tempo dalam waktu enam puluh tujuh (67) bulan atau sampai dengan bulan September 2022. Fasilitas ini digunakan untuk membiayai kembali pembiayaan Murabahah BMC sebelumnya.

Fasilitas ini memiliki porsi syirkah dan nisbah bagi hasil antara BMC (46,2% dan 48,58%) dan Muamalat (53,8% and 51,42%). Objek bagi hasil dari fasilitas ini adalah penghasilan dari sewa aset.

Fasilitas ini dijamin dengan:

- Sebidang tanah dan bangunan di atasnya, dengan bukti kepemilikan SHGB No. 6031 dan 6032 atas nama BMC yang berlokasi di Jalan Kaliabang Tengah Raya No. 88, Harapan Jaya, Bekasi Utara, Bekasi, Jawa Barat; dan
- Mesin-mesin, kendaraan dan persediaan yang dimiliki BMC.

Berdasarkan perjanjian, BMC tidak diperkenankan melakukan kegiatan-kegiatan berikut tanpa persetujuan tertulis terlebih dahulu dari Muamalat, antara lain:

- Menyatakan kebangkrutan atau mengajukan surat permohonan pailit ke Pengadilan.
- Mendapatkan fasilitas kredit dari bank atau lembaga keuangan lainnya.
- Mengubah komposisi pemegang saham, dewan komisaris dan direksi.
- Menjual aset jaminan kepada pihak lain.
- Membayar dividen.

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**25. MUSYARAKAH FINANCING (Continued)**

- b. On February 29, 2016, BUMM obtained Musyarakah Facility from BNIS with ceiling amounting to Rp5.0 billion and matures in thirty-six (36) months. This facility was used to working capital purchase raw material.

As of completion date of the consolidated financial statements, the facility is still under extension process.

These facilities were secured by:

- All of movable property and immovable property;
- land, SHGB No. 291 and No. 5340 on behalf of BUMM that located in Jl. KH. EZ. Muttaqien, Kelurahan Alam Jaya, Kecamatan Jatiuwung, Kota Tangerang, Provinsi Banten;
- a series engine and equipment with that tied by fiduciary duty amounting to Rp9.0 billion; and
- financing object as inventory that will be financed by Bank with fiduciary duty with a total minimum amounting to Rp5.0 billion.
- corporate guarantee from BA, majority shareholder of BUMM

**b. PT Bank Muamalat Indonesia Tbk**

On March 14, 2017, BMC obtained Musyarakah Facility from PT Bank Muamalat Indonesia Tbk ("Muamalat") with plafond of Rp33.3 billion and will mature in sixty seven (67) months or until September 2022. This facility was used to refinance BMC's outstanding Murabahah financing.

This facility has syirkah and profit sharing portion between BMC (46.2% and 48.58%) and Muamalat (53.8% and 51.42%). The object of this revenue sharing is income from assets rental.

This facility was secured by:

- Land and buildings owned through SHGB No. 6031 and No. 6032 under BMC which is located at Jalan Kaliabang Tengah Raya No. 88, Harapan Jaya, North Bekasi, Bekasi, West Java; and
- Machineries, vehicles and inventories owned by BMC.

Based on the agreement, BMC shall not perform transactions to carryout the following activities without the prior written approval from Muamalat, among others:

- Declare bankruptcy or submit letter of bankruptcy petition to the Courts.
- Obtain credit facility from a bank or other financial institution.
- Change composition of shareholders, boards of commissioners and directors.
- Sell the collateral assets to another party.
- Dividend payment.

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**25. PEMBIAYAAN MUSYARAKAH (Lanjutan)**

**c. PT Bank Rakyat Indonesia Syariah**

Pada tanggal 29 Desember 2017, BA memperoleh Fasilitas Musyarakah dari PT Bank BRI Syariah ("BRIS") dengan jumlah plafon sebesar Rp42,8 miliar dan akan jatuh tempo dalam waktu delapan empat (84) bulan. Fasilitas ini digunakan untuk membiayai kembali atas pembiayaan Murabahah BA sebelumnya (Catatan 26).

Fasilitas ini dijamin dengan:

- Bangunan dan prasarana (Plant 5 Balaraja) yang berlokasi di Jl. Raya Serang Km 31, Gembong, Balaraja, Tangerang, Banten.
- Mesin-mesin produksi yang berada di pabrik (Plant 5 Balaraja dan Plant 1, 2 dan 3 Pondok Ungu) sesuai dengan akad Fidusia pada saat Restrukturisasi I.

Berdasarkan perjanjian, BA tidak diperkenankan melakukan kegiatan-kegiatan berikut tanpa persetujuan tertulis terlebih dahulu dari BRIS, antara lain:

- Menyatakan kebangkrutan atau mengajukan surat permohonan pailit ke Pengadilan.
- Mendapatkan fasilitas kredit dari bank atau lembaga keuangan lainnya.
- Mengubah komposisi pemegang saham, dewan komisaris dan direksi.
- Menjual aset jaminan kepada pihak lain.
- Membayar dividen.

Pada tahun 2019, BA telah melunasi saldo fasilitas pinjaman ini.

Pada tanggal 31 Desember 2019 dan 2018, saldo pembiayaan musyarakah jangka pendek sebesar Rp12,0 miliar serta pembiayaan musyarakah jangka panjang adalah masing-masing sebesar Rp21,3 miliar dan Rp70,1 miliar.

Beban bagi hasil musyarakah untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp5,8 miliar dan Rp7,4 miliar.

Pada tahun 2019, BA, BMC dan BUMM membayar sejumlah Rp7,0 miliar atas pembiayaan musyarakah ini.

Pada tanggal 31 Desember 2019 dan 2018, manajemen berkeyakinan bahwa seluruh pembiayaan musyarakah jangka panjang Kelompok Usaha telah memenuhi persyaratan dan kondisi sebagaimana diatur dalam perjanjian pinjaman.

**26. PEMBIAYAAN MURABAHAH**

	2019	2018
<b>Rupiah</b>		
PT Bank Negara Indonesia Syariah, Indonesia	10.464	21.759
Dikurangi bagian jangka pendek	(5.278)	(11.304)
<b>Bagian Jangka Panjang</b>	<b>5.186</b>	<b>10.455</b>

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**25. MUSYARAKAH FINANCING (Continued)**

**c. PT Bank Rakyat Indonesia Syariah**

On December 29, 2017, BA obtained Musyarakah Facility from PT Bank BRI Syariah Tbk ("BRIS") with plafond of Rp42.8 billion and will mature in eighty four (84) months. This facility was used to refinance of its BA's previous Murabahah financing (Note 26).

This facility was secured by:

- Building and building improvement (Plant 5 in Balaraja) located at Jl. Raya Serang Km 31, Gembong, Balaraja, Tangerang, Banten.
- Machineries located at the plant (Plant 5 in Balaraja; Plant 1, 2 and 3 in Pondok Ungu) in accordance with the Fiduciary Deed at the time of Restructuring I.

Based on the agreement, BA shall not perform transactions to carryout the following activities without the prior written approval from BRIS, among others:

- Declare bankruptcy or submit letter of bankruptcy petition to the Courts.
- Obtain credit facility from a bank or other financial institution.
- Change composition of shareholders, boards of commissioners and directors.
- Sell the collateral assets to another party.
- Dividend payment.

In 2019, BA fully paid the outstanding balance from this loan facility.

As of December 31, 2019 and 2018, outstanding balance of short-term musyarakah financing amounted to Rp12.0 billion and long-term musyarakah financing amounted to Rp21.3 billion, Rp70.1 billion, respectively.

Musyarakah sharing expense for the years ended December 31, 2019 and 2018 amounted to Rp5.8 billion and Rp7.4 billion, respectively.

In 2019, BA, BMC and BUMM paid a total of Rp7.0 billion of this musyarakah financing.

As of December 31, 2019 and 2018, the management believes that all long-term musyarakah financing of the Group have met the terms and conditions as stipulated in the loan agreements.

**26. MURABAHAH FINANCING**

<b>Rupiah</b>
PT Bank Negara Indonesia Syariah, Indonesia
Less current portion
<b>Long-Term Portion</b>

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**26. PEMBIAYAAN MURABAHAH (Lanjutan)**

**PT Bank Negara Indonesia Syariah**

Pada tanggal 19 Desember 2014, BMC memperoleh Fasilitas Murabahah dari PT Bank BNI Syariah ("BNI Syariah") dengan jumlah plafon maksimum sebesar Rp50,0 miliar. Fasilitas ini akan jatuh tempo dalam waktu enam puluh (60) bulan. Fasilitas ini digunakan untuk *take over* pinjaman atas investasi mesin dan peralatan dari J Trust, *take over* pinjaman atas modal kerja dari J Trust, dan untuk investasi pembelian mesin dan modal kerja.

Pada tahun 2017, BMC memperoleh beberapa Fasilitas Murabahah dengan jumlah sebesar Rp5,81 miliar dengan margin Rp2,17 miliar. Fasilitas ini akan jatuh tempo dalam waktu enam puluh (60) bulan. Fasilitas ini digunakan untuk membeli mesin produksi.

Fasilitas ini dijamin dengan:

- sebidang tanah dan bangunan di atasnya, dengan bukti kepemilikan SHGB No. 3219 dan No. 4080 atas nama BMC yang berlokasi di Jl. Harapan Kita No. 4, Kelurahan Harapan Jaya, Kecamatan Bekasi Utara, Kota Bekasi, Provinsi Jawa Barat. Jaminan ini telah diikat dengan Hak Tanggungan sebesar Rp45,5 miliar;
- rangkaian mesin dan perlengkapan yang diikat dengan kewajiban fidusia senilai Rp60,8 miliar; dan
- objek pembiayaan berupa persediaan yang dibiayai oleh J Trust akan diikat fidusia minimal senilai Rp30,0 miliar.

Berdasarkan perjanjian, BMC tidak diperkenankan melakukan kegiatan-kegiatan berikut tanpa persetujuan tertulis terlebih dahulu dari BNI Syariah, antara lain:

- Menyatakan kebangkrutan atau mengajukan surat permohonan pailit ke Pengadilan.
- Mendapatkan fasilitas kredit dari bank atau lembaga keuangan lainnya.
- Mengubah komposisi pemegang saham, dewan komisaris dan direksi.
- Menjual aset jaminan kepada pihak lain.

Saldo pembiayaan murabahah ini pada tanggal 31 Desember 2019 dan 2018 adalah masing-masing sebesar Rp10,5 miliar dan Rp21,8 miliar.

Beban murabahah untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp2,2 miliar dan Rp5,6 miliar.

Pada tahun 2019, BMC membayar sejumlah Rp11,3 miliar atas pembiayaan musyarakah ini.

Pada tanggal 31 Desember 2019 dan 2018, manajemen berkeyakinan bahwa seluruh pembiayaan murabahah jangka panjang Kelompok Usaha telah memenuhi persyaratan dan kondisi sebagaimana diatur dalam perjanjian pinjaman.

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**26. MURABAHAH FINANCING (Continued)**

**PT Bank Negara Indonesia Syariah**

On December 19, 2014, BMC obtained Murabahah Facility from PT Bank BNI Syariah ("BNI Syariah") with plafond amounting to Rp50.0 billion. This facility will mature in sixty (60) months. This facility was used to take over machinery and equipment investment loan from J Trust, take over working capital loan from J Trust, and as investment for machinery purchasing and working capital.

In 2017, BMC obtained various Murabahah Facility with a total amount of Rp5.81 billion and total margin of Rp2.17 billion. These facility will mature in sixty (60) months. These facilities were used to purchase production machinery.

These facilities were secured by:

- a plot of land and buildings above it, with proof of ownership of SHGB No. 3219 and No. 4080 on behalf of BMC which is located on Jl. Harapan Kita No. 4, Harapan Jaya Village, North Bekasi District, Bekasi City, West Java Province. This collateral are tied by Security Rights in amount of Rp. 45.5 billion;
- a series engine and equipment with that tied by fiduciary duty amounting to Rp60.8 billion; and
- financing object as inventory that will be financed by Bank with fiduciary duty with a total minimum amounting to Rp30.0 billion.

Based on the agreement, BMC shall not perform transactions to carryout the following activities without the prior written approval from BNI Syariah, among others:

- Declare bankruptcy or submit letter of bankruptcy petition to the Courts.
- Obtain credit facility from a bank or other financial institution.
- Change composition of shareholders, boards of commissioners and directors.
- Sell the collateral assets to another party.

Outstanding balances of these murabahah financing as of December 31, 2019 and 2018 amounted to Rp10.5 billion and Rp21.8 billion, respectively.

Murabahah expense for the years ended December 31, 2019 and 2018 amounted to Rp2.2 and Rp5.6 billion, respectively.

In 2019, BMC paid a total of Rp11.3 billion of this musyarakah financing.

As of December 31, 2019 and 2018, the management believes that all long-term murabahah financing of the Group have met the terms and conditions as stipulated in the loan agreements.

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**27. MODAL SAHAM**

**27. SHARE CAPITAL**

2019				
<b>Pemegang Saham</b>	<b>Jumlah Saham Ditempatkan dan Disetor Penuh (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.	2.025.150.000	9,71%	2.308.671	Bright Ventures Pte. Ltd.
PT Asuransi Simas Jiwa	1.228.979.768	5,89%	922.630	PT Asuransi Simas Jiwa
Fountain City Investment Ltd	7.087.277.300	33,97%	453.586	Fountain City Investment Ltd
Daley Capital Limited	2.239.181.951	10,73%	143.308	Daley Capital Limited
Gafur Sulisty Umar	30.332.700	0,15%	880	Gafur Sulisty Umar
Armansyah Yamin	7.926.799	0,04%	708	Armansyah Yamin
A. Amri Aswono Putro	20.234.000	0,10%	587	A. Amri Aswono Putro
Dody Taufiq Wijaya	13.223.000	0,06%	383	Dody Taufiq Wijaya
R.A. Sri Dharmayanti	13.223.000	0,06%	383	R.A. Sri Dharmayanti
Masyarakat	8.197.524.962	39,29%	10.403.866	Public
<b>Total</b>	<b>20.863.053.480</b>	<b>100,00%</b>	<b>14.235.002</b>	<b>Total</b>

2018				
<b>Pemegang Saham</b>	<b>Jumlah Saham Ditempatkan dan Disetor Penuh (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.	2.025.150.000	9,75%	2.308.671	Bright Ventures Pte. Ltd.
PT Asuransi Simas Jiwa	1.228.979.768	5,92%	922.630	PT Asuransi Simas Jiwa
PT Solusi Sarana Sejahtera	927.041.041	4,46%	463.521	PT Solusi Sarana Sejahtera
Fountain City Investment Ltd	7.087.277.300	34,12%	453.586	Fountain City Investment Ltd
Daley Capital Limited	1.568.656.700	7,55%	70.590	Daley Capital Limited
Armansyah Yamin	16.799	0,00%	479	Armansyah Yamin
Masyarakat	7.934.855.392	38,20%	9.969.987	Public
<b>Total</b>	<b>20.771.977.000</b>	<b>100,00%</b>	<b>14.189.464</b>	<b>Total</b>

Susunan pemegang saham Perusahaan di atas pada tanggal 31 Desember 2019 dan 2018 berdasarkan catatan dari PT EDI Indonesia, Biro Administrasi Efek.

The above mentioned composition of the Company's shareholders as of December 31, 2019 and 2018 based on registration by PT EDI Indonesia, Securities Administration Agency.



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**27. MODAL SAHAM (Lanjutan)**

**27. SHARE CAPITAL (Continued)**

Rincian modal dasar Perusahaan pada tanggal  
31 Desember 2019 dan 2018 adalah sebagai berikut:

Details of the Company's authorized capital as of  
December 31, 2019 and 2018 were as follows:

Saham	2019 and 2018			Shares
	Jumlah Saham/ Number of Shares	Nilai Nominal (Angka Penuh)/ Par Value (Full Amount)	Jumlah/ Amount	
Modal dasar				Authorized Capital
Seri A	77.500.800	28.500	2.208.773	Series A
Seri B	368.128.800	3.990	1.468.834	Series B
Seri C	8.984.667.760	1.140	10.242.521	Series C
Seri D	51.285.282.796	500	25.642.641	Series D
Seri E	233.000.000.000	64	14.912.000	Series E
<b>Total</b>	<b>293.715.580.156</b>		<b>54.474.769</b>	<b>Total</b>

Rincian modal ditempatkan dan disetor penuh  
Perusahaan pada tanggal 31 Desember 2019 dan 2018  
adalah sebagai berikut:

Details of the Company's issued and fully paid capital as  
of December 31, 2019 and 2018 were as follows:

Saham	2019			Shares
	Jumlah Saham/ Number of Shares	Nilai Nominal (Angka Penuh)/ Par Value (Full Amount)	Jumlah/ Amount	
Modal ditempatkan dan disetor				Issued and fully paid capital
Seri A	19.375.200	28.500	552.193	Series A
Seri B	368.128.800	3.990	1.468.834	Series B
Seri C	8.984.667.760	1.140	10.242.521	Series C
Seri D	2.834.947.720	500	1.417.474	Series D
Seri E	8.655.934.000	64	553.980	Series E
<b>Total</b>	<b>20.863.053.480</b>		<b>14.235.002</b>	<b>Total</b>

Saham	2018			Shares
	Jumlah Saham/ Number of Shares	Nilai Nominal (Angka Penuh)/ Par Value (Full Amount)	Jumlah/ Amount	
Modal ditempatkan dan disetor				Issued and fully paid capital
Seri A	19.375.200	28.500	552.193	Series A
Seri B	368.128.800	3.990	1.468.834	Series B
Seri C	8.984.667.760	1.140	10.242.521	Series C
Seri D	2.743.871.240	500	1.371.936	Series D
Seri E	8.655.934.000	64	553.980	Series E
<b>Total</b>	<b>20.771.977.000</b>		<b>14.189.464</b>	<b>Total</b>

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**27. MODAL SAHAM (Lanjutan)**

**Perubahan Modal Disetor**

Pada tanggal 2 April 2018, Perusahaan memperoleh Pemberitahuan mengenai Pengumuman Pencatatan Saham yang dikeluarkan oleh Bursa Efek Indonesia mengenai pelaksanaan proses penambahan modal tanpa hak memesan efek terlebih dahulu Perusahaan sejumlah 7.624.865.069 lembar saham seri D efektif dicatatkan pada tanggal 3 April 2018 (Catatan 29).

Berdasarkan Rapat Umum Pemegang Saham Luar Biasa pada tanggal 21 November 2018 sebagaimana dimuat dalam Akta Pernyataan Keputusan Rapat No. 39 tanggal 17 Januari 2019 yang dibuat dihadapan Notaris Humbert Lie, S.H., S.E., M.Kn., para pemegang saham menyetujui penyelesaian utang kepada Fountain City Investment Ltd, Daley Capital Ltd dan Levoca Enterprise Ltd dengan konversi utang menjadi OWK dan/atau saham baru Perusahaan yang dilakukan dengan PHMTHMETD melalui penerbitan OWK dan/atau saham Seri E Perusahaan serta memberi kuasa kepada Dewan Komisaris Perusahaan hingga selesainya proses konversi utang menjadi saham Perusahaan.

**Penggabungan Saham**

Berdasarkan Rapat Umum Pemegang Saham Luar Biasa pada tanggal 27 April 2018 sebagaimana dimuat dalam Akta Notaris No. 80 tanggal 17 Mei 2018 yang dibuat dihadapan Notaris Humbert Lie, S.H., S.E., M.Kn., para pemegang saham menyetujui sebagai berikut

- Menyetujui pelaksanaan Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu (PHMTHMETD) yaitu:
  - PHMTHMETD sebanyak 72 saham seri C dengan nilai nominal dan harga pelaksanaan sebesar Rp114;
  - PHMTHMETD sebanyak 551 saham seri D dengan nilai nominal dan harga pelaksanaan sebesar Rp50;
- Menyetujui peningkatan nilai nominal saham Perusahaan yang dilakukan melalui pengurangan jumlah saham (*reverse stock*) yaitu:
  - Nilai nominal saham seri A yang sebelumnya Rp2.850 per saham menjadi nilai nominal baru Rp28.500 per saham.
  - Nilai nominal saham seri B yang sebelumnya Rp399 per saham menjadi nilai nominal baru Rp3.990 per saham.
  - Nilai nominal saham seri C yang sebelumnya Rp114 per saham menjadi nilai nominal baru Rp1.140 per saham.
  - Nilai nominal saham seri D yang sebelumnya Rp50 per saham menjadi nilai nominal baru Rp500 per saham.

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**27. SHARE CAPITAL (Continued)**

**Changes in Paid-up Capital**

On April 2, 2018, the Company obtained Notice of Share Registration Announcement issued by the Indonesian Stock Exchange regarding the execution of the additional capital without pre-emptive rights of the Company amounting to 7,624,865,069 series D shares effective April 3, 2018 (Note 29).

Based on the Extraordinary General Meeting of Shareholders on November 21, 2018, as stated in Notarial Deed No. 39 dated January 17, 2019 made before Humbert Lie, SH., S.E., M.Kn., the shareholders approved the debt settlement to Fountain City Investment Ltd, Daley Capital Ltd and Levoca Enterprise Ltd by converting debt into MCB and/or the Company's new shares conducted with PHMTHMETD through the issuance of MCB and/or the Company E Series shares and authorizing the Company's Board of Commissioners until the completion of the process of converting debt into shares of the Company.

**Reverse Stock**

Based on the Extraordinary General Meeting of Shareholders on April 27, 2018, as stated in the Notarial Deed No. 80 dated May 17, 2018 made before Humbert Lie, SH., S.E., M.Kn., the shareholders approved the following:

- Approved the Company's additional paid-in capital through Non-Preemptive Rights (NPR) as follows:
  - NPR for 72 C series shares with nominal and exercise price of Rp114.
  - NPR for 551 D series shares with nominal and exercise price of Rp50.
- Approved the increase in the Company's nominal share price through decrease in the number of the Company's shares (*reverse stock*) as follows:
  - Nominal value of series A shares from Rp2,850 per share into new nominal value of Rp28,500 per share.
  - Nominal value of series B shares from Rp399 per share into new nominal value of Rp3,990 per share.
  - Nominal value of series C shares from Rp114 per share into new nominal value of Rp1,140 per share.
  - Nominal value of series D shares from Rp50 per share into new nominal value of Rp500 per share.

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**27. MODAL SAHAM (Lanjutan)**

Pada tanggal 26 Februari 2019, Perusahaan memperoleh Pemberitahuan mengenai Pengumuman Pencatatan Saham yang dikeluarkan oleh Bursa Efek Indonesia mengenai pelaksanaan proses penambahan modal tanpa hak memesan efek terlebih dahulu Perusahaan sejumlah 91.076.480 lembar saham seri D efektif dicatatkan pada tanggal 27 Februari 2019 (Catatan 29).

Berdasarkan Akta Notaris No. 83 tanggal 20 Maret 2019 yang dibuat dihadapan Notaris Humberg Lie, S.H., S.E., M.Kn., para pemegang saham menyetujui penerbitan saham seri D dengan nilai nominal Rp500 per saham kepada OL Master Limited, sebagai pemegang OWK, yang diterbitkan oleh Perusahaan melalui mekanisme Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu.

**27. SHARE CAPITAL (Continued)**

On February 26, 2019, the Company obtained Notice of Share Registration Announcement issued by the Indonesian Stock Exchange regarding the execution of the additional capital without pre-emptive rights of the Company amounting to 91,076,480 series D shares effective February 27, 2019 (Note 29).

Based on Notarial Deed No. 83 dated March 20, 2019 made before Humberg Lie, SH., S.E., M.Kn., the shareholders approved the issuance of new D shares with a nominal value of Rp500 per share to OL Master Limited, as a holder of MCB, issued by the Company through Non Pre-emptive Right mechanism.

**28. TAMBAHAN MODAL DISETOR**

	<b>2019</b>	<b>2018</b>
Selisih penerimaan dari penerbitan saham atas nilai nominal	61.728	61.728
Tambahan modal disetor dari pengampunan pajak	1.164.535	1.164.536
Selisih nilai transaksi restrukturisasi entitas sepengendali	(3.730.585)	(2.621.572)
<b>Total</b>	<b>(2.504.322)</b>	<b>(1.395.308)</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.

Tambahan modal disetor dari pengampunan pajak

Kelompok Usaha turut serta dalam program Pengampunan Pajak dan mencatat dalam tambahan modal disetor atas pengampunan pajak (Catatan 36f).

**28. ADDITIONAL PAID-IN CAPITAL**

	<b>2019</b>	<b>2018</b>
Selisih penerimaan dari penerbitan saham atas nilai nominal	61.728	61.728
Tambahan modal disetor dari pengampunan pajak	1.164.535	1.164.536
Selisih nilai transaksi restrukturisasi entitas sepengendali	(3.730.585)	(2.621.572)
<b>Total</b>	<b>(2.504.322)</b>	<b>(1.395.308)</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 participated in the Tax Amnesty program and recognized additional paid in capital from tax amnesty (Note 36f).

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**28. TAMBAHAN MODAL DISETOR (Lanjutan)**

Selisih nilai transaksi restrukturisasi entitas sepengendali

a. Tahun 2012

Sehubungan dengan penjualan saham yang dimiliki Perusahaan di BTEL, ENRG, UNSP dan ELTY ke PT Long Haul Holdings Limited (LHH), entitas yang juga dikendalikan oleh Kelompok Usaha Bakrie, Perusahaan mengakui perbedaan antara harga jual sebesar Rp512,3 miliar dan nilai tercatat sebesar Rp2,93 triliun sebesar Rp2,42 triliun sebagai "Selisih Nilai Transaksi Restrukturisasi Entitas Sepengendali".

b. Tahun 2015

Pada tanggal 20 Maret 2015, Perusahaan mengalihkan seluruh kepemilikan saham di BBR sebesar 44,6% kepada LHH. Atas transaksi ini, Perusahaan mencatat piutang dari LHH.

Pada tanggal 24 Maret 2015, Perusahaan mengalihkan semua utang Palisades Sub III Ltd, yang selanjutnya saling hapus dengan piutang dari LHH.

Atas kedua transaksi tersebut, Perusahaan mencatat "Selisih Nilai Transaksi Restrukturisasi Entitas Sepengendali" sebesar Rp179,2 miliar.

c. Tahun 2019

Pada tanggal 16 Desember 2019, Bakrie Petroleum International Ltd (BPIPL) mengalihkan seluruh kepemilikan saham di PT. Petromine Energy Trading sebesar 95% kepada PT Bakrie Capital Indonesia (BCI). Atas transaksi ini, BPIPL mencatat piutang dari BCI.

Atas transaksi tersebut, Perusahaan mencatat "Selisih Nilai Transaksi Restrukturisasi Entitas Sepengendali" sebesar Rp1,1 triliun.

d. Entitas Anak

Pada tanggal 31 Desember 2019 dan 2018, Entitas Anak mencatat saldo "Selisih Nilai Transaksi Restrukturisasi Entitas Sepengendali" sebesar Rp24,3 miliar.

**29. OBLIGASI WAJIB KONVERSI**

Berdasarkan Perjanjian Penerbitan OWK dan Akta Notaris No. 20 tanggal 2 Juni 2016 dari Humbert Lie, S.H., S.E., M.Kn., Perusahaan menerbitkan OWK yang disetujui oleh Rapat Umum Pemegang Saham Luar Biasa pada tanggal 2 Juni 2016.

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**28. ADDITIONAL PAID-IN CAPITAL (Continued)**

Difference in restructuring of entities under common control

a. Year 2012

*In relation to the sale of Company's share in BTEL, ENRG, UNSP and ELTY to PT Long Haul Holdings Limited (LHH), an entity also controlled by Bakrie Group, the Company recognized the difference between the selling price of Rp512.3 billion and carrying value of Rp2.93 trillion amounting to Rp2.42 trillion as "Difference in Restructuring of Entities Under Common Control".*

b. Year 2015

*On March 20, 2015, the Company transferred all of its share ownership in BBR 44,6% to LHH. For this transaction, the Company recorded receivables from LHH.*

*On March 24, 2015, the Company transferred all payable to Palisades Sub III Ltd, which was subsequently net off with the receivables from LHH.*

*On both of these transactions, the Company recorded "Difference in Restructuring Transactions of Entities Under Common Control" amounting to Rp179.2 billion.*

c. Year 2019

*On December 16, 2019, Bakrie Petroleum International Ltd (BPIPL) transferred all of its share ownership in PT Petromine Energy Trading 95% to PT Bakrie Capital Indonesia (BCI). For this transaction, BPIPL recorded receivables from BCI.*

*On the transactions, the Company recorded "Difference in Restructuring Transactions of Entities Under Common Control" amounting to Rp1.1 trillion*

d. Subsidiaries

*As of December 31, 2019 and 2018, the Subsidiaries have outstanding balance recorded under "Difference in Value from Restructuring Transactions of Entities Under Common Control" amounting to Rp24.3 billion.*

**29. MANDATORY CONVERTIBLE BONDS**

*Based on MCB Issuance Agreement and Notarial Deed No. 20 dated June 2, 2016 of Humbert Lie, S.H., S.E., M.Kn., the Company issued MCB that was approved in the Extraordinary Shareholders Meeting on June 2, 2016.*

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**29. OBLIGASI WAJIB KONVERSI (Lanjutan)**

Pada tanggal 20 Juni 2016, Perusahaan telah menerbitkan tambahan OWK sebesar Rp987,9 miliar kepada beberapa kreditur.

OWK dapat dikonversi menjadi saham baru Seri D Perusahaan setiap saat sejak tanggal diterbitkannya sampai dengan tanggal jatuh tempo. Pada tanggal jatuh tempo, OWK yang telah diterbitkan akan dikonversi menjadi saham baru Seri D pada nilai nominal.

Pada tanggal 14 Desember 2016, 30 Maret 2017 dan 30 September 2017, Perusahaan memperoleh surat dari PT EDI Indonesia mengenai pelaksanaan proses penambahan modal tanpa hak memesan efek.

Pada tanggal 22 Desember 2017, Perusahaan telah menerbitkan tambahan OWK sebesar Rp1.037,5 miliar kepada beberapa kreditur.

Pada tanggal 2 April 2018, Perusahaan memperoleh Pemberitahuan mengenai Pengumuman Pencatatan Saham yang dikeluarkan oleh Bursa Efek Indonesia mengenai pelaksanaan proses penambahan modal tanpa hak memesan efek terlebih dahulu Perusahaan sejumlah 7.624.865.069 lembar saham seri D efektif dicatatkan pada tanggal 3 April 2018 (Catatan 27).

Pada tanggal 26 Februari 2019, Perusahaan memperoleh Pemberitahuan mengenai Pengumuman Pencatatan Saham yang dikeluarkan oleh Bursa Efek Indonesia mengenai pelaksanaan proses penambahan modal tanpa hak memesan efek terlebih dahulu Perusahaan sejumlah 91.076.480 lembar saham seri D efektif dicatatkan pada tanggal 27 Februari 2019 (Catatan 27).

Pada tanggal 31 Desember 2019 dan 2018, saldo OWK yang diterbitkan oleh Perusahaan adalah sebagai berikut:

Kreditur	Jumlah OWK / MCB Amount (Rp)		Creditors
	2019	2018	
Levoca Enterprise Ltd	6.369.782	6.369.782	Levoca Enterprise Ltd
Fountain City Investment Ltd	2.460.489	2.460.489	Fountain City Investment Ltd
Orchard Centar Master Ltd	142.635	142.635	Orchard Centar Master Ltd
D E Shaw Oculus Intl Inc	72.669	72.669	D E Shaw Oculus Intl Inc
Amsterdam Trade Banks	60.972	60.972	Amsterdam Trade Banks
PT Sinarmas Sekuritas	55.891	55.891	PT Sinarmas Sekuritas
ICE 1: EM CLO Ltd	52.789	52.789	ICE 1: EM CLO Ltd
Abraham Capital Limited	30.486	30.486	Abraham Capital Limited
Lain-lain (dibawah Rp50 miliar)	195.273	240.811	Others (below Rp50 billion)
<b>Total</b>	<b>9.440.986</b>	<b>9.486.524</b>	<b>Total</b>

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**29. MANDATORY CONVERTIBLE BONDS (Continued)**

On June 20, 2016, the Company had issued additional MCB amounting to Rp987.5 billion to several creditors.

MCB can be converted into the Company's Series D shares at any time from the date of issuance until maturity date. On maturity date, MCB which has been issued will be converted into the Company's Series D shares at par value.

On December 14, 2016, March 30, 2017 and September 30, 2017, the Company obtained letter from PT EDI Indonesia with regards to the additional share capital without pre-emptive rights.

On December 22, 2017, the Company had issued additional MCB amounting to Rp1,037.5 billion to several creditors.

On April 2, 2018, the Company obtained Notice of Share Registration Announcement issued by the Indonesia Stock Exchange regarding the execution of the additional capital without pre-emptive rights of the Company totaling 7,624,865,069 series D shares effective as of April 3, 2018 (Note 27).

On February 26, 2019, the Company obtained Notice of Share Registration Announcement issued by the Indonesia Stock Exchange regarding the execution of the additional capital without pre-emptive rights of the Company totaling 91,076,480 series D shares effective as of February 27, 2019 (Note 27).

As of December 31, 2019 and 2018, the outstanding MCB issued by the Company are as follows:



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**30. CADANGAN MODAL LAINNYA**

	Selisih Kurs Penjabaran Laporan Keuangan/ <i>Exchange Differences due to Financial Statements Translation</i>	Keuntungan (Kerugian) Investasi Jangka Pendek yang Belum Terealisasi/ <i>Unrealized Gain (Loss) on Short-term Investments</i>	Akumulasi Pengukuran Kembali atas Imbalan Pascakerja/ <i>Cumulative Remeasurements on Post- employment Benefits</i>	Total/ Total	
Saldo 1 Januari 2018	368.769	124.903	(121.036)	372.636	Balance as of January 1, 2018
Selisih kurs penjabaran laporan keuangan	(3.161)	-	-	(3.161)	Exchange differences due to financial statements translation
Pengukuran kembali atas program pensiun imbalan pasti	-	-	54.470	54.470	Remeasurements on defined benefits pension plan
Pelepasan saham	-	(121.174)	-	(121.174)	Disposal of investments
Perubahan neto nilai wajar aset keuangan tersedia untuk dijual	-	(1.604)	-	(1.604)	Net changes in fair value of available-for-sale financial assets
Saldo 31 Desember 2018	<u>365.608</u>	<u>2.125</u>	<u>(66.566)</u>	<u>301.167</u>	Balance as of December 31, 2018
Saldo 1 Januari 2019	365.608	2.125	(66.566)	301.167	Balance as of January 1, 2019
Selisih kurs penjabaran laporan keuangan	(122.700)	-	-	(122.700)	Exchange differences due to financial statements translation
Pengukuran kembali atas program pensiun imbalan pasti	-	-	38.346	38.346	Remeasurements on defined benefits pension plan
Perubahan neto nilai wajar aset keuangan tersedia untuk dijual	-	(224)	-	(224)	Net changes in fair value of available-for-sale financial assets
Saldo 31 Desember 2019	<u>242.908</u>	<u>1.901</u>	<u>(28.220)</u>	<u>216.589</u>	Balance as of December 31, 2019

**31. KEPENTINGAN NONPENGENDALI**

Rincian hak kepentingan nonpengendali aset neto  
Entitas Anak adalah sebagai berikut:

	2019	2018
PT Bakrie Metal Industries	72.067	63.164
PT Bakrie Harper	(68.834)	(68.834)
Lain-lain	6.156	(1.216)
<b>Total</b>	<b>9.389</b>	<b>(6.886)</b>

Kepentingan nonpengendali atas laba neto Entitas Anak  
masing-masing sebesar Rp10,3 miliar dan Rp10,8 miliar  
untuk tahun yang berakhir pada tanggal-tanggal  
31 Desember 2019 dan 2018.

Kepentingan nonpengendali atas total penghasilan  
komprehensif Entitas Anak masing-masing sebesar  
Rp17,3 miliar dan Rp8,7 miliar untuk tahun yang berakhir  
pada tanggal-tanggal 31 Desember 2019 dan 2018.

**31. NON-CONTROLLING INTEREST**

Details of non-controlling interest in net assets of  
Subsidiaries were as follows:

PT Bakrie Metal Industries  
PT Bakrie Harper  
Others  
**Total**

Non-controlling interest in net profit of Subsidiaries  
amounted to Rp10.3 billion and Rp10.8 billion for the  
years ended December 31, 2019 and 2018, respectively.

Non-controlling interest in total comprehensive income of  
Subsidiaries amounted to Rp17.3 billion and Rp8.7 billion  
for the years ended December 31, 2019 and 2018,  
respectively.

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**32. PENDAPATAN NETO**

	2019
Infrastruktur dan manufaktur	2.791.013
Jasa pabrikasi dan konstruksi	363.431
Perdagangan, jasa, dan investasi	81.233
<b>Total</b>	<b>3.235.677</b>

Untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2019 dan 2018, Kelompok Usaha tidak memiliki pelanggan/pembeli dengan total penjualan lebih dari 10% dari total pendapatan konsolidasian Kelompok Usaha.

**32. NET REVENUES**

	2018
Infrastruktur dan manufaktur	2.679.436
Fabrication and construction services	538.349
Trading, services, and investment	122.666
<b>Total</b>	<b>3.340.451</b>

For the years ended December 31, 2019 and 2018, the Group has no customer/buyer with total sales of more than 10% of total consolidated revenues of the Group.

**33. BEBAN POKOK PENDAPATAN**

	2019
<b>Infrastruktur dan manufaktur</b>	
Bahan baku yang digunakan	1.358.946
Tenaga kerja langsung	94.475
Overhead	718.387
Total beban produksi	2.171.808
Barang dalam proses	
Awal	120.125
Akhir	(60.052)
Barang jadi	
Awal	497.046
Akhir	(464.526)
Total infrastruktur dan manufaktur	2.264.401
<b>Jasa pabrikasi dan konstruksi</b>	
Bahan baku	86.803
Subkontraktor	68.405
Tenaga kerja	82.433
Lain-lain	54.086
Total jasa pabrikasi dan konstruksi	291.727
<b>Perdagangan, jasa dan investasi</b>	
Biaya pelayanan dan pemasangan	1.292
<b>Total Beban Pokok Pendapatan</b>	<b>2.557.420</b>

Untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2019 dan 2018, Kelompok Usaha tidak memiliki *supplier* dengan total beban pokok pendapatan lebih dari 10% dari total beban pokok pendapatan konsolidasian Kelompok Usaha.

**33. COST OF REVENUES**

	2018
<b>Infrastruktur dan manufaktur</b>	
Raw materials used	1.822.282
Direct labor	158.632
Overhead	413.187
Total production costs	2.394.101
Work-in-process	
Beginning	64.491
Ending	(120.125)
Finished goods	
Beginning	302.732
Ending	(497.046)
Total infrastruktur and manufacturing	2.144.153
<b>Fabrication and constructions services</b>	
Raw materials	312.272
Subcontractors	90.873
Direct labors	48.639
Others	26.769
Total fabrication and construction service	478.553
<b>Trading, services and investment</b>	
Service and installation costs	42.181
<b>Total Cost of Revenues</b>	<b>2.664.887</b>

For the years ended December 31, 2019 and 2018, the Group has no supplier with total cost of revenues more than 10% of total consolidated cost of revenues of the Group.

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**34. BEBAN USAHA**

**34. OPERATING EXPENSES**

	2019	2018	
<b>Beban karyawan</b>			<b>Personnel expenses</b>
Gaji, upah dan imbalan kerja karyawan	261.789	262.837	Salaries, wages and employees' benefits
<b>Beban umum dan administrasi</b>			<b>General and administrative expenses</b>
Pajak dan asuransi	28.507	21.012	Taxes and insurance
Perjalanan dinas	17.432	47.183	Transportation and travel
Penyusutan (Catatan 15)	20.037	21.708	Depreciation (Note 15)
Pemeliharaan dan perbaikan	15.761	14.855	Repairs and maintenance
Utilitas	12.528	12.503	Utilities
Honorarium tenaga ahli	10.290	29.343	Professional fees
Sumbangan, representasi dan jamuan	9.050	11.713	Donations, representation and entertainment
Lain-lain (dibawah Rp10 miliar)	43.476	62.479	Others (below Rp10 billion)
<b>Total</b>	<b>157.081</b>	<b>220.796</b>	<b>Total</b>
<b>Beban penjualan</b>			<b>Selling expenses</b>
Transportasi	81.379	73.716	Transportation
Gaji, upah dan kesejahteraan karyawan	15.676	15.800	Salaries, wages and employee benefits
Lain-lain (dibawah Rp10 miliar)	24.663	18.268	Others (below Rp10 billion)
<b>Total</b>	<b>121.718</b>	<b>107.784</b>	<b>Total</b>

**35. BEBAN BUNGA DAN KEUANGAN**

**35. INTEREST AND FINANCIAL CHARGES**

	2019	2018	
Denda keterlambatan bayar	80.211	165.678	Penalty from late payment
Beban bunga pinjaman	68.210	9.318	Interest from loan
Beban bank dan lain-lain	25.597	16.199	Bank charges and others
Biaya restrukturisasi	1.085	120.059	Restructuring fee
Amortisasi diskonto	-	38.741	Amortization of discount
<b>Total</b>	<b>175.103</b>	<b>349.995</b>	<b>Total</b>

**36. PERPAJAKAN**

**36. TAXATION**

**a. Pajak dibayar dimuka**

**a. Prepaid taxes**

	2019	2018	
Pajak Pertambahan Nilai	63.879	141.565	Value-Added Tax
Pajak penghasilan			Income taxes
Pasal 22	128	49	Article 22
Pasal 23	2.753	5.528	Article 23
Pasal 25	101	92	Article 25
Pasal 28a	8.796	-	Article 28a
<b>Total</b>	<b>75.657</b>	<b>147.234</b>	<b>Total</b>

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**36. PERPAJAKAN (Lanjutan)**

**36. TAXATION (Continued)**

**b. Utang pajak**

**b. Taxes payable**

	<b>2019</b>	<b>2018</b>	
Pajak penghasilan:			<i>Income taxes:</i>
Pasal 4 (2)	354	1.593	<i>Article 4 (2)</i>
Pasal 21	30.911	31.526	<i>Article 21</i>
Pasal 23 dan 26	3.351	3.088	<i>Article 23 and 26</i>
Pasal 25	-	149	<i>Article 25</i>
Pasal 29	6.284	13.902	<i>Article 29</i>
Pajak Pertambahan Nilai	45.832	50.557	<i>Value-Added Tax</i>
<b>Total</b>	<b>86.732</b>	<b>100.815</b>	<b>Total</b>

**c. Rekonsiliasi antara laba (rugi) sebelum manfaat (beban) pajak penghasilan, seperti yang disajikan dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian, dengan taksiran rugi fiskal adalah sebagai berikut:**

**c. Reconciliation between profit (loss) before income tax benefit (expense), as shown in the consolidated statements of profit or loss and other comprehensive income, and the estimated fiscal loss was as follows:**

	<b>2019</b>	<b>2018</b>	
Laba (rugi) sebelum manfaat (beban) pajak penghasilan menurut laporan laba rugi dan penghasilan komprehensif lain konsolidasian	881.524	(1.210.685)	<i>Profit (loss) before income tax benefit (expense) per consolidated statements of profit or loss and other comprehensive income</i>
Dikurangi:			<i>Deduct:</i>
Laba Entitas Anak sebelum beban pajak penghasilan dan transaksi eliminasi	28.568	50.291	<i>Profit of the Subsidiaries before income tax expense and elimination transactions</i>
Rugi komersial sebelum taksiran beban pajak penghasilan yang dapat diatribusikan ke Perusahaan	852.956	(1.260.976)	<i>Commercial profit (loss) before income tax expense attributable to the Company</i>
Beda temporer			<i>Temporary differences</i>
Penyisihan imbalan kerja karyawan	2.121	(2.287)	<i>Retirement benefits</i>
Penyusutan aset tetap	(1.863)	(1.423)	<i>Depreciation of fixed assets</i>
Beda tetap			<i>Permanent differences</i>
Bagian atas laba netto entitas asosiasi	(825.508)	(271.915)	<i>Equity in net profit of associates</i>
Beban imbalan pasca kerja	6.555	4.385	<i>Post-employment benefits expense</i>
Perubahan nilai wajar instrumen keuangan	5.545	-	<i>Fair value of financial instruments</i>
Jamuan dan sumbangan	1.376	849	<i>Entertainment and donations</i>
Bunga dan denda atas keterlambatan pembayaran pajak	1.396	5.873	<i>Interest and penalties for late payment of tax</i>
Penghasilan bunga yang pajaknya bersifat final	(510)	(1.104)	<i>Interest income subjected to final tax</i>
Taksiran laba kena (rugi fiskal) sebelum kompensasi rugi fiskal	42.068	(1.526.598)	<i>Estimated taxable profit (fiscal loss) before fiscal loss compensation</i>
Rugi fiskal periode sebelumnya			<i>Fiscal loss of previous periods</i>
Tahun fiskal 2018	(1.526.598)	-	<i>Fiscal year of 2018</i>
Tahun fiskal 2017	(1.038.019)	(1.534.721)	<i>Fiscal year of 2017</i>
Tahun fiskal 2016	(104.681)	(496.700)	<i>Fiscal year of 2016</i>
Akumulasi rugi fiskal	(2.627.230)	(3.558.019)	<i>Accumulated fiscal loss</i>

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**36. PERPAJAKAN (Lanjutan)**

**36. TAXATION (Continued)**

	2019	2018	
Beban pajak penghasilan - kini			<i>Income tax expense - current</i>
Perusahaan	-	-	<i>Company</i>
Entitas Anak	58.427	55.869	<i>Subsidiaries</i>
<b>Total Beban Pajak Penghasilan - Kini</b>	<b>58.427</b>	<b>55.869</b>	<b>Total Income Tax Expense - Current</b>
Pajak penghasilan dibayar dimuka			<i>Prepayment of income taxes</i>
Perusahaan	-	-	<i>Company</i>
Entitas Anak	(12.601)	(41.967)	<i>Subsidiaries</i>
Total pajak penghasilan dibayar dimuka	(12.601)	(41.967)	Total prepayment of income taxes
Utang pajak penghasilan - Pasal 29			<i>Income tax payable - Article 29</i>
Perusahaan	-	-	<i>Company</i>
Entitas Anak	45.826	13.902	<i>Subsidiaries</i>
<b>Total</b>	<b>45.826</b>	<b>13.902</b>	<b>Total</b>

**d. Pajak tangguhan**

**d. Deferred tax**

	2019				
	Pada awal tahun/ At beginning of year	Dikreditkan (dibebankan) ke laba rugi/ Credited (charged) to profit or loss	Dibebankan ke penghasilan komprehensif lain/ Charged to other comprehensive income	Akuisisi entitas anak baru/ Acquisition of new subsidiary	Pada akhir tahun/ At end of year
<b>Aset (liabilitas) pajak tangguhan</b>					<b>Deferred tax assets (liabilities)</b>
Liabilitas imbalan pascakerja	59.579	(4.150)	(12.259)	-	43.170
Aset tetap	11.641	(3.072)	-	-	8.569
Penyisihan penurunan nilai piutang	12.897	(3.832)	-	-	9.065
Penyisihan penurunan nilai aset tetap	5.780	(5.780)	-	-	-
Penyisihan penurunan nilai persediaan	96	-	-	-	96
Akrual pesangon	65	80	-	-	145
Rugi fiskal	-	32.978	-	-	32.978
<b>Aset pajak tangguhan</b>	<b>90.058</b>	<b>16.224</b>	<b>(12.259)</b>	<b>-</b>	<b>94.023</b>
<b>Aset (liabilitas) pajak tangguhan</b>					<b>Deferred tax assets (liabilities)</b>
Liabilitas imbalan pascakerja	16.060	2.229	1.671	-	19.960
Rugi fiskal	8.604	(2.501)	-	-	6.103
Penyisihan penurunan nilai persediaan	4.322	(119)	-	-	4.203
Penyisihan piutang tak tertagih	1.202	572	-	-	1.774
Aset tetap	(201.728)	23.768	-	-	(177.960)
<b>Liabilitas pajak tangguhan</b>	<b>(171.540)</b>	<b>23.949</b>	<b>1.671</b>	<b>-</b>	<b>(145.920)</b>
					<b>Deferred tax liabilities</b>



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**36. PERPAJAKAN (Lanjutan)**

**36. TAXATION (Continued)**

2018						
	Pada awal tahun/ At beginning of year	Dikreditkan (dibebankan) ke laba rugi/ Credited (charged) to profit or loss	Dibebankan ke penghasilan komprehensif lain/ Charged to other comprehensive income	Akuisisi entitas anak baru/ Acquisition of new subsidiary	Pada akhir tahun/ At end of year	
<b>Aset (liabilitas) pajak tangguhan</b>						<b>Deferred tax assets (liabilities)</b>
Liabilitas imbalan pascakerja	66.912	(1.359)	(10.253)	4.279	59.579	Post-employment benefits liabilities
Aset tetap	7.913	3.428	-	300	11.641	Fixed assets
Penyisihan penurunan nilai piutang	6.906	3.187	-	2.804	12.897	Allowance for impairment of receivables
Penyisihan penurunan nilai aset tetap	-	5.780	-	-	5.780	Allowance for impairment of fixed assets
Penyisihan penurunan nilai persediaan	298	(202)	-	-	96	Allowance for inventory obsolescence
Akrual pesangon	288	(223)	-	-	65	Accrued severance
Rugi fiskal	1.053	(1.053)	-	-	-	Fiscal loss
<b>Aset pajak tangguhan</b>	<b>83.370</b>	<b>9.558</b>	<b>(10.253)</b>	<b>7.383</b>	<b>90.058</b>	<b>Deferred tax assets</b>
<b>Aset (liabilitas) pajak tangguhan</b>						<b>Deferred tax assets (liabilities)</b>
Liabilitas imbalan pascakerja	16.649	997	(1.586)	-	16.060	Post-employment benefits liabilities
Rugi fiskal	9.441	(837)	-	-	8.604	Fiscal loss
Penyisihan penurunan nilai persediaan	4.573	(251)	-	-	4.322	Allowance for inventory obsolescence
Penyisihan piutang tak tertagih	3.144	(1.942)	-	-	1.202	Allowance for impairment of receivables
Aset tetap	(210.544)	8.816	-	-	(201.728)	Fixed assets
<b>Liabilitas pajak tangguhan</b>	<b>(176.737)</b>	<b>6.783</b>	<b>(1.586)</b>	<b>-</b>	<b>(171.540)</b>	<b>Deferred tax liabilities</b>

Perusahaan dan beberapa Entitas Anak telah menyediakan penilaian penuh untuk penyisihan atas kerugian fiskal karena manajemen berkeyakinan bahwa tidak ada kemungkinan laba kena pajak yang cukup akan tersedia untuk utilisasi aset pajak tangguhan.

The Company and certain Subsidiaries provided full valuation of allowances for fiscal loss since management believed that it is no longer probable that sufficient taxable profits will be available for the deferred tax assets to be utilized.

**e. Surat Ketetapan Pajak dan Surat Tagihan Pajak**

**e. Tax Assessment Letters and Tax Collection Letters**

Pada tanggal 31 Desember 2019, Kelompok Usaha memiliki Surat Ketetapan Pajak (SKP) dan Surat Tagihan Pajak (STP) yang belum dilunasi sebagai berikut:

As of December 31, 2019, the Group has Tax Assessment Letters (SKP) and Tax Collection Letters (STP) which were not yet settled 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	Fiscal years
Tahun fiskal							
2016	1.002	-	-	-	6.395	7.397	2016
2017	5.260	813	2.807	-	17.801	26.681	2017
2018	10	9	-	-	6.329	6.348	2018
2019	27	6	1	3	4.375	4.412	2019
<b>Total</b>	<b>6.299</b>	<b>828</b>	<b>2.808</b>	<b>3</b>	<b>34.900</b>	<b>44.838</b>	<b>Total</b>

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**36. PERPAJAKAN (Lanjutan)**

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian ini, Kelompok Usaha telah melakukan pembayaran sebagian kewajibannya atas SKP dan STP sebesar Rp4,7 miliar dan sisanya akan dibayar sesuai dengan ketentuan yang diajukan Entitas Anak kepada Kantor Pajak.

**f. Aset dan Liabilitas Pengampunan Pajak**

Sehubungan dengan Undang-Undang Pengampunan Pajak No. 11 Tahun 2016 dan untuk mendukung program pemerintah Republik Indonesia dalam meningkatkan penerimaan pajak, Perusahaan dan Kelompok Usaha menyampaikan Surat Pernyataan Harta kepada Direktorat Jenderal Pajak (DJP) dan membayarkan uang tebusan masing-masing sebesar Rp12,0 miliar dan Rp21,8 miliar untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2017 dan 2016, yang dicatat sebagai bagian dari akun "Beban Usaha". Kelompok Usaha telah menerima Surat Keterangan Pengampunan Pajak dari DJP.

Pada tanggal 31 Desember 2019 dan 2018, jumlah yang diakui sebagai aset Pengampunan Pajak sebesar Rp1,13 triliun dan dicatat sebagai bagian dari akun "Tambahan Modal Disetor" (Catatan 28).

**37. LIABILITAS IMBALAN PASCAKERJA**

Kelompok Usaha menyelenggarakan program manfaat pensiun manfaat pasti untuk seluruh karyawan tetap yang memenuhi syarat. Atas pendanaan program ini, manfaat pensiun dihitung berdasarkan gaji pokok terakhir dan sisa masa kerja karyawan. Kontribusi dana pensiun adalah sebesar 5,5% dari gaji pokok karyawan yang dilindungi oleh program tersebut dan dibayar penuh oleh Kelompok Usaha.

Aset program pensiun Kelompok Usaha dikelola oleh Dana Pensiun Bakrie yang pendiriannya telah memperoleh persetujuan Menteri Keuangan berdasarkan Surat Keputusan Menteri Keuangan Republik Indonesia No. KEP 423/KM.17/1995 tanggal 11 Desember 1995.

Liabilitas imbalan pascakerja dihitung oleh aktuaris independen sebagai berikut:

	<b>Nama Aktuaris/ Actuary Name</b>
2019	PT Sienco Aktuarindo Utama PT Sigma Prima Solusindo PT Bestama Aktuaria PT Biro Pusat Aktuaria
2018	PT Sienco Aktuarindo Utama PT Sigma Prima Solusindo PT Bestama Aktuaria

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**36. TAXATION (Continued)**

As of completion date of the consolidated financial statements, the Group settled liability from the above-mentioned SKP and STP amounting to Rp4.7 billion and the remaining balance will be paid in accordance with the proposed terms with Tax Office.

**f. Assets and Liabilities under Tax Amnesty**

In regard to Tax Amnesty Law No. 11 Year 2016 and to support the program of the government of the Republic of Indonesia to increase tax revenues, the Group filed an Asset Declaration Letter to the Directorate General of Taxes (DGT) and paid redemption money totaling Rp12.0 billion and Rp21.8 billion for the years ended December 31, 2017 and 2016, respectively, which was recorded as part of "Operating Expenses" account. The Group has already received the Tax Amnesty Certificate from the DGT.

As of December 31, 2019 and 2018, the amounts recognized as Tax Amnesty assets amounted to Rp1,13 trillion which was also recorded as part of "Additional Paid-in Capital" account (Note 28).

**37. POST-EMPLOYMENT BENEFITS LIABILITY**

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.

Post-employment benefits liabilities were calculated by independent actuary as follows:

	<b>Tanggal Laporan/ Date of Report</b>	
	9 Februari/February 9, 2020	2019
	31 Januari/January 31, 2020	
	6 Maret/March 6, 2020	
	26 Februari/February 26, 2020	
	28 Februari/February 28, 2019	2018
	31 Januari/January 31, 2019	
	11 Maret/March 11, 2019	

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**37. LIABILITAS IMBALAN PASCAKERJA (Lanjutan)**

Liabilitas imbalan pasca kerja adalah sebagai berikut:

	<b>2019</b>	<b>2018</b>
Nilai kini kewajiban imbalan pasti	373.896	426.701
Nilai wajar atas aset program	(57.255)	(65.030)
<b>Liabilitas Imbalan Pascakerja</b>	<b>316.641</b>	<b>361.671</b>

Mutasi liabilitas imbalan pascakerja adalah sebagai berikut:

	<b>2019</b>	<b>2018</b>
Saldo awal tahun	361.671	412.104
Beban (penghasilan) diakui pada laporan konsolidasian:		
Laba rugi	56.394	59.292
Penghasilan komprehensif lain	(47.658)	(88.562)
Pembayaran manfaat	(46.199)	(11.498)
Kontribusi Kelompok Usaha	(7.565)	(21.993)
Akuisisi Entitas Anak baru	-	12.328
<b>Saldo Akhir Tahun</b>	<b>316.643</b>	<b>361.671</b>

Jumlah yang diakui dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian sehubungan dengan liabilitas imbalan pascakerja adalah sebagai berikut:

	<b>2019</b>	<b>2018</b>
<b>Laba rugi</b>		
Biaya jasa kini	32.669	37.030
Biaya bunga	32.277	32.402
Biaya jasa lalu	(1.684)	1.608
Biaya pesangon	-	22.481
Penghasilan bunga dari aset program	(4.594)	5.122
Pengukuran kembali liabilitas imbalan pasti - neto	(2.274)	(982)
<b>Total</b>	<b>56.394</b>	<b>97.661</b>

**37. POST-EMPLOYMENT BENEFITS LIABILITY  
(Continued)**

Post-employment benefits liabilities were as follows:

Present value of  
defined benefit obligation  
Fair value of plan assets  
**Post-employment Benefits Liability**

Movements of post-employment benefits liability was as follows:

Balance at beginning of year  
Expenses (income) charged in the  
consolidated statements of:  
    Profit or loss  
    Other comprehensive income  
    Benefits paid  
    Contribution of the Group  
Acquisition of new Subsidiary  
**Balance at End of Year**

Amounts recognized in the consolidated statements of profit or loss and other comprehensive income in respect to post-employment benefits liabilities were as follows:

**Profit or loss**  
Current service costs  
Interest costs  
Past service costs  
Severance costs  
Interest income from  
plan assets  
Remeasurement of defined  
benefits liability - net

**Total**

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**37. LIABILITAS IMBALAN PASCAKERJA (Lanjutan)**

**37. POST-EMPLOYMENT BENEFITS LIABILITY  
(Continued)**

	2019	2018	
<b>Penghasilan komprehensif lain</b>			<b>Other comprehensive income</b>
Kerugian aktuarial dari pengukuran kembali liabilitas imbalan pasti - neto	1.220	(27.019)	Actuarial loss from remeasurement of the defined benefits liability - net
Kerugian (keuntungan) aktuarial terdiri dari:			Actuarial loss (gain) arising from:
Penyesuaian asumsi liabilitas program	(164.484)	(19.878)	Experience assumptions from liability program
Asumsi keuangan	121.196	(41.665)	Financial assumptions
Hasil yang diharapkan dari aset program	(5.590)	21.427	Expected return on plan assets
<b>Neto</b>	<b>(47.658)</b>	<b>(67.135)</b>	<b>Net</b>

Mutasi nilai kini kewajiban imbalan pasti adalah sebagai berikut:

Movements of the present value of defined benefit obligation were as follows:

	2019	2018	
Saldo awal tahun	426.701	514.373	Beginning of the year
Beban (penghasilan) diakui pada laporan konsolidasian:			Expenses (income) charged in the consolidated statements of:
Laba rugi	62.206	92.539	Profit or loss
Penghasilan komprehensif lain	(43.289)	(88.562)	Other comprehensive income
Pembayaran manfaat	(71.722)	(91.649)	Benefits paid
<b>Saldo Akhir Tahun</b>	<b>373.896</b>	<b>426.701</b>	<b>Balance at End of Year</b>

Kontribusi yang diharapkan atas aset program untuk tahun yang berakhir pada tanggal 31 Desember 2020 sebesar Rp22,5 miliar.

Expected contributions to plan assets for the year ended December 31, 2020 amounted to Rp22.5 billion.

Mutasi nilai wajar aset program adalah sebagai berikut:

Movements of the fair value of plan assets were as follows:

	2019	2018	
Saldo awal tahun	65.030	102.269	Beginning of the year
Penghasilan bunga	4.594	5.927	Interest income
Pengukuran kembali untuk hasil yang diharapkan dari aset program	5.590	(21.427)	Remeasurements for expected return on plan assets
Pembayaran manfaat luran pemberi kerja	(25.524)	(43.718)	Benefits paid
	7.565	21.979	Employee's contribution
<b>Saldo Akhir Tahun</b>	<b>57.255</b>	<b>65.030</b>	<b>Balance at End of Year</b>

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**37. LIABILITAS IMBALAN PASCAKERJA (Lanjutan)**

**37. POST-EMPLOYMENT BENEFITS LIABILITY**  
(Continued)

Aset program terdiri dari:

Plan assets consist of:

2019					
	Dikutip/ Quoted	Tidak dikutip/ Unquoted	Total/ Total	%	
Obligasi	4.000	-	4.000	4,48%	Corporate Bonds
Deposito Berjangka	45.250	-	45.250	50,65%	Time Deposits
Saham	5.744	-	5.744	6,43%	Shares of Stocks
Reksadana	34.339	-	34.339	38,44%	Investment Funds
<b>Total</b>	<b>89.333</b>	<b>-</b>	<b>89.333</b>	<b>100,00%</b>	<b>Total</b>

2018					
	Dikutip/ Quoted	Tidak dikutip/ Unquoted	Total/ Total	%	
Obligasi	10.940	-	10.940	17,88%	Corporate Bonds
Deposito Berjangka	30.242	-	30.242	49,43%	Time Deposits
Saham	2.413	-	2.413	3,94%	Shares of Stocks
Reksadana	14.729	-	14.729	24,07%	Investment Funds
Deposito On Call	2.858	-	2.858	4,67%	On Call Deposits
<b>Total</b>	<b>61.182</b>	<b>-</b>	<b>61.182</b>	<b>100,00%</b>	<b>Total</b>

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.

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.

Analisa sensitivitas kuantitatif kewajiban imbalan pasti terhadap perubahan asumsi utama tertimbang pada tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

The quantitative sensitivity analysis of the defined benefits obligation to the changes in the weighted principal assumptions as of December 31, 2019 and 2018 were as follows:

	2019		2018		
	Tingkat Diskonto/ Discount Rate	Tingkat Kenaikan Penghasilan/ Salary Increase Rate	Tingkat Diskonto/ Discount Rate	Tingkat Kenaikan Penghasilan/ Salary Increase Rate	
Kenaikan suku bunga dalam 100 basis poin	350.207	400.707	381.476	436.477	Increase in interest rate in 100 basis point
Penurunan suku bunga dalam 100 basis poin	400.917	349.542	437.202	380.309	Decrease in interest rate in 100 basis point



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**37. LIABILITAS IMBALAN PASCAKERJA (Lanjutan)**

Analisa sensitivitas didasarkan pada perubahan atas satu asumsi aktuarial dimana asumsi lainnya dianggap konstan. Dalam prakteknya, hal ini jarang terjadi dan perubahan beberapa asumsi mungkin saling berkorelasi. Dalam perhitungan sensitivitas kewajiban imbalan pasti atas asumsi utama, metode yang sama (perhitungan nilai kini kewajiban imbalan pasti dengan menggunakan metode *Projected Unit Credit* di akhir periode) telah diterapkan.

Metode dan jenis asumsi yang digunakan dalam menyiapkan analisa sensitivitas tidak berubah dari periode sebelumnya.

Analisa jatuh tempo yang diharapkan dari pensiun dan liabilitas imbalan pascakerja tidak terdiskonto adalah sebagai berikut:

**37. POST-EMPLOYMENT BENEFITS LIABILITY  
(Continued)**

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefits obligation to principal assumptions, the same method (present value of the defined benefits obligation calculated with the *Projected Unit Credit* method at the end of the reporting period) has been applied.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Expected maturity analysis of undiscounted pension and post-employment benefits liability is as follows:

2019					
	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	-	33.807	29.248	175.908	Pension benefits
Imbalan pascakerja	-	10.428	120.019	1.050.165	Post-employment benefits
<b>Total</b>	<b>-</b>	<b>44.235</b>	<b>149.267</b>	<b>1.226.072</b>	<b>Total</b>

2018					
	Kurang dari 1 tahun/ <i>Less than a year</i>	1 sampai 2 tahun/ <i>Between 1 - 2 years</i>	2 sampai 5 tahun/ <i>Between 2 - 5 years</i>	Lebih dari 5 tahun/ <i>Over than 5 years</i>	
Imbalan pensiun	-	34.061	61.515	208.276	Pension benefits
Imbalan pascakerja	-	35.786	144.000	679.533	Post-employment benefits
<b>Total</b>	<b>-</b>	<b>69.847</b>	<b>205.515</b>	<b>887.809</b>	<b>Total</b>

Perbandingan nilai kini kewajiban imbalan kerja dan penyesuaian (pengaruh perbedaan antara asumsi aktuarial sebelumnya dan apa yang sebenarnya terjadi) yang timbul pada liabilitas program selama 5 tahun terakhir adalah sebagai berikut:

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:

	2019	2018	2017	2016	2015	
Kewajiban imbalan pasti	373.896	426.701	514.373	429.095	376.938	Defined benefit obligation
Aset program	(57.255)	(65.030)	(102.269)	(108.710)	(107.043)	Plan assets
Surplus (defisit)	316.641	361.671	412.104	320.385	269.895	Surplus (deficit)
Penyesuaian atas						Experience adjustment on
Liabilitas program	(43.288)	(61.543)	21.080	11.442	(13.231)	Plan liabilities
Aset program	(5.590)	21.427	(1.253)	5.797	(1.747)	Plan assets

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**38. LABA (RUGI) PER SAHAM**

**a. Laba (Rugi) Per Saham Dasar/Dilusi**

	2019	2018
Rugi neto diatribusikan kepada pemilik entitas induk	852.956	(1.260.970)
Jumlah rata-rata tertimbang saham untuk perhitungan rugi per saham dasar	1.907.515.910	1.907.515.910
<b>Laba (Rugi) Neto per Saham Dasar/Dilusi Diatribusikan kepada Pemilik Entitas Induk (Angka Penuh)</b>	<b>447,16</b>	<b>(661,05)</b>

**b. Informasi terkait dengan klasifikasi efek untuk laba atau rugi per saham dilusi.**

*Equity Linked Notes* yang diterbitkan pada tanggal 16 Desember 2010 dianggap berpotensi saham biasa dan telah disertakan dalam perhitungan laba atau rugi per saham dilusi. Rincian terkait *Equity Linked Notes* dijelaskan dalam Catatan 23g.

OWK diasumsikan telah dikonversi ke saham biasa, untuk itu laba atau rugi neto disesuaikan untuk mengeliminasi beban bunga dikurangi dampak pajak. Rincian terkait dengan OWK dijelaskan dalam Catatan 29.

Untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2019 dan 2018, potensi konversi dari *Equity Linked Notes* dan OWK menjadi saham biasa dari Perusahaan bersifat antidilutif, sehingga tidak termasuk dalam perhitungan rugi per saham dilusi.

**38. EARNINGS (LOSS) PER SHARE**

**a. Basic/Diluted Earnings (Loss) Per Share**

	2019	2018
Rugi neto diatribusikan kepada pemilik entitas induk	852.956	(1.260.970)
Jumlah rata-rata tertimbang saham untuk perhitungan rugi per saham dasar	1.907.515.910	1.907.515.910
<b>Basic/Diluted Earnings (Loss) per Share Attributable To Owners of Parent (Full Amount)</b>	<b>447,16</b>	<b>(661,05)</b>

**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 earnings or loss per share. Details relating to the *Equity Linked Notes* are disclosed in Note 23g.

MCB is assumed to have been converted into ordinary shares, and the net profit or loss is adjusted to eliminate the interest expense less tax effect. Details relating to MCB are disclosed in Note 29.

For the years ended December 31, 2019 and 2018, the potential conversion of the *Equity Linked Notes* and MCB into ordinary shares of the Company is considered antidilutive, thus not included in the calculation of the diluted loss per share.

**39. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI**

Dalam kegiatan usaha normal, Kelompok Usaha melakukan transaksi dengan pihak-pihak berelasi. Transaksi-transaksi tersebut adalah sebagai berikut:

**a. Piutang usaha - pihak berelasi (Catatan 7)**

	2019	2018	Persentase terhadap Total Aset Konsolidasian/ Percentage to Total Consolidated Assets	2019	2018
PT Kaltim Prima Coal	12.924	11.939		0,09%	0,08%
Lain-lain (dibawah Rp10 miliar)	1.358	5.982		0,01%	0,04%
Total	14.282	17.921		0,10%	0,15%
Dikurangi penyisihan kerugian atas penurunan nilai	(5.286)	(6.084)		-0,04%	-0,04%
<b>Neto</b>	<b>8.996</b>	<b>11.837</b>		<b>0,06%</b>	<b>0,10%</b>

**39. TRANSACTIONS WITH RELATED PARTIES**

The Group, in its regular conduct of business, has engaged in transactions with related parties. These transactions were as follows:

**a. Trade receivables - related parties (Note 7)**

	Persentase terhadap Total Aset Konsolidasian/ Percentage to Total Consolidated Assets	2019	2018
PT Kaltim Prima Coal		0,09%	0,08%
Others (below Rp10 billion)		0,01%	0,04%
Total		0,10%	0,15%
Less allowance for impairment losses		-0,04%	-0,04%
<b>Net</b>		<b>0,06%</b>	<b>0,10%</b>

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**39. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI  
(Lanjutan)**

Manajemen Kelompok Usaha berkeyakinan bahwa piutang masih dapat ditagih dan penyisihan kerugian atas penurunan nilai cukup untuk menutup kemungkinan kerugian atas tidak tertagihnya piutang dari pihak berelasi tersebut.

**b. Investasi jangka pendek (Catatan 6)**

	2019	2018	Persentase terhadap Total Aset Konsolidasian / Percentage to Total Consolidated Assets	
			2019	2018
PT Bakrie Sumatera Plantation Tbk	3.766	3.990	0,03%	0,03%
PT Bakrieland Development Tbk	3.597	3.597	0,03%	0,03%
PT Bakrie Telecom Tbk	2.152	2.152	0,01%	0,02%
PT Darma Henwa Tbk	1.240	1.240	0,01%	0,01%
PT Energi Mega Persada Tbk	1	1	0,00%	0,00%
<b>Total</b>	<b>10.756</b>	<b>10.980</b>	<b>0,08%</b>	<b>0,08%</b>

**c. Piutang pihak berelasi**

	2019	2018	Persentase terhadap Total Aset Konsolidasian/ Percentage to Total Consolidated Assets	
			2019	2018
PT Tanjung Jati Power Company	233.251	233.335	1,62%	1,63%
PT Bakrie Anugerah Batu Alam Industry	21.724	21.724	0,15%	0,15%
PT Batuta Kimia Perdana	13.162	12.751	0,08%	0,09%
Lain-lain (dibawah Rp10 miliar)	38.284	36.659	0,27%	0,26%
<b>Total</b>	<b>306.421</b>	<b>304.469</b>	<b>2,12%</b>	<b>2,12%</b>
Dikurangi penyisihan kerugian atas penurunan nilai	(23.643)	(23.666)	-0,16%	-0,17%
<b>Neto</b>	<b>282.778</b>	<b>280.803</b>	<b>1,96%</b>	<b>1,96%</b>

- Piutang pihak berelasi berasal dari pemberian pinjaman dana (uang muka) dan penggantian biaya kepada pihak berelasi. Piutang ini tanpa dikenakan bunga dan tidak memiliki jangka waktu pembayaran tetap.
- Pembentukan penyisihan kerugian atas penurunan nilai piutang pihak berelasi adalah sehubungan dengan penelaahan yang berkesinambungan oleh manajemen atas kemampuan masing-masing pihak berelasi untuk melunasi kewajibannya.

**d. Utang usaha - pihak berelasi (Catatan 19)**

	2019	2018	Liabilitas Konsolidasian/ Percentage to Total Consolidated Liabilities	
			2019	2018
Lain-lain (dibawah Rp10 miliar)	14.381	17.208	0,10%	0,12%

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**39. TRANSACTIONS WITH RELATED PARTIES  
(Continued)**

The Group's management believed that the receivables can be collected and the allowance for impairment losses was adequate to cover possibility of losses from uncollectible receivables from related parties.

**b. Short-term investments (Note 6)**

	2019	2018	Persentase terhadap Total Aset Konsolidasian / Percentage to Total Consolidated Assets	
			2019	2018
PT Bakrie Sumatera Plantation Tbk	3.766	3.990	0,03%	0,03%
PT Bakrieland Development Tbk	3.597	3.597	0,03%	0,03%
PT Bakrie Telecom Tbk	2.152	2.152	0,01%	0,02%
PT Darma Henwa Tbk	1.240	1.240	0,01%	0,01%
PT Energi Mega Persada Tbk	1	1	0,00%	0,00%
<b>Total</b>	<b>10.756</b>	<b>10.980</b>	<b>0,08%</b>	<b>0,08%</b>

**c. Due from related parties**

	2019	2018	Persentase terhadap Total Aset Konsolidasian/ Percentage to Total Consolidated Assets	
			2019	2018
PT Tanjung Jati Power Company	233.251	233.335	1,62%	1,63%
PT Bakrie Anugerah Batu Alam Industry	21.724	21.724	0,15%	0,15%
PT Batuta Kimia Perdana	13.162	12.751	0,08%	0,09%
Others (below Rp10 billion)	38.284	36.659	0,27%	0,26%
<b>Total</b>	<b>306.421</b>	<b>304.469</b>	<b>2,12%</b>	<b>2,12%</b>
Less allowance for impairment losses	(23.643)	(23.666)	-0,16%	-0,17%
<b>Net</b>	<b>282.778</b>	<b>280.803</b>	<b>1,96%</b>	<b>1,96%</b>

- The balances of due from related parties arise from borrowings (advances) and reimbursement of expenses to related parties. These receivables are non-interest bearing and with no fixed collection schedule.
- Allowance for impairment losses of due from related parties is in connection with review of the sustainable management of the capability each related party to pay its obligation.

**d. Trade payables - related parties (Note 19)**

	2019	2018	Liabilitas Konsolidasian/ Percentage to Total Consolidated Liabilities	
			2019	2018
Lain-lain (dibawah Rp10 billion)	14.381	17.208	0,10%	0,12%

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**39. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI  
(Lanjutan)**

**e. Utang lain-lain - pihak berelasi (Catatan 20)**

	2019	2018
Dana Pensiun Bakrie	26.828	21.372
Lain-lain (dibawah Rp10 miliar)	11.404	5.762
<b>Total</b>	<b>38.232</b>	<b>27.134</b>

Saldo utang lain-lain kepada pihak berelasi berasal dari pinjaman modal kerja, pembelian saham, iuran dana pensiun dan biaya sewa.

**f. Utang pihak berelasi**

	2019	2018
PT Petromine Energy Trading	114.132	110.576
PT Cimanggis Cibitung Tollways	69.697	69.697
PT Bakrie Capital Indonesia	10.323	10.000
PT Kalimantan Prima Power	6.311	6.311
Lain-lain (dibawah Rp10 miliar)	2.557	1.911
<b>Total</b>	<b>203.020</b>	<b>198.495</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.

**g. Piutang kepada Komisaris dan Direktur  
(Catatan 17)**

Kelompok Usaha memberikan pinjaman tanpa bunga kepada komisaris dan direktur untuk pembelian rumah dan kendaraan bermotor. Saldo pinjaman kepada komisaris dan direksi pada tanggal 31 Desember 2019 dan 2018, masing-masing sebesar Rp0,3 miliar dan Rp0,2 miliar, yang disajikan sebagai bagian dari "Aset Tidak Lancar Lainnya" dalam laporan posisi keuangan konsolidasian.

**h. Kompensasi manajemen kunci**

Manajemen kunci Kelompok Usaha terdiri dari Dewan Komisaris dan Direksi Perusahaan dan *Chief Officers*.

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**39. TRANSACTIONS WITH RELATED PARTIES  
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**e. Other payables - related parties (Note 20)**

Persentase terhadap Total Liabilitas Konsolidasian/ Percentage to Total Consolidated Liabilities		
2019	2018	
0,19%	0,15%	Dana Pensiun Bakrie
0,08%	0,04%	Others (below Rp10 billion)
<b>0,23%</b>	<b>0,23%</b>	<b>Total</b>

The balance of other payables - related parties arose from working capital loan, purchase of shares, contributions of retirement benefits and rent expenses.

**f. Due to related parties**

Persentase terhadap Total Liabilitas Konsolidasian/ Percentage to Total Consolidated Liabilities		
2019	2018	
0,79%	0,77%	PT Petromine Energy Trading
0,49%	0,49%	PT Cimanggis Cibitung Tollways
0,07%	0,07%	PT Bakrie Capital Indonesia
0,04%	0,04%	PT Kalimantan Prima Power
0,02%	0,01%	Others (below Rp10 billion)
<b>1,41%</b>	<b>1,38%</b>	<b>Total</b>

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.

**g. Receivable from Commissioners and Directors  
(Note 17)**

The Group extended non-interest bearing loans to commissioners and directors for the purchase of houses and cars. The balances of the loans to commissioners and directors as of December 31, 2019 and 2018, were Rp0.3 billion and Rp0.2 billion, respectively, and are presented as part of "Other Non-Current Assets" in the consolidated statements of financial position.

**h. Key management compensation**

The Group's key management personnel consists of the Company's Boards of Commissioners and Directors and Chief Officers.

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**39. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI  
(Lanjutan)**

Total remunerasi dan imbalan lainnya yang diberikan kepada personil manajemen kunci sebagai berikut:

2019					
	Dewan Komisaris/ Board of Commissioners	Direksi/ Board of Directors	Personil Manajemen Kunci lainnya/ Other Key Management Personnel	Total/ Total	
Imbalan kerja jangka pendek	10.314	32.601	9.385	52.300	Short-term employment benefits
Imbalan pascakerja	-	6.842	2.459	9.301	Post-employment benefits
Imbalan kerja jangka panjang lainnya	-	7.699	2.031	9.730	Other long-term benefits
<b>Total</b>	<b>10.314</b>	<b>47.142</b>	<b>13.875</b>	<b>71.332</b>	<b>Total</b>
2018					
	Dewan Komisaris/ Board of Commissioners	Direksi/ Board of Directors	Personil Manajemen Kunci lainnya/ Other Key Management Personnel	Total/ Total	
Imbalan kerja jangka pendek	9.945	27.992	14.079	52.016	Short-term employment benefits
Imbalan pascakerja	-	5.958	2.765	8.723	Post-employment benefits
Imbalan kerja jangka panjang lainnya	-	9.050	1.560	10.610	Other long-term benefits
<b>Total</b>	<b>9.945</b>	<b>43.000</b>	<b>18.404</b>	<b>71.349</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 berelasi, hal ini memungkinkan syarat dan kondisi transaksi dengan pihak yang mempunyai hubungan istimewa tidak sama jika transaksi tersebut dilakukan dengan pihak ketiga, contohnya pinjaman karyawan.

**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 was possible that the terms and conditions of these transactions were not the same as those that would result from transactions with third parties, such as employee loans.

**40. SEGMENT OPERASI**

Kelompok Usaha memiliki usaha yang terbagi dalam dua operasi yang meliputi usaha yang berhubungan dengan infrastruktur dan manufaktur serta perdagangan, jasa dan investasi.

**40. OPERATING SEGMENT**

The Group classified its products and services into two core business segments namely infrastructure and manufacturing as well as trading, services and investment.



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**40. SEGMENT OPERASI (Lanjutan)**

Informasi tentang segmen usaha Kelompok Usaha adalah sebagai berikut:

**40. OPERATING SEGMENT (Continued)**

Information concerning the Group business segments was as follows:

	2019					
	Infrastruktur dan Manufaktur/ <i>Infrastructure and Manufacturing</i>	Jasa Pabrikasi dan Konstruksi/ <i>Fabrication Construction and Services</i>	Perdagangan, Jasa dan Investasi/ <i>Trading, Services, and Investment</i>	Eliminasi/ <i>Elimination</i>	Konsolidasian/ <i>Consolidated</i>	
<b>PENDAPATAN NETO</b>	2.791.014	81.233	363.430	-	3.235.677	<b>NET REVENUES</b>
<b>BEBAN POKOK PENDAPATAN</b>	2.264.399	1.290	291.731	-	2.557.420	<b>COST OF REVENUES</b>
<b>LABA USAHA</b>	526.615	79.943	71.699	-	678.257	<b>GROSS PROFIT</b>
<b>BEBAN USAHA</b>						<b>OPERATING EXPENSES</b>
Beban karyawan	157.211	87.083	17.495	-	261.789	Personnel expenses
Beban umum dan administrasi	81.349	27.090	48.642	-	157.081	General and administrative expenses
Beban penjualan	118.595	664	2.459	-	121.718	Selling expenses
Total Beban Usaha	357.155	114.837	68.596	-	540.588	Total Operating Expenses
<b>LABA (RUGI) USAHA</b>	169.460	(34.894)	3.103	-	137.669	<b>OPERATING PROFIT (LOSS)</b>
<b>PENGHASILAN (BEBAN) LAIN-LAIN</b>						<b>OTHER INCOME (EXPENSES)</b>
Bagian atas laba (rugi) neto pada dari entitas asosiasi dan pengendalian bersama	-	1.584.378	-	(825.508)	758.870	Share in net profit (loss) of associated and jointly controlled entities
Keuntungan (kerugian) selisih kurs - neto	(7.026)	107.627	(10.471)	-	90.130	Gain (loss) on foreign exchange - net
Pendapatan bunga	7.914	17.295	8.915	-	34.124	Interest income
Keuntungan atas pelepasan aset tetap	1.747	-	-	-	1.747	Gain on sale of fixed assets
Beban bunga dan keuangan	(76.193)	(91.504)	(7.406)	-	(175.103)	Interest and financial expenses
Beban bagi hasil musyarakah	(5.774)	-	-	-	(5.774)	Musyarakah sharing expense
Perubahan nilai wajar instrumen keuangan - neto	-	(5.545)	-	-	(5.545)	Fair value changes of financial instruments - net
Beban murabahah	(2.246)	-	-	-	(2.246)	Murabahah expense
Lain-lain - neto	(136.082)	43.441	140.293	-	47.653	Others - net
Penghasilan (Beban) Lain-lain - Neto	(217.660)	1.655.692	131.331	(825.508)	743.855	Other Income (Expense) - Net
<b>LABA (RUGI) SEBELUM MANFAAT (BEBAN) PAJAK PENGHASILAN</b>	(48.200)	1.620.798	134.434	(825.508)	881.524	<b>PROFIT (LOSS) BEFORE INCOME TAX BENEFIT (EXPENSE)</b>
<b>MANFAAT (BEBAN) PAJAK PENGHASILAN</b>						<b>INCOME TAX BENEFIT (EXPENSE)</b>
Kini	(58.427)	-	-	-	(58.427)	Current
Tangguhan	40.173	-	-	-	40.173	Deferred
Beban Pajak Penghasilan - Neto	(18.254)	-	-	-	(18.254)	Income Tax Expense - Net
<b>LABA (RUGI) NETO</b>	<b>(66.454)</b>	<b>1.620.798</b>	<b>134.434</b>	<b>(825.508)</b>	<b>863.270</b>	<b>NET PROFIT (LOSS)</b>
Aset tetap - neto	1.751.978	27.863	44.830	283.724	2.108.395	Fixed assets - net
Aset segmen lainnya	1.071.436	9.393.282	2.690.364	(908.939)	12.246.143	Other assets per segment
Investasi pada entitas asosiasi dan entitas pengendalian bersama - neto	47	3.108.729	-	(3.098.776)	10.000	Investments in associated and jointly controlled entities - net
<b>TOTAL ASET</b>	<b>2.823.461</b>	<b>12.529.874</b>	<b>2.735.194</b>	<b>(3.723.991)</b>	<b>14.364.538</b>	<b>TOTAL ASSETS</b>
<b>TOTAL LIABILITAS</b>	<b>1.797.247</b>	<b>10.315.864</b>	<b>535.076</b>	<b>(638.327)</b>	<b>12.009.860</b>	<b>TOTAL LIABILITIES</b>

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**40. SEGMENT OPERASI (Lanjutan)**

**40. OPERATING SEGMENT (Continued)**

	2018					
	Infrastruktur dan Manufaktur/ <i>Infrastructure and Manufacturing</i>	Jasa Pabrikasi dan Konstruksi/ <i>Fabrication Construction and Services</i>	Perdagangan, Jasa dan Investasi/ <i>Trading, Services, and Investment</i>	Eliminasi/ <i>Elimination</i>	Konsolidasian/ <i>Consolidated</i>	
<b>PENDAPATAN NETO</b>	2.679.436	538.349	122.666	-	3.340.451	<b>NET REVENUES</b>
<b>BEBAN POKOK PENDAPATAN</b>	2.144.152	478.554	42.181	-	2.664.887	<b>COST OF REVENUES</b>
<b>LABA USAHA</b>	535.284	59.795	80.485	-	675.564	<b>GROSS PROFIT</b>
<b>BEBAN USAHA</b>						<b>OPERATING EXPENSES</b>
Beban karyawan	175.848	26.067	60.922	-	262.837	Personnel expenses
Beban umum dan administrasi	133.973	54.710	32.113	-	220.796	General and administrative expenses
Beban penjualan	105.271	2.291	222	-	107.784	Selling expenses
Total Beban Usaha	415.092	83.068	93.257	-	591.417	Total Operating Expenses
<b>LABA (RUGI) USAHA</b>	120.192	(23.273)	(12.772)	-	84.147	<b>OPERATING PROFIT (LOSS)</b>
<b>PENGHASILAN (BEBAN) LAIN-LAIN</b>						<b>OTHER INCOME (EXPENSES)</b>
Bagian atas laba (rugi) neto pada dari entitas asosiasi dan pengendalian bersama	-	-	445.162	(271.949)	173.213	Share in net profit (loss) of associated and jointly controlled entities
Keuntungan (kerugian) selisih kurs - neto	8.805	6.776	(724.198)	-	(708.617)	Gain (loss) on foreign exchange - net
Pendapatan bunga	8.666	1.083	69	-	9.818	Interest income
Beban bunga dan keuangan	(39.519)	(18.675)	(291.801)	-	(349.995)	Interest and financial expenses
Beban bagi hasil musyarakah	(7.403)	-	-	-	(7.403)	Musyarakah sharing expense
Perubahan nilai wajar instrumen keuangan - neto	-	-	(524.027)	-	(524.027)	Fair value changes of financial instruments - net
Beban murabahah	(5.608)	-	-	-	(5.608)	Murabahah expense
Keuntungan atas pelepasan saham	-	-	121.174	-	121.174	Gain on sale of investment
Lain-lain - neto	(52.858)	54.412	(4.975)	34	(3.387)	Others - net
Penghasilan (Beban) Lain-lain - Neto	(87.917)	43.596	(978.596)	(271.915)	(1.294.832)	Other Income (Expense) - Net
<b>LABA (RUGI) SEBELUM MANFAAT (BEBAN) PAJAK PENGHASILAN</b>	32.275	20.323	(991.368)	(271.915)	(1.210.685)	<b>PROFIT (LOSS) BEFORE INCOME TAX BENEFIT (EXPENSE)</b>
<b>MANFAAT (BEBAN) PAJAK PENGHASILAN</b>						<b>INCOME TAX BENEFIT (EXPENSE)</b>
Kini	(55.869)	-	-	-	(55.869)	Current
Tangguhan	16.612	(271)	-	-	16.341	Deferred
Beban Pajak Penghasilan - Neto	(39.257)	(271)	-	-	(39.528)	Income Tax Expense - Net
<b>LABA (RUGI) NETO</b>	<b>(6.982)</b>	<b>20.052</b>	<b>(991.368)</b>	<b>(271.915)</b>	<b>(1.250.213)</b>	<b>NET PROFIT (LOSS)</b>
Aset tetap - neto	1.960.888	50.873	32.965	283.723	2.328.449	Fixed assets - net
Aset segmen lainnya	1.225.979	2.659.796	8.932.483	(1.201.547)	11.616.711	Other assets per segment
Investasi pada entitas asosiasi dan entitas pengendalian bersama - neto	-	3.622.848	-	(3.232.900)	389.948	Investments in associated and jointly controlled entities - net
<b>TOTAL ASET</b>	<b>3.186.867</b>	<b>6.333.517</b>	<b>8.965.448</b>	<b>(4.150.724)</b>	<b>14.335.108</b>	<b>TOTAL ASSETS</b>
<b>TOTAL LIABILITAS</b>	<b>1.006.791</b>	<b>1.846.175</b>	<b>9.735.231</b>	<b>(932.128)</b>	<b>11.656.069</b>	<b>TOTAL LIABILITIES</b>

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#### 41. PERJANJIAN DAN IKATAN YANG SIGNIFIKAN

Kelompok Usaha memiliki perjanjian dan ikatan yang signifikan sebagai berikut:

**a. Perjanjian Pengangkutan Gas antara PT Perusahaan Listrik Negara (PLN) (Persero), Perusahaan dan Petronas Carigali Miurah Ltd. (PCM) untuk Pembangkit Listrik Tambak Lorok**

Perusahaan, PLN dan PCM, menandatangani Gas *Transportation Agreement* (GTA) ruas Kepodang-Tambak Lorok di Kantor Badan Pengelolaan Hulu (BPH-Migas).

Penandatanganan ini merupakan tindak lanjut diterbitkannya SK Menteri Energi dan Sumber Daya Mineral No. 2700 K/11/MEM/2012 tentang Rencana Induk Jaringan Transmisi dan Distribusi Gas Bumi Nasional (RIJTDGBN) Tahun 2015-2025 yang menyatakan bahwa pembangunan ruas Kaliya (Kalimantan Timur-Jawa Tengah) dapat dilakukan bertahap dengan pertimbangan ketersediaan pasokan gas bumi. Perusahaan, sebagai pemenang lelang ruas transmisi Kaliya pada tahun 2006, dapat memulai pembangunan ruas yang nantinya akan mengirimkan gas dari Kepodang-Tambak Lorok ke Pembangkit Listrik Tenaga Gas Tambak Lorok milik PT PLN sebanyak 354 Billion Cubic Feet hingga tahun 2026.

**b. Perjanjian-perjanjian Sehubungan dengan Proyek Konstruksi Pipa**

Pada tanggal 16 Desember 1996, PT Bakrie Harper (BHP), Entitas Anak, mengadakan perjanjian dengan Punj Lloyd (Malaysia) Sdn Bhd sebagai kontraktor untuk melaksanakan Proyek Pipanisasi Kertapati - Jambi. Nilai kontrak atas proyek tersebut adalah sebesar USD152,5 juta, termasuk setoran jaminan proyek sebesar USD37,0 juta atau setara dengan Rp262,7 miliar, untuk periode dua puluh empat (24) bulan sejak tanggal efektifnya perjanjian tersebut. Punj Lloyd (Malaysia) Sdn Bhd telah mengalihkan seluruh hak dan kewajibannya dalam proyek ini kepada PT Punj Lloyd Indonesia (PLI) setelah PLI berdiri di bawah hukum Indonesia.

#### 41. SIGNIFICANT AGREEMENTS AND COMMITMENTS

The Group had outstanding significant agreements and commitments as follows:

**a. Gas Transportation Agreement between PT Perusahaan Listrik Negara (PLN) (Persero), the Company and Petronas Carigali Miurah Ltd. (PCM) for Tambak Lorok Power Plant**

The Company, PLN and PCM signed a Gas *Transportation Agreement* (GTA) segment Kepodang-Tambak Lorok in the office of Badan Pengelolaan Hulu (BPH-Migas).

The signing was as the follow-up of the Ministry of Energy Mineral Resources (EMR) Decree Number 2700 K/11/MEM/2012 regarding the Master Plan for Transmission Network and National Gas Distribution (RIJTDGBN) Year 2015-2025 which states that the construction of Kaliya 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 Kaliya transmission segment in 2006, was able to start the segment construction which will transmit gas from Kepodang-Tambak Lorok to Pembangkit Listrik Tenaga Gas Tambak Lorok owned by PT PLN as much as 354 Billion Cubic Feet up to 2026.

**b. Agreements Related to Pipeline Construction Projects**

On December 16, 1996, PT Bakrie Harper (BHP), Subsidiary, entered into a cooperation agreement with Punj Lloyd (Malaysia) Sdn Bhd as the contractor for the Kertapati - Jambi Pipeline Project. The contract price of this project amounted to USD152.5 million including a project security deposit of USD37.0 million or equivalent to Rp262.7 billion and covering a twenty-four (24) month period commencing from the effective date of the agreement. Punj Lloyd (Malaysia) Sdn Bhd was entitled to assign its rights and obligation in the project in favor of PT Punj Lloyd Indonesia (PLI) after PLI was established and organized under the laws of the Republic of Indonesia.

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**42. TRANSAKSI DERIVATIF**

Pada tanggal 30 November 2011, Perusahaan menandatangani *Master Confirmation for Share Swap Transactions* dengan Glencore International AG (Glencore) dengan jumlah komitmen transaksi senilai USD200,0 juta dikurangi biaya transaksi tertentu. Glencore membeli saham BUMI sampai dengan jumlah USD200,0 juta tersebut dikurangi transaksi tertentu. Berdasarkan perjanjian tersebut Perusahaan mempunyai opsi untuk membeli saham BUMI mulai 6 bulan dan terakhir 30 bulan setelah tanggal transaksi pertama, pada harga sebesar rata-rata tertimbang harga yang direalisasikan Glencore ditambah biaya transaksi. Untuk dapat melaksanakan opsi tersebut, Perusahaan melakukan pembayaran uang muka tertentu setiap 6 bulan yang jumlahnya ditentukan oleh Glencore. Transaksi ini menghasilkan derivatif liabilitas pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp7,1 triliun dan Rp6,5 triliun.

Perubahan atas nilai wajar dari aset derivatif dan liabilitas derivatif dicatat dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian sebagai rugi masing-masing sebesar Rp5,5 miliar dan Rp524,0 miliar pada tahun 2019 dan 2018.

**43. ASET DAN LIABILITAS MONETER DALAM MATA UANG ASING**

Kelompok Usaha memiliki aset dan liabilitas dalam mata uang asing sebagai berikut:

	2019	
	Mata Uang Asing (Angka Penuh)/ Original Currency (Full Amount)	Setara Rupiah/ Equivalent Rupiah
<b>Aset</b>		
Kas dan setara kas		
Dolar AS	2.249.754	31.273
India Rupee	194.630	38
Euro	5.393	84
Yen Jepang	2.774	355
Dolar Singapura	154	2
Investasi jangka pendek		
Dolar AS	552.662.952	7.682.573
Piutang usaha		
Dolar AS	6.264.570	87.085
Piutang lain-lain		
Dolar AS	8.788.033	122.163
Piutang pihak berelasi		
Dolar AS	16.948.110	235.596
Kas yang dibatasi penggunaannya		
Dolar AS	12.877	179
Yen Jepang	5.470	700

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**42. DERIVATIVE TRANSACTIONS**

On November 30, 2011, the Company signed a *Master Confirmation for Share Swap Transactions* with Glencore International AG (Glencore) with transaction commitment amount of USD200.0 million less certain transaction costs. Glencore bought BUMI shares up to the amount of USD200.0 million, net of certain transaction costs. Under the agreement, the Company has the option to purchase those BUMI shares from Glencore starting 6 months until 30 months after the date of first transaction, at the price equal to the weighted average realized by Glencore, plus transaction costs. In order to implement the option, the Company made advance payments given every 6 months of the amount determined by Glencore. This transaction resulted to a derivative liability as of December 31, 2019 and 2018 amounting to Rp7.1 trillion and Rp6.5 trillion, respectively.

Net changes in fair values of derivative liability recognized in the consolidated statements of profit or loss and other comprehensive income as loss amounting to Rp5.5 billion and Rp524.0 billion in 2019 and 2018, respectively.

**43. MONETARY ASSETS AND LIABILITIES IN FOREIGN CURRENCIES**

The Group had monetary assets and liabilities in foreign currencies as follows:

	2018	
	Mata Uang Asing (Angka Penuh)/ Original Currency (Full Amount)	Setara Rupiah/ Equivalent Rupiah
<b>Assets</b>		
Cash and cash equivalents		
US Dollar	1.403.276	20.318
India Rupee	184.320	39
Euro	5.423	90
Japanese Yen	1.526	200
Singaporean Dollar	156	2
Short-term investments		
US Dollar	478.913.512	6.935.147
Trade receivables		
US Dollar	8.923.921	123.142
Other receivables		
US Dollar	8.788.039	127.258
Due from related parties		
US Dollar	16.271.831	235.632
Restricted cash in banks		
US Dollar	653.968	9.470
Japanese Yen	3.230	424

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**43. ASET DAN LIABILITAS MONETER DALAM MATA**  
**UANG ASING (Lanjutan)**

**43. MONETARY ASSETS AND LIABILITIES IN FOREIGN**  
**CURRENCIES (Continued)**

	2019		2018		
	Mata Uang Asing (Angka Penuh)/ Original Currency (Full Amount)	Setara Rupiah/ Equivalent Rupiah	Mata Uang Asing (Angka Penuh)/ Original Currency (Full Amount)	Setara Rupiah/ Equivalent Rupiah	
Dolar AS	586.926.296	8.158.869	514.954.547	7.450.967	US Dollar
India Rupee	194.630	38	184.320	39	India Rupee
Yen Jepang	8.244	1.055	4.756	624	Japanese Yen
Euro	5.393	84	5.423	90	Euro
Dolar Singapura	154	2	156	2	Singaporean Dollar
<b>Total Aset</b>		<b>8.160.048</b>		<b>7.457.812</b>	<b>Total Assets</b>
<b>Liabilitas</b>					<b>Liabilities</b>
Utang usaha					Trade payables
Dolar AS	25.803.442	358.894	7.761.042	112.598	US Dollar
Dolar Australia	20.608	201	20.608	210	Australian Dollar
Utang lain-lain					Other payables
Dolar AS	695.066	9.662	695.066	10.065	US Dollar
Biaya masih harus dibayar					Accrued expenses
Dolar AS	26.826.007	372.909	23.599.856	341.750	US Dollar
GBP	9.668	176	9.400	173	Pound Sterling
Dolar Singapura	2.989	31	3.858	41	Singapore Dollar
Dolar Hongkong	-	-	2.987	6	Hongkong Dollar
Pinjaman jangka pendek					Short-term loans
Dolar AS	1.633.983	22.714	2.917.271	42.245	US Dollar
Liabilitas derivatif					Derivative liabilities
Dolar AS	513.665.050	7.140.463	445.518.403	6.451.552	US Dollar
Pinjaman jangka panjang					Long-term loans
Dolar AS	111.612.461	1.551.526	103.000.000	1.610.239	US Dollar
Dolar AS	680.236.009	9.456.168	686.656.537	10.062.380	US Dollar
Dolar Australia	20.608	201	20.608	210	Australian Dollar
GBP	9.668	176	9.400	173	Pound Sterling
Dolar Singapura	2.989	31	3.858	41	Singapore Dollar
Dolar Hongkong	-	-	2.987	6	Hongkong Dollar
<b>Total Liabilitas</b>		<b>9.456.576</b>		<b>10.062.810</b>	<b>Total Liabilities</b>
<b>Liabilitas - Neto</b>		<b>(1.296.528)</b>		<b>(2.604.998)</b>	<b>Net Liabilities</b>

**44. INSTRUMEN KEUANGAN**

**44. FINANCIAL INSTRUMENTS**

Tabel berikut menyajikan jumlah tercatat dan taksiran nilai wajar dari instrumen keuangan Kelompok Usaha yang dicatat di laporan posisi keuangan konsolidasian:

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:

	2019		2018		
	Jumlah Tercatat/ Carrying Amounts	Nilai Wajar/ Fair Values	Jumlah Tercatat/ Carrying Amounts	Nilai Wajar/ Fair Values	
<b>Aset Keuangan</b>					<b>Financial Assets</b>
<u>Nilai wajar melalui laba rugi</u>					<u>Fair value through profit or loss</u>
Diperdagangkan	49.835	49.835	-	-	Held for trading
Dana investasi	7.637.738	7.637.738	6.940.147	6.940.147	Investment funds
Subtotal	7.687.573	7.687.573	6.940.147	6.940.147	Subtotal



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**44. INSTRUMEN KEUANGAN (Lanjutan)**

**44. FINANCIAL INSTRUMENTS (Continued)**

	2019		2018		
	Jumlah Tercatat/ Carrying Amounts	Nilai Wajar/ Fair Values	Jumlah Tercatat/ Carrying Amounts	Nilai Wajar/ Fair Values	
<u>Kas</u>	2.083	2.083	1.195	1.195	<u>Cash on hand</u>
<u>Diukur pada biaya perolehan diamortisasi</u>					<u>Measured at amortized cost</u>
Pinjaman yang diberikan					Loans and receivables
dan piutang					Cash in banks and
Kas di bank dan					cash equivalents
setara kas	124.094	124.094	117.682	117.682	Time deposit
Deposito berjangka	2.200	2.200	2.200	2.200	Trade receivables
Piutang usaha					Third parties
Pihak ketiga	1.053.149	1.053.149	796.424	796.424	Related parties
Pihak berelasi	8.996	8.996	11.837	11.837	Other receivables - third parties
Piutang lain-lain - pihak ketiga	1.361.509	1.361.509	1.284.926	1.284.926	Other current assets
Aset lancar lainnya					Restricted funds
Dana yang dibatasi					Due from related parties
penggunaannya	13.409	13.409	14.114	14.114	Long-term trade receivables
Piutang pihak berelasi	282.778	282.778	280.803	280.803	Other non-current assets
Piutang usaha jangka panjang	-	-	442.523	442.523	
Aset tidak lancar lainnya					Restricted cash in banks
Kas di bank yang					Receivable from
dibatasi penggunaannya	164.735	164.735	42.318	42.318	commissioners and directors
Piutang dari komisaris					Security deposits
dan direktur	316	316	216	216	
Jaminan	19.383	19.383	1.273	1.273	Subtotal
Subtotal	3.030.569	3.030.569	2.994.316	2.994.316	
<u>Aset keuangan tersedia untuk dijual</u>					<u>Available-for-sale financial assets</u>
Efek ekuitas tercatat	10.756	10.756	10.980	10.980	Quoted equity securities
Efek ekuitas tidak tercatat	263.067	263.067	263.067	263.067	Unquoted equity securities
Subtotal	273.823	273.823	274.047	274.047	Subtotal
<b>Total Aset Keuangan</b>	<b>10.994.048</b>	<b>10.994.048</b>	<b>10.209.705</b>	<b>10.209.705</b>	<b>Total Financial Assets</b>
<b>Liabilitas Keuangan</b>					<b>Financial Liabilities</b>
<u>Liabilitas keuangan pada FVTPL</u>					<u>Financial liability at FVTPL</u>
Liabilitas derivatif	7.140.463	7.140.463	6.451.552	6.451.552	Derivative liabilities
<u>Diukur pada biaya perolehan</u>					<u>Measured at amortized cost</u>
<u>diamortisasi</u>					Short-term loans
Pinjaman jangka pendek	442.854	442.854	551.562	551.562	Short-term musyarakah
Pembiayaan musyarakah					financing
jangka pendek	12.000	12.000	12.000	12.000	Trade payables
Utang usaha					Third parties
Pihak ketiga	722.462	722.462	804.806	804.806	Related parties
Pihak berelasi	14.381	14.381	17.208	17.208	Other payables
Utang lain-lain					Third parties
Pihak ketiga	198.909	198.909	163.367	163.367	Related parties
Pihak berelasi	38.232	38.232	27.134	27.134	Accrued expenses
Beban masih harus dibayar	765.815	765.815	799.729	799.729	Long-term loans
Pinjaman jangka panjang	1.676.510	1.676.510	1.719.334	1.719.334	Finance lease payables
Utang sewa pembiayaan	1.563	1.563	2.733	2.733	Murabahah financing
Pembiayaan murabahah	10.464	10.464	21.759	21.759	Musyarakah financing
Pembiayaan musyarakah	21.256	21.256	70.084	70.084	Due to related parties
Utang pihak berelasi	203.020	203.020	198.495	198.495	Subtotal
Subtotal	4.107.466	4.107.466	4.388.211	4.388.211	
<b>Total Liabilitas Keuangan</b>	<b>11.247.929</b>	<b>11.247.929</b>	<b>10.839.763</b>	<b>10.839.763</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 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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**44. 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:

- Aset keuangan tidak lancar lainnya dan piutang pihak berelasi

Untuk aset keuangan tidak lancar lainnya yang tidak dikuotasi di harga pasar dan nilai wajarnya tidak dapat diukur secara andal tanpa menimbulkan biaya yang berlebihan, dicatat berdasarkan nilai nominal dikurangi penurunan nilai.

- Liabilitas keuangan jangka panjang dengan suku bunga tetap dan variabel (pinjaman jangka panjang dan utang sewa pembiayaan yang tidak dikuotasikan).

Nilai wajar dari liabilitas keuangan ini ditentukan dengan mendiskontokan arus kas masa datang menggunakan suku bunga yang berlaku dari transaksi pasar yang dapat diamati untuk instrumen dengan persyaratan, risiko kredit dan jatuh tempo yang sama (tingkat 2).

- Liabilitas keuangan yang tidak dikuotasikan dalam pasar aktif (utang pihak berelasi)

Liabilitas keuangan ini dicatat berdasarkan nilai nominal karena nilai wajarnya tidak dapat diukur secara andal. Tidak praktis untuk memperkirakan nilai wajar dari instrumen keuangan ini dikarenakan tidak memiliki jangka waktu pembayaran yang tetap.

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**44. 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:

- Other non-current financial assets and due from related parties

Other non-current financial assets that are not stated at quoted market price and whose fair value cannot be reliably measured without incurring excessive costs, are carried at their nominal amounts less any impairment losses.

- Long-term fixed-rate and variable-rate financial liabilities (unquoted long-term loans and finance lease payables).

The fair value of these financial liabilities is determined by discounting future cash flows using applicable rates from observable current market transactions for instruments with similar terms, credit risk and remaining maturities (level 2).

- Financial liability not quoted on an active market (due to related parties)

This financial liability was carried at its nominal amount since its fair value cannot be reliably measured. It was not practical to estimate the fair value of this financial instrument because there was no fixed repayment term.

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**45. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO  
KEUANGAN**

**Risiko-risiko Keuangan**

Kegiatan Kelompok Usaha terekspos terhadap berbagai risiko keuangan yaitu: risiko pasar (termasuk risiko suku bunga, risiko mata uang asing dan risiko harga), risiko kredit dan risiko likuiditas.

Tujuan manajemen risiko Kelompok Usaha secara keseluruhan adalah untuk secara efektif mengendalikan risiko-risiko ini dan meminimalisasi pengaruh kerugian yang dapat terjadi terhadap kinerja keuangan Kelompok Usaha. Direksi menelaah dan menyetujui kebijakan untuk mengendalikan setiap risiko ini, yang diringkas di bawah ini, dan juga memonitor risiko harga pasar dari semua instrumen keuangan.

**a. Risiko Pasar**

Risiko pasar adalah risiko yang dapat memengaruhi Kelompok Usaha akibat fluktuasi dari harga saham aset yang dimiliki, tingkat bunga dan kurs nilai tukar yang terkait dengan portofolio investasi sehingga berdampak pada posisi keuangan dan nilai investasi Kelompok Usaha di pasar, baik dari pergerakan yang tidak sesuai dengan harapan Perusahaan dan peningkatan volatilitas.

Identifikasi, penilaian, dan pemantauan risiko pasar dilakukan terhadap kinerja harga saham Perusahaan dan portofolio investasinya di pasar, volatilitas nilai tukar dan tingkat bunga. Faktor-faktor lain yang dinilai memiliki dampak atau kontribusi terhadap kinerja dan/atau volatilitas dari indikator risiko pasar tersebut yang dapat digunakan sebagai data pembandingan guna memperoleh akurasi penilaian risiko pasar, antara lain: kinerja fundamental keuangan Perusahaan dan portofolio investasinya, kondisi makroekonomi, serta informasi perkembangan industri terkait lainnya.

Sebagai langkah mitigasi terhadap risiko pasar, Kelompok Usaha melakukan hal-hal sebagai berikut:

- Menyampaikan laporan penilaian risiko secara berkala yang disampaikan kepada Komite Manajemen Risiko, CEO dan/atau pihak-pihak terkait lainnya untuk ditindaklanjuti dan dijadikan acuan dalam proses pengambilan keputusan. Adapun indikator hasil penilaian risiko pasar yang dilaporkan adalah risiko volatilitas dan eksposur risiko dalam nilai uang.

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**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND  
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**Financial Risks**

*The Group's activities expose it to a variety of financial risks namely: market risk (including interest rate risk, foreign currency risk and price risk), credit risk and liquidity risk.*

*The Group's overall risk management objective is to effectively manage these risks and minimize potential adverse effects on its financial performance. The Board of Directors reviews and approves the policies for managing each of these risks, which are summarized below, and also monitors the market price risks arising from all financial instruments.*

**a. Market Risk**

*Market risk refers to the risk that arises when the Group is confronted with fluctuations in share price of the assets owned, interest rates and exchange rates related to the investment portfolio that impact the Group's financial position and investment value on the market, both on market movement against the Company's expectations and volatility increase.*

*Identification, assessment, and monitoring of market risk are performed on market price performance of the Company's share and its investment portfolio, volatility of exchange rates and interest rates. Other factors considered to have impact on or contributing to performance and/or volatility of the market risk indicators that can be used as reference data in order to obtain accurate market risk assessment, are among others: the performance of the Company's financial fundamentals and its investment portfolio, macroeconomic conditions, as well as information on the development of other related industries.*

*As initiatives for mitigating market risk, the Group practices the following:*

- *Delivers periodic risk assessment report to the Risk Management Committee, CEO and/or other relevant parties to be followed-up and used as a reference in the decision-making process. The reported assessment result of market risk indicators are volatility risk and risk exposure to the value of money.*

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**45. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO  
KEUANGAN (Lanjutan)**

- Berkaitan dengan risiko ini, terdapat adanya dua tipe risiko yang harus dipertimbangkan, yaitu adanya eksposur nilai pasar yang berkurang dan eksposur nilai pasar yang meningkat. Pada eksposur pertama, tentunya jika Kelompok Usaha mengambil posisi yang mengasumsikan harga pasar yang meningkat, asumsi ini akan menyebabkan adanya risiko kerugian. Namun, pada eksposur kedua, jika Kelompok Usaha mengambil posisi mengasumsikan kejatuhan pasar, hal ini akan menyebabkan terjadinya risiko kesempatan kehilangan (*lost opportunity*). Berdasarkan kajian-kajian internal yang telah dilakukan dan dengan pengecekan pada beberapa kajian eksternal, Kelompok Usaha berkesimpulan bahwa terutama di negara berkembang pada umumnya, dan Indonesia pada khususnya, pasar akan mengalami peningkatan yang cukup tinggi seiring dengan laju pertumbuhan ekonomi di negara-negara di luar negara maju.
- Dalam hal ini, secara singkat, analisa internal menunjukkan bahwa risiko kesempatan yang hilang lebih besar daripada risiko kejatuhan pasar. Penempatan posisi portofolio Kelompok Usaha pada pasar yang sedang meningkat tersebut berkaitan dengan mitigasi faktor risiko pasar.
- Menetapkan limit risiko yang terdiri dari peringkat risiko (*risk rating*) berdasarkan volatilitas harga, rentang nilai beta, rentang nilai eksposur risiko yang masih dapat diterima, dan rentang nilai harga aset di pasar.

**(1) Risiko Suku Bunga**

Eksposur Kelompok Usaha terhadap risiko tingkat suku bunga terutama berasal dari simpanan di bank dan fasilitas pinjaman yang didasarkan pada tingkat suku bunga mengambang. Kelompok Usaha mengelola risiko keuangan ini dengan melakukan monitor terhadap tingkat suku bunga pasar.

Berdasarkan estimasi manajemen, sampai dengan tanggal pelaporan Perusahaan berikutnya, suku bunga mungkin meningkat/ menurun 100 basis poin dan 50 basis poin dibandingkan tingkat bunga pada tanggal 31 Desember 2019 dan 2018.

Jika suku bunga lebih tinggi/rendah 100 basis poin dan 50 basis poin dengan seluruh variabel lain tetap, maka dampak terhadap laba rugi dan ekuitas pada tanggal 31 Desember 2019 dan 2018 akan berupa peningkatan/penurunan beban bunga sekitar Rp21,2 miliar dan Rp22,0 miliar.

**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND  
POLICIES(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 100 basis points and 50 basis points, compared to the interest rate at December 31, 2019 and 2018, respectively.

If interest rate had been 100 basis points and 50 basis points higher/lower with all other variables held constant, the effect on December 31, 2019 and 2018 profit or loss and equity would have been an increase/a decrease of interest expense by approximately Rp21.2billion and Rp22.0 billion, respectively.

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**45. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO  
KEUANGAN (Lanjutan)**

**(2) Risiko Mata Uang Asing**

Kelompok Usaha terekspos risiko perubahan nilai tukar mata uang asing terutama dari biaya, aset dan liabilitas tertentu dalam Dolar AS, Dolar Singapura, Euro, GBP, Dolar Australia dan Yen yang timbul karena aktivitas pendanaan dan kegiatan operasional sehari-hari. Kelompok Usaha memonitor dan mengelola risiko ini dengan menyepadankan liabilitas keuangan dalam mata uang asing dengan aset keuangan dalam mata uang asing terkait dan melakukan pembelian atau penjualan mata uang asing saat diperlukan.

Manajemen memperkirakan bahwa nilai tukar Rupiah terhadap Dolar Amerika Serikat, Dolar Singapura, Euro, Dolar Australia dan Yen dapat melemah/menguat dalam kisaran hingga 4,8% dan 2,0% dibandingkan dengan nilai tukar pada tanggal 31 Desember 2019 dan 2018.

Jika Rupiah melemah/menguat hingga 4,8% untuk tahun 2019 dan 2% untuk tahun 2018 terhadap mata uang Dolar Amerika Serikat, Dolar Singapura, Euro, Dolar Australia dan Yen dengan seluruh variabel lain tetap, maka laba rugi dan ekuitas akan menjadi lebih tinggi/rendah masing-masing sekitar Rp91,3 miliar dan Rp60,0 miliar untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2019 dan 2018.

**(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 3,8% dan 14% pada tanggal 31 Desember 2019 dan 2018 dengan semua variabel lainnya konstan dan semua instrumen ekuitas Kelompok Usaha dipindahkan sesuai dengan korelasi historis indeks, laba rugi dan ekuitas untuk tahun yang berakhir pada tanggal-tanggal tersebut akan menjadi lebih tinggi/lebih rendah masing-masing sebesar Rp26 juta dan Rp0,26 miliar.

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**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND  
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**(2) Foreign Currency Risk**

The Group is exposed to changes in foreign currency exchange rate primarily from certain expenses, assets and liabilities in US Dollar, Singapore Dollar, Euro, Pound Sterling, Australian Dollar, and Yen which arise from financing activities and daily operations. The Group monitors and manages the risk by matching the foreign currency financial liabilities with relevant foreign currency assets and buying or selling foreign currencies at spot rate when necessary.

Management estimates that the exchange rate of Rupiah against US Dollar, Singapore Dollar, Euro, Australian Dollar and Yen may weaken/strengthen within a range of up to 4.8% and 2.0% compared to the exchange rate as of December 31, 2019 and 2018.

If Rupiah had weakened/strengthened by up to 4.8% for 2019 and 2% for 2018 against US Dollar, Singapore Dollar, Euro, Australian Dollar, and Yen with all other variables held constant, profit or loss and equity would have increased/decreased approximately by Rp91.3 billion and Rp60.0 billion for the years ended December 31, 2019 and 2018, 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 3.8% and 14% for December 31, 2019 and 2018 with all other variables held constant and all the Group's equity instruments moved according to the historical correlation of the index, profit or loss and equity for the years then ended would have been higher/lower amounting to Rp26 million and Rp0.26 billion, respectively.



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**45. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO  
KEUANGAN (Lanjutan)**

**b. Risiko Kredit**

Risiko kredit adalah risiko di mana arus kas yang telah dijanjikan dari piutang Kelompok Usaha maupun dari efek yang dipegang Kelompok Usaha tidak dibayar penuh atau gagal dibayar. Transaksi ini dapat bersumber dari berbagai aktivitas operasi dan investasi.

Proses identifikasi risiko kredit dilakukan terhadap berbagai faktor, yaitu antara lain: tujuan kredit dan sumber pembayaran; profil risiko terkini dari calon debitur; kecukupan dan kualitas agunan/jaminan; analisis kemampuan untuk membayar kembali; analisis kemampuan bisnis internal dan perbandingan (*benchmarking*) dengan industri sejenis; serta rencana mitigasi risiko debitur apabila mengalami gagal bayar. Dalam proses pengelolaan risiko kredit tersebut, Kelompok Usaha menetapkan suatu *limit* risiko yang harus dipatuhi dan dijadikan acuan dalam pengelolaan transaksi investasi dan non-investasi yang termasuk kategori risiko kredit.

Eksposur maksimum risiko kredit adalah sebagai berikut:

**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND  
POLICIES (Continued)**

**b. Credit Risk**

Credit risk is the risk that promised cash flows from receivables and securities held by the Group are not paid in full or are subject to default. The transactions may come from various operating or investing activities.

Credit risk identification process is carried out on various factors, including among other things: the purpose of credit and sources of payment; current risk profile of prospective borrowers, the adequacy and quality of collateral; analysis of ability to pay back; internal business capabilities analysis and comparison (*benchmarking*) with similar industry, as well as risk mitigation plan if the debtor has defaulted. In the process of managing credit risk, the Group has set a limit of risk that must be observed and used as a reference in the management of investment and non-investment transactions that include credit risk category.

Maximum exposure to credit risk is as follows:

<b>Akun</b>	<b>2019</b>	<b>2018</b>	<b>Accounts</b>
<u>Nilai wajar melalui laba rugi</u>			<u>Fair value through profit or loss</u>
Diperdagangkan	49.835	-	Held for trading
Dana investasi	7.637.738	6.940.147	Investment funds
<u>Pinjaman yang diberikan dan piutang</u>			<u>Loans and receivables</u>
Kas di bank dan setara kas	124.094	117.682	Cash in banks and cash equivalents
Deposito berjangka	2.200	2.200	Time deposits
Piutang usaha			Trade receivables
Pihak ketiga	1.053.149	796.424	Third parties
Pihak berelasi	8.996	11.837	Related parties
Piutang lain-lain - pihak ketiga	1.361.509	1.284.926	Other receivables - third parties
Aset lancar lainnya			Other current assets
Kas di bank yang dibatasi penggunaannya	13.409	14.114	Restricted cash in banks
Piutang pihak berelasi	282.778	280.803	Due from related parties
Piutang usaha jangka panjang	-	442.523	Long-term trade receivables
Aset tidak lancar lainnya			Other non-current assets
Kas di bank yang dibatasi penggunaannya	164.735	42.318	Restricted cash in banks
Piutang dari komisaris, dan direktur	316	216	Receivable from commissioners and directors
Jaminan	19.383	1.273	Security deposits
<u>Aset keuangan tersedia untuk dijual</u>			<u>Available-for-sale financial assets</u>
Efek ekuitas tercatat	10.756	10.980	Quoted equity securities
Efek ekuitas tidak tercatat	263.067	263.067	Unquoted equity securities
<b>Total</b>	<b>10.991.965</b>	<b>10.208.510</b>	<b>Total</b>

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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:

**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND  
POLICIES (Continued)**

The aging analysis of financial assets that are not yet due or are not impaired and were past due at the end of the reporting period but not impaired was as follows:

2019						
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		
Nilai wajar diukur melalui laba rugi						Fair value through profit or loss
Diperdagangkan	49.835	-	-	-	-	49.835 Held for trading
Dana investasi	7.637.738	-	-	-	-	7.637.738 Investment funds
Pinjaman yang diberikan dan piutang						Loans and receivables
Kas di bank dan setara kas	124.094	-	-	-	-	124.094 cash equivalents
Deposito berjangka	2.200	-	-	-	-	2.200 Time deposits
Piutang usaha	450.518	112.883	159.576	71.602	267.566	1.062.145 Trade receivables
Piutang lain-lain	-	-	-	-	1.361.509	1.361.509 Other receivables
Aset lancar lainnya						Other current assets
Kas di bank yang dibatasi penggunaannya	13.409	-	-	-	-	13.409 Restricted cash in banks
Piutang pihak berelasi	282.778	-	-	-	-	282.778 Due from related parties
Piutang usaha jangka panjang	-	-	-	-	-	- Long-term trade receivables
Aset tidak lancar lainnya						Other non-current assets
Kas di bank yang dibatasi penggunaannya	164.735	-	-	-	-	164.735 Restricted cash in banks
Piutang dari komisaris dan direktur	316	-	-	-	-	316 Receivable from commissioners and directors
Jaminan	19.383	-	-	-	-	19.383 Security deposits
Aset keuangan tersedia untuk dijual						Available-for-sale financial assets
Efek ekuitas tercatat	10.756	-	-	-	-	10.756 Quoted equity securities
Efek ekuitas tidak tercatat	263.067	-	-	-	-	263.067 Unquoted equity securities
Total	8.968.994	112.883	159.576	71.602	1.629.075	10.942.130 Total

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**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND**  
**POLICIES (Continued)**

2018							
	Belum Jatuh Tempo atau pun Mengalami Penurunan Nilai/ <i>Neither Past Due nor Impaired</i>	Telah Jatuh Tempo tetapi Tidak Mengalami Penurunan Nilai/ <i>Past Due but Not Impaired</i>				Total/ <i>Total</i>	
		Kurang dari 3 bulan/ <i>Less than 3 months</i>	3 bulan - 6 bulan/ <i>3 months - 6 months</i>	6 bulan - 1 tahun/ <i>6 months - 1 year</i>	Lebih dari 1 tahun/ <i>Over 1 year</i>		
Nilai wajar diukur melalui laba rugi							<i>Fair value through profit or loss</i>
Dana investasi	6.940.147	-	-	-	-	6.940.147	<i>Investment funds</i>
<b>Pinjaman yang diberikan dan piutang</b>							<b><i>Loans and receivables</i></b>
Kas di bank dan setara kas	117.682	-	-	-	-	117.682	<i>Cash in banks and cash equivalents</i>
Deposito berjangka	2.200	-	-	-	-	2.200	<i>Time deposits</i>
Piutang usaha	116.240	284.704	262.846	64.482	79.989	808.261	<i>Trade receivables</i>
Piutang lain-lain	240.000	-	-	-	1.044.926	1.284.926	<i>Other receivables</i>
Aset lancar lainnya							<i>Other current assets</i>
Kas di bank yang dibatasi penggunaannya	14.114	-	-	-	-	14.114	<i>Restricted cash in banks</i>
Piutang pihak berelasi	280.803	-	-	-	-	280.803	<i>Due from related parties</i>
Piutang usaha jangka panjang	442.523	-	-	-	-	442.523	<i>Long-term trade receivables</i>
Aset tidak lancar lainnya							<i>Other non-current assets</i>
Kas di bank yang dibatasi penggunaannya	42.318	-	-	-	-	42.318	<i>Restricted cash in banks</i>
Piutang dari komisaris dan direktur	216	-	-	-	-	216	<i>Receivable from commissioners and directors</i>
Jaminan	1.273	-	-	-	-	1.273	<i>Security deposits</i>
<b>Aset keuangan tersedia untuk dijual</b>							<b><i>Available-for-sale financial assets</i></b>
Efek ekuitas tercatat	10.980	-	-	-	-	10.980	<i>Quoted equity securities</i>
Efek ekuitas tidak tercatat	263.067	-	-	-	-	263.067	<i>Unquoted equity securities</i>
<b>Total</b>	<b>8.471.563</b>	<b>284.704</b>	<b>262.846</b>	<b>64.482</b>	<b>1.124.915</b>	<b>10.208.510</b>	<b><i>Total</i></b>

Pada tanggal 31 Desember 2019 dan 2018, piutang usaha yang secara individual mengalami penurunan nilai masing-masing sebesar Rp311,8 miliar dan Rp223,8 miliar dan terutama sehubungan dengan pelanggan yang secara tidak terduga mengalami situasi ekonomi yang sulit dan belum membayar piutang tersebut selama lebih dari dua (2) tahun dari tanggal jatuh tempo. Manajemen menilai bahwa sebagian dari piutang tersebut diharapkan dapat dipulihkan.

As of December 31, 2019 and 2018, individually impaired trade receivables, other receivables and due from related parties totaling to Rp311.8 billion and Rp223.8 billion, respectively, mainly relate to customers who are unexpectedly facing difficult economic situations and have not paid these receivables for more than two (2) years from due dates. The management assessed that a portion of these receivables is expected to be recovered.

**c. Risiko Likuiditas**

Risiko likuiditas adalah risiko atau kerugian yang mungkin diderita ketika ada pelunasan liabilitas segera yang menyebabkan Kelompok Usaha berada dalam posisi harus melikuidasi aset dalam waktu sangat singkat dan dengan harga rendah. Termasuk dalam kategori risiko likuiditas yang harus dikelola adalah risiko likuiditas aset dan risiko ketersediaan arus kas.

**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.

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Risiko likuiditas aset dihasilkan dari posisi pelaku pasar dengan jumlah besar telah memengaruhi harga sekuritas aset Kelompok Usaha di pasar. Karena itu, risiko likuiditas aset Kelompok Usaha banyak tergantung kepada fluktuasi harga saham di pasar, yang dipengaruhi oleh beberapa faktor yaitu: besarnya volume transaksi aset saham, selisih antara harga penawaran dan permintaan di pasar, dari jumlah nilai pasar dari saham yang beredar. Dampak risiko ini terhadap Kelompok Usaha adalah munculnya kewajiban untuk menambah nilai jaminan pinjaman Kelompok Usaha kepada pihak terkait sesuai dengan perjanjian yang disepakati. Risiko arus kas muncul akibat 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*);
- Hasil uji di atas dipakai selanjutnya untuk mengidentifikasi faktor-faktor risiko berdasarkan skala sensitivitasnya pada kinerja keuangan Kelompok Usaha yang akan menuntun Kelompok Usaha untuk pengambilan langkah-langkah pencegahan lebih spesifik;
- Upaya-upaya berkesinambungan, jika memungkinkan, dan lebih menguntungkan Kelompok Usaha untuk melakukan proses pelunasan utang melalui skema tanpa penggunaan arus kas adalah bentuk lain dari mitigasi risiko likuiditas ini.

Tabel di bawah menunjukkan analisis jatuh tempo liabilitas keuangan Kelompok Usaha dalam rentang waktu yang menunjukkan jatuh tempo kontraktual untuk semua liabilitas keuangan non-derivatif dan instrumen keuangan derivatif yang diperlukan dalam pemahaman jatuh tempo kebutuhan arus kas. Jumlah yang diungkapkan dalam tabel juga termasuk arus kas kontraktual yang tidak terdiskonto (yang terdiri dari saldo pokok terutang ditambah pembayaran bunga yang akan datang, jika ada) yang mungkin berbeda dengan jumlah tercatat liabilitas keuangan pada tanggal pelaporan.

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**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND  
POLICIES (Continued)**

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*);
- The above test results are then used to identify risk factors based on the scale of sensitivity on the financial performance of the Group which will lead the Group to take more specific preventive measures;
- Ongoing attempts to obtain non-cash debt settlement that may benefit the Group more, if possible, are other forms of liquidity risk mitigation initiatives.

The following tables analyze the Group's financial liabilities into its relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities and derivative financial instruments which are essential in understanding the timing of cash flows requirements. The amounts disclosed in the table are the contractual undiscounted cash flows (consisting of outstanding principal balance plus future interest payments, if any) which may differ to the carrying amounts of the financial liabilities at the reporting dates.

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**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND  
POLICIES (Continued)**

Jumlah Arus Kas Kontraktual yang Tidak Terdiskonto/ Contractual Undiscounted Cash Flows Amounts					
Jumlah Tercatat/ Carrying Amounts	Kurang dari 1 tahun/ Less than 1 year	Antara 1 dan 5 tahun/ Between 1 and 5 years	Lebih dari 5 tahun/ Over 5 years		
<b>Tanggal 31 Desember 2019</b>					<b>As of December 31, 2019</b>
Pinjaman jangka pendek	442.854	442.854	-	-	Short-term loans
Utang usaha	736.843	736.843	-	-	Trade payables
Utang lain-lain	237.141	237.141	-	-	Other payables
Beban masih harus dibayar	765.815	765.815	-	-	Accrued expenses
Pinjaman jangka panjang	1.676.510	1.465.296	211.214	-	Long-term loans
Utang sewa pembiayaan	1.563	668	895	-	Finance lease payable
Pembiayaan musyarakah	21.256	9.515	11.741	-	Musyarakah financing
Pembiayaan murabahah	10.464	5.278	5.186	-	Murabahah financing
Utang pihak berelasi	203.020	-	203.020	-	Due to related parties
<b>Total</b>	<b>4.095.466</b>	<b>3.663.410</b>	<b>432.056</b>	<b>-</b>	<b>Total</b>
<b>Tanggal 31 Desember 2018</b>					<b>As of December 31, 2018</b>
Pinjaman jangka pendek	551.562	551.562	-	-	Short-term loans
Utang usaha	822.014	822.014	-	-	Trade payables
Utang lain-lain	190.501	190.501	-	-	Other payables
Beban masih harus dibayar	799.729	799.729	-	-	Accrued expenses
Pinjaman jangka panjang	1.719.334	1.534.015	185.319	-	Long-term loans
Utang sewa pembiayaan	2.733	935	1.798	-	Finance lease payable
Pembiayaan musyarakah	70.084	10.865	59.219	-	Musyarakah financing
Pembiayaan murabahah	21.759	11.304	10.455	-	Murabahah financing
Utang pihak berelasi	198.495	-	198.495	-	Due to related parties
<b>Total</b>	<b>4.376.211</b>	<b>3.920.925</b>	<b>455.286</b>	<b>-</b>	<b>Total</b>

**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.

**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.



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**45. TUJUAN DAN KEBIJAKAN MANAJEMEN RISIKO  
KEUANGAN (Lanjutan)**

Perhitungan rasio utang terhadap modal adalah sebagai berikut:

	2019	2018
Pinjaman bunga		
Ekuitas yang dapat diatribusikan kepada pemilik entitas induk	9.291.546 2.345.289	8.814.291 2.685.925
<b>Rasio Utang terhadap Modal</b>	<b>3,96</b>	<b>3,28</b>

Kelompok Usaha tidak tunduk pada persyaratan modal yang ditetapkan oleh pihak luar pada tahun 2019 dan 2018.

**45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND  
POLICIES (Continued)**

Calculation of debt-equity ratio were as follows:

Interest-bearing borrowings  
Equity attributable to owners  
of the parent  
**Debt-to-Equity Ratio**

The Group was not subject to externally imposed capital requirements in 2019 and 2018.

**46. KUASI-REORGANISASI**

Sampai dengan tanggal 30 Juni 2011, Perusahaan mencatat saldo defisit sebesar Rp27.664,6 miliar. Saldo ini merupakan akumulasi defisit dari dua krisis finansial yang menimpa Indonesia dan dunia, yakni krisis finansial Asia di tahun 1998 dan resesi global di tahun 2008. Mayoritas defisit ini merupakan akumulasi dari kerugian bersih Perusahaan sebesar Rp16,5 triliun di tahun 2008, Rp1,7 triliun di tahun 2009 dan Rp7,6 triliun di tahun 2010.

Untuk mengeliminasi defisit, Perusahaan melakukan kuasi-reorganisasi sesuai dengan PSAK No. 51 (Revisi 2003) dengan menggunakan laporan posisi keuangan tanggal 30 Juni 2011 yang disetujui oleh para pemegang saham Perusahaan melalui Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) yang diselenggarakan pada tanggal 6 Oktober 2011, yang diaktakan dengan Akta Notaris No. 26 oleh Humberg Lie, S.H., S.E., M.Kn tanggal 6 Oktober 2011.

Pengeliminasian saldo defisit Perusahaan dilakukan dengan urutan prioritas sebagai berikut:

	30 Juni / June 30, 2011
Defisit	(27.664.605)
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>

**46. 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.

Elimination of the Company's deficit were made in the following order of priority:

Deficit  
Difference in value from restructuring transactions of entities under common control  
Unrealized loss on short-term investments  
Revaluation surplus of fixed assets  
Difference in equity transactions of associated entities and subsidiaries  
Additional paid-in capital  
Share premium from decline in par value of share  
**Net**

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**46. KUASI-REORGANISASI (Lanjutan)**

Penentuan nilai wajar aset tetap Perusahaan dan Entitas Anak pada tanggal 30 Juni 2011 telah dilaksanakan oleh KJPP Nana, Imaddudin & Rekan, penilai independen, dalam laporannya tanggal 28 September 2011 dengan menggunakan metode penilaian kembali memakai Pendekatan Data Pasar dengan Perbandingan Data Pasar dan Metode Pendekatan Biaya. Selain itu, penentuan nilai wajar dari aset selain aset tetap dan utang dari Kelompok Usaha pada tanggal 30 Juni 2011 telah dilaksanakan oleh KJPP Jennywati, Kusnanto & Rekan, penilai independen, dalam laporannya tanggal 3 Oktober 2011 menggunakan Metode Penyesuaian Aset Neto.

Berdasarkan laporan penilai independen tanggal 30 Juni 2011, Perusahaan mencatat surplus penilaian kembali aset tetap berdasarkan selisih lebih nilai wajar aset tetap Perusahaan dan Entitas Anak dibandingkan dengan nilai buku sebesar Rp1,1 triliun yang diatribusikan kepada pemilik entitas induk dan kepentingan nonpengendali sebagai berikut:

	30 Juni /June 30, 2011	
Surplus revaluasi aset tetap	<u>1.133.783</u>	Revaluation surplus of fixed assets
Diatribusikan kepada:		Attributable to:
Pemilik entitas induk	993.308	Owners of the parent
Kepentingan nonpengendali	<u>140.475</u>	Non-controlling interest
<b>Total</b>	<u><b>1.133.783</b></u>	<b>Total</b>

**47. KELANGSUNGAN USAHA**

Kelompok Usaha telah mengalami kerugian berulang dari kegiatan usahanya yang mengakibatkan defisit sebesar Rp19,0 triliun dan Rp19,9 triliun masing-masing pada tanggal 31 Desember 2019 dan 2018. Total liabilitas jangka pendek Kelompok Usaha telah melebihi total aset lancarnya sebesar Rp282,43 miliar pada tanggal 31 Desember 2018. 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 2019, 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.

**46. QUASI-REORGANIZATION (Continued)**

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:

**47. GOING CONCERN**

The Group has incurred recurrent losses from its operations resulting in incurred deficits amounting to Rp19.0 trillion and Rp19.9 trillion as of December 31, 2019 and 2018, respectively. The Group's total current liabilities exceeding its total current assets amounting to and Rp282.43 billion, as of December 31, 2018. This was mainly caused by the impairment losses of investments, net loss of associates and jointly controlled entities and fair value changes of derivatives. As of December 31, 2019, the Group has matured loans and undergoing discussion with its creditors to restructure the loans.

In relation to this matter, management has taken actions and plans to address the going concern issue through, which include among others, the following measures:

- Debt restructuring through debt to equity conversion.
- Increase in capital raise through rights issue and asset disposal.
- Reduction in investment in shares.

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**47. KELANGSUNGAN USAHA (Lanjutan)**

- d. Fokus dalam pengembangan kegiatan usaha manufaktur.
- e. Mengembangkan proyek infrastruktur utama untuk mendapatkan sumber pendapatan yang berkelanjutan.
- f. Mengembangkan bidang usaha baru dan produk baru sebagai tambahan 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.

**47. GOING CONCERN (Continued)**

- d. Focus in growing the manufacturing business operations.
- e. Develop main infrastructure projects to tap on sources of recurring income.
- f. Develop new business and new products as additional resources of recurring income.

As of completion date of the consolidated financial statements, the Company is still in the finalization process regarding the restructuring with creditors in the conversion of debt into shares.

**48. INFORMASI TAMBAHAN ARUS KAS**

**a. Aktivitas yang tidak memengaruhi arus kas adalah sebagai berikut:**

	2019	2018
Reklasifikasi kepada kelompok lepasan yang dimiliki untuk dijual:		
Aset tetap	60.000	-
Investasi pada entitas pengendalian bersama menjadi	-	162
Reklasifikasi pinjaman jangka pendek menjadi pinjaman jangka panjang	52.000	65.690
Penambahan investasi jangka pendek melalui investasi uang muka	49.835	-
Penerbitan saham melalui OWK	45.538	381.243
Pelepasan investasi asosiasi melalui utang pihak berelasi	11.970	-
Reklasifikasi aset dalam penyelesaian menjadi aset tetap	3.903	559
Penyelesaian pinjaman jangka panjang dengan:		
Penerbitan OWK	-	8.799.591
Penerbitan saham baru	-	453.586
Efek tersedia untuk dijual	-	148.119
Penambahan investasi jangka pendek melalui pinjaman jangka panjang	-	6.510.026
Reklasifikasi bunga yang masih harus dibayar menjadi pinjaman jangka panjang	-	713.776
Reklasifikasi denda yang masih harus dibayar menjadi pinjaman jangka panjang	-	318.346
Penyelesaian pinjaman jangka pendek dengan:		
Penerbitan saham baru	-	100.394
Penerbitan OWK	-	30.679
Akuisisi entitas anak baru melalui pengalihan piutang lain-lain	-	36.000

**48. SUPPLEMENTARY CASH FLOWS INFORMATION**

**a. Activities not affecting cash flows were as follows:**

Reclassification to disposal group held for sale:
Fixed assets
Investment in jointly controlled entities
Reclassification of short-term loans to long-term loans
Additional short-term investment through advances for investment
Issuance of shares through conversion of MCB
Disposal of investment in associate through due to related party
Reclassification of construction-in-progress to fixed assets
Settlement of long-term loans through:
Issuance of MCB
Issuance of new share capital
Available for-sale securities
Additional short-term investment through long-term loan
Reclassification of accrued interest to long-term loans
Reclassification of accrued penalty to long-term loans
Settlement of short-term loans through:
Issuance of new share capital
Issuance of MCB
Acquisition of new subsidiary through novation of other receivables

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**48. INFORMASI TAMBAHAN ARUS KAS (Lanjutan)**

**b. Rekonsiliasi liabilitas dari aktivitas pendanaan adalah sebagai berikut:**

	Saldo 1 Januari/ Balance as of January 1, 2019	Arus kas - neto/ Cash flows net	Foreign exchange movement	Reklasifikasi Reclassification	Lain-lain/ Others	Saldo 31 Desember/ Balance as of December 31, 2019	
Pinjaman jangka pendek	551.562	(51.981)	(457)	(52.000)	(4.270)	442.854	Short-term loans
Utang pihak berelasi	198.495	(7.445)	-	-	11.970	203.020	Due to related parties
Pinjaman jangka panjang	1.719.334	(30.668)	(64.601)	52.000	445	1.676.510	Long-term loans
Utang sewa pembiayaan	2.733	(1.170)	-	-	-	1.563	Finance lease payables
Pembiayaan murabahah	21.759	(11.295)	-	-	-	10.464	Murabahah financing
Pembiayaan musyarakah	82.084	(48.828)	-	-	-	33.256	Musyarakah financing
<b>Total</b>	<b>2.575.967</b>	<b>(69.064)</b>	<b>161.771</b>	<b>(2.122.005)</b>	<b>155.353</b>	<b>2.575.967</b>	<b>Total</b>

	Saldo 1 Januari/ Balance as of January 1, 2018	Arus kas - neto/ Cash flows net	Foreign exchange movement	Reklasifikasi Reclassification	Lain-lain/ Others	Saldo 31 Desember/ Balance as of December 31, 2018	
Pinjaman jangka pendek	670.829	(6.565)	12.555	(196.763)	71.506	551.562	Short-term loans
Utang pihak berelasi	199.112	(411)	(270)	-	64	198.495	Due to related parties
Pinjaman jangka panjang	3.458.077	(44.968)	149.486	(1.925.242)	81.981	1.719.334	Long-term loans
Utang sewa pembiayaan	1.157	(226)	-	-	1.802	2.733	Finance lease payables
Pembiayaan murabahah	31.628	(9.869)	-	-	-	21.759	Murabahah financing
Pembiayaan musyarakah	89.109	(7.025)	-	-	-	82.084	Musyarakah financing
<b>Total</b>	<b>4.449.912</b>	<b>(69.064)</b>	<b>161.771</b>	<b>(2.122.005)</b>	<b>155.353</b>	<b>2.575.967</b>	<b>Total</b>

**48. SUPPLEMENTARY CASH FLOWS INFORMATION**  
(Continued)

**b. Reconciliation of liabilities from funding activities is as follows:**

**49. KELOMPOK LEPASAN YANG DIKLASIFIKASIKAN SEBAGAI DIMILIK UNTUK DIJUAL**

**a. Investasi pada pengendalian bersama**

Pada tanggal 13 September 2018, PT Bakrie Power (BP), Entitas Anak, (sebagai "Penjual") dan Willow Dene Ltd (sebagai "Pembeli") menandatangani Perjanjian Jual Beli Saham Bersyarat (PJBSB) dimana BP akan menjual 70% bagian di PT Kalimantan Prima Power, 7% bagian PT Guruh Agung dan 7% bagian PT Citra Prima Buana dengan imbalan sebesar USD5.000.000 yang tunduk pada syarat dan ketentuan yang tercantum dalam PJBSB.

Para Pihak sepakat bahwa pengalihan hak dan kewajiban dari saham penjualan tunduk para pemenuhan atau pembebasan dari kondisi seperti yang disebutkan dalam PJBSB.

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, BP masih membutuhkan pemenuhan persyaratan dalam PJBSB.

**49. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE**

**a. Investments in jointly controlled entities**

On September 13, 2018, PT Bakrie Power (BP), a Subsidiary (the "Seller") and Willow Dene Ltd (the "Buyer") entered into a Conditional Sale and Purchase Agreement (CSPA) wherein BP will sell 70% share in PT Kalimantan Prima Power (KPP), 7% share in PT Guruh Agung and 3% share in PT Citra Prima Buana for initial consideration of USD5,000,000 subject to terms and conditions set forth in the CSPA.

The Parties agreed that the transfer of rights and obligations of the sale of shares are subject to the satisfaction or waiver of the conditions mentioned in the CSPA.

As of the completion date of the consolidated financial statements, BP is seeking fulfilling the conditions in the CSPA.

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**49. KELOMPOK LEPASAN YANG DIKLASIFIKASIKAN  
SEBAGAI DIMILIK UNTUK DIJUAL (Lanjutan)**

Pada tanggal 31 Desember 2019 dan 2018, jumlah tercatat investasi pada entitas pengendalian bersama yang direklasifikasi ke aset lancar pada kelompok lepasan yang diklasifikasikan sebagai dimiliki untuk dijual sebesar Rp162 juta.

**b. Aset tetap**

Pada tanggal 17 November 2018, BBI dan PT Tripilar Betonmas ("Tripilar") melakukan Perjanjian Jual Beli Aset Bersyarat (PJBAB). Berdasarkan PJBAB, Tripilar bermaksud membeli aset milik BBI berupa mesin-mesin dengan jumlah harga pembelian aset tersebut sebesar Rp61,0 miliar BBI akan menyerahkan aset kepada Tripilar melalui beberapa tahap mulai tahun 2020 sampai dengan tahun 2022 dan Tripilar akan melakukan pembayaran melalui beberapa tahap mulai tahun 2019 sampai dengan tahun 2021.

Pada tanggal 31 Desember 2019, jumlah tercatat aset tetap yang direklasifikasi ke aset lancar pada kelompok lepasan yang diklasifikasikan sebagai dimiliki untuk dijual masing-masing sebesar Rp60 miliar dan nihil.

**50. PERISTIWA SETELAH PERIODE PELAPORAN**

Tidak terdapat peristiwa penting setelah tanggal pelaporan sampai dengan tanggal penyelesaian laporan keuangan konsolidasian.

**51. STANDAR AKUNTANSI KEUANGAN YANG BELUM  
DITERAPKAN**

Ikatan Akuntan Indonesia (IAI) telah menerbitkan Standar Akuntansi Keuangan yang belum berlaku efektif untuk periode tahun buku yang dimulai pada tanggal 1 Januari 2020. Namun, penerapan dini diperkenankan.

Pernyataan baru dan amandemen Standar Akuntansi Keuangan (PSAK) yang telah diterbitkan dan berlaku efektif untuk periode tahun buku yang dimulai pada atau setelah tanggal 1 Januari 2020 adalah sebagai berikut:

- Amandemen PSAK No. 15, "Investasi pada Entitas Asosiasi dan Ventura Bersama", tentang Kepentingan Jangka Panjang pada Entitas Asosiasi dan Ventura Bersama.
- Amendemen PSAK No. 62, "Kontrak Asuransi", tentang Penerapan PSAK No. 71: Instrumen Keuangan dengan PSAK No. 62.
- PSAK No. 71, "Instrumen Keuangan".
- PSAK No. 72, "Pendapatan dari Kontrak dengan Pelanggan".
- PSAK No. 73, "Sewa".

Kelompok Usaha sedang mempelajari dampak yang mungkin timbul dari penerapan SAK tersebut terhadap laporan keuangan konsolidasian.

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**49. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE  
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As of December 31, 2019 and 2018, the carrying amount of investments in jointly controlled entities reclassified to current assets as disposal group classified as held for sale amounted to Rp162 million.

**b. Fixed assets**

On November 17, 2018, BBI and PT Tripilar Betonmas ("Tripilar") entered into a Conditional Sale and Purchase Agreement (PJBAB). In accordance with PJBAB, Tripilar intended to purchase assets owned by BBI with total consideration amounting to Rp61.0 billion. BBI agreed to deliver the assets to Tripilar through several stages starting from year 2020 to year 2022 and Tripilar agreed to make payments through several stages starting from year 2019 to year 2021.

As of December 31, 2019 and 2018, the carrying amount of fixed asset reclassified to current assets as disposal group classified as held for sale amounted to Rp60 billion and nil, respectively.

**50. EVENT AFTER THE REPORTING PERIOD**

There is no important transaction after the reporting date until the completion date of the consolidated financial statements.

**51. FINANCIAL ACCOUNTING STANDARDS NOT YET  
ADOPTED**

The Indonesian Institute of Accountants (IAI) has issued Financial Accounting Standards which are not yet effective for annual periods beginning on January 1, 2020. However, earlier application is permitted.

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

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

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



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