



**Bakrie &  
Brothers**

Exploring Our

# STRENGTH

ANNUAL REPORT **2017**



# Exploring Our Strength

As the Indonesia economy grows, PT Bakrie & Brothers Tbk continue to look for ways of expanding its business by means of exploring its existing capabilities and increase its performance.

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### DISCLAIMER:

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

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

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

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# Corporate Profile



# Corporate Identity

Name	: PT Bakrie & Brothers Tbk
Listing Code	: BNNR
Business Activity	: Investment and Divestment
Line of Business	: General trading, construction, agriculture, mining, industry, especially steel pipes manufacturing, building materials and other construction materials, telecommunication systems, electronic and electrical goods, and investment, including equity investments in other companies.
Address	: Bakrie Tower, 35th – 37th Floor, Rasuna Epicentrum Jl. H.R Rasuna Said, Jakarta 12940
Telephone	: 021 2991 2222
Faximile	: 021 2991 2333
Call Center	: N/A
Homepage	: <a href="http://www.bakrie-brothers.com">www.bakrie-brothers.com</a>
Email	: <a href="mailto:ir@bakrie.co.id">ir@bakrie.co.id</a>
Establishment Date	: March 13 <sup>th</sup> , 1951
Legal Basis of Establishment	: Deed of Sie Khwan Djioe No.55 dated March 13 <sup>th</sup> , 1951.
Authorized Capital	: Rp 49,562,769,356,000 (451,451,975,120 shares)
Paid- In Capital	: Rp 13,254,240,689,192 (113,535,564,308 shares)
Tax Registration Number	: 01.000.913.2-054.000
Registration of Company	: 09.03.1.70.00661 prevails to March 11 <sup>th</sup> , 2021
Business Registration	: 00291-04/PB/P1/1.824.271 prevails to July 11 <sup>th</sup> , 2018
Operational Area	: Throughout the Indonesian region
Number of Employees	: TBA
Shareholders	: - Credit Suisse AG Singapore Branch S/A Bright Ventures Pte Ltd (MOU Facility) <b>17.84%</b> : - PT Asuransi Simas Jiwa - SIMAS EQUITY FUND 2 <b>10.82%</b> : - PT Solusi Sarana Sejahtera <b>7.63%</b> : - BNYM S/A Mackenzie Cundill Recovery FD-203992482 <b>6.76%</b> : - Public (less than 5%) <b>56.95%</b>
Stock Exchange	: Indonesia Stock Exchange. Listed in 1989.
Workers Union	: Based on Kep-16 / MEN / 2001 regarding mechanism of workers Union/Labor Certificate registration, it is pronounced that workers unions of BNNR is named Pimpinan Unit Serikat Pekerja Niaga, Bank, Asuransi, dan Jasa PT Bakrie & Brothers Tbk. No: 455/V/P/III/2006 dated March 2 <sup>nd</sup> , 2006.



# BNBR at a Glance



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

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

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

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

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

# Seven Decades of Business

1942-1962   1986-1989   1990-1996   1997-2001   2002-2003   2004-2006   2007-2008

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

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

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

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

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

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

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



# Corporate Vision and Mission

## Vision

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

## Mission

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

## Corporate Values & Philosophy

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

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





# Trimatra Bakrie

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

## INDONESIAN-NESS

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

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

## USEFULLNESS

## CORE VALUE

## TOGETHERNESS

## 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.

# Company Logo



***Bakrie &  
Brothers***

## Philosophy of Bakrie Identity

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

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

## Meaning of Bakrie Logo

- 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.

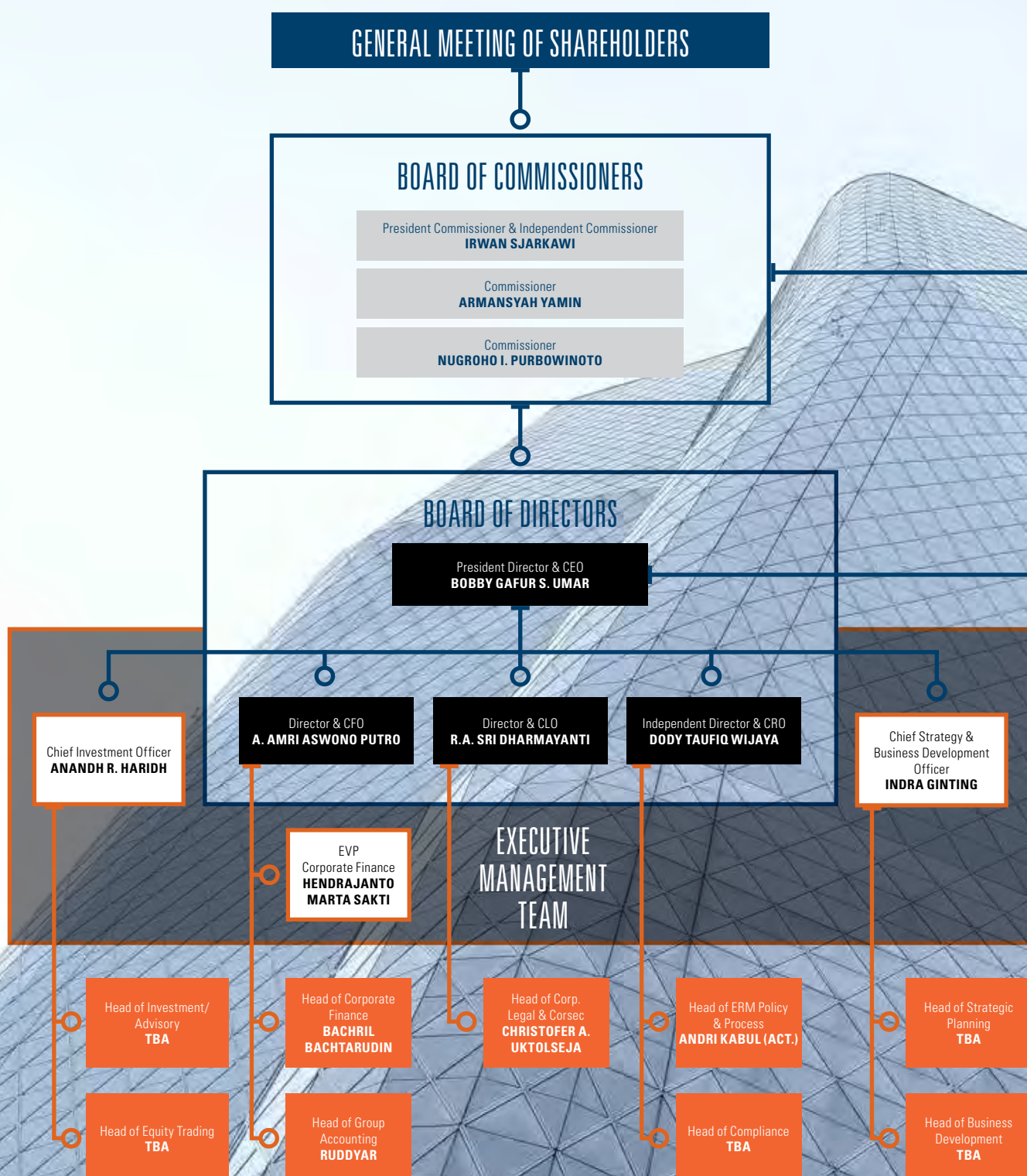




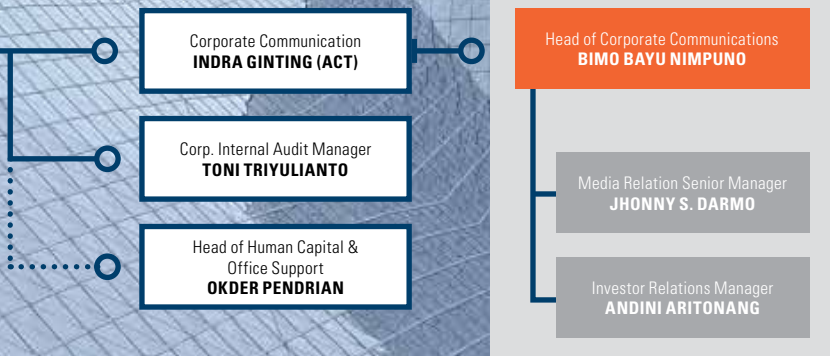


# PT Bakrie & Brothers Tbk

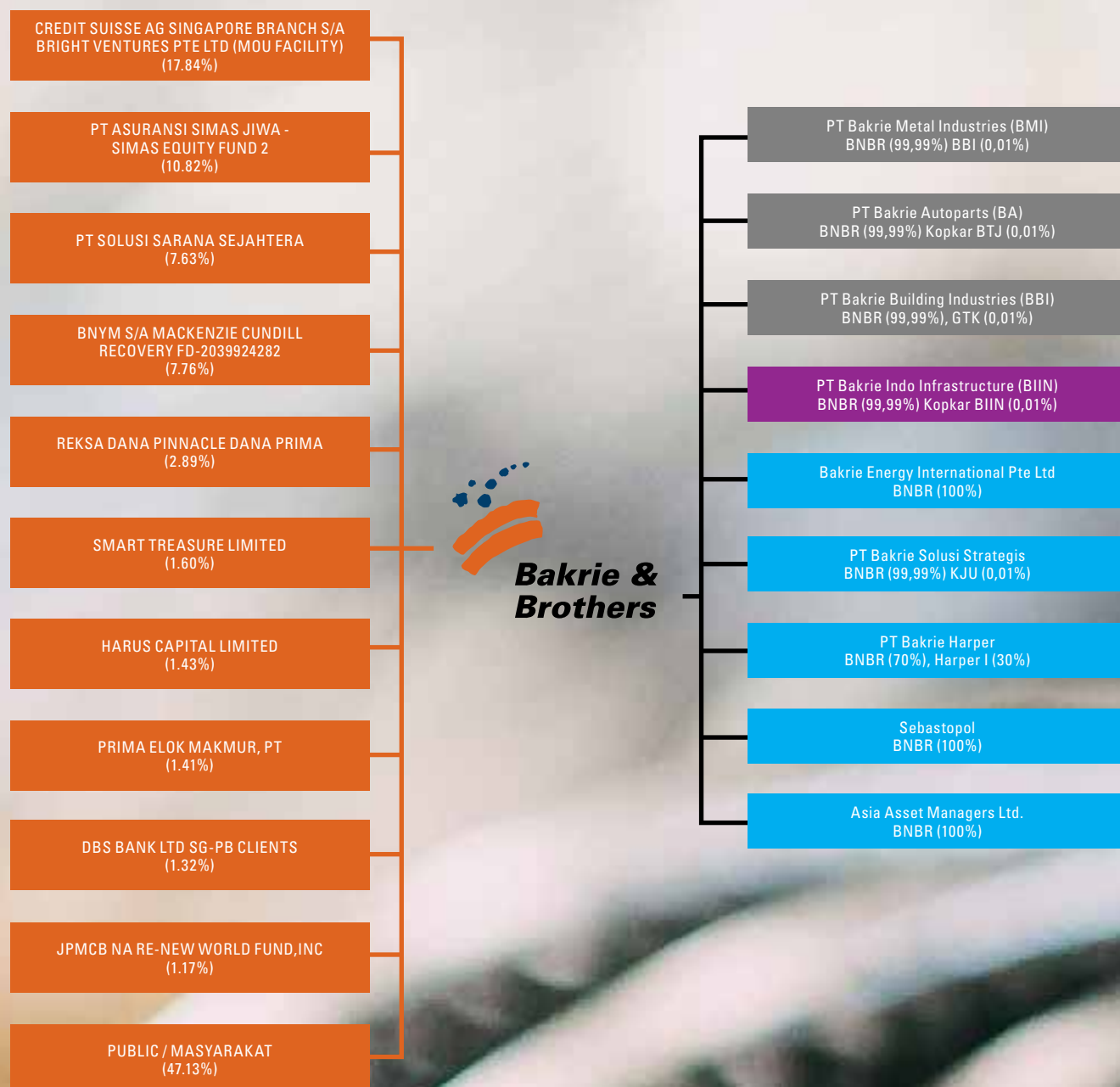
## Organization Structure

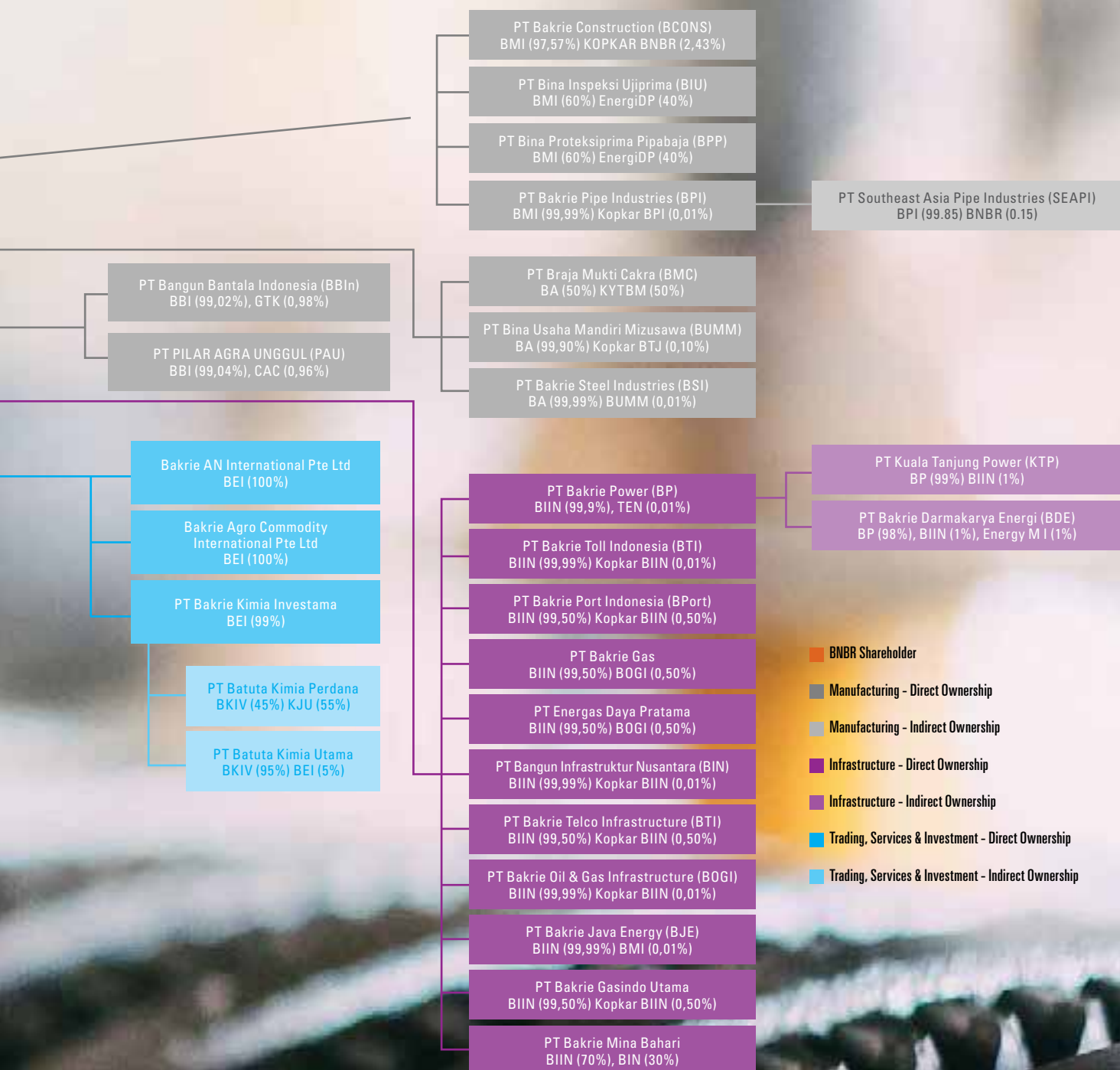






# Corporate Group Structure





## Subsidiaries

NO.	NAME OF SUBSIDIARIES	DOMICILE	PRINCIPAL ACTIVITY	YEAR OF ESTABLISHMENT/ COMMERCIAL OPERATION	PERCENTAGE OF OWNERSHIP		TOTAL ASSETS BEFORE ELIMINATION <i>(IN MILLION RUPIAH)</i>	
					31 DEC 2017 (%)	31 DEC 2016 (%)	31 DEC 2017	31 DEC 2016
DIRECT OWNERSHIP								
1.	PT Bakrie Building Industries (BBI)	Jakarta	Fiber cement building products	1974	99.99	99.99	760,524	839,596
2.	PT Bakrie Metal Industries (BMI)	Bekasi	Corrugated metal products and multiplate	1982	99.99	99.995	2,658,174	2,455,336
3.	PT Bakrie Autoparts (BA) (dahulu / formerly PT Bakrie Tosanjaya (BTJ))	Bekasi	Foundry and automotive component	1976	99.99	99.999	800,887	765,910
4.	PT Bakrie Harper (BHP) formerly PT Bakrie Harper Corporation (BHC) )*)	Bekasi	Steel Construction	1996	70	70	37,728	37,728
5.	PT Bakrie Indo Infrastructure (BIIN)	Jakarta	Development and services	2008	99.99	99.99	379,414	422,126
6.	Sebastopol Inc. (SI)	Cayman Islands	Investment	2008	100	100	351,156	348,253
7.	Bakrie Energy International Pte. Ltd. formerly Orange Assets Pte. Ltd.)	Singapore	Trading	2009	100	100	231,318	53,752
8.	PT Bakrie Solusi Strategis (BSS) (formerly PT Bakrie & Brothers Services (BNBS))	Jakarta	Trading, Services, Industry	2010	99.99	99.99	4,186	4,983
9.	PT Kreasindo Jaya Utama (KJU)	Jakarta	Trading	2009	99.99	99.99		
10.	Asia Asset Manager Ltd. (AAM)	Cayman Islands	Investment	2012	100	100		

\*) Merged with BPI as of December 31 2017

\*\*) deconsolidated as of December 31st 2017

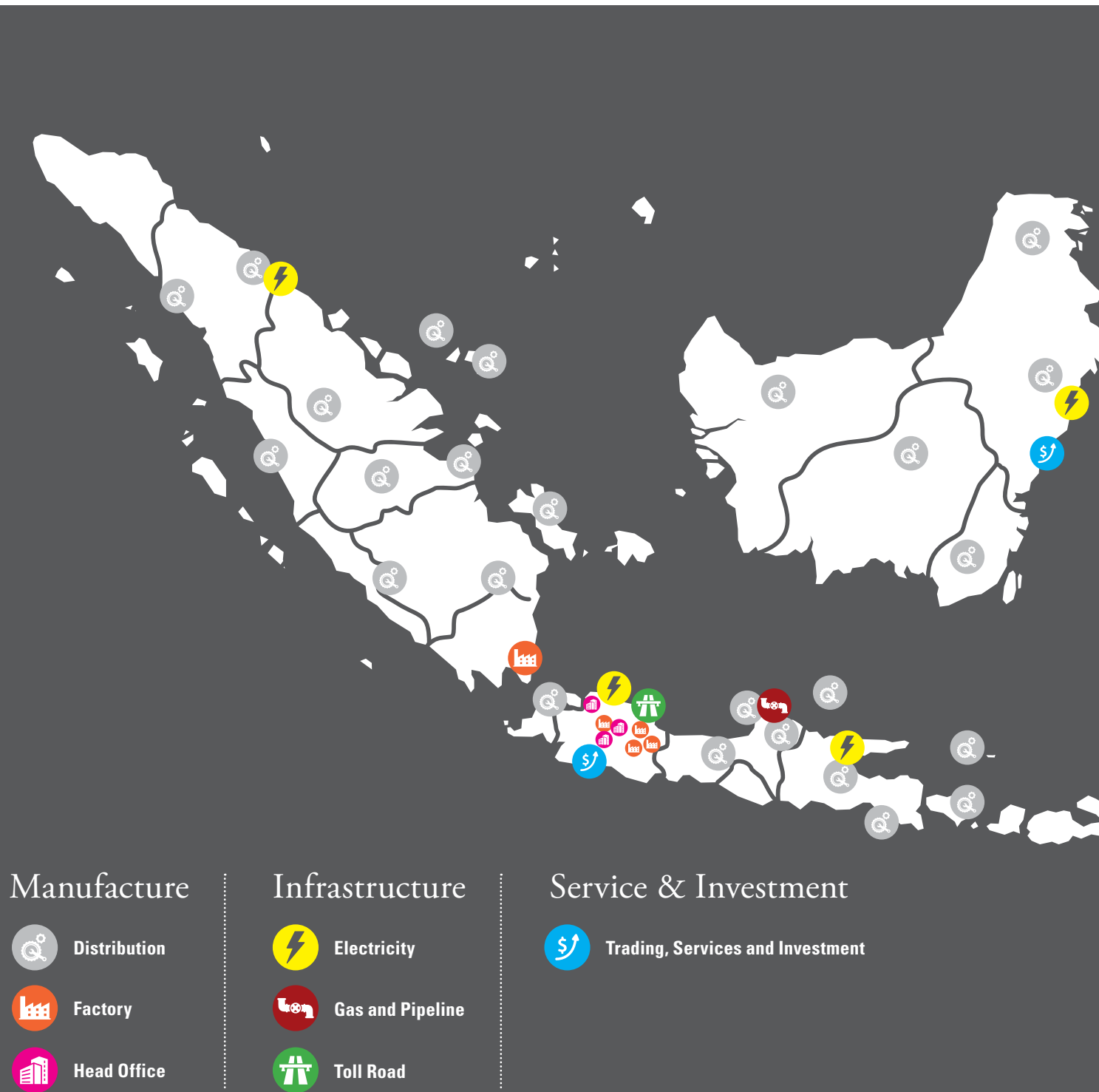


NO.	NAME OF SUBSIDIARIES	DOMICILE	PRINCIPAL ACTIVITY	YEAR OF ESTABLISHMENT/ COMMERCIAL OPERATION	PERCENTAGE OF OWNERSHIP		TOTAL ASSETS BEFORE ELIMINATION <i>(IN MILLION RUPIAH)</i>	
					31 DEC 2017 (%)	31 DEC 2016 (%)	31 DEC 2017	31 DEC 2016
INDIRECT OWNERSHIP								
THROUGH BMI								
1.	PT Bakrie Pipe Industries (BPI)	Jakarta	Steel pipe manufacturer	1979	99.99	99.99	2,217,711	1,807,926
2.	PT Bakrie Construction (BCons)	Jakarta	Steel Construction	1986	97.57	97.57	366,441	431,805
3.	PT Bina Inspeksi Ujiprima (BIU)	Jakarta	Laboratory service	2014	60	60	-	-
4.	PT Bina Proteksiprima Pipabaja (BPP)	Jakarta	Coating Plant	2014	60	60	-	-
THROUGH BIIN								
1.	PT Bakrie Gas (BG)	Jakarta	Oil and Gas Trading	2006	99.5	99.5	19,998	19,998
2.	PT Bakrie Gasindo Utama (BGU)	Jakarta	Oil and Gas Trading	2006	99.5	99.5	19,998	19,998
3.	PT Bakrie Java Energy (BJE)	Jakarta	Oil and Gas Trading	2006	99.99	99.99	498	498
4.	PT Energas Daya Pratama (EDP)	Jakarta	Oil and Gas Trading	2006	99.5	99.5	9,998	9,998
5.	PT Bakrie Power (BP)	Jakarta	Energy and electrical power	1994	99.99	99.99	364,026	404,020
6.	PT Bangun Infrastruktur Nusantara (BIN)	Jakarta	Development and Services	2008	99.99	99.99	20,267	17,990
7.	PT Bakrie Oil & Gas Infrastructure (BOGI)	Jakarta	Development and Services	2008	99.99	99.99	1	1
8.	PT Bakrie Telco Infrastructure (BTelco)	Jakarta	Development and Services	2008	99.5	99.5	10,000	10,000
9.	PT Bakrie Toll Indonesia (BTI)	Jakarta	Development and Services	2008	99.99	99.99	4,679	4,679
10.	PT Bakrie Port Indonesia (BPort)	Jakarta	Development and Services	2008	99.5	99.5	10,100	10,100
11.	PT Bakrie Mina Bahari	Jakarta	General Trading	2017	70	-	10,145	-
THROUGH BPI								
1.	PT South East Asia Pipe Industries (SEAPI)	Jakarta	Steel pipe manufacturer	2001	99,82	99.82	590,323	674,498
2.	PT Bina Andalan Karya Inspeksi (BAKI)	Jakarta	Laboratory service	2014	-	99,99	-	8,789
3.	PT Bina Karya Proteksi Pipabaja (BKPP)	Jakarta	Coating Plant	2014	-	99,99	-	52,021
THROUGH BA								
1.	PT Braja Mukti Cakra (BMC)	Bekasi	Automotive components manufacturer	1986	50	50	229,461	238,949
2.	PT Bina Usaha Mandiri Mizusawa (BUMM)	Tangerang	Automotive components manufacturer	1986	99,9	99,9	108,517	94,803
3.	PT Bakrie Steel Industries (BSI)	Jakarta	Industries and trading	2007	99,99	99.99	6,146	14,517



NO.	NAME OF SUBSIDIARIES	DOMICILE	PRINCIPAL ACTIVITY	YEAR OF ESTABLISHMENT/ COMMERCIAL OPERATION	PERCENTAGE OF OWNERSHIP		TOTAL ASSETS BEFORE ELIMINATION <i>(IN MILLION RUPIAH)</i>	
					31 DEC 2016 (%)	31 DEC 2015 (%)	31 DEC 2016	31 DEC 2015
THROUGH BEI								
1.	PT Bakrie Kimia Investama (BKIV)	Jakarta	Management Consultation	2009	99	99	38,622	44,266
2.	Bakrie AN International Pte. Ltd.	Singapore	Trading in ammonium nitrate	2009	100	100	-	-
3.	Bakrie Agro Commodity International Pte. Ltd.	Singapore	Trading in Olein	2009	100	100	-	-
THROUGH PT BKIV								
1.	PT Batuta Chemical Industrial Park (BCIP) **)	Jakarta	Industrial estated management	2009	-	95	-	-
2.	PT Batuta Kimia Utama (BKU)	Jakarta	Non-organic fertilizer industry	2009	95	95	-	-
3.	PT Batuta Kimia Perdana (BKP)	Jakarta	Chloro-organic chemical industry	2009	45	45	-	-
THROUGH BP								
1.	PT Bakrie Darmakarya Energi (BDE)	Jakarta	Energy and electrical power	2011	99	98	431,112	422,428
2.	PT Kuala Tanjung Power (KTP)	Jakarta	Energy and electrical power	2010	99	99	2,865	2,866
THROUGH KJU								
1.	PT Batuta Kimia Perdana (BKP)	Jakarta	Chloro-organic chemical indsutry	2009	55	55	-	-
THROUGH BBI								
1.	PT Bangun Bantala Indonesia (BBIn)	Jakarta	General trading	2013	99,02	99,02	37,003	52,891
2.	PT Pilar Agra Unggul (PAU)	Jakarta	General trading	2015	99,04	-	911,409	902,062
*deconsolidated as of December 31 <sup>st</sup> , 2017								
THROUGH BIN								
1.	PT Bakrie Mina Bahari	Jakarta	General Trading	2017	30	-	10,145	

# Map of Product and Distribution









# Main Highlights





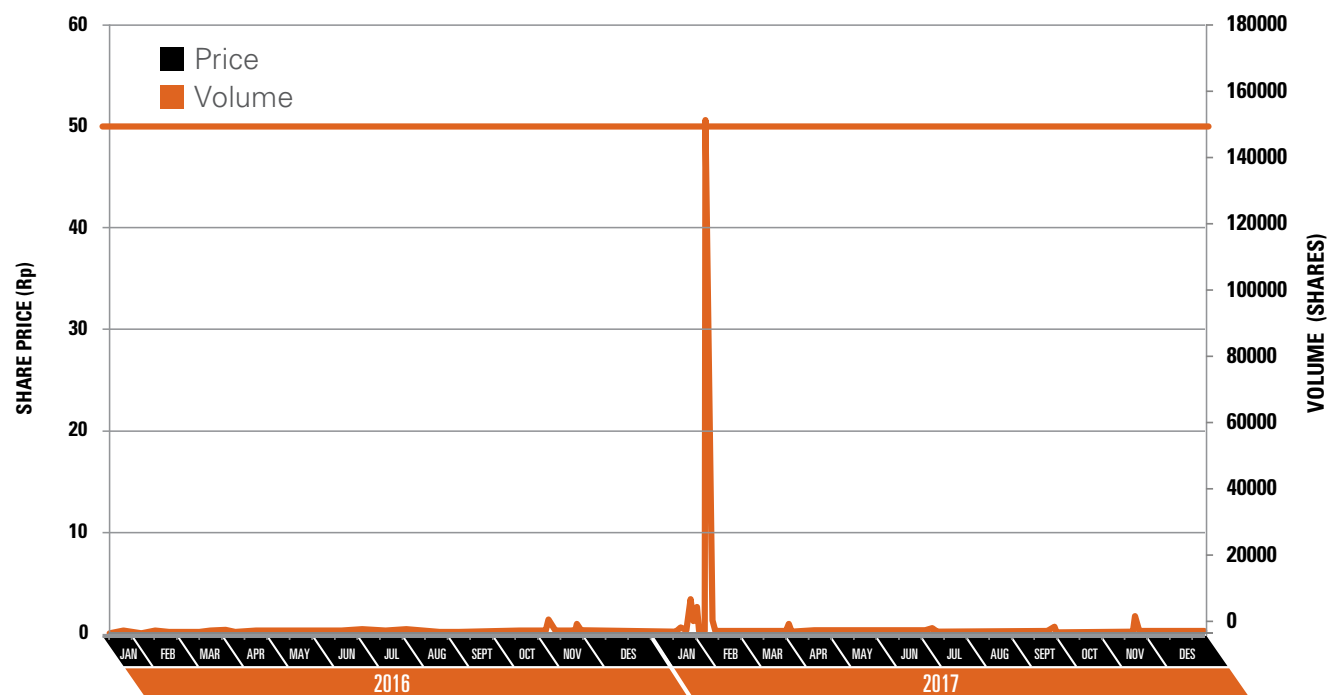
## Financial highlights

(In billion Rupiah, unless stated otherwise)

	2017	2016	2015*	2014*	2013*
<b>RESULT OF OPERATIONS</b>					
Net Revenues	2,460	2,076	3,337	5,260	4,665
Expenses	(514)	(540)	(683)	(866)	(716)
Gross Income (Loss)	414	96	626	1,404	1,163
Net Income (Loss)	(1,199)	(3,662)	(1,729)	189	(12,723)
EBITDA	(31)	(353)	27	665	562
Profit (Loss) attributable to owners of parent and non-controlling interest	(1,199)	(3,662)	(1,729)	189	(12,723)
Total Comprehensive Income (Loss)	(1,209)	(3,423)	(1,580)	191	(7,525)
Total Comprehensive Income (Loss) attributable to owners of parent and non-controlling interest	(1,209)	(3,423)	(1,580)	191	(7,525)
<b>PROFIT PER SHARE</b>					
Total Outstanding Share (in million)	113,536	97,022	93,722	93,722	93,722
Net Profit (Loss) per Share (full amount in Rupiah)	(11.02)	(37.09)	(18.72)	1.93	(135.78)
<b>FINANCIAL POSITION</b>					
Total Assets	6,605	6,558	9,223	11,352	11,878
Total Current Assets	2,607	3,140	3,217	5,587	7,304
Total Non-Current Assets	3,998	3,418	6,006	5,764	4,575
Total Liabilities	12,601	12,610	13,131	13,500	13,972
Total Short Term Liabilities	11,695	11,716	11,637	11,813	10,046
Total Long Term Liabilities	906	895	1,494	1,687	3,926
Total Equity	(5,996)	(6,052)	(3,908)	(2,148)	(2,094)
Net Working Capital	(9,088)	(8,576)	(8,420)	(6,226)	(2,743)
Operating Cash Flow	123	(204)	(415)	860	318
<b>OTHER FINANCIAL INFORMATION</b>					
EBITDA Margin	(1.25%)	(17.02%)	0.81%	12.63%	12.05%
Net Profit Margin	(48.74%)	(176.39%)	(51.81%)	3.59%	(272.75%)
<b>FINANCIAL RATIOS</b>					
Return on Assets	(18.15%)	(55.83%)	(18.74%)	1.66%	(107.11%)
Return on Equity	20.00%	60.50%	44.24%	(8.79%)	607.57%
Current Ratio	22.29%	26.80%	27.65%	47.30%	72.71%
Short Term Debt / Equity	(195.04%)	(193.58%)	(297.80%)	(549.84%)	(479.75%)
Long Term Debt / equity	(15.11%)	(14.79%)	(38.24%)	(78.51%)	(187.49%)
Total Debt / Equity	(2.10)	(2.08)	(3.36)	(628.35%)	(667.24%)
<b>Total Liability / Total Asset</b>	<b>190.78%</b>	<b>192.28%</b>	<b>142.37%</b>	<b>118.93%</b>	<b>117.63%</b>
Total Hutang/EBITDA	(410)	(36)	486		
Total Hutang/total Aset	1.91	1.92	1.42		
Beban Bunga	(434)	(269)	(543,538)		
EBITDA/Beban Bunga	0.07075	1.31577	(0.00005)		

\*2013, 2014 and 2015 numbers are restated

## Shares Highlights



Regular Market Share Price (Rupiah)	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Highest	50	50	50	50	50	50	50	50
Lowest	50	50	50	50	50	50	50	50
Closing	50	50	50	50	50	50	50	50
Total Shares Traded	449,600	600,500	3,005,800	41,326,300	1,276,960,600	17,841,400	14,630,000	23,312,500

Total Outstanding Shares	93.721.717.528	93.721.717.528	93.721.717.528	93.721.717.528	93.721.717.528	93.721.717.528	93.721.717.528	93.721.717.528
Market Capitalization (Rp mio)								
Highest	4,686,086	4,686,086	4,686,086	4,686,086	5,673,991	5,673,991	5,676,778	5,676,778
Lowest	4,686,086	4,686,086	4,686,086	4,686,086	4,851,086	5,673,991	5,673,991	5,676,778
Closing	4,686,086	4,686,086	4,686,086	4,686,086	5,673,991	5,673,991	5,676,778	5,676,778

## Shareholders Composition

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

based on BNBR shareholder register per December 31<sup>st</sup>, 2017

SHAREHOLDERS	POSITION	TOTAL SHARE	OWNERSHIP PERCENTAGE
<b>BOARD OF COMMISSIONERS</b>			
Irwan Sjarkawi	President Commissioner & Independent Commissioner	0	0
Armansyah Yamin	Commissioner	167.989	0
Nugroho I. Purbowinoto	Commissioner	8.000	0
<b>BOARD OF DIRECTORS</b>			
Bobby Gafur S. Umar	President Director & Chief Executive Officer	0	0
A.Amri Aswono Putro	Director & Chief Financial Officer	0	0
Dody Taufiq Wijaya	Director Independen & Chief Risk Officer	0	0
R.A. Sri Dharmayanti	Director & Chief Legal Officer	0	0
<b>TOTAL</b>		<b>175.989</b>	<b>0</b>

### SHAREHOLDERS WITH 5% OWNERSHIP OR MORE

based on BNBR shareholder register per December 31<sup>st</sup>, 2017

SHAREHOLDERS	TOTAL SHARE	OWNERSHIP PERCENTAGE
Credit Suisse AG Singapore Branch S/A Bright Ventures Pte Ltd (MOU Facility)	20,251,500,000	17.84
PT ASURANSI SIMAS JIWA - SIMAS EQUITY FUND 2	12,289,797,680	10.82
PT SOLUSI SARANA SEJAHTERA	8,663,147,700	7.63
BNYM S/A Mackenzie Cundill Recovery FD-2039924282	7,670,000,000	6.76
<b>Total</b>	<b>48,874,445,380</b>	<b>43.05</b>
<b>Public (Ownership &lt;5%)</b>	<b>64,661,118,928</b>	<b>56.95</b>
<b>Total</b>	<b>113,535,564,308</b>	<b>100</b>

### SHAREHOLDERS WITH 1% OWNERSHIP OR MORE

based on BNBR shareholder register per December 31<sup>st</sup>, 2017

SHAREHOLDERS	TOTAL SHARE	OWNERSHIP PERCENTAGE
REKSA DANA PINNACLE DANA PRIMA	3,286,818,500	2.89
SMART TREASURE LIMITED	1,816,712,720	1.60
HARUS CAPITAL LIMITED	1,620,000,000	1.43
PRIMA ELOK MAKMUR, PT	1,601,001,162	1.41
DBS BANK LTD SG-PB CLIENTS	1,499,010,889	1.32
JPMCB NA RE-NEW WORLD FUND, INC	1,332,820,100	1.17
<b>Other Public (Ownership &lt;1%)</b>	<b>53,504,755,557</b>	<b>47.13</b>
<b>Sub Total</b>	<b>64,661,118,928</b>	<b>56.95</b>
<b>Shareholders with 5% Ownership or More</b>	<b>48,874,445,380</b>	<b>43.05</b>
<b>Total</b>	<b>113,535,564,308</b>	<b>100</b>

43.05%

<5%

9.82%

1% TO 5%

47.13%

<1%

100%

0%



# Listing of Shares Chronology

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

LISTING TYPE	DATE	CHANGE IN SHARES VOLUME	TOTAL SHARES
Initial Public Offering	28-Aug-89	2,850,000	2,850,000
Company Listing	9-Mar-90	16,150,000	19,000,000
Private Placement I	27-Nov-91	978,969	19,978,969
Private Placement II	10-Jan-92	1,031	19,980,000
Rights Issue I	4-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	7-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	6-May-05	19,220,198,400	26,970,278,400
Reverse Stock II	6-Mar-08	-13,485,139,200	13,485,139,200
Rights Issue IV & Warrants Series I	24-Mar-08	84,956,376,960	98,441,516,160
Issued & Paid Up Shares	31-Dec-11	-4,719,798,632	93,721,717,528
Additional Paid-in Capital without Pre-emptive Rights II	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 II	12-Sep-17	55,751,960	113,535,564,308

Note:

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

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



## Award & Certification

### AWARD

#### Bakrie & Brothers

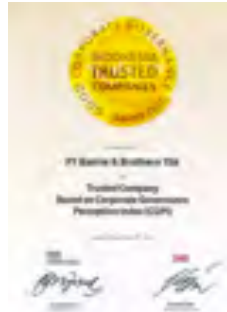


#### Top 50 Mid-Market Capitalization Public Listed Companies based on the ASEAN CG Scorecard 2016

November 2017

PT Bakrie & Brothers Tbk received the "TOP 50 Mid-Market Capitalization Public Listed Companies based on ASEAN CG Scorecard 2017 from the Indonesian Institute for Corporate Directorship (IICD) on November 27th, 2017.

#### Bakrie & Brothers



#### Indonesia Trusted Companies Award

December 2017

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 19th, 2017.

#### Bakrie & Brothers



#### Annual Report Award 2016

September 2017

PT Bakrie & Brothers Tbk received the Annual report Award 2016 from the Financial Services Authority (OJK) on September 19th, 2017.

#### Bakrie Pipe Industries



#### CSR award for Partnering in West Java's Development

8 February 2017

PT Bakrie Pipe Industries's CFO receiving the CSR award for Partnering in West Java's Development on 8th February 2017.

#### Bakrie Pipe Industries



#### SNI Awards 2016 (Indonesian National Standards)

November 2017

PT Bakrie Pipe Industries received the 2016 Golden SNI Award for the electronics, steel, and steel products corporations category from the Indonesian National Standards (SNI). The award was obtained on November 16th, 2017.

#### Bakrie Pipe Industries



#### Certificate of Appreciation – Occupational Safety and Health Management System

July 2017 – July 2020

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

## BAKRIE PIPE INDUSTRIES



### Mayor Of Bekasi's Honorary Award

October 2017

For keeping an excellent track record in tax payment. Award was given by Mayor Dr. Rahmat Effendy. The award was obtained on the October 25th, 2017.

## SOUTH EAST ASIA PIPE INDUSTRIES



### TOP BRAND AWARD

June 2017

TOP BRAND AWARD certificate (Frontier Consulting Group, Majalah Marketing) for the category; Fiber Cement Roofing was obtained by PT Bakrie Building Industries for the product HARFLEX on 23rd February 2017.

## BRAJA MUKTI CAKRA



### Mayor Of Bekasi's Honorary Award

October 2017

Award for the best Domestic Investment Category for the city of Bekasi was given to PT Braja Mukti Cakra on 25th October 2017. Award was given by Mayor Dr. Rahmat Effendy

## CERTIFICATE

## BAKRIE PIPE INDUSTRIES



### Certification of Appreciation

August 2017

Certification of Appreciation in recognition of Effort in Increasing Technical Capacity as Domestic Manufacturer from SKK MIGAS and Premier Oil was awarded to PT Bakrie Pipe Industries on August 23rd, 2017.

## BAKRIE PIPE INDUSTRIES



### ISO 14001:2004

May 2016 - September 2018

Environmental Management System Certificate; ISO 14001:2004 (TÜVRheinland) for manufacture of Fabricated Steel Pipes, Steel Poles, Coated Steel Pipes, Galvanized Steel Pipes, Rectangular and Square Pipes was obtained by PT Bakrie Pipe Industries on May 3rd, 2016. This certificate is valid until September 14th, 2018.

## BAKRIE PIPE INDUSTRIES



### OHSAS 18001:2007

April 2016 – April 2019

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

**BAKRIE PIPE INDUSTRIES****ISO 9001:2008**

April 2017 – September 2018

Quality Management System Certificate; ISO 9001:2008 (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 17th, 1992. This certificate is recertified and is valid from April 27th, 2017 until September 14th, 2018.

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

May 2015 – February 2018

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, and K55/PSL 1 was obtained by PT Bakrie Pipe Industries on May 18th, 2015 until February 4th, 2018.

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

May 2015 – February 2018

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, Manufacturer of Line Pipe Plain End at PSL 2 – Service Annex J – Type of Pipe: HFW / Delivery Condition: M / Max. Grade: X70 and / Delivery Condition: N / Max. Grade X 52 was obtained by PT Bakrie Pipe Industries on May 18th, 2015 until February 4th, 2018.

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

February 2017 – 2021

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

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

February 2017 – February 2021

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

**BAKRIE PIPE INDUSTRIES****SNI 8052 - 2014**

February 2017 – February 2021

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

## BAKRIE PIPE INDUSTRIES


**Quality Assurance Test –  
Connecting Steel Telephone Pole**

April 2015 – April 2018

Quality Assurance Test (Telkom Indonesia) for Connecting Steel Telephone Pole for 7 meter capacity was acquired by PT Bakrie Pipe Industries on the April 10th, 2015. The Certificate is valid until April 10th, 2018.

## BAKRIE PIPE INDUSTRIES


**Quality Assurance Test –  
Connecting Steel Telephone Pole**

April 2015 – April 2018

Quality Assurance Test (Telkom Indonesia) for Connecting Steel Telephone Pole for 9 meter capacity was acquired by PT Bakrie Pipe Industries on the April 10th, 2015. The Certificate is valid until April 10th, 2018.

## BAKRIE PIPE INDUSTRIES


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

June 2015 – June 2020

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

## BAKRIE PIPE INDUSTRIES


**Type Testing Certificate –  
Steel Pole SUTR 9m/100 daN  
; Sistem Reduser Tekan**

June 2015 – June 2020

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

## BAKRIE PIPE INDUSTRIES


**Type Testing Certificate  
– Steel Pole JTR, 9m/100  
daN ; Press Reduces**

October 2016 – October 2021

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole JTR, 9m/100 daN ; Press Reducer System was obtained by PT Bakrie Pipe Industries on the 8th October 2016. The certificate is valid until 8th October 2021.

## BAKRIE PIPE INDUSTRIES


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

June 2015 – June 2020

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTR, 9m/200 daN ; SOK Pen System was obtained by PT Bakrie Pipe Industries on the 8th June 2016. The certificate is valid until 8th June 2020.

## BAKRIE PIPE INDUSTRIES



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

June 2015 – June 2020

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

## BAKRIE PIPE INDUSTRIES



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

October 2016 – October 2021

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

## BAKRIE PIPE INDUSTRIES



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

June 2015 – June 2020

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

## BAKRIE PIPE INDUSTRIES



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

June 2015 – June 2020

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

## BAKRIE PIPE INDUSTRIES



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

October 2016 – October 2021

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

## BAKRIE PIPE INDUSTRIES



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

June 2015 – June 2020

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



## BAKRIE PIPE INDUSTRIES



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

January 2017 – January 2022

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

## BAKRIE PIPE INDUSTRIES



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

June 2015 – June 2020

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

## BAKRIE PIPE INDUSTRIES



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

June 2015 – June 2020

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

## BAKRIE PIPE INDUSTRIES



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

June 2015 – June 2020

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

## BAKRIE PIPE INDUSTRIES



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

June 2015 – June 2020

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

## BAKRIE PIPE INDUSTRIES



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

June 2015 – June 2020

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

## BAKRIE PIPE INDUSTRIES



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

Type Testing Certificate, (PT PLN – Research Institute) for Steel Pole SUTR, 8m/200 daN ; Sok Pen System was obtained by PT Bakrie Pipe Industries on 31st August 2017. The certificate is valid until 30th August 2019.

## BAKRIE PIPE INDUSTRIES



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

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

## BAKRIE PIPE INDUSTRIES



**Quality Assurance System  
Certificate – Steel Pole  
JTR, 9m/200 daN ; Press  
Reducer System**  
August 2017 – August 2019

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

## BAKRIE PIPE INDUSTRIES



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

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

## BAKRIE PIPE INDUSTRIES



**Quality Assurance System  
Certificate – Steel Pole  
SUTR 11m/100 daN ; Press  
Reducer System**  
August 2017 – August 2019

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

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

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

## BAKRIE PIPE INDUSTRIES



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

August 2017 – August 2019

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## BAKRIE PIPE INDUSTRIES



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

August 2017 – August 2019

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

## BAKRIE PIPE INDUSTRIES



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

August 2017 – August 2019

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

## BAKRIE PIPE INDUSTRIES



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

August 2017 – August 2019

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

## BAKRIE PIPE INDUSTRIES



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

August 2017 – August 2019

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

## BAKRIE PIPE INDUSTRIES



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

August 2017 – August 2019

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



**BAKRIE PIPE INDUSTRIES**

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

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

**BAKRIE PIPE INDUSTRIES**

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

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

**BAKRIE PIPE INDUSTRIES**

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

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

**SOUTH EAST ASIA PIPE INDUSTRIES**

**API-2B**  
July 2017 – July 2020

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

**SOUTH EAST ASIA PIPE INDUSTRIES**

**API-5L**  
July 2017 – July 2020

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

**SOUTH EAST ASIA PIPE INDUSTRIES**

**ISO 14001:2015**  
September 2017 – September 2020.

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

## SOUTH EAST ASIA PIPE INDUSTRIES

**OHSAS 18001:2007**

September 2017 – September 2020

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

## SOUTH EAST ASIA PIPE INDUSTRIES

**ISO 9001:2015**

September 2017 – September 2020

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

## SOUTH EAST ASIA PIPE INDUSTRIES

**SNI 0039 - 2013**

July 2017 – July 2021

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

## BAKRIE METAL INDUSTRIES

**ISO 14001:2004**

Mei 2015 – April 2018

Environmental Management System Certificate; ISO 14001:2004 (AJA Registrars) was obtained by PT Bakrie Metal Industries. This certificate is valid from 19th May 2015 until 17th April 2018.

## BAKRIE METAL INDUSTRIES

**ISO 9001:2008**

April 2015 – Maret 2018

Environmental Management System Certificate; ISO 9001:2008 (AJA Registrars) was obtained by PT Bakrie Metal Industries. This certificate is valid from 10th April 2015 until 28th March 2018.

## BAKRIE METAL INDUSTRIES

**OHSAS 18001:2007**

May 2015 – April 2018

Occupational Health and Safety Management System; OHSAS 18001:2007 (AJA Registrars) was obtained by PT Bakrie Metal Industries. This certificate is valid from 19th May 2015 until 17th April 2018.

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

Januari 2016 – Januari 2020

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

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

January 2017 – January 2020

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

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

April 2017 – March 2020

Quality Management System Certificate; ISO 9001:2008 (Bureau Veritas Certification) for fabrication and construction services for oil & gas onshore/offshore facilities and mining that was obtained by PT Bakrie Construction on 30th May 2005. This certificate is recertified and is valid from 03rd April 2017 – 29th March 2020.

**BAKRIE CONSTRUCTION****Contractor's Safety Management System**

September 2015 – September 2017

Contractor's Safety Management System Certificate (MSMS PT. Pertamina) For refinery unit VI Balongan was obtained by PT Bakrie Construction on 25th September 2015. The certificate is valid until 23rd September 2017.

**BAKRIE BUILDING INDUSTRIES****ISO 9001:2008**

September 2016 – September 2018

Quality Management System Certificate; ISO 9001:2008 (BSI, KAN, ANAB, IAF) for design and manufacture of fibrecement product (Harflex and Versa) of building materials was obtained by PT Bakrie Building Industries on 06th September 2007. This certificate is recertified and is valid from 6th September 2016 until 14th September 2018.

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

June 2015 – May 2018

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

## BAKRIE BUILDING INDUSTRIES

**OHSAS 18001:2007**

Juni 2015 – Mei 2018

Sertifikasi Occupational Health and Safety Management System OHSAS 18001:2007 (BSI, ANAB) untuk manufaktur dan disain bahan bangunan produk fibrecement (Harflex dan Versa) telah diperoleh oleh PT Bakrie Building Industries sejak 01 Juni 2015 dan yang berlaku hingga 31 Mei 2018.

## BAKRIE BUILDING INDUSTRIES

**SNI 9001:2008**

November 2015 – November 2019

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

## BAKRIE AUTOPARTS

**ISO 9001:2008**

August 2014 – August 2017

Quality Management System Certificate; ISO 9001:2008 (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 (known at the time as PT Bakrie Tosanjaya) on 25th August 2014. This certificate is valid until 24th August 2017.

## BAKRIE AUTOPARTS

**ISO 14001:2004**

April 2014 – April 2017

Environmental Management System Certificate; ISO 14001:2004 (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 9th April 2014. This certificate is valid until 8th April 2017.

## BAKRIE AUTOPARTS

**ISO/TS 16949:2009**

Agustus 2017 – August 2018

Quality Management System Certificate; ISO 9001:2008 (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 (known at the time as PT Bakrie Tosanjaya) on 31 July 2017. This certificate is valid until 14 September 2018.

## BAKRIE AUTOPARTS

**OHSAS 18001:2007**

Juni 2015 – Juni 2018

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

**BRAJA MUKTI CAKRA****ISO 14001:2004**

September 2016 – September 2018

Environmental Management Certificate; ISO 14001:2004 (BSI, ANAB, IAF, KAN) for Manufacture of Machining Part Used in Engine, Drive Axle, and Brake System by PT Braja Mukti Cakra on 24th October 2012. This certificate is recertified and is valid from 15th September 2016 until 15th September 2018.

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

August 2015 – August 2018

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

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

November 2016 – November 2018

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

**BRAJA MUKTI CAKRA****ISO/TS 16949:2009**

October 2015 – September 2018

Quality Management System Certificate; ISO/TS 16949:2009 (SGS) for Manufacture of Machining Part used in Engine, Drive Axle, and Brake System was obtained by PT Braja Mukti Cakra on 23rd October 2015. This certificate is valid until 14th September 2018.



## Event Highlights of BNBR & Subsidiaries 2017

2  
FEB



First Shipment for PT Bakrie Pipe Industries' PLN Electric Steel Pole Project to Timika, Papua

14  
MAR



PT Bakrie Pipe Industries's CFO receiving the CSR award for Partnering in West Java's Development

23  
FEB



PT Bakrie Building Industries received the Top Brand 2017 award for the product; Harflex, the 3rd year in a row.

The award was handed to PT Bakrie Building Industries's CEO, Yogi Pratomo Widhiarto by Frontier Group Chairman, Handi Irawan.

May-  
June



Visit from the ambassadors of Turkey, Brazil, and Mexico.

President Commissioner, Irwan Sjarkawi welcomes the visit of the ambassadors of Turkey, Brazil, Mexico, dan Bosnia in the office as a means of discussion for future business prospects between the countries and PT Bakrie & Brothers Tbk.

20  
JUN

PT Bakrie &amp; Brothers Tbk Annual General Shareholders Meeting

14  
SEPT

PT Bakrie Pipe Industries was awarded a Plaque from PEMKOT BEKASI for keeping an Excelent track record in tax payment.

12  
JUL

Extraordinary Annual Shareholders Meeting

17  
OCT

CGPI Observation from The Indonesian Institute For Corporate Governance

26  
JUL

PT Bakrie Pipe Industries' Chief Operations Officer, Deddy Kurnia receiving the SMK3 (HSE) Award from the Indonesian Minister of Manpower

25  
OCT

Mayor Of Bekasi's Honorary Award

For keeping an excelent track record in tax payment. Award was given by Mayor Dr. Rahmat Effendy. The award was obtained on the 25th October 2017.



2  
NOV

Sentul City Partners with Bakrie Pipe Industries for the construction of AEON Mall

PT Bakrie Pipe Industries secured a partnership with PT Sentul City Tbk for the construction of AEON Mall, where Bakrie Pipe will supply the pipes for fire prevention and heating ventilation & air conditioning (HVAC) totaling to 125km long.

17  
NOV

Bakrie Pipe Industries Received The Golder SNI AWARD 2017

PT Bakrie Pipe Industries' CFO, Ira Wibisono receiving the 2017 Golden SNI Award for the electronics, steel, and steel products corporations category from the Indonesian National Standards (SNI).

27  
NOV

TOP 50 Companies based on the ASEAN CG Scorecard 2017

PT Bakrie & Brothers Tbk (BNBR)'s President Director, Bobby Gafur Umar receiving the "TOP 50 Emiten Berdasarkan ASEAN CG Scorecard 2017 (TOP 50 Companies based on the ASEAN CG Scorecard 2016) from the Indonesian Institute for Corporate Directorship (IICD).

15  
DEC

PT Bakrie & Brothers Tbk Annual Public Exposure

16  
DES



PT Bakrie Building Industries Announces Partnership with Saint Gobain Construction Indonesia

PT Bakrie Building Industries' subsidiary; PT Bangun Bantala partners with Saint Gobain Construction Indonesia, where PT Bangun Bantala will be the distributor of the product "Gyproc".

19  
DES



CGPI Awards

PT Bakrie & Brothers Tbk (BNBR)'s Independent Director, Dody Taufiq Wijaya receiving the Indonesia Trusted Companies award Based On Corporate Governance Perception Index by SWA and IICG (Indonesian Institute for Corporate Governance)







# Report from The Board of Commissioners & The Board of Directors





# Continuing the Growth

Firstly, allow me to express my gratitude to God Almighty who has provided His guidance so that PT Bakrie & Brothers Tbk was able to maintain its business sustainability along year 2017. The Indonesian economy grew at 5% range in 2017. This growth was supported by investments in infrastructure developments from the government and private investors. In addition, the improving conditions were marked by healthy current account, high capital inflow, as well as the stability of the Indonesian Rupiah exchange rate. Inflation during 2016 was at a low level of 3.61 percent (y-o-y).

Throughout 2017, the Indonesian economy faced numerous external and domestic challenges that lead to the limited growth rate. Household consumption that was the main contributor of growth, contributing to 56% of GDP, could not be of hope when the growth rate is below 5%. Some of the leading causes for the limited growth was the economic downturn, which was a result of uncertainty. The implementation of aggressive tax policies also caused consumers to halt consumption.

The economic growth in the coming 2018, will be determined by the effectiveness of government policies in restoring purchasing power and attracting direct investments that will have an impact on employment, fiscal health, banking credit, as well as the manufacturing industry. In addition, the national economic growth will also be affected by global factors such as the strengthening of the US dollars, changes in the board of Governor of the Federal Reserve Bank of the United States, as well of the reform of US tax policy by President Donald Trump.

## REVIEW ON BOARD OF DIRECTORS PERFORMANCE

In general, the results for the year 2017 can be described as follows: the Company's net income increased as compared to last year, while the cost of revenue increased only slightly, leading to a significant increase in gross profit. Operating expenses also experienced a decrease, so that the amount of operating loss also decreased. Other expenses experienced significant decreases, resulting in the net loss of the current year to also decrease significantly from last year.

Throughout 2017, the Company's management continues to pursue the measures to overcome the capital deficiency by debt to equity conversion. Where the debt will be exchanged with the company shares or equity, so that BNBR can reduce the interest expense arising from the previous debt.

Looking at the Company's performance for 2017, the Board of Commissioners has directed the Board of Directors to focus the attention to the following issues:

### FIRSTLY:

To continue finishing of the Company's debt restructuring thoroughly in order to improve the Company's growth in every business opportunities.

### SECONDLY:

While enhancing the strategy to increase sales, the Company shall continue to look for other business breakthroughs as well as to utilize every business opportunities.

### THIRDLY:

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



A portrait of Irwan Sjarkawi, an older man with a balding head, wearing a dark suit, light blue shirt, and patterned tie. He is gesturing with his right hand while speaking. The background is a modern office interior with glass partitions and wooden panels.

**Irwan Sjarkawi**

President Commissioner &  
Independent Commissioner

*“Bakrie & Brothers  
is always ready to  
overcome all challenges  
and opportunities.”*

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

## VIEW ON COMPANY BUSINESS PROSPECTS

The government has projected 2018's inflation rate at 3.5%. The movement of oil prices that tend to increase in the last few months could be a risk factor that affects inflation. The other risk is the movement of food prices. Rupiah exchange rate is expected to be in the range of Rp 13,400, and this could potentially weaken by next year if the US is successful in cutting taxes. Such tax cut could affect the US' budget deficit, which could raise US interest rates.

Indonesia's economic growth is expected to remain positive in 2018. The moment of gubernatorial elections and the movement of commodity prices will sustain Indonesia's economic growth.

After experiencing the contraction of 2015-2016, Indonesia's export performance during 2017 has shown a positive growth. The momentum of Indonesia's export growth was also driven by the continuously rising Indonesian export commodity prices that have been going on since the fourth quarter of 2016. The price of crude oil & gas, coal, CPO, and other commodities grew positively during 2017. It is estimated that the growth in price of oil and the other commodities will continue in 2018.

The continuous development of infrastructure has been the focus of the government in recent years. In 2018 National State Budget (APBN), the infrastructure budget has increased as to the previous year. The role of the infrastructure is not only directed to the fulfillment of basic needs of the citizens, but also to improve connectivity, logistics, transport, and electrification.

Infrastructure development in Indonesia still lags behind comparing to other ASEAN countries., however the Government's 2015-2019's state budget is only able to finance 41% of the total infrastructure financing needs. This gap should be filled by both state-owned and private investment and the Company is expected to take part in the infrastructure development.

The rapid infrastructure development as well as rising oil and commodity prices are expected to generate positive business opportunities for the Company and its subsidiaries, for both in infrastructure and the manufacturing sector.

Overall, the Board of Commissioners considers that the business prospects summarized in the work plan prepared by the Board of Directors have been well designed. The business prospects that have been drawn up by the Board of Directors have considered the external conditions, including objective conditions that may occur in the future and the ability of the Company.

However, any plans related to business diversification should be supported by careful planning or funding sources for the project, so that the plan could actually be realized.

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

The Company's ongoing debt restructuring efforts are expected to strengthen the Company's fundamentals for growth. We continue to support any future selective business development efforts, either by increasing the capacity of existing business units, or expanding our product portfolio to reduce dependence on a particular business portfolio.

## VIEW ON CORPORATE GOVERNANCE IMPLEMENTATION

The Board of Commissioners assesses that throughout 2017, the Company has continuously improved corporate governance implementation in PT Bakrie & Brothers Tbk with respect to development of prevailing rules and norms.

The Board of Commissioners viewed that throughout 2017, the Board of Directors has carried out Company management in a prudent and responsible manner, and in accordance with leadership and cultural values of the Company. The Board of Directors has also proportionally taken every stakeholder's expectation into consideration in deciding its business endeavor. However, as mentioned earlier, we believe the Management must intensify its monitoring on the subsidiaries, specifically by strengthening internal audit function in both holding and subsidiary level.

The Company has developed and implemented Whistleblowing System through the Policies and Procedures No. 258/BNBR/III/2012 concerning the Implementation of Whistleblowing System (WBS). WBS 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.

The Company's WBS is managed professionally by the Ethics & Compliance Committee, assisted by Whistleblowing System Administration Management. The Board of Commissioners considers that the implementation of WBS is a form of enforcement of good corporate governance principles, especially in relation to integrity and transparency.

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

The monitoring duty on Company management was performed directly by Board of Commissioners and indirectly by Committees under the Board of Commissioners, which were formed to execute monitoring function on several strategic areas of the Company.

The Board of Commissioners deemed that every function performed by Committees under the Board of Commissioners have been carried out responsibly. Audit Committee has coordinated well with both internal and external auditor in ensuring efficacy of management control function, thus business operational activities were in adherence with prevailing regulations and fairly reflected in the produced financial report. The Audit Committee has intensively set up meetings with the Internal Audit to review the internal audit report and to monitor the audit recommendation at all levels of the company not only concerning operations but also related to the performance of the business unit and submit reports to the Board of Commissioners.

Throughout 2017, the Board of Commissioners actively performed its monitoring function and providing advices and suggestions on various policies and endeavors taken by the Board of Directors in managing the Company. Coordination meeting between the Board of Commissioners and Board of Directors were routinely held, enabling the Board of Commissioners to observe the extent of policies and endeavors taken by the Board of Directors. As an addition to Board of Commissioners internal meeting, monitoring function was also carried out through committees under the Board of Commissioners as mentioned above. Those committees have function well according to their own scope of responsibility and field.

The Board of Commissioners continuously promotes strong and sustainable implementation of good corporate governance (GCG) in every part of BNBR group by all level of management and employees.

## COMPOSITION OF THE BOARD OF COMMISSIONERS

In 2017 the composition and the rendering of the Board of Commissioners of the Company has not Changed. The absence of such amendment is intended to maintain the efficiency and effectiveness of the duties of the Board of Commissioners.

The composition of the Board of Commissioners remain as follows:

### President Commissioner / Independent

**Commissioner:** Irwan Sjarkawi

**Commissioner:** Nugroho I. Purbowinoto

**Commissioner:** Armansyah Yamin

## CLOSING

We are grateful to God that we managed to overcome the challenges of 2017 reasonably well. The Board of Commissioners would like to express our gratitude to our shareholders, stakeholders, and every other part for their tremendous support for the Company; also to our employees, who have shown their integrity, commitment, and dedication. The Board of Commissioners would like to extend our appreciation and gratitude to the Board of Directors for every endeavor shown in the last turbulent year. Hopefully with innovation, enthusiasm and focused work, the Company will achieve profitability in the coming years.

Jakarta,

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



Irwan Sjarkawi  
President Commissioner & Independent Commissioner



# Board of Commissioners



**Armansyah Yamin**  
Commisioner



**Irwan Sjarkawi**  
President Commissioner &  
Independent Commissioner

**Nugroho I. Purbowinoto**  
Commisioner



## Irwan Sjarkawi

**PRESIDENT COMMISSIONER &  
INDEPENDENT COMMISSIONER**

Irwan Sjarkawi is an Indonesian nationality born in Bukittinggi, West Sumatra in 1946, domiciled in Jakarta, Indonesia. He is the President Commissioner of the Company since June 2004. Previously, he held the position as Commissioner (2002-2004) 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.



A portrait of Armansyah Yamin, an Indonesian national, standing in front of a large window with a view of a city. He is wearing a dark suit, a light blue shirt, and a dark patterned tie. He is smiling and looking towards the right. His right hand is resting on a dark wooden railing.

## Armansyah Yamin

### COMMISSIONER

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

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

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





# Nugroho I. Purbowinoto

## COMMISSIONER

Nugroho I. Purbowinoto, an Indonesian nationality, was born in Kediri, East Java in 1943, domiciled in Jakarta, Indonesia. He graduated from the Bandung Institute of Technology and has held the position of Commissioner since 2009.

He started his career at the Bakrie Group since 1975. He has held various executive positions in the Bakrie Group, from Director of PT Bakrie Pipe Industries (1979-1988), General Manager of Planning and Development of PT Bakrie & Brothers (1985-1987), Director of Business Development of PT Bakrie & Brothers (1988-1990), Commissioner of PT Bakrie Hyosung Apparel (1990-1993), PT Bakrie Kasei Corporation (1991-1992), Director of Corporate Administration PT Bakrie & Brothers (1990-1993) to President Director of PT Bakrie Pipe Industries (1993-1996) and President Director of PT Seamless Pipe Indonesia Jaya (1996-2009).





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



Report from President Director:

# Growth Momentum

**The Recovering Global Economy** - Supported by strong global trade and investment, improved business confidence, and relatively supportive global monetary conditions, the global economic growth is recovering and was sustained throughout 2017. This economic recovery is experienced by both developed and developing countries. Growth in the major economies such as the United States and Europe Area grew by 2.3% and 2.5%, the highest it ever reached over the past 10 years. Developing countries such as Brazil and China also experienced stronger growth in 2017, by 1.0% and 6.9%, the highest since 2015.

## COMMODITY PRICES CONTINUED TO IMPROVE IN 2017

The growth in commodity prices that was recovering in 2016 were successfully sustained throughout 2017. Commodity prices in energy and steel began to recover during 2017, while agricultural commodity prices stabilize. Oil prices has reached US \$53 per barrel, a 24% increase as compared to 2016 due to the agreement of OPEC countries to cut global oil production until the end of 2018. While the price of coal and steel has risen by 17% and 22% by 2017 as a result of growing demand from China. Natural gas price also rose by 20% as compared to 2016.

## INDONESIA'S GROWTH MOMENTUM SUCCESSFULLY MAINTAINED DURING 2017

The sustaining global economic outlook for 2017 has positively impacted the Indonesian economy; the higher commodity prices and the strengthening of the global economy drove investments and net export growth, and international trade flows have all had a positive impact on Indonesia's GDP growth. At the end of 2016, Indonesia's GDP grew by 5.1%, a higher number than 2016's 5.0%, making it the highest growth over the past

four years. The manufacturing sector was the highest growth contributor to Indonesia's GDP in 2017, followed by the construction sector and the trade sector.

The current accounts deficit widened to 2.2 percent of GDP in Q4, reaching to 2.2% of the GDP, as compared to 1.7% in Q3. This mainly due to an increase in imports of capital that offsets rising export prices, particularly commodity. Nonetheless, Indonesia's external position remains strong as shown by an increase in foreign direct investment of 7% in 2017, and as a result of the recovering of the Indonesian Rupiah against the US Dollar.

## PERFORMANCE AS COMPARED TO BUDGET FOR 2017

In general, the performance of 2017 was below the budget set during the start of the year. The recovering commodity and energy prices has impacted positively and increased the sales of automotive components and steel pipe products, but the demand for building materials and steel structures has not improved. However, the performance of the Company in 2017 is better as compared to 2016.

## Factors Affecting The Company's Performance

Based on data disclosed by Gaikindo (The Indonesian Auto Industry Association), the Indonesian automotive sales in 2017 has not improved significantly as compared to 2016, reaching only 1.08 million vehicles from 1.07 million during the previous year. However, the commercial vehicles segment that experienced a contraction of 28% during 2016 has now shown a significant improvement by 16% during 2017. The recovering commodity prices has increased the demand for commercial vehicles and increased the sales of Bakrie Autoparts' (BA) products, a subsidiary of the Company that produces automotive components with commercial vehicles as the majority.

The Government's accelerated development program has boosted demand for supporting materials, such as steel pipes used for construction, which has benefited Bakrie Pipe Industries, the Company's subsidiary producing steel pipes for oil and gas, and non-oil and gas, to experience sales growth in 2017.

Although oil prices began to show an increase, oil and gas producers have not begun any exploration activities during 2017. This negatively impacted Bakrie Metal Industries, the Company's subsidiary focusing on EPC.

Moreover, Bakrie Building Industries (BBI), the Company's subsidiary focusing on building materials, showed a decrease in sales for the year 2017 as compared to 2016. This was due to weak demand from construction sector, particularly the housing sector, which is the target market for BBI's products. The high mortgage rates and down payment of homes became some of the causes that hampered the growth of the property business. The Government of Indonesia has sought to reduce the backlog of housing with the provision of Housing Finance Liquidity Facility (FLPP) since 2010; in the period of 2017 FLPP channeling only reached Rp 2.7 trillion, lower than the target of Rp 3.1 trillion.

## Company Business Policy

In line with the slowdown of demand for the subsidiary's products, the management has set up strategic policies in order to improve the company's performance through more efficient cost structure as well as expanding their product portfolios to withstand economic fluctuations or as a complementary product for the existing ones. In the component manufacturing sector, Bakrie Autoparts (BA) expands the product portfolio into passenger vehicle spare parts and replacement auto components, agriculture machineries, and heavy machineries, to railroad tracks segment. Bakrie Building Industries (BBI) also develops high value added products, while Bakrie Pipe Industries (BPI) is increasing its capacity in pipe production for the non-oil & gas industry or general market. On top of that, in the infrastructure sector, the company continues to develop related businesses in order to gain recurring income.

## 2017 Financial Performance

The Company recorded a total net comprehensive loss of Rp 1.21 trillion or an increase of 64.7% as compared to 2016's that was booked at Rp 3.42 trillion. Sales revenue experienced a decrease of 18.5% to Rp 2.46 trillion in 2017 from Rp 2.08 trillion that was recorded on 2016. The increase was mainly driven by increased sales in the areas of automotive components and steel pipes. However, the increase in these two sectors was not enough to cover the building material and construction sector that did not meet its sales target in 2017, that resulted in the Company recording an operating loss of Rp 99.98 billion.

Other factors that caused the comprehensive loss in 2017 were:

1. The Company recorded foreign exchange loss of Rp 54.01 billion from Rp 212.01 billion in 2016.
2. Increase in unrealized losses due fair value changes in net assets and derivatives equating to Rp 254.61 billion
3. An increase in interest and finance charges of Rp 165.44 billion.

Total liabilities of the Company decreased by 0.1% to Rp 12.60 trillion in 2017 from Rp 12.61 trillion in 2016 primarily due to the decrease in short term loan of the Company which was offset by an increase in derivative liability.

On the balance sheet side, the Company recorded an increase in asset value to Rp 6.60 trillion in 2017 from Rp 6.56 trillion in 2016; the value of the asset is relatively stable because the decrease in third party trade receivables is offset by an increase in long-term accounts receivable. The Company's capital deficiency is also relatively stable at Rp 6.00 trillion in 2017 from Rp 6.05 trillion in 2016.

## BUSINESS PROSPECTS

### BNBR GOING FORWARD – EXPLORING OUR STRENGTH

The global economy is experiencing a recovery in broad terms in 2017, supported by mild funding, policies that are generally accommodating, increase in confidence, and a reduced impact on decreasing commodity prices comparing to the previous years. This global growth is expected to last for the future years and will even grow at a faster rate in developing countries as a result of the economic recovery of commodity exporting countries.

In 2017, the global economy grew by 3.0% and is expected to grow again in 2018 by 3.1% (Source: World Bank). This growth rate exceeds the year 2016 which only grew 2.4%. Developing countries recorded a growth of 4.3% in 2017, exceeding developed countries which only grew by 2.3%.

Indonesia's economic growth reached 5.1% in 2017 and is expected to grow by 5.3% throughout 2018 and 2020. The Gubernatorial and General Election that will take place in 2018 and 2019 have the potential to boost growth in demand as well as mild global and domestic funding. Economic growth is predicted to be driven primarily by government spending as compared to the private sector which has been stagnant at 5% since 2016.

The national state budget of 2018 will be composed similarly as to 2017, where a large portion of it is allocated in prioritizing infrastructure developments, reducing inequality and improving quality of human capital, while energy subsidies will be reduced. The Government's target for infrastructure development in 2018 include 865km of road construction, electrification ratio of 95.15%, and subsidized apartments of 13,405 units. This target is closely related to the Company's business such as steel construction, electricity infrastructure, and manufacturing of building materials.

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

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

### Corporate Governance Practices

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

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

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

During the year 2017, the Company underwent several activities and initiatives with the aim of improving the quality of GCG. One of the important activities includes Governance, Risk Management, and Compliance (GRC) day, a method of training and educating employees to become experts in GRC. The GRC day aims to disseminate and socialize the GRC related rules and regulations throughout the Company's subsidiaries.

The Company also assessed its GCG practices by participating in the CGPI Award and Annual Report Award, where the results are used as a platform to see where and how the company could improve Corporate Governance, other than that, the Company was one of 100 public listed companies that was scored by the Indonesian Institute for Corporate Directorship (IICD) for practicing GCG in accordance to the ASEAN CG Scorecard. During the CGPI Award, the Company obtained the title "Trusted Company" while as for the Annual Report Award, the Company earned 18th place on the Private Non-Financial Listed Company category, and based on the IICD Score, the Company obtained a score of 71.01 and was nominated in the Top 50 of Mid-Market Capitalization Public Listed Companies.

### Corporate Social Responsibility

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

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

### Human Resources Management

The human resourced development program of 2017 was implemented through various initiative programs and organizations, focusing on accelerating strategic achievements and decided business targets. Some of the initiative programs implemented were; the study of organizational design development based on the company's business model, HR planning, recruitment programs, performance management, remuneration management, HR system and procedures, leadership development programs and corporate culture development programs.

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







During 2016, the Company started the Bakrie Future Leader Development Program (BFLDP) that was attended by the best fresh graduates which underwent intense screening and selection process to be trained and developed to be the future leaders of the PT Bakrie & Brothers group.

### Composition of Board of Directors

During 2017, the Board of Directors did not experience any changes, therefore the Board of Directors arrangement is of:

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

### Closing

To close it off, the Board Of Directors and the entire Company's employees would like to thank the Board Of Commissioners, shareholders, and other stakeholders for their constant support throughout the years. We do hope that the performance for 2017 will always be improved for the upcoming year.

On behalf of the Board of Directors



Bobby Gafur S. Umar  
President Director & CEO

# Board of Directors

**Dody Taufiq Wijaya**  
Independent Director

**Bobby Gafur S. Umar**  
President Director



**R.A. Sri Dharmayanti**  
Director



**A. Amri Aswono Putro**  
Director

# Bobby Gafur S. Umar

## *PRESIDENT DIRECTOR & CEO*

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

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

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







**Bakrie &  
Brothers**

## 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.

# Dody Taufiq Wijaya

## INDEPENDENT DIRECTOR

Dody Taufiq Wijaya, an Indonesian nationality, was born in Jakarta on October 1966 and earned an Accounting degree in 1993 from Indonesian State College of Accountancy (STAN), Jakarta and a Master of Commerce (M.Com) with Advanced Specialization in Accounting from the University of New South Wales (UNSW), Sydney Australia in 1998.

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







## 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 2017 Annual Report

Board of Commissioners and Directors' statement on the responsibility for PT Bakrie & Brothers Tbk Annual Report year 2017.

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

Jakarta, April 2018,

## BOARD OF COMMISSIONERS



**Irwan Sjarkawi**

President Commissioner & Independent Commissioner



**Armansyah Yamin**

Commissioner



**Nugroho I. Purbowinoto**

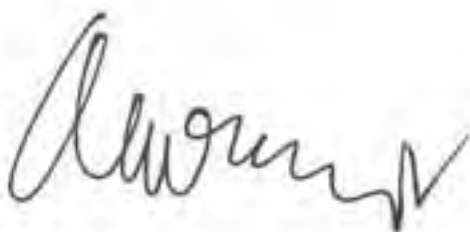
Commissioner



## BOARD OF DIRECTORS



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



**A. Amri Aswono Putro**  
Director



**R.A. Sri Dharmayanti**  
Director



**Dody Taufiq Wijaya**  
Independent Director

A silhouette of a person with glasses, seen from the side, looking out a large window. The window frame is made of dark, thick beams. Outside, a city skyline is visible under a bright sky with the sun low on the horizon, creating a lens flare. The overall mood is contemplative and professional.

# Management's Discussion & Analysis





# Management's Discussion & Analysis

This financial performance discussion and analysis refers to the Company's Consolidated Financial Statements for the years ended December 31<sup>st</sup>, 2017 and 2016 attached to this Annual Report. The Consolidated Financial Statements are audited by Public Accounting Firm Y. Santosa & Rekan with their opinion that the consolidated financial statements present fairly in all material respects, the consolidated financial position of PT Bakrie & Brothers Tbk and its subsidiaries as of December 31<sup>st</sup>, 2017 and the consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

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

## Operating Review per Business Segment

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

### MANUFACTURING AND INFRASTRUCTURE SEGMENT

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

The Manufacturing and Infrastructure segment contributed nearly all of the Company's total revenue in 2017, or Rp 2.46 trillion. This revenue was generated by the Company's manufacturing business units in automotive component, building material and metal industry sectors.

#### Performance of Automotive Component Manufacturing Segment

BNBR carries out its automotive component business through its subsidiaries PT Bakrie Autoparts (BA). BA was established as PT Bakrie Tosanjaya in 1975; currently BA supplies automotive components for OEM with major products among others are brake drum, flywheel, disc brake, hub and coupling housing. BA also has the capacity to perform general or non-automotive casting and 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 2017 BA reached production capacity of 95% and fulfilled orders from its various customers.

#### Performance of Building Material Manufacturing Segment

BNBR carries out its building material business through its subsidiaries PT Bakrie Building Industries (BBI). Established as a joint venture with an Australian company in 1976, BBI was one of the pioneers of building material producer in Indonesia which provides Total Building Solution for domestic and international market. BBI products are high quality building material such as fiber cement for roof, ceiling and partition as well as wood substitution product.

BBI has four production facilities with capacity of 350 thousand metric ton per year. Other than that, BBI also performs trading activity of building material products from Japan and Southeast Asia countries. Affected by the slowing down of property sector throughout 2017 BBI did not reach its maximum production capacity with total sales volume of 22 million Stdm.

#### Performance of Metal Industry Manufacturing Segment

BNBR carries out its business in metal industry through its subsidiaries PT Bakrie Metal Industries (BMI). BMI started its business in 1959 through its subsidiaries PT Bakrie Pipe Industries (BPI) by producing steel pipes for general use and later expanded

to oil and gas sector. In 1984 BMI expanded its capacity by providing fabrication service for corrugated metal and bridges, and then in 1985 BMI started its Engineering, Procurement, Construction (EPC) business through its subsidiaries PT Bakrie Constructions (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.

### Performance of Infrastructure Segment

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

Currently BIIN focuses on three major infrastructure projects, that are Coal Fired Steam Power Plant 2 x 660 MW Tanjung Jati A in West Java, Cimanggis-Cibitung 26.4km toll road in West Java, and Kalimantan - Java gas pipeline with phase 1 stretches 200 km at offshore North Java and phase 2 stretches 1,000 km from offshore East Kalimantan to Semarang, Central Java.

### Operational Performance of Manufacturing Sector

DESCRIPTION	UNIT	2016 TOTAL	2017			2017 / 2016		2018 TARGET
			TARGET	REALIZATION	% TO TARGET	DIFFERENCE	INCREASE / DECREASE 2017:2016 (%)	
A. Production Volume								
Automotive Components Manufacturing Segment								
Forging	Ton	26,494	29,822	31,906	107.0%	5,412	20.4%	28,846
Precision Machining	Piece	2,027,032	2,364,424	2,628,515	111.2%	601,483	29.7%	3,202,722
Building Material Manufacturing Segment								
Fiber Cement Roof	StdM	21,793	29,377	16,019	54.5%	(5,774)	-26.5%	16,962
Fiber Cement Board	StdM	8,812	12,245	5,816	47.5%	(2,996)	-34.0%	5,667
Metal Industry Manufacturing Segment								
Oil & Gas Steel Pipe	Ton	7,795	35,439	30,029	84.7%	22,234	285.2%	47,185
Non-Oil&Gas Steel Pipe	Ton	29,891	53,105	31,534	59.4%	1,643	5.5%	57,255
Steel Structure Fabrication - Non Oil & Gas	Ton	4,437	12,908	3,414	26.4%	(1,023)	-23.1%	19,291
B. Sales Volume								
Automotive Components Manufacturing Segment								
Sales to OEM	Ton	17,992	22,283	23,817	106.9%	5,825	32.4%	23,958
Replacement Spare Parts Market	Ton	1,019	3,721	573	15.4%	(446)	-43.8%	1,889
General Casting	Ton	4,404	3,958	4,182	105.7%	(222)	-5.0%	4,219
Export	Ton	624	938	472	50.3%	(152)	-24.4%	88
Building Material Manufacturing Segment								
Fiber Cement Roof	Metric Ton	20,926	29,000	16,884	58.2%	(4,042)	-19.3%	16,671
Fiber Cement Board	Metric Ton	8,635	12,000	5,834	48.6%	(2,801)	-32.4%	5,552

Metal Industry Manufacturing Segment								
Oil & Gas Steel Pipe	Ton	7,145	<b>34,350</b>	<b>29,111</b>	<b>84.7%</b>	21,966	307.4%	44,350
Non-Oil&Gas Steel Pipe	Ton	36,248	<b>56,000</b>	<b>36,437</b>	<b>65.1%</b>	189	0.5%	54,000
Trading of Steel Products	Ton	8,237	<b>4,000</b>	<b>11,963</b>	<b>299.1%</b>	3,726	45.2%	2,000
Steel Structure Fabrication - Non Oil & Gas	Ton	4,437	<b>12,908</b>	<b>3,414</b>	<b>26.4%</b>	(1,023)	-23.1%	19,291

### Net Sales of Manufacturing by Segment

DESCRIPTION	UNIT	2016 TOTAL	2017			2017 / 2016		2018 TARGET
			TARGET	REALIZATION	% TO TARGET	DIFFERENCE	INCREASE / DECREASE 2017:2016 (%)	
Automotive Components Manufacturing Segment								
Sales to OEM	Rp mio	463,389	536,000	611,209	114.0%	147,820	31.9%	608,020
Replacement Spare Parts Market	Rp mio	17,812	70,214	10,994	15.7%	(6,818)	-38.3%	34,665
General Casting	Rp mio	86,056	76,529	86,597	113.2%	541	0.6%	101,274
Export	Rp mio	17,578	20,076	11,308	56.3%	(6,270)	-35.7%	2,109
Building Material Manufacturing Segment								
Fiber Cement Roof	Rp mio	398,292	605,333	317,059	52.4%	(81,233)	-20.4%	283,869
Fiber Cement Board	Rp mio	152,971	227,652	98,863	43.4%	(54,108)	-35.4%	88,774
Metal Industry Manufacturing Segment								
Oil & Gas Steel Pipe	Rp mio	114,924	517,544	587,684	113.6%	472,760	411.4%	873,139
Non-Oil&Gas Steel Pipe	Rp mio	330,488	587,308	479,265	81.6%	148,777	45.0%	721,704
Trading of Steel Products	Rp mio	64,444	18,640	68,556	367.8%	4,112	6.4%	9,400
Steel Structure Fabrication - Oil & Gas	Rp mio	310,242	655,307	82,482	12.6%	(227,760)	-73.4%	356,623
Steel Structure Fabrication - Non Oil & Gas	Rp mio	98,584	240,090	58,514	24.4%	(40,070)	-40.6%	424,397
EPC Service	Rp mio	39,587	262,485	979	0.4%	(38,608)	-97.5%	121,887

### 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 2017 Trading, Services and Investment segment contributes 0.3% of the Company's total revenue, or Rp 7.69 billion. The majority of that sum was contributed by investment activities.



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

DESCRIPTION	UNIT	2016		2017		2017/2016	
		TOTAL	% TO TOTAL SALES	TOTAL	% TO TOTAL SALES	DIFFERENCE	INCREASE / DECREASE 2017:2016 (%)
Trading & Services	Rp mio	381	0.02%	216	0.01%	(165)	-43.2%
Investment	Rp mio	3,137	0.15%	7,476	0.30%	4,339	138.3%

## Review of Financial Performance

### NET REVENUES

In 2017 the Company booked total net revenues of Rp 2.46 trillion, or increased by 18.5% compared to net sales of 2016.

Manufacturing and infrastructure sector recorded 18.3% increase of net revenues, this was mainly attributed to improvement to macro conditions that play significant role to Bakrie Autoparts and Bakrie Pipe Industries, namely the commodity sector and oil & gas industry.

While trading, services and investment sector net revenues increased sharply as a result of sale of investment in shares trading in 2017.

### Net Revenues by Operating Segment

DESCRIPTION	UNIT	2016		2017		2017/2016	
		TOTAL	% TO TOTAL SALES	TOTAL	% TO TOTAL SALES	DIFFERENCE	INCREASE / DECREASE 2017:2016 (%)
Manufacturing and Infrastructure	Rp mio	2,072,391	99.8%	2,452,043	99.7%	379,652	18.3%
Trading, Services and Investment	Rp mio	3,518	0.2%	7,693	0.3%	4,175	118.7%
Consolidated	Rp mio	2,075,909	100.0%	2,459,736	100.0%	383,827	18.5%

### Cost of Revenues

In 2017 the Company recorded a slight increase of cost of revenues at 3.3%, resulting in a total of Rp 2.04 trillion compared to 2016 total cost of revenues of Rp 1.98 trillion.

Cost of revenues for manufacturing and infrastructure segment increased by 2% as the demand for products of Company's manufacturing subsidiaries started to recover.

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

Detailed cost of revenues by operating segment were as follows:

### Cost of Revenues by Operating Segment

DESCRIPTION	UNIT	2016 TOTAL	2017 TOTAL	2017/2016	
				DIFFERENCE	INCREASE / DECREASE 2017:2016 (%)
Raw material	Rp mio	1,200,124	<b>1,249,185</b>	49,061	4.1%
Direct Labor	Rp mio	160,213	<b>197,993</b>	37,780	23.6%
Overhead	Rp mio	722,003	<b>554,164</b>	(167,839)	-23.2%
Work in process and finished goods	Rp mio	(103,577)	<b>17,722</b>	121,299	-117.1%
Total of cost of Manufacturing and Infrastructure segment	Rp mio	1,978,763	<b>2,019,064</b>	40,301	2.0%
Cost of service and installation	Rp mio	1,047	<b>26,328</b>	25,281	2414.7%
Total of cost of Trading, Services and Investment segment	Rp mio	1,047	<b>26,328</b>	25,281	2414.7%
<b>Total Cost of Revenue</b>	Rp mio	1,979,810	<b>2,045,393</b>	65,583	3.3%

### Selling, General and Administrative Expenses

In 2017 the Company booked decrease of selling, general and administrative expenses as much as 4.8%, down to Rp 514.33 billion compared to 2016 total of Rp 540.04 billion.

The largest increase occurred in selling expenses, which rose by Rp 54.65 billion in line with the increase of manufacturing sector's sales volume. However this increase was compensated by the decrease general and administrative expenses by as much as Rp 107.09 which occurred as a result of continuous efficiency improvement efforts in manufacturing business units.

### Selling, General and Administrative Expenses

DESCRIPTION	UNIT	2016 TOTAL	2017 TOTAL	2017/2016	
				DIFFERENCE	INCREASE / DECREASE 2017:2016 (%)
Selling expenses	Rp mio	44,807	<b>99,461</b>	54,654	122.0%
Personnel expenses	Rp mio	223,418	<b>250,136</b>	26,718	12.0%
General and administrative expenses	Rp mio	271,818	<b>164,732</b>	(107,086)	-39.4%
<b>Total Selling, General and Administrative Expenses</b>	Rp mio	540,043	<b>514,329</b>	(25,714)	-4.8%

### Operating Income / (Loss)

In 2017 the Company recorded operating loss, from a total operating loss of Rp 99.98 billion, an improvement if compared to 2016 total operating loss of Rp 443.94 billion.

### Other Income (Expenses)

In 2017 the Company booked a decrease of net other expenses as much as 65.5%, down to Rp 1.08 trillion compared to Rp 3.15 trillion in 2016.

The biggest contributor to the increase of other expenses is share in net income (loss) of associated and jointly controlled entities which in 2016 recorded loss as much as Rp 1.52 trillion in 2016 and in 2017 recorded income as much as Rp 137.87 billion instead. In addition, the Company also did not booked any provision for impairment losses of investments.

### Other Income/(Expenses)

DESCRIPTION	UNIT	2016 TOTAL	2017 TOTAL	2017/2016	
				DIFFERENCE	INCREASE / DECREASE 2017:2016 (%)
Share in net income (loss) of associated and jointly controlled entities	Rp mio	(1,523,168)	<b>137,874</b>	1,661,042	-109.1%
Gain on divestment	Rp mio	30,507	<b>12,701</b>	(17,806)	-58.4%
Fair value changes of derivatives - net	Rp mio	(340,359)	<b>(594,970)</b>	(254,611)	74.8%
Interest and financial expenses	Rp mio	(268,591)	<b>(434,027)</b>	(165,436)	61.6%
Tax expenses	Rp mio	(21,881)	<b>(60,764)</b>	(38,883)	177.7%
Write-off and provision for impairment of receivables	Rp mio	(94,597)	<b>(59,602)</b>	34,995	-37.0%
Gain (loss) on foreign exchange - net	Rp mio	212,006	<b>(54,009)</b>	(266,015)	-125.5%
Provision for impairment losses of investments	Rp mio	(1,024,588)	-	1,024,588	-100.0%
Provision for impairment of project development costs	Rp mio	(100,231)	-	100,231	-100.0%
Others	Rp mio	(15,522)	<b>(32,387)</b>	(16,865)	108.7%
<b>Total Other Expenses</b>	Rp mio	<b>(3,146,424)</b>	<b>(1,085,184)</b>	<b>2,061,240</b>	<b>-65.5%</b>

### Income (Loss) Before Income Tax Benefit (Expense)

The company booked loss before income tax expense amounted to Rp 1.18 trillion in 2017, an improvement if compared to loss before income tax expense amounted to Rp 3.59 trillion in 2016.

### Income Tax Benefit/(Expense)

The company booked income tax expense amounted to Rp 13.83 billion in 2017, or decreased by 80.6% compared to the account in 2016. This was due to the deferred tax benefit during period.

### Income Tax Expense

DESCRIPTION	UNIT	2016 TOTAL	2017 TOTAL	2017/2016	
				DIFFERENCE	INCREASE / DECREASE 2017:2016 (%)
Current tax	Rp mio	(8,183)	<b>(33,374)</b>	(25,191)	307.8%
Deferred tax	Rp mio	(63,067)	<b>19,549</b>	82,616	-131.0%
<b>Total Income Tax Expense - Net</b>	Rp mio	<b>(71,250)</b>	<b>(13,825)</b>	<b>57,425</b>	<b>-80.6%</b>

### Net Income (Loss)

The company booked a net loss of Rp 1.20 trillion in 2017, an improvement compared to net loss of Rp 3.66 trillion recorded in 2016.

### Other Comprehensive Income (Loss)

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

The Company's other comprehensive incomes (loss) consist of share in other comprehensive income of associated and jointly controlled entities, exchange rate differences due to financial statements translation, available-for-sale financial asset, remeasurement of defined benefit pension plan, and income tax on items in other comprehensive income. The Company recorded other comprehensive losses in 2017 as much as Rp 10.26 billion, or decreased compared to 2016 which booked other comprehensive income totaling at Rp 238.44 billion.

The Company booked other comprehensive losses mainly due to exchange differences due to financial statements translation which declined by as much as Rp 108.60 billion and net change in fair value of available-for-sale financial asset which declined by as much as Rp 125.25 billion.

### Other Comprehensive Income (Loss)

DESCRIPTION	UNIT	2016 TOTAL	2017 TOTAL	2017/2016	
				DIFFERENCE	INCREASE / DECREASE 2017:2016 (%)
Items that will be reclassified to profit or loss					
Share in other comprehensive income of associated and jointly controlled entities	Rp mio	27,794	25,745	(2,049)	-7.4%
Exchange differences due to financial statement translation	Rp mio	101,405	(7,199)	(108,604)	-107.1%
Net change in fair value of available-for-sale financial asset	Rp mio	125,078	(175)	(125,253)	-100.1%
Items that will not be reclassified to profit or loss					
Remeasurement gain (loss) on employee benefits	Rp mio	(20,919)	(35,735)	(14,816)	70.8%
Income tax on items in other comprehensive income	Rp mio	5,081	7,100	2,019	39.7%
Other Comprehensive Income - Net of Tax	Rp mio	238,439	(10,264)	(248,703)	-104.3%

### Total Comprehensive Income Attributable to Owners of Parent and Non-Controlling Interest

Upon the calculation of profit/loss, then, in 2017 the Company recorded the comprehensive loss attributable to Owner of Parent and Non-Controlling Interest in the amount of Rp 1.21 trillion.

### Balance Sheets Highlight

DESCRIPTION	UNIT	2016 TOTAL	2017 TOTAL	2017/2016	
				DIFFERENCE	INCREASE / DECREASE 2017:2016 (%)
Current Assets	Rp mio	3,140,063	<b>2,606,511</b>	(533,552)	-17.0%
Non-Current Assets	Rp mio	3,418,375	<b>3,998,374</b>	579,999	17.0%
<b>Total Assets</b>	Rp mio	6,558,438	<b>6,604,885</b>	46,447	0.7%
Short Term Liabilities	Rp mio	11,715,598	<b>11,694,680</b>	(20,918)	-0.2%
Long Term Liabilities	Rp mio	894,861	<b>906,175</b>	11,314	1.3%
<b>Total Liabilities</b>	Rp mio	12,610,459	<b>12,600,855</b>	(9,604)	-0.1%



## Current Assets

In 2017 the Company booked Rp 2.61 trillion of current assets, decreased by 17% compared to Rp 3.14 trillion in 2016. This was mainly due to decrease of Company's trade receivables.

## Non-Current Assets

The company recorded 17% increase of non-current assets to Rp 4.00 trillion in 2017 compared to Rp 3.42 trillion in 2016. Largest increase was contributed by long-term trade receivables which increased by Rp 468.01 billion.

## Total Assets

In 2017 the Company booked total assets amounted to Rp 6.60 trillion compared to Rp 6.56 trillion recorded in 2016, or slightly increased by 0.7%.

## Short-Term Liabilities

In 2017 total short-term liabilities of the Company was relatively stable compared to 2016, down just by 0.02% from Rp 11.72 trillion in 2016 to Rp 11.69 trillion in 2017.

## Long-Term Liabilities

In 2017 the Company recorded long-term liabilities amounted to Rp 906.18 billion, down by 1.3% from Rp 894.86 billion in 2016.

## Total Liabilities

In 2017 total liabilities of the Company was relatively stable, decreased by just 0.1% from Rp 12.61 trillion in 2016 to Rp 12.60 trillion in 2017.

## Total Equity

The Company booked equity deficiency as much as Rp 5.99 trillion in 2017, or improved by 0.9% from 2016 equity deficiency which amounted to Rp 6.05 trillion. This improvement was due to Company's debt restructuring effort through MCB issuance.

## Total Equity

DESCRIPTION	UNIT	2016 TOTAL	2017 TOTAL	2017/2016	
				DIFFERENCE	INCREASE / DECREASE (%)
Equity attributable to owners of the Parent Share capital – Rp2,850, Rp399, Rp114 and Rp50 par value as of December 31 <sup>st</sup> , 2017 and 2016 for each A Series, B Series, C Series and D Series shares	Rp mio	12,428,548	<b>13,254,241</b>	825,693	6.6%
Authorized capital 451,451,975,120 shares as of December 31 <sup>st</sup> , 2017 and 2016					
Issued and fully paid capital 113, 535,564,308 shares as of December 31 <sup>st</sup> , 2017 and 97,021,717,528 shares as of December 31 <sup>st</sup> , 2016					
Additional paid-in capital - netto	Rp mio	(2,256,948)	<b>(2,026,305)</b>	230,643	-10.2%
Mandatory convertible bonds	Rp mio	822,905	<b>1,037,497</b>	214,592	26.1%
Other capital reserves	Rp mio	384,388	<b>375,198</b>	(9,190)	-2.4%
Deficit (Deficit of Rp27.7 trillion as of June 30, 2011 was eliminated in connection with quasi-reorganization)	Rp mio	(17,405,708)	<b>(18,611,142)</b>	(1,205,434)	-6.9%
Sub-total	Rp mio	(6,026,815)	<b>(5,970,511)</b>	56,304	-0.9%
Non-controlling Interest	Rp mio	(25,206)	<b>(25,459)</b>	(253)	1.0%
<b>Total (Deficiency) Equity</b>	Rp mio	(6,052,021)	<b>(5,995,970)</b>	56,051	-0.9%

## CASH FLOWS

The Company recorded net cash flow provided operating activities in 2017 totaling at Rp 123.04 billion, compared to net cash flow used for operating activities in 2016 which amounted to Rp 204.59 billion. This was mainly due to increase of cash receipt from customers, from Rp 2.13 trillion in 2016 to Rp 2.57 trillion in 2017.

Cash flow used in investing activities during 2017 was as much as Rp 75.75 billion, a decrease compared to cash flow used in investing activities during 2016 which amounted to Rp 99.33 billion. Cash flow used in investing activities decreased due to receipts from sale of short-term investments booked by the Company in 2017.

Net cash used in financing activities during 2017 was as much as Rp 72.30 billion, decreased compared 2016 which recorded cash provided by financing activities as much as Rp 40.50 billion. Largest contribution was due to increase of payments for short term loans which rose to Rp 478.15 billion in 2017 compared to payments for short term loans which total was Rp 270.99 billion in 2016.

### Cash Flows

DESCRIPTION	UNIT	2016 TOTAL	2017 TOTAL	2017/2016	
				DIFFERENCE	INCREASE / DECREASE 2017:2016 (%)
Net Cash Flows Provided from (Used in) Operating Activities	Rp mio	(204,593)	<b>123,043</b>	327,636	-160.1%
Net Cash Flows Provided by (Used in) Investing Activities	Rp mio	(99,331)	<b>(75,754)</b>	23,577	-23.7%
Net Cash Flows Provided by (Used in) Financing Activities	Rp mio	40,503	<b>(72,301)</b>	(112,804)	-278.5%
Cash and Cash Equivalents at End of Year	Rp mio	145,763	<b>124,348</b>	(21,415)	-14.7%

## 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	2016 TOTAL	2017 TOTAL	2017/2016	
				DIFFERENCE	INCREASE / DECREASE 2017:2016 (%)
Total Liabilities to Equity Ratio	Multiple	(2.08)	<b>(2.10)</b>	(0.02)	-0.86%
Total Liabilities to EBITDA Ratio	Multiple	(35.68)	<b>(410.36)</b>	(374.67)	-1050.01%
EBITDA to Interest Expense Ratio	Multiple	1.32	<b>0.07</b>	(1.25)	-94.62%
Total Liabilities to Total Assets Ratio	Multiple	1.92	<b>1.91</b>	(0.01)	-0.78%

### RECEIVABLES COLLECTABILITY

Company collecting period accelerated from 257 days in 2016 to 191 days in 2017. This improvement of collectability level of trade receivables was due to customer's increasing financial capability as an impact of economic recovery.

#### Collectability

DESCRIPTION	UNIT	2016 TOTAL	2017 TOTAL
Collection Period	Day	257	<b>191</b>
Account Receivables Turnover	Multiple	1.40	<b>1.89</b>

## Capital Structure and Capital Structure Policy

The Company's capital structure in 2017 consisted of 0.1 liabilities and 0.9 equity. The Company's liabilities were mainly used to increase the Company's funding needs in financing the business development activities, working capital needs as well as to cover capital deficiency.

The Company's equity was entirely used to finance business development activities and to cover business risks. The Company's equity in 2016 and 2017 recorded negative balance due to accumulation of net loss for the year.

### Capital Structure

DESCRIPTION	UNIT	2016		2017	
		TOTAL	% TO CAPITAL	TOTAL	% TO CAPITAL
Short-Term Liabilities	Rp mio	11,715,598	178.6%	11,694,680	<b>177.1%</b>
Long-Term Liabilities	Rp mio	894,861	13.6%	906,175	<b>13.7%</b>
Total Liabilities	Rp mio	12,610,459	192.3%	12,600,855	<b>190.8%</b>
Equity	Rp mio	(6,052,021)	-92.3%	(5,995,970)	<b>-90.8%</b>
<b>Total Liabilities and Equity</b>	Rp mio	6,558,438		6,604,885	

### 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 2017.





## Capital Expenditure

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

In 2017 BNBR and its subsidiaries spent Rp 79.6 billion for capital expenditure with detail as follows.

DESCRIPTION	UNIT	2017
		CAPITAL EXPENDITURE
Land & buildings improvement	Rp mio	1.194
Machinery & equipment	Rp mio	66.685
Transportation equipment	Rp mio	4.732
Office furniture & fixture	Rp mio	2.311
Leased telecommunication & transportation equipment	Rp mio	1.003
Construction in progress on machinery & equipment	Rp mio	3.679
<b>TOTAL</b>	<b>Rp mio</b>	<b>79.604</b>

## 2017 Company's Target Compared to Actual Performance

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

### Average Selling Price

DESCRIPTION	UNIT	2016 PRICE	2017			2017 / 2016		2018 TARGET
			PRICE TARGET	PRICE REALIZA- TION	% TO TARGET	DIFFERENCE	INCREASE / DECREASE 2017:2016 (%)	
A. Average Selling Price								
Automotive Components Manufacturing Segment								
Sales to OEM	Rp '000/ton	25,756	24,054	25,663	106.7%	(93)	-0.4%	25,379
Replacement Spare Parts Market	Rp '000/ton	17,479	18,872	19,197	101.7%	1,718	9.8%	18,351
General Casting	Rp '000/ton	19,541	19,334	20,707	107.1%	1,166	6.0%	24,004
Export	Rp '000/ton	28,189	21,397	23,978	112.1%	(4,211)	-14.9%	23,966
Building Material Manufacturing Segment								
Fiber Cement Roof	Rp '000/stdm	19,033	20,874	18,778	90.0%	(255)	-1.3%	17,028
Fiber Cement Board	Rp '000/stdm	17,716	18,971	16,946	89.3%	(770)	-4.3%	15,991
Metal Industry Manufacturing Segment								
Oil & Gas Steel Pipe	Rp '000/ton	16,085	15,067	20,188	134.0%	4,103	25.5%	19,687
Non-Oil & Gas Steel Pipe	Rp '000/ton	9,117	10,488	13,153	125.4%	4,036	44.3%	13,365
Trading of Steel Products	Rp '000/ton	7,824	4,660	5,731	123.0%	(2,093)	-26.8%	4,700

### Infrastructure Projects Completion

DESCRIPTION	COMPLETION STAGE		
	2016	2017	TARGET 2018
Steam Power Plant 2 x 660 MW Tanjung Jati A	Started land acquisition process as well as Environmental Impact Assessment study and EPC tender process.	Appoint EPC contractor, complete remaining land acquisition for switching station and transmission line, and financial close.	2nd PPA amendment is effective and reach financial close.
Cimanggis-Cibitung Toll Road 26.4 km	Continue land acquisition process as well as phase 1 construction.	Focus on completing the construction of Phase I A spanning 3.17km and commence land acquisition in Bogor Regency.	Operate section 1A spanning 3.17km connecting Jagorawi and Cijago toll road, completing land acquisition and construction on section 1B & 2.
Kalija Gas Pipeline	First phase of this project has fully operated. Gas transportation carried out according to Gas Transportation Agreement (GTA).	Continue normal pipeline operation according to GTA.	Continue normal pipeline operation according to GTA.

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

The Company did not experience any important transactions after the reporting date until the completion date of the consolidated financial statements by accountant.

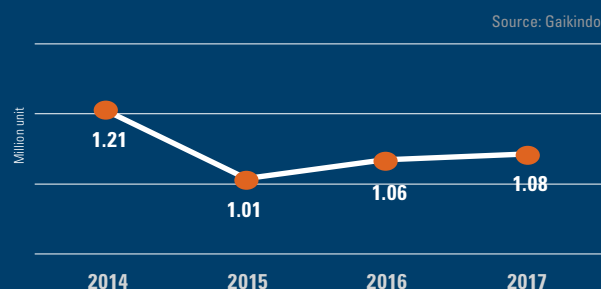
# Company's Business Prospect

Macro indicators of BNBR subsidiaries' business shown positive signals during 2017.

## BAKRIE AUTOPARTS

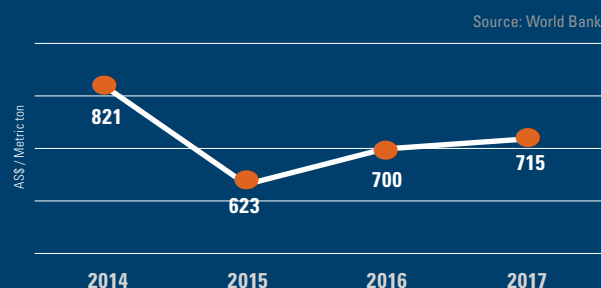
### Car Sales - Domestic

Car sales in Indonesia increased to 1.08 million units in 2017; commercial vehicle segment contributed 21% of total sales and experienced growth of 7.2% y-o-y



### CPO Price

Crude Palm Oil (CPO) price experienced a slight increase in 2017; however it is expected to rise only marginally in 2018 due to increase of CPO production.



### Coal Price - Australia

Coal price increased by 34% in 2017 which partly due to China's continuous effort to reduce supply.



Bakrie Autoparts (BA) main sales are components for commercial vehicle, which contributed up to 86% of total sales tonnage in 2017. BA has been trusted as component supplier for two major OEM in Indonesia, namely Mitsubishi and Hino. This reinforced BA's performance in commercial vehicle segment.

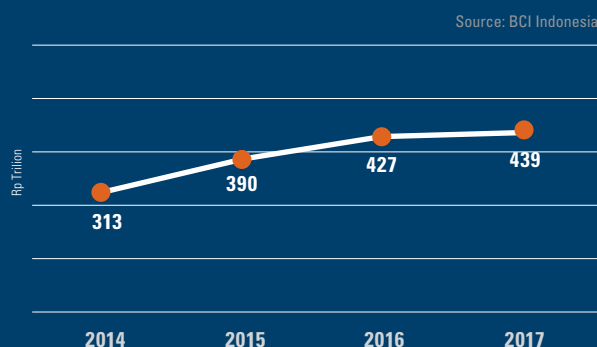
Commodity market which has been the backbone of commercial vehicle segment has experienced a noteworthy recovery in 2017 as reflected in BA performance improvement. However BA continued its effort to tap into passenger vehicle and aftersales market in order to support its business sustainability.

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

## BAKRIE BUILDING INDUSTRIES

### Total Value of National Construction Project

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



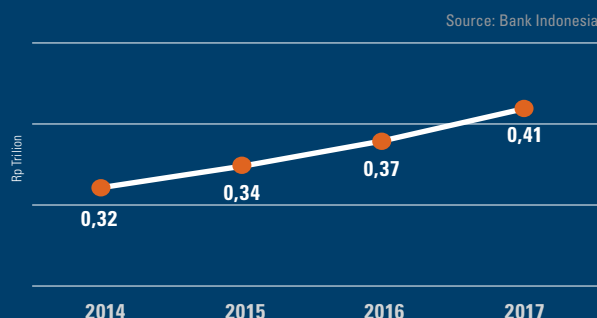
### National Cement Consumption

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



### Outstanding of Housing Ownership Loan

Disbursement of Housing Ownership Loan (KPR) is predicted to increase due to Ministry of Public Work and Housing (Kemenpupera) plan to provide subsidized KPR up to Rp 4.5 trillion in 2018.



During 2017, BBI performance was affected by consumer buying power which was still in its recovery state after experiencing a considerable decrease in the previous year. This led to decrease of sales volume in the building material industry.

However, as GDP growth recovers and inflation rate maintained, construction projects of both Government and private sector will resume.

Housing backlog which reached 11.4 million units<sup>1</sup> and Government commitment in fulfilling it indicates a vast opportunity for Bakrie Building Industries (BBI) to increase sales of fiber cement products which are commonly used in low-income housing.

Until 2017 BBI succeeded in achieving 14% and 10% domestic market share for roof and board products respectively. BBI's distribution strength still relies on Java and Southern part of Sumatera island. BBI aims to continuously strengthen its distribution network to grab the opportunities outside Java island.

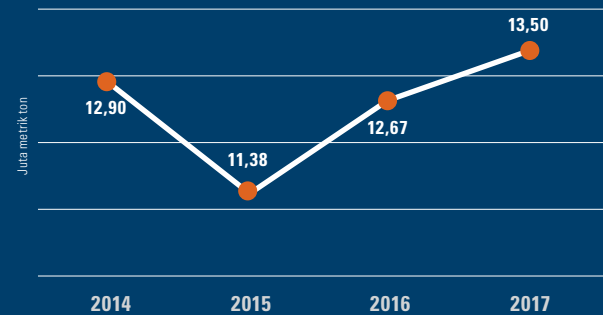
Other than expanding its products distribution, BBI has also added High Value Added (HVA) product type which has higher margin and suitable for upper-middle market segment. In the long term BBI positioned itself as provider of "Total Building Solution", therefore BBI continuously perform research and development in order to provide products that are suitable with Indonesia's market demand.



## BAKRIE METAL INDUSTRIES

### National Steel Consumption

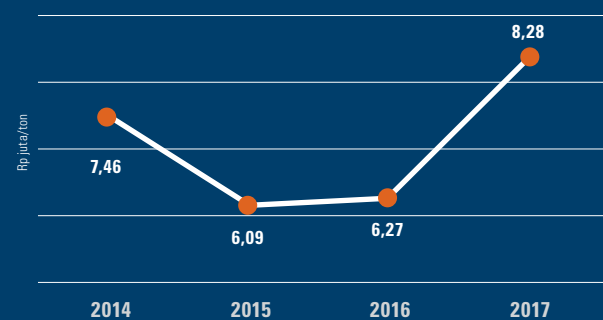
National steel consumption increased by 7% in 2017 and forecasted to increase in the range of 6-7% in 2018.



Source: SEASI

### Hot Rolled Coil Steel Price (average)

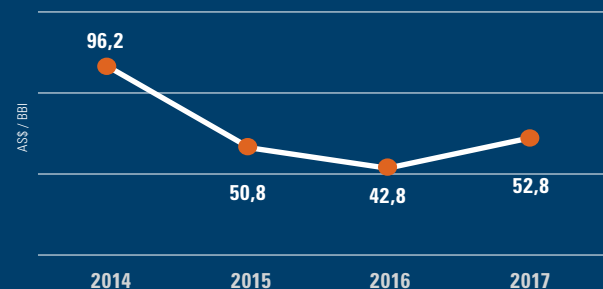
Hot Rolled Coil steel price is predicted to further rise in 2018 as a result of the government of USA's plan to impose higher tariff on steel import.



Source: Krakatau Steel

### Crude Oil Price (average)

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



Source: World Bank

BMI businesses that are related to oil & gas industry such as oil & gas pipes and offshore construction experienced a decline in 2017. Although crude oil price has shown its recovery in 2017, which effect was shown through the increase of oil & gas pipes sales during 2017, however this improvement has not reach its historical best performance. In light of this forecast BMI continued its plan to expand its non-oil & gas business.

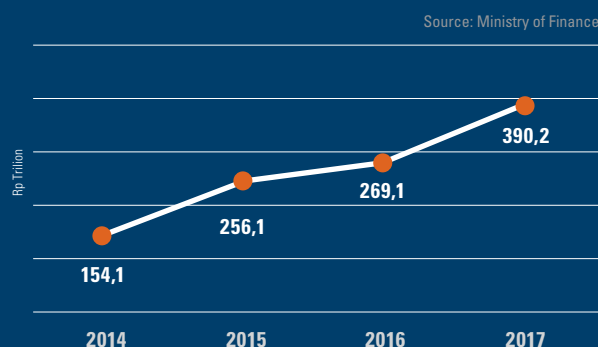
In the near future BMI will focus on expanding its EPC segment and taking part in the numerous infrastructure development project planned by the Government of Indonesia.

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 expanding the capacity of pipe coating facility in its factory area.

## BAKRIE INDO INFRASTRUCTURE

### Infrastructure Spending in State Budget

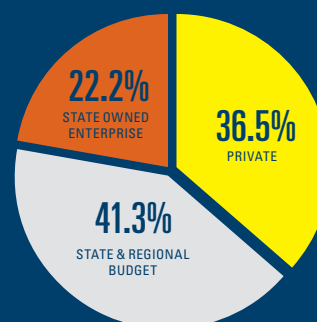
- Funding needs to fulfil infrastructure development target in the period of 2015-2019 is predicted to reach Rp 4,796 trillion.



### Indonesia's infrastructure investment requirement 2015-2019

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

Source: Bappenas (RPJMN year 2017 revision)



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

Electrification ratio target in 2019 is set to reach 96.6% from just 81.5% in 2014, in order to achieve it the Government has announce accelerated development program of 35,000 MW power plants with investment needs totaling at Rp 980 trillion. Private sector participation is expected at Rp 435 trillion, or equivalent to development of 18.7 GW power plants along with 360 circuit kilometer. In addition the Government has also opened a wider participation opportunity for private sector that previously has build and operate power plant.

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

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

Various business prospects that rise along with the Government's commitment to accelerate infrastructure development are captured by the Company through its subsidiary, Bakrie Indo Infrastructure (BIIN). With diversified assets portfolio, BIIN is positioned to develop, own and operate several lucrative and financially sound infrastructure projects in Indonesia. BIIN's short term projects are targeted at Indonesia's main development needs: toll road, electricity and gas pipe network. Currently BIIN still has the rights to build Kalimantan-Java 1,200 km pipeline, which is set to realize after availability of natural gas resource in East Kalimantan is confirmed.

## Marketing of Company's Product and Service

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

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

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

## Dividend Policy

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

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

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

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

## DIVIDEND DISTRIBUTION

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

## Employee Share Ownership Program / Management 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 31st, 2017.





## Information on Material Transaction Which Contains Conflict of Interest and/ or Affiliate Transaction

In 2017 BNBR did not conduct any material transaction which contains conflict of interest and/or affiliate transaction.

## Related Parties

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

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

Detailed information on Transactions with Related Parties is disclosed by the Company in point number 37 of Accompanying Notes to the Consolidated Audited Financial Statement for fiscal year ended December 31st, 2017.

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

## TYPES OF TRANSACTIONS AND BALANCE OF TRANSACTIONS WITH RELATED PARTIES

Types of transactions with related parties are:

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

The summary of balance and percentage of transactions with related parties compared to the respective types of transactions, including revenues, assets, liabilities, and others, as follows: (Complete information is disclosed in point number 36 of Accompanying Notes to the Consolidated Audited Financial Statement for fiscal year ended December 31st, 2017).

### Transaction with Related Parties

DESCRIPTION	UNIT	2016		2017		2017/2016	
		TOTAL	% TO TOTAL SALES	TOTAL	% TO TOTAL SALES	DIFFERENCE	INCREASE / DECREASE 2017:2016 (%)
Key management compensation	Rp mio	91,488	N/A	66,128	N/A	(25,360)	-27.7%

DESCRIPTION	UNIT	2016		2017		2017/2016	
		TOTAL	% TO TOTAL CONSOLIDATED ASSETS	TOTAL	% TO TOTAL CONSOLIDATED ASSETS	DIFFERENCE	INCREASE / DECREASE 2017:2016 (%)
Short-term investments	Rp mio	556,645	8.49%	509,745	7.72%	(46,900)	-8.43%
Trade receivables – related parties	Rp mio	14,280	0.22%	14,439	0.22%	159	1.11%
Due from related parties	Rp mio	224,062	3.42%	256,538	3.88%	32,476	14.49%
Receivable from Commissioners, Directors and Employees	Rp mio	6,081	0.09%	3,002	0.05%	(3,079)	-50.63%

DESCRIPTION	UNIT	2016		2017		2017/2016	
		TOTAL	% TO TOTAL CONSOLIDATED LIABILITIES	TOTAL	% TO TOTAL CONSOLIDATED LIABILITIES	DIFFERENCE	INCREASE / DECREASE 2017:2016 (%)
Trade payables – related parties	Rp mio	16,549	0.13%	<b>2,276</b>	<b>0.02%</b>	(14,273)	-86.25%
Other payables – related parties	Rp mio	40,289	0.32%	<b>21,468</b>	<b>0.17%</b>	(18,821)	-46.71%
Due to related parties		223,400	1.77%	<b>199,112</b>	<b>1.58%</b>	(24,288)	-10.87%

## Changes of Regulations

In 2017, there were some changes of regulations that impact the Company's performance today and in the future:

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

## Changes of Accounting Policy

The Indonesian Institute of Accountants (IAI) has issued Financial Accounting Standards which are not yet effective for annual periods beginning January 1st, 2018. However, earlier application is permitted.

Statements of Financial Accounting Standards (PSAK) issued and effective for the year commencing on or after January 1st, 2018 were as follows:

- Amendment to PSAK No.2, "Statements of Cash Flows", on Disclosure Initiatives.
- Amendment to PSAK No.13, "Investment Property", on Transfers of Investment Property.
- PSAK No.15 (Improvement 2017), "Investments in Associates and Joint Ventures".
- Amendment to PSAK No.16, "Fixed Assets", on Agriculture: Bearer Plants.
- Amendment to PSAK No.46, "Income Taxes", on Recognition of Deferred Tax Assets on Unrealized Losses.

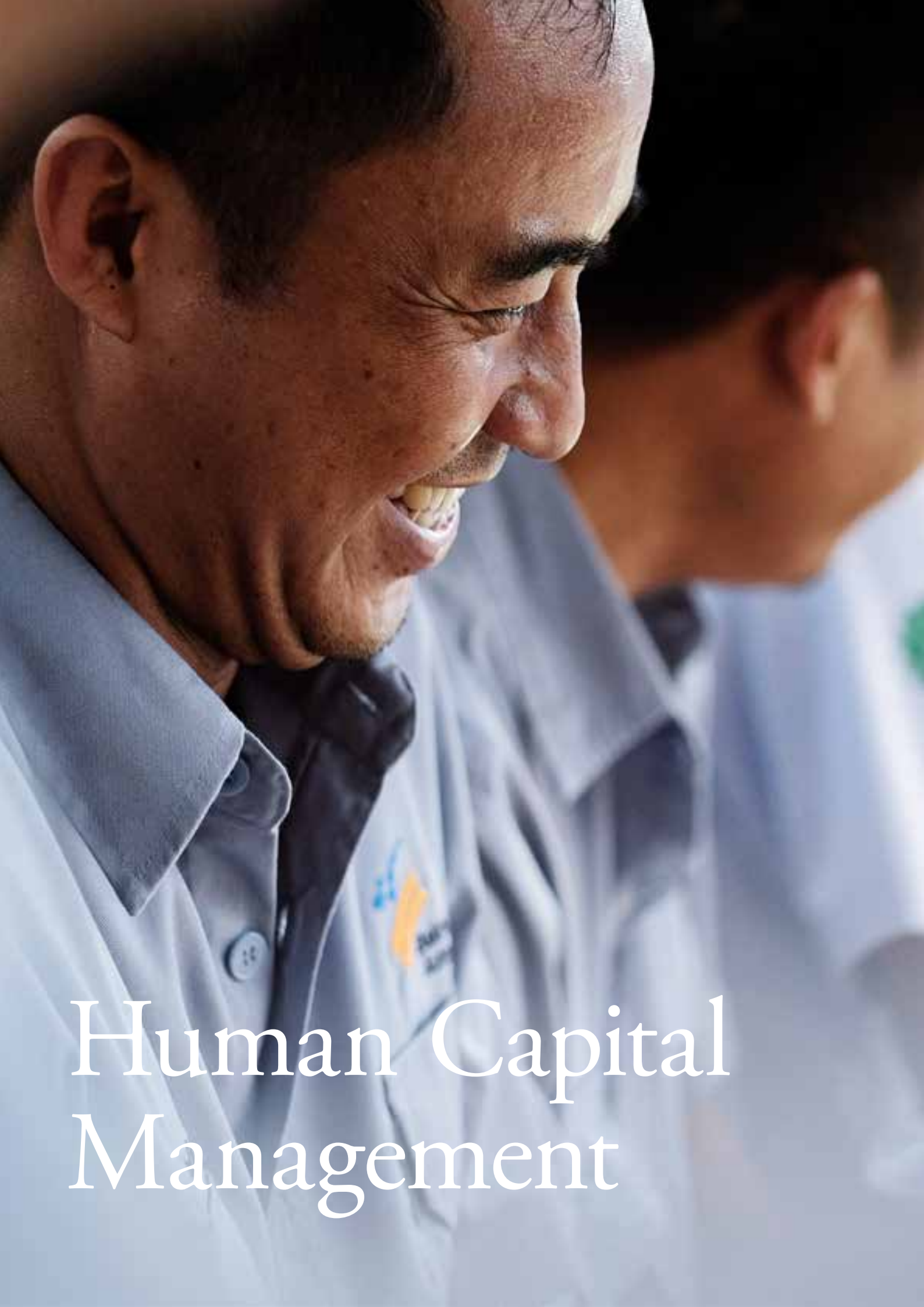


- Amendment to PSAK No.53, "Share-Based Payment", on Classification and Measurement of Share-Based Payment Transactions.
- PSAK No.67 (Improvement 2017), "Disclosure of Interests in Other Entities".
- PSAK No.69, "Agriculture".

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

## Material Increases Related to Sales Volume/New Products

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



# Human Capital Management





# Human Capital Management

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

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 2017 were carried out through a number of HC management and organization programs and initiatives, steered toward acceleration of achievement of business goals and targets. These programs and initiatives included review and development of organization design in line with the Company's business model, HC planning and recruitment programs, leadership development programs and corporate culture development programs.

## Organizational Review and Development

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

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

## Performance Management

### BAKRIE PERFORMANCE CONTRACT

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

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

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

### REWARD MANAGEMENT

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

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

## Human Capital Management Policies

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

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

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

### EQUALITY OF CAREER OPPORTUNITIES

As part of its Corporate HC management policy, BNBR also implements a performance-oriented policy supported by remuneration and reward schemes designed to demonstrate recognition of positive performance among BNBR employees. In accordance with Law No. 13 year 2003 on Employment, the Company applies a minimum age limit of 18 years old. The Company offers equal opportunities for every person to be employed, receive training and develop their career according to their competencies and performance. The Company also provides equal opportunities for all employees to develop their career according to business area, qualifications and knowledge. Employees with the relevant qualifications for a certain post may apply and take a series of tests through internal selection. Vacancies are opened and advertised through internal Company media as well as external media, including certain daily newspaper.



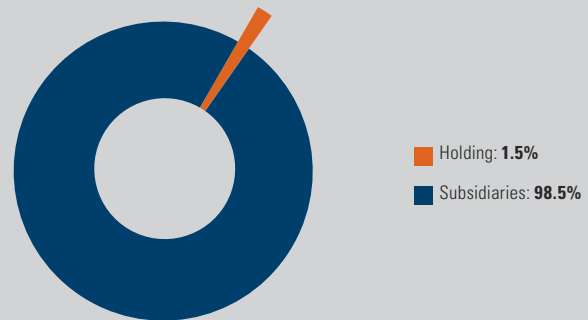
### EMPLOYEE RELATIONS

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

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

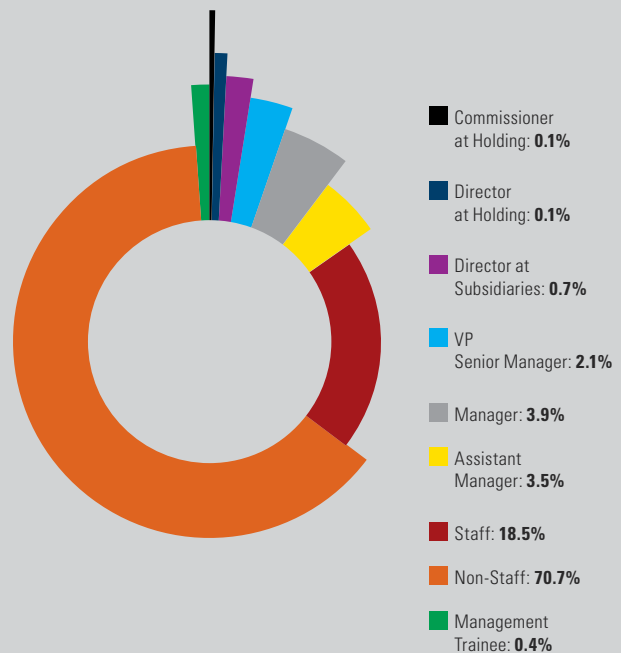
### Employee Composition Based on Organizational Level

ORGANIZATIONAL LEVEL	2016	2017
Holding	56	55
Subsidiaries	4,180	3,603
<b>TOTAL</b>	<b>4,236</b>	<b>3,658</b>



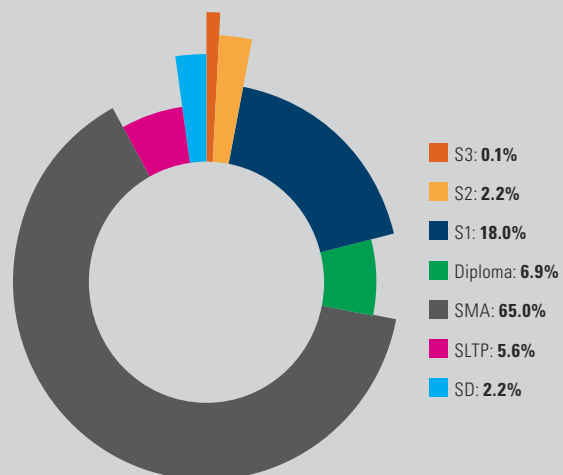
### Employee Composition Based on Position

POSITION	2016	2017
Commissioner at Holding	3	3
Director at Holding	4	4
Director at Subsidiaries	25	25
VP/Senior Manager	94	78
Manager	169	142
Assistant Manager	126	128
Staff	759	676
Non-Staff	3,050	2,587
Management Trainee	6	15
<b>TOTAL</b>	<b>4,236</b>	<b>3,658</b>



### Employee Composition Based on Education

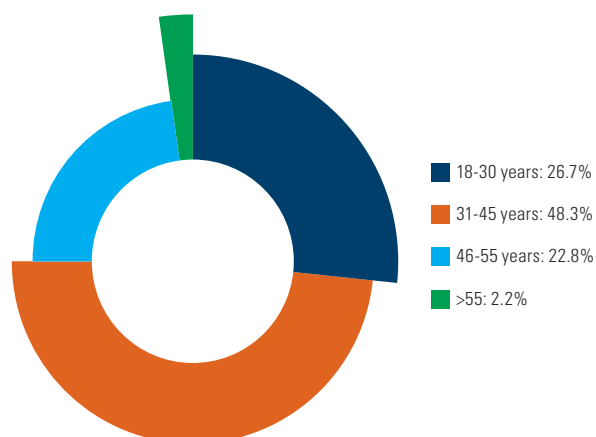
EDUCATION	2016	2017
Doctoral Degree	2	2
Master Degree	84	82
Bachelor Degree	658	660
Diploma	700	251
SMA - Senior High School	2,465	2,377
SLTP - Junior High School	234	206
SD - Elementry	93	80
<b>TOTAL</b>	<b>4,236</b>	<b>3,658</b>





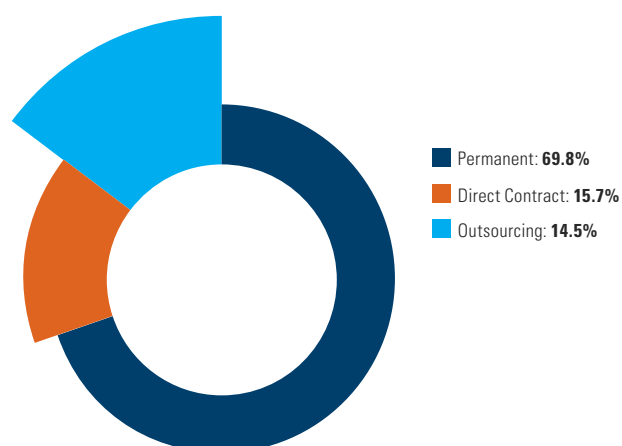
### Employee Composition Based on Age Group

AGE	2016	2017
18-30 years	1,241	976
30-45 years	2,048	1,768
45-55 years	844	833
> 55 years	103	81
<b>TOTAL</b>	<b>4.236</b>	<b>3.658</b>



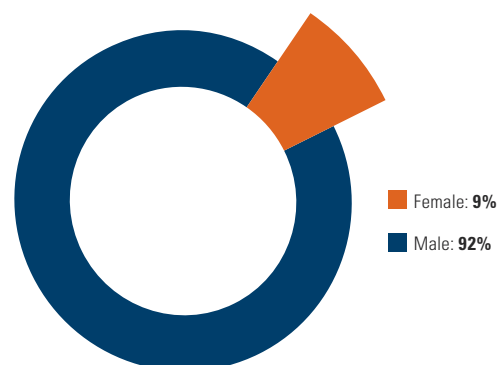
### Employee Composition Based on Employment Status

EMPLOYMENT STATUS	2016	2017
Permanent	2,652	2,555
Direct Contract	691	574
Outsourcing	893	529
<b>TOTAL</b>	<b>4.236</b>	<b>3.658</b>



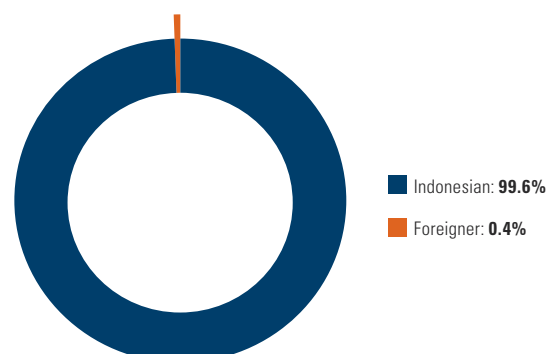
### Employee Composition Based on Gender

GENDER	2016	2017
Male	3,481	3,365
Female	755	293
<b>TOTAL</b>	<b>4.236</b>	<b>3.658</b>



### Employee Composition Based on Nationality

NATIONALITY	2016	2017
INDONESIAN	3,912	3,642
FOREIGNER	21	16
<b>TOTAL</b>	<b>4.236</b>	<b>3.658</b>



During 2017 the Company increased its productivity while considering efficiency and quality. BNBR aims to maintain its lean organization structure, therefore additional of contract employees were done on project basis as the need of new hires arises to support new projects of BNBR subsidiaries.

A total of 816 employees of BNBR and subsidiaries resigned and 238 new hires joined in 2017. 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 2017.

In 2017, total employee of BNBR and its subsidiaries decreased by 14% to 3658 employees. Composition of total employee of BNBR and its subsidiaries by end of 2017 consists of 2,555 permanent employees and 1,103 contract employees.

Of all BNBR and its subsidiaries' employees, approximately 20% 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 27% are aged between 18-30 years, 48% are aged between 31-45 years, and the remaining are over 45 years old.

## Competence Development Program

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

Training programs are adjusted to the Company's strategic plans for the future. In line with the Company's planned strategic focus on development of business in the real sector, especially in manufacturing and infrastructure, training programs in 2017 were focused on technical and functional abilities.

In 2017, BNBR group held training programs for a total of 789 employees from various departments within the Company and its subsidiaries with total cost as much as Rp. 1,051,410,021.



### Position of participants for training

POSITION	Number of Participants	Training Cost (in Rupiah)
Commissioner	0	0
Director	7	33,495,000
VP/Senior Manager	14	52,255,000
Manager	70	168,966,667
Assistant Manager	121	319,915,656
Staff	415	456,241,837
Non-Staff	154	4,055,861
Management Trainee	8	16,480,000
<b>Total</b>	<b>789</b>	<b>1,051,410,021</b>

### Type of training

CATEGORY	Number of Participants	Training Cost (in Rupiah)
Management and Leadership Training	49	118,698,333
Functional Competence Development Training (Finance, HR, Marketing, Operation, Legal)	184	551,315,399
ISO and Continuous Improvement Related Training	362	325,929,622
Corporate Values Training	194	55,466,667
<b>Total</b>	<b>789</b>	<b>1,051,410,021</b>

### Training in Departments

DEPARTMENT	Number of Participants	Training Cost (in Rupiah)
Supporting Dept.	61	53,673,333
Accounting & Finance	25	87,261,666
HR	74	183,023,333
Sales & Commercial	25	63,476,667
IT, Legal Risk	24	138,025,400
Operations	580	525,949,622
<b>Total</b>	<b>789</b>	<b>1,051,410,021</b>

### Purpose of training

TYPE	Number of Participants	Training Cost (in Rupiah)
Hard Skill	351	705,503,344
Soft Skill	438	345,906,677
<b>Total</b>	<b>789</b>	<b>1,051,410,021</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 Future Leader 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 FUTURE LEADER DEVELOPMENT PROGRAM

BNBR is aware that change is happening quickly at this time of age. In order to adapt to change, the Company realizes that the human capital aspect needs to move alongside this trend. As of 2017, the number of Management Trainees rose from 6 to 15. This is due to the Company's "Bakrie Future Leader Development Program" which recruits, develops, and engages young talented fresh graduates for critical leadership positions for BNBR.

The company believes that through training, the young individuals be of benefit by contributing;

- **Fresh Perspective**

Bringing fresh ideas and fresh perspectives to the workplace, meaning they could bring a new way of thinking to the team.

- **Technical Skills**

Today's millennial are digital natives, they grew up with technological advances such as portable devices, the internet, and social media, and could adapt to newer technologies effectively.

- **Diversity**

Such diversity in age and lifestyle in the teams may give birth to new innovative ideas and problem solving solutions.



## BAKRIE LEADERSHIP DEVELOPMENT PROGRAM

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

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

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

## DEVELOPMENT OF CORPORATE WORK CULTURE

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

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

## PREPARATION FOR RETIREMENT TRAINING

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

BNBR also holds the "Success in Retirement" training program, which is held in cooperation with the Management Board of Bakrie Untuk Negeri (BP BUN), Bakrie CSR Forum, Bakrie Pension Fund Foundation and the Bakrie Business Group. The program is aimed at employees entering retirement age, and has the following goals:

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

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

## Employee Prosperity

As part of the Company's commitment to treat HC as a key asset and a strategic partner in business development, BNBR strives to increase employee prosperity through the provision of various prosperity facilities including the Bakrie Pension Fund Program, health clinics, education aid for the children of high-achieving employees and recreational and sporting events for all employees. These programs are implemented in the belief that decent employee prosperity, competitive compared with other companies in the same industry, will lead employees to concentrate on their work and give their best for the Company, which will ensure progress for themselves and those around them.

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



# Corporate Governance Implementation Report



# Corporate Governance Implementation Report

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

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

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

## Objectives and Commitment of Corporate Governance Implementation

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

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

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





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

## Good Corporate Governance Work Structure

The Company developed Good Corporate Governance Work Structure and Roadmap in order to ensure development and implementation of Good Corporate Governance are carried out based on mutual understanding between management and every company organ, as well as embedded based on 4 (four) main pillars of Good Corporate Governance, that are Commitment, Structure, Soft Structure/Mechanism/System & Procedure, as well as Report and Control Activities.

### 1. 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.

### 2. Structure

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

### 3. Soft Structure/Mechanism/System & Procedure

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

### 4. Report and Control

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

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

Those 4 (four) main pillars are the process the Company will undergo in order to implementing GCG with business sustainability as its goal.

## GOOD CORPORATE GOVERNANCE STRUCTURE PT BAKRIE BROTHERS TBK

### COMMITMENT

VISION & MISSION  
VALUE - ETHIC - REGULATION

### STRUCTURE

#### STRUCTURE MAIN ORGAN

- General Meeting of Shareholders
- Board of Commissioners
- Board of Directors

#### SUPPORTING ORGAN

- Audit Committee
- Risk Management Committee
- Corporate Governance Committee
- Nomination & Remuneration Committee
- Corporate Secretary
- Corporate Internal Audit
- Investment Committee

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

#### SYSTEM & PROCEDURE

- Board Manual
- Corporate Governance Manual
- Committees under Board of Commissioners Charter: Audit Committee Charter, Risk Management Committee Charter, Corporate Governance Committee Charter, Nomination & Remuneration Committee Charter
- Committee under Board of Directors Charter: Investment Committee Charter
- Internal Audit Charter
- Compliance Charter
- Corporate's Policies & Procedures

#### CORPORATE CULTURE

- Trimatra Bakrie
- Core Value
- Integrity Pact
- Code of Ethic
- Code of Business Conduct

### REPORTING & CONTROLLING

#### 1 GOOD CORPORATE GOVERNANCE REPORTING AND ASSESSMENT – INTERNAL & EXTERNAL

- Corporate Governance Perception Index (CGPI)-
- Indonesia Institute for Corporate Directorship (IICD)

#### 2 INTERNAL CONTROL SYSTEM

#### 3 GOOD CORPORATE GOVERNANCE PRINCIPLES

- Transparency
- Accountability
- Responsibility
- Independency
- Fairness

BUSINESS SUSTAINABILITY

## GCG Practices Implementation

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



### 1. Transparency

The Company ensures adequate information dissemination, clear and accurate to the shareholders and stakeholders. Transparency principle is also implemented in the decision-making process, to enhance the Company's objectivity and professionalism. The following are among others the transparency practices conducted by the Company:

- The resolution process of Shareholders through General Meeting of Shareholders (GMS) has met the Company's Articles of Association requirements.
- The decision-making process of the Board of Commissioners with the supervisory and advisory functions to the Board of Directors has been conducted in the internal joint meeting of the Board of Commissioners and Board of Directors.

### 2. Accountability

The Company is committed to ensure the orderly and accountability of the functions, duties, and authorities of several elements in the organization in a sound and measured manner. The following are among others the accountability practices conducted by the Company:

- The Company possesses the organization structure, job descriptions for each job title, and key performance indicators assessment for the Board of Directors, Head of Work Units and all employees.
- External auditor has conducted an audit on the Company's financial report with the independent auditor's opinion of unqualified.
- The Company has been accountable and obtained ratification on the annual report in the GMS.

### 3. Responsibility

As a form of responsibility, the Company strongly holds its compliance towards the prevailing laws and legislations. In addition, the Company also conducts responsibility towards the community and environment, to achieve long term business sustainability. The following are measures taken in this company's responsibility:

- The signing of integrity pacts and anti-bribery by Bakrie people to comply with the stipulated Code of Conduct and business ethics.

### 4. Independence

The Company's organs conduct its activities independently and objectively, to avoid conflicts of interest, and are not influenced by any parties. The Company's independence are conducted through:

- The applicable Code of Conduct and Business Conduct Policy of the Company that applied to all Bakrie people.
- The check and balances functions done by the Board of Commissioners and Directors through formal communication such as meetings, approval/refusal of the Board of Commissioners on the Board of Directors' proposals.

### 5. Fairness and Equality

The Company strives to ensure that both majority and minority shareholders' rights and interests are fulfilled. The Company also constantly provides fair and equal treatments to all stakeholders. The Company's commitment in delivering fairness and equality are shown as follows:

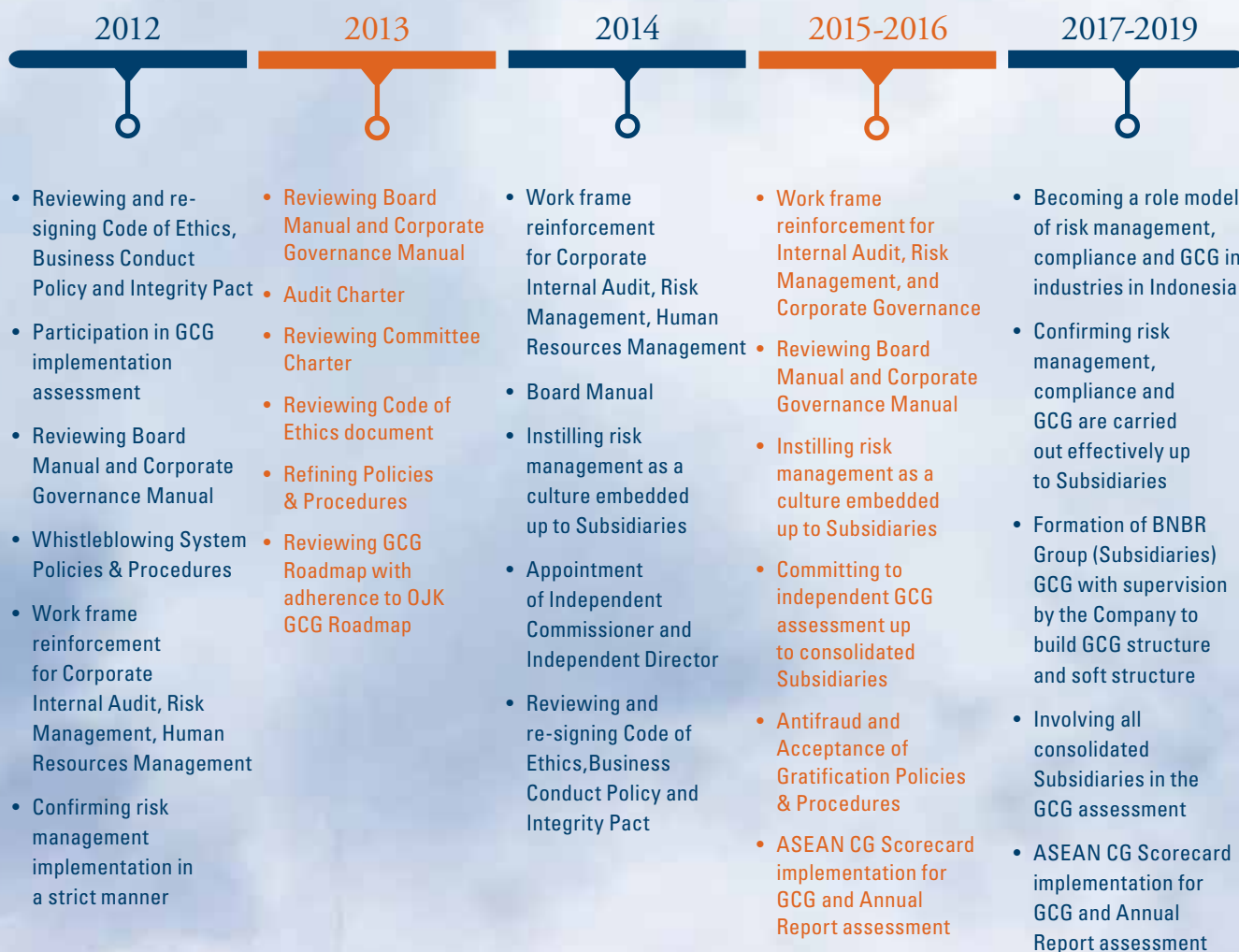
- The Company has provided equal opportunities to all employees without discrimination based on the Collective Labor Agreement (CLA) between the Company and Employees.



# Corporate Governance Roadmap







## 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.

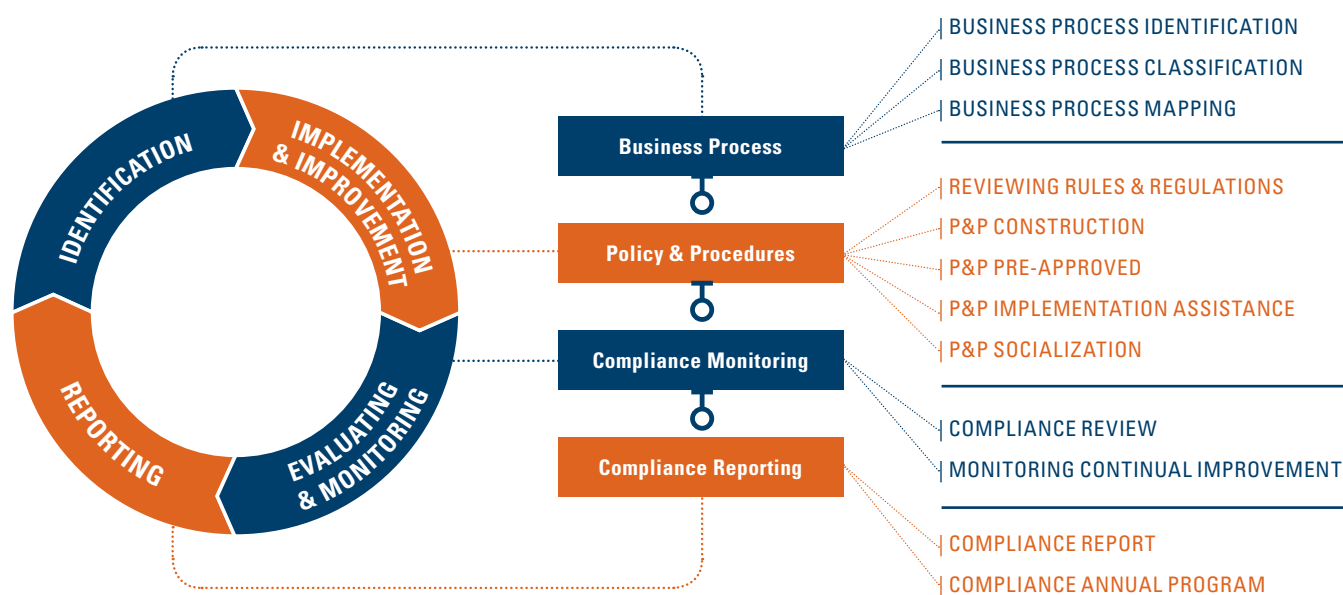
At the beginning of 2017, CRM has reviewed and advanced business processes in every Department to ensure that the existing business processes are in accordance with the company's strategy and business models. The analysis was conducted by reviewing the Company's business activity objectivity and complexity, 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 276 policies and procedures were documented, in which part of them are new or revision from the existing documents and has been ratified by the Board of Directors, whereas the balance are still in review and at the advancement that are going to be implemented in stages and continuously by CRM. They are among others are policies and procedures on payroll system, disclosure of company related information to regulator, risk management, and several policy and procedures in the scope of information technology and human resources.

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

At the end of 2017, 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 2018 activity plan at the end of December.

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



## Board Manual Implementation

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

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

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

## Good Corporate Governance (GCG) Implementation Assessment

### 1. The Company was Awarded the Top 50 of Mid Market Capitalization Public Listed Companies with Best GCG in 2017 Based on ASEAN Corporate Governance Scorecard (ACGS) by the Indonesian Institute for Corporate Directorship (IICD)

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

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

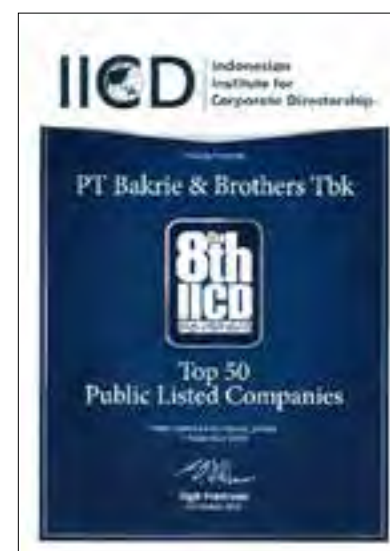
Assessment instruments of ASEAN CG Scorecard were composed with reference to CG principles developed by the Organization for Economic Co-operation and Development (OECD), which consists of: (1) Basic Shareholder Rights; (2) Equitable Treatment of Shareholders; (3) Role of Stakeholders; (4) Disclosure and Transparency; (5) Responsibilities of the Board. Those five principles were comprehensively formulated into 209 questions.

The following are scores of each Scorecard components:

OECD Principles		Scoring Weightage	2017 Scorecard Result
A.	Rights of Shareholders	10%	4.17
B.	Equitable Treatment of Shareholders	15%	7.94
C.	Role of Stakeholders	10%	9.52
D.	Disclosure and Transparency	25%	20.73
E.	Responsibilities of the Board	40%	28.65
TOTAL		100%	71.01
GCG Performance based on ASEAN CG Scorecard			FAIR

Source: Research Report of 2017 ASEAN Scorecard, IICD

Based on the final score of 71.01 points, the Company's performance rate on compliance fulfilled the "Fair" predicate, meaning the Company has adequately implement corporate governance and has fulfilled minimum requirements from the Regulator.



## 2. The Company was Awarded as Trusted Company Based On Corporate Governance Perception Index (CGPI) 2017 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 2017 was the sixth year the Company participated in the research and ranking of GCG practices in the Company, namely the Corporate Governance Perception Index Award 2017 carried out by the Indonesian Institute for Corporate Governance (IICG) in collaboration with SWA Magazine.

In 2017 CGPI promoted the theme "Change Management 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 34 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 73.07 or qualified for the category "Trusted Company". BNBR succeeded in improving its score compared to 2016 which total score was 72.69.

Assessment for CGPI Award 2017 was carried out based on Company's 2016 Financial Report and other supporting documents which prevail during 2016 and 2017. The assessment result was as follow:

Assessment Stage		2017 Score
1.	Governance Structure	24.85
2.	Governance Process	25.10
3.	Governance Output	23.12
<b>TOTAL</b>		<b>73.07</b>
<b>GCG Performance based on CGPI Award</b>		<b>Trusted Company</b>

Source: 2016 CGPI Result Report (2017 Award), IICG



Piagam GCG Award 2016 PT Bakrie & Brothers Tbk "Trusted Company"

## General Meeting of Shareholders

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

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

GMS shall be held at least once a year, namely Annual GMS. Apart from the Annual GMS, Extraordinary GMS can be organized. In 2017, the Company held one Annual GMS, and held any two Extraordinary GMS.

### EXECUTION OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Pursuant to the Articles of Association, the Company has held the Annual GMS for fiscal year 2016 on June 20th, 2017, in Royal Kuningan Hotel, Jakarta. Based on the regulations, prior to the GMS the Company has informed the Plan Notice to the Financial Services Authority, through Directors' Letter No. 051/BNBR/CS-OJK/V/17 dated May 12th, 2017, and announced the Meeting Plan on May 12th, 2017 through Company website, Indonesia Stock Exchange website and an Indonesian daily newspapers, namely Neraca.

The Company also announced the Invitation of Annual General Meeting of Shareholders on May 29th, 2017 through Company website, Indonesia Stock Exchange website and an Indonesian daily newspapers, namely Neraca.

Annual GMS on June 20th, 2017 was attended by shareholders that represent 71,358,187,314 shares or 62.88% from the total shareholders. Thereby the meeting was announced as quorum and has been in accordance with the Company's Articles of Association.





## ANNUAL GMS AGENDA

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

1. Approval of the Annual Report which consist of accountability report of the Board of Directors and Board of Commissioners on the management of the Company for Fiscal Year ended December 31<sup>st</sup>, 2016.
2. Approval and ratification of the Company's Balance Sheet and Profit/Loss Account for Fiscal Year ended December 31<sup>st</sup>, 2016, 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 2016 .
3. Determination and approval of the use of the Company's profits for the Fiscal Year ended December 31<sup>st</sup>, 2016.
4. Appointment and assignment of Public Accounting Firm to audit the Company's Financial Report for Fiscal Year ended December 31<sup>st</sup>, 2017.
5. Discharge and appointment of the member of Board of Directors and Board of Commissioners of the Company

## Result of Annual General Meeting of Shareholders

ANNUAL GMS AGENDA DISCUSSION AND RESOLUTIONS		VOTING RESULT	FOLLOW UP
1. 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<sup>st</sup>, 2016.</p>	<p><b>Agree:</b> 71.358.187.314 (100%)</p> <p><b>Disagree:</b> 0 (0%)</p> <p><b>Abstain:</b> 0</p>	Grant of full release and discharge of responsibility (acquit et decharge) to the Company's Board of Directors and Board of Commissioners members.
2. Second Agenda	<p><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<sup>st</sup>, 2015 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<sup>st</sup>, 2015, in which the management and monitoring actions are reflected in the Balance Sheet and Profit/Loss Account as well as Public Accountant's Report on Fiscal Year ended December 31<sup>st</sup>, 2015.</p>	<p><b>Agree:</b> 71.358.187.314 (100%)</p> <p><b>Disagree:</b> 0 (0%)</p> <p><b>Abstain:</b> 0</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. Third Agenda</b>	<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<sup>st</sup>, 2016.</p>	<p><b>Agree:</b> 71.358.187.314 (100%)</p> <p><b>Disagree:</b> 0 (0%)</p> <p><b>Abstain:</b> 0</p>	<p>Dividend distribution for Fiscal Year ended December 31<sup>st</sup>, 2016 was not executed.</p>
<b>4. Fourth Agenda</b>	<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<sup>st</sup>, 2017, in which are fulfilling the determined criteria and give authority to the Board of Commissioners to set the honorarium.</p>	<p><b>Agree:</b> 71.358.187.314 (100%)</p> <p><b>Disagree:</b> 0 (0%)</p> <p><b>Abstain:</b> 0</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. P018/IX/BNBR/17/T dated September 11<sup>th</sup>, 2017. The appointment was made with approval from Board of Commissioners as stated in letter dated June 16<sup>th</sup>, 2017.</p>
<b>5. Fifth Agenda</b>	<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 and reappoint members of Board of Directors and Board of Commissioners of the Company, therefore the composition of the Board of Directors and Board of Commissioners of the Company for the next period is as follows:</p> <p><b>Board of Commissioners</b> President Commissioner &amp; Independent Commissioner: Irwan Sjarkawi Commissioner: Armansyah Yamin Commissioner: Nugroho I. Purbowinoto</p> <p><b>Board of Directors</b> President Director: Gafur Sulistyo Umar Director: Achmad Amri Aswono Putro Director: R.A. Sri Dharmayanti Independent Director: Dodi Taufiq Wijaya</p> <p>Composition and tenure of the members of Board of Commissioners and Board of Directors will be effective upon the closing of the Meeting and will end in 2020 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> 61.599.937.814 (86,32%)</p> <p><b>Disagree:</b> 9.758.249.500 (13,67%)</p> <p><b>Abstain:</b> 0</p>	<p>Deed of Resolutions of Meeting number 56 dated November 16<sup>th</sup>, 2017.</p>

## EXECUTION OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

In 2017, the Company held Extraordinary GMS for two times.

### Execution of the First Extraordinary General Meeting of Shareholders in 2017

Pursuant to the Articles of Association, the Company has held the Extraordinary GMS on June 20<sup>th</sup>, 2017, in Manhattan Hotel, Jakarta. Based on the regulations, prior to the GMS the Company has informed the Plan Notice to the Financial Services Authority, through Directors' Letter No. 051/BNBR/CS-OJK/V/17 dated May 12<sup>th</sup>, 2017, and announced the Meeting Plan on May 12<sup>th</sup>, 2017 through Company website, Indonesia Stock Exchange website and an Indonesian daily newspapers, namely Neraca.

The Company also announced the Invitation of Annual General Meeting of Shareholders on May 29<sup>th</sup>, 2017 through Company website, Indonesia Stock Exchange website and an Indonesian daily newspapers, namely Neraca.

Extraordinary GMS on June 20<sup>th</sup>, 2017 was attended by shareholders that represent 75,715,158,803 shares or 66.72% from the total shareholders. Thereby the meeting was announced as quorum and has been in accordance with the Company's Articles of Association.



### EXTRAORDINARY GMS AGENDA

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

1. Approval to amendment of capital structure of the Company.
2. Approval of Capital Increase with Non Preemptive Rights ("NPR") with the provisions of the Financial Services Authority Regulation No.38/POJK.04/2014, through mechanism of issuance of Company's new shares and/or mandatory convertible bond.

### Result of Extraordinary General Meeting of Shareholders

EXTRAORDINARY GMS AGENDA DISCUSSION AND RESOLUTIONS		VOTING RESULT	FOLLOW UP
1. 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> Approved the amendment of capital structure of the Company.</p>	<p><b>Agree:</b> 72.601.678.503 (95,89%)</p> <p><b>Disagree:</b> 3.113.480.300 (4,11%)</p> <p><b>Abstain:</b> 0 (0%)</p>	Minutes of Extraordinary GMS of PT Bakrie & Brothers Tbk No. 104 dated June 20 <sup>th</sup> , 2017

<b>2. Second Agenda</b>	<p><b>Agenda Discussion:</b> The Meeting Chairman conveyed that the Second Agenda will not be discussed due to pending approval from the Financial Services Authority.</p> <p><b>Meeting resolution on Second Agenda:</b> There was no resolution achieved yet.</p>	<p>Voting was not conducted for the Second Agenda.</p>	<p>The Company announced notification of change of EGMS to Company's shareholders that the second agenda of the EGMS execution was postponed pursuant to letter from OJK dated June 19<sup>th</sup>, 2017 number S-629/PM.221/2017</p>
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## EXECUTION OF THE SECOND EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS IN 2017

The second EGMS was held after the Company announced notification of change of EGMS to Company's Shareholders that the second agenda of the EGMS which originally will be discussed in the previous EGMS held on June 20<sup>th</sup>, 2017 was postponed pursuant to letter from the Financial Services Authority dated June 19<sup>th</sup>, 2017 number S-629/PM.221/2017 concerning Amendment and/or Additional Information on Disclosure of Information with Regards to Capital Increase with Non Preemptive Rights of PT Bakrie & Brothers Tbk.

The Company has held the Extraordinary EGMS on July 12<sup>th</sup>, 2017 in Nusantara Room of Bakrie Tower, Jakarta, and the agenda discussed in the EGMS remained unchanged:

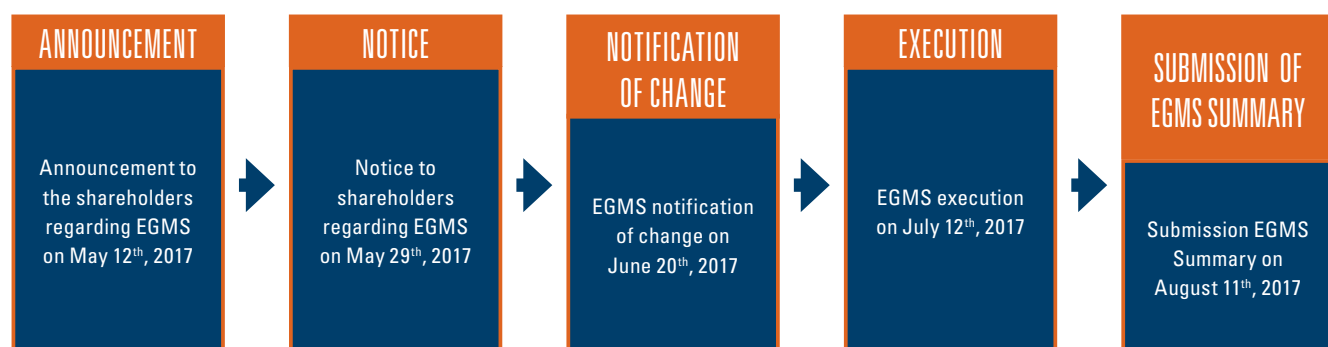
Approval of Capital Increase with Non Preemptive Rights ("NPR") with the provisions of the Financial Services Authority Regulation No.38/POJK.04/2014, through mechanism of issuance of Company's new shares and/or mandatory convertible bond

Based on the regulations, prior to the GMS the Company has informed the Plan Notice to the Financial Services Authority, through Directors' Letter No. 051/BNBR/CS-OJK/V/17 dated May 12<sup>th</sup>, 2017, and announced the Meeting Plan on May 12<sup>th</sup>, 2017 through Company website, Indonesia Stock Exchange website and an Indonesian daily newspapers, namely Neraca.

The Company announced the Invitation of Annual General Meeting of Shareholders on May 29<sup>th</sup>, 2017 through Company website, Indonesia Stock Exchange website and an Indonesian daily newspapers, namely Neraca.

The Company announced change of Meeting on June 20<sup>th</sup>, 2017 through Company website, Indonesia Stock Exchange website and an Indonesian daily newspapers, namely Neraca.

Extraordinary GMS on July 12<sup>th</sup>, 2017 was attended by shareholders that represent 62,522,188,058 shares or 55,10% from the total shareholders. Thereby the meeting was announced as quorum and has been in accordance with the stipulation of Chapter 26 verse 1.a POJK No.32/2014 and Chapter 12 verse (3) Company's Articles of Association.







### EXTRAORDINARY GMS AGENDA

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

Approval of Capital Increase with Non Preemptive Rights ("NPR") with the provisions of the Financial Services Authority Regulation No.38/POJK.04/2014, through mechanism of issuance of Company's new shares and/or mandatory convertible bond.

#### Result of Extraordinary General Meeting of Shareholders

EXTRAORDINARY GMS AGENDA DISCUSSION AND RESOLUTIONS		VOTING RESULT	FOLLOW UP
<b>Meeting's Single Agenda</b>	<p><b>Agenda Discussion:</b> The Company's Board of Directors elaborated the Meeting's Single Agenda that was presented by the Company's President Director.</p> <p><b>Meeting resolution on the Single Agenda:</b> Approved the Capital Increase with Non Preemptive Rights ("NPR") with the provisions of the Financial Services Authority Regulation No.38/POJK.04/2014, through mechanism of issuance of Company's new shares and/or mandatory convertible bond.</p>	<p><b>Agree:</b> 61.033.559.058 (97,62%)</p> <p><b>Disagree:</b> 1.488.629.000 (2,38%)</p> <p><b>Abstain:</b> 0 (0%)</p>	<p>Minutes of Extraordinary GMS of PT Bakrie &amp; Brothers Tbk No. 44 dated July 12<sup>th</sup>, 2017</p>

## Board of Commissioners

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

### BOARD OF COMMISSIONERS CHARTER

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

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

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

### DUTIES AND RESPONSIBILITIES

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

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

### SEGREGATION OF DUTIES OF THE BOARD OF COMMISSIONERS

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

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

## BOARD OF COMMISSIONERS COMPOSITION

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

COMPOSITION		FIRST APPOINTMENT			FOCUS OF MONITORING AREAS
POSITION	NAME	GENERAL MEETING OF SHAREHOLDERS	DOCUMENTS	RATIFICATIONS	
President Commissioner & Independent Commisisoner	Irwan Sjarkawi	June 24th, 2004	Deed dated July 6th, 2004 No. 21	C-UM.02.01.8737, dated July 23rd, 2004	Supervise and monitor the activities of Audit Committee and Nomination and Remuneration Committee
Commissioner	Nugroho I Purbowinoto	June 30th, 2009	Deed dated July 7th, 2009 No. 33	AHU-AH.01.10-12847, dated August 12th, 2009	Supervise and monitor the activities of Risk Management Committee and Corporate Governance Committee
Commissioner	Armansyah Yamin	June 30th, 2009	Deed dated July 7th, 2009 No. 33	AHU-AH.01.10-12847, dated August 12th, 2009	As a member of Risk Management Committee

## DELEGATION OF AUTHORITY

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

During 2017, the Board of Commissioners members delegate their authorities as follow:

- **Irwan Sjarkawi** delegated his authority to Nugroho I. Purbowinoto for 5 (five) times; in total during 2017 Irwan Sjarkawi delegated his authority for 5 (five) times.
- **Armansyah Yamin** delegated his authority to Irwan Sjarkawi for 4 (four) times, and to Nugroho I. Purbowinoto for 6 (six) times; in total during 2017 Armansyah Yamin delegated his authority for 10 (ten) times.
- **Nugroho I. Purbowinoto** delegated his authority to Irwan Sjarkawi for 4 (four) times, and to Armansyah Yamin for 1 (one) time; in total during 2017 Nugroho I. Purbowinoto delegated his authority for 5 (five) times.

## 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 2017:

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



### SHARES OWNERSHIP OF MEMBERS OF THE BOARD OF COMMISSIONERS

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

The following are the Board of Commissioners' shares ownership in the Company in 2017:

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





## INDUCTION PROGRAM FOR THE BOARD OF COMMISSIONERS

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

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

## THE BOARD OF COMMISSIONERS COMPETENCE DEVELOPMENT PROGRAM

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

In 2017 the Board of Commissioners attend several development and training activities held by external party.

No	DATE	ATTENDANT	AGENDA	LOCATION
1	November 29 <sup>th</sup> , 2017	Irwan Sjarkawi	2018 Economic Projection by Universitas Bakrie and INDEF	Jakarta
2	December 9 <sup>th</sup> , 2017	Irwan Sjarkawi	Seminar Danau by Bappenas	Jakarta

## 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 2017, the Board of Commissioners meeting attendance is as follows:

NO	DATE	AGENDA	BOC		
			IS	AY	NIP
1	January 12 <sup>th</sup> , 2017	2017 Kick Off Meeting	1	1	1
2	March 21 <sup>st</sup> , 2017	Review on Audit report 2017	1	-	1
3	April 4 <sup>th</sup> , 2017	Review on Internal Control Report	1	1	1
4	May 23 <sup>rd</sup> , 2017	Preparation for AGMS, review on Committee's report	1	1	1

NO	DATE	AGENDA	BOC		
			IS	AY	NIP
5	August 22 <sup>nd</sup> , 2017	Discussion Financial Statement Q2 year 2017	1	-	1
6	October 9 <sup>th</sup> , 2017	Discussion concerning Internal Audit monitoring result semester 1 year 2017	1	-	1
7	November 14 <sup>th</sup> , 2017	Review on Financial Statement Q3 year 2017	1	-	1
8	November 21 <sup>st</sup> , 2017	Internal meeting with BOC Committees concerning evaluation on Committees performance in 2017	1	1	1
9	December 5 <sup>th</sup> , 2017	Discussion concerning budget 2017	1	-	1
TOTAL:			9	4	9
ATTENDANCE PERCENTAGE			100%	44%	100%

Note:

IS: Irwan Sjarkawi

AY: Armansyah Yamin

NIP: Nugroho I. Purbowinoto

## WORKING RELATIONS OF THE BOARD OF COMMISSIONERS AND DIRECTORS

The Board of Commissioners has the responsibility to supervise the Company's management by the Board of Directors and its management. To that end, the Board of Commissioners and Directors shall maintain a harmonious and synergic working relations, in accordance with the Company's Articles of Association. The Board of Commissioners and Board of Directors are stipulated by the Company's Articles of Association to hold a joint meeting at least 3 (three) times per year. During 2017, the Board of Commissioners and Board of Directors held 38 (thirty eight) Joint Meetings, with the following detailed agenda and attendance:

NO	DATE	AGENDA	BOC			BOD			
			IS	AY	NIP	BGU	AAP	DTW	YS
1	February 6 <sup>th</sup> , 2017	Revisited PT Bakrie & Brothers Tbk Strategic Plan	1	1	1	1	1	1	1
2	March 14 <sup>th</sup> , 2017	Operational and Financial Performance 2016 Presentation of PT Bakrie Indo Infrastructure	1	0	1	1	1	1	1
3	March 14 <sup>th</sup> , 2017	Operational and Financial Performance 2016 Presentation of PT Bakrie Metal Industries and Subsidiaries	1	1	1	1	1	1	1
4	March 15 <sup>th</sup> , 2017	Operational and Financial Performance 2016 Presentation of PT Multi Kontrol Nusantara	1	1	1	1	1	1	1
5	March 15 <sup>th</sup> , 2017	Operational and Financial Performance 2016 Presentation of PT Bakrie Solusi Strategis	1	1	1	1	1	1	1
6	March 15 <sup>th</sup> , 2017	Operational and Financial Performance 2016 Presentation of PT Bakrie Building Industries	1	1	1	1	1	1	1
7	March 16 <sup>th</sup> , 2017	Operational and Financial Performance 2016 Presentation of PT Bakrie Autoparts and PT Bakrie Steel Industries	1	0	1	1	1	1	1
8	March 21 <sup>st</sup> , 2017	BOD's report to BOC concerning PT Bakrie & Brothers Tbk Consolidated Financial Statement as of December 31 <sup>st</sup> , 2016	1	1	1	1	1	0	1
9	April 25 <sup>th</sup> , 2017	Presentation of 1st Quarter 2017 Operational and Financial Performance of PT Bakrie Indo Infrastructure	1	0	1	1	1	1	1

10	April 25th, 2017	Presentation of 1st Quarter 2017 Operational and Financial Performance of PT Bakrie Building Industries	1	0	1	1	1	1	1
11	April 25th, 2017	Presentation of 1st Quarter 2017 Operational and Financial Performance of PT Multi Kontrol Nusantara	1	0	1	1	1	1	1
12	April 25th, 2017	Presentation of 1st Quarter 2017 Operational and Financial Performance of PT Bakrie Solusi Strategis	1	0	1	1	1	1	1
13	April 27th, 2017	Presentation of 1st Quarter 2017 Operational and Financial Performance of PT Bakrie Autoparts	1	0	1	1	1	1	1
14	April 27th, 2017	BOD's report to BOC concerning PT Bakrie & Brothers Tbk Financial Statement as of March 31, 2017	1	0	1	1	1	1	1
15	April 28th, 2017	Presentation of 1st Quarter 2017 Operational and Financial Performance of PT Bakrie Metal Industries and Subsidiaries and Subsidiaries	1	0	1	1	1	1	1
16	May 10th, 2017	BOD's report to BOC concerning Operational and Financial Performance of PT Bakrie & Brothers Tbk's Subsidiaries	1	1	0	1	1	1	1
17	June 16th, 2017	Preparation for PT Bakrie & Brothers Tbk Annual General Meeting of Shareholders	1	1	1	1	1	1	1
18	July 28th, 2017	BOD's report to BOC concerning Mid-Year Financial Report as of June 30, 2017	1	1	1	1	1	1	0
19	August 2nd, 2017	Presentation of 1st Semester 2017 Operational and Financial Performance of PT Bakrie Indo Infrastructure	1	1	1	1	1	1	1
20	August 2nd, 2017	Presentation of 1st Semester 2017 Operational and Financial Performance of PT Bakrie Building Industries	1	0	1	1	1	1	1
21	August 2nd, 2017	Presentation of 1st Semester 2017 Operational and Financial Performance of PT Multi Kontrol Nusantara	1	0	1	1	1	1	1
22	August 2nd, 2017	Presentation of 1st Semester 2017 Operational and Financial Performance of PT Bakrie Solusi Strategis	1	0	1	1	1	1	1
23	August 3rd, 2017	Presentation of 1st Semester 2017 Operational and Financial Performance of PT Bakrie Autoparts and Bakrie Steel Industries	1	0	1	1	1	1	1
24	August 2nd, 2017	Presentation of 1st Semester 2017 Operational and Financial Performance of PT Bakrie Metal Industries and Subsidiaries	1	0	1	1	1	1	1
25	October 17th, 2017	Visitation and Observation from Assessor Team of Corporate Governance Perception Index 2017	1	0	1	1	1	1	1
26		Presentasi Kinerja Operasional dan Keuangan Kuartal 3 tahun 2017 PT Bakrie Indo Infrastructure	1	0	1	1	1	1	1
27	October 23rd, 2017	Presentation of 3rd Quarter 2017 Performance and FY 2017 Estimate of PT Bakrie Indo Infrastructure	1	0	1	1	1	1	1
28	October 23rd, 2017	Presentation of 3rd Quarter 2017 Performance and FY 2017 Estimate of PT Bakrie Building Industries	1	0	1	1	1	1	1
29	October 24th, 2017	Presentation of 3rd Quarter 2017 Performance and FY 2017 Estimate of PT Bakrie Autoparts and Bakrie Steel Industries	1	0	1	1	1	1	1
30	October 24th, 2017	Presentation of 3rd Quarter 2017 Performance and FY 2017 Estimate of PT Bakrie Solusi Strategis	1	0	1	1	1	1	1
31	October 25th, 2017	Presentation of 3rd Quarter 2017 Performance and FY 2017 Estimate of PT Bakrie Metal Industries and Subsidiaries	1	0	1	1	1	1	1
32	November 7th, 2017	BOD's report to BOC concerning Updating PT Bakrie & Brothers Tbk's Current Situation	1	0	1	1	1	1	1

33	December 4th, 2017	Presentation of 2017 Budget and Strategic Plan for 2018-2021 of PT Bakrie Autoparts and Bakrie Steel Industries	1	1	1	1	1	0	1
34	December 4th, 2017	Presentation of 2017 Budget and Strategic Plan for 2018-2021 of PT Bakrie Building Industries	1	0	1	1	1	1	1
35	December 4th, 2017	Presentation of 2017 Budget and Strategic Plan for 2018-2021 of PT Bakrie Metal Industries and Subsidiaries and subsidiaries	1	0	1	1	1	1	1
36	December 5th, 2017	Presentation of 2017 Budget and Strategic Plan for 2018-2021 of PT Bakrie Indo Infrastructure	1	0	1	1	1	1	1
37	December 5th, 2017	Presentation of 2017 Budget and Strategic Plan for 2018-2021 of PT Bakrie Solusi Strategis	1	0	1	1	1	1	1
38	December 5th, 2017	Presentation of 2017 Budget and Strategic Plan for 2018-2021 of PT Multi Kontrol Nusantara	1	0	1	1	1	1	1
<b>TOTAL:</b>			<b>38</b>	<b>11</b>	<b>37</b>	<b>38</b>	<b>38</b>	<b>36</b>	<b>37</b>

**Note:**

IS: Irwan Sjarkawi

AY: Armansyah Yamin

NIP: Nugroho I. Purbowinoto

BGU: Bobby Gafur S. Umar

AAP: A. Amri Aswono Putro

DTW: Dody Taufiq Wijaya

YS: R.A. Sri Dharmayanti

## Commissioners Attendance in BOC-BOD Joint Meeting

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

NAMA	TOTAL OF MEETINGS HELD IN A YEAR	ATTENDANCE	PERCENTAGE OF ATTENDANCE IN MEETING
Irwan Sjarkawi	38	38	100%
Armansyah Yamin	38	11	29%
Nugroho I. Purbowinoto	38	37	97%

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

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

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

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



## THE BOARD OF COMMISSIONERS PERFORMANCE ASSESSMENT

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

### BOARD OF COMMISSIONERS KPI

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

NO	PARAMETER	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 2017, as follows:

POSITION	2017	2016
Board of Commissioners	Rp11,410,864,610,-	Rp 11,170,922,091.-

### The Board of Commissioners Allowances and Facilities

The Company regulates the allowances and facilities stipulations of the Board of Commissioners in 2017, as follows:

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

## Board of Directors

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



### BOARD OF DIRECTORS CHARTER

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

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

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

### DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

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

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

## Segregation of Duties of the Board of Directors

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

- **President Director & Chief Executive Officer (CEO)**

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

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

- **Director and Chief of Financial Officer (CFO)**

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

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

- **Director & Chief Legal Officer (CLO)**

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

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

- **Director & Chief Risk Officer (CRO)**

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

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

## Board of Directors Composition

BNBR is led by the President Director/Chief Executive Officer and assisted by the members of the Board of Directors, of whom are selected, appointed, and terminated through GMS. Pursuant to the resolutions of Annual General Meeting of Shareholders dated June 18th, 2015, the composition and appointment of the Board of Directors up to the end of 2017, are as follows:

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

## DELEGATION OF AUTHORITY

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

During 2017 there was no delegation of authority among Board of Directors members to attend meeting.

## INDEPENDENT DIRECTOR

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

Independent Director must meets the following conditions:

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

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



## CONCURRENT POSITION OF MEMBERS OF THE BOARD OF COMMISSIONERS

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

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

The following are the Board of Directors' description on concurrent position in 2017:

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

## SHARES OWNERSHIP OF MEMBERS OF THE BOARD OF DIRECTORS

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

There was no shares ownership by the Board of Directors during 2017

## 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 2017 there is no new member of Board of Directors, therefore the Induction Program was not executed.

## THE BOARD OF DIRECTORS COMPETENCE DEVELOPMENT PROGRAM

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

In 2017 the Board of Commissioners attend several development and training activities held by external party.

No.	DATE	ATTENDANT	AGENDA	ORGANIZER	LOCATION
1	March 9 <sup>th</sup> -11 <sup>th</sup> , 2017	R. A. Sri Dharmayanti	Rights Issue, Non Pre-emptive Rights, & Contract Drafting	BLC	Sentul
2	May 14 <sup>th</sup> -15 <sup>th</sup> , 2017	R. A. Sri Dharmayanti	Coaltrans Asia Conference	Coltrans Asia	Bali
3	July 18 <sup>th</sup> , 2017	R. A. Sri Dharmayanti	ICSA: Workshop "Optimise Your Core Potential as Corporate Secretary for Corporate Transformation and Global Positioning" and ICSA Annual General Meeting of Members	ICSA	Hotel Le Meridien
4	November 6 <sup>th</sup> , 2017	R. A. Sri Dharmayanti	CEO Focus	AEI	IDX Mainhall

## 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 44 (forty four) meetings during 2017, with the following details:

### Board of Directors Internal Meetings

NO	DATE	AGENDA	BOD			
			BGU	AAP	DTW	YS
1	January 26 <sup>th</sup> , 2017	Updating on Company's Current Situation	1	1	1	1
2	January 30 <sup>th</sup> , 2017	Discussion concerning PT Bakrie & Brothers Tbk Annual Financial Statement as of December 31st, 2016	1	1	1	1
3	January 31 <sup>st</sup> , 2017	Discussion concerning Operational Activity Plan of PT Bakrie & Brothers Tbk and Subsidiaries	1	1	1	1
4	February 22 <sup>nd</sup> , 2017	Discussion concerning PT Bakrie & Brothers Tbk Annual Report 2016	1	1	1	1
5	March 14 <sup>th</sup> , 2017	Discussion concerning the Result of Performance 2016 of PT Bakrie Indo Infrastructure	1	1	1	1
6	March 14 <sup>th</sup> , 2017	Discussion concerning the Result of Performance 2016 of PT Bakrie Metal Industries	1	1	1	1
7	March 15 <sup>th</sup> , 2017	Discussion concerning the Result of Performance 2016 of PT Bakrie Multi Kontrol Nusantara	1	1	1	1
8	March 15 <sup>th</sup> , 2017	Discussion concerning PT Bakrie and Brothers Tbk's Subsidiaries	1	1	1	1

NO	DATE	AGENDA	BOD			
			BGU	AAP	DTW	YS
9	March 15 <sup>th</sup> , 2017	Discussion concerning the Result of Performance 2016 of PT Bakrie Solusi Strategis	1	1	1	1
10	March 15 <sup>th</sup> , 2017	Discussion concerning the Result of Performance 2016 of PT Bakrie Building Industries	1	1	1	1
11	March 16 <sup>th</sup> , 2017	Discussion concerning the Result of Performance 2016 of PT Bakrie Autoparts and PT Bakrie Steel Industries	1	1	1	1
12	March 21 <sup>st</sup> , 2017	Discussion concerning PT Bakrie & Brothers Tbk Financial Statement as of December 31, 2016	1	1	0	1
13	April 17 <sup>th</sup> , 2017	Discussion concerning Corporate Action Plan and Preparation of General Meeting of Shareholders	1	1	1	1
14	April 25 <sup>th</sup> , 2017	Discussion concerning Presentation on Operational and Financial Performance 1st Quarter 2017 of PT Bakrie Indo Infrastructure	1	1	1	1
15	April 25 <sup>th</sup> , 2017	Discussion concerning Presentation on Operational and Financial Performance 1st Quarter 2017 of PT Bakrie Building Industries	1	1	1	1
16	April 25 <sup>th</sup> , 2017	Discussion concerning Presentation on Operational and Financial Performance 1st Quarter 2017 of PT Multi Kontrol Nusantara	1	1	1	1
17	April 25 <sup>th</sup> , 2017	Discussion concerning Presentation on Operational and Financial Performance 1st Quarter 2017 of PT Bakrie Solusi Strategis	1	1	1	1
18	April 27 <sup>th</sup> , 2017	Discussion concerning Presentation on Operational and Financial Performance 1st Quarter 2017 of PT Bakrie Autoparts	1	1	1	1
19	April 25 <sup>th</sup> , 2017	Discussion concerning PT Bakrie & Brothers Tbk Financial Statement as of March 31, 2016	1	1	1	1
20	May 3 <sup>rd</sup> , 2017	BOD Monthly Meeting	1	1	1	1
21	May 4 <sup>th</sup> , 2017	Discussion concerning PT Bakrie and Brothers Tbk's Subsidiaries	1	1	1	1
22	May 8 <sup>th</sup> , 2017	Discussion concerning PT Bakrie and Brothers Tbk's Subsidiaries (con't)	1	1	1	1
23	May 9 <sup>th</sup> , 2017	Updating on Company's Current Situation	1	1	1	1
24	June 2 <sup>nd</sup> , 2017	BOD Monthly Meeting	1	1	1	1
25	June 12 <sup>th</sup> , 2017	Discussion concerning PT Bakrie and Brothers Tbk Subsidiaries' Performance	1	1	1	1
26	July 11 <sup>th</sup> , 2017	Preparation of Extraordinary General Meeting of Shareholders	1	1	1	1
27	July 28 <sup>th</sup> , 2017	Discussion concerning PT Bakrie & Brothers Tbk Mid-Year Financial Statement	1	1	1	0
28	August 2 <sup>nd</sup> , 2017	Discussion concerning Operational and Financial Performance 1st Semester 2017 of PT Bakrie Indo Infrastructure	1	1	1	1
29	August 2 <sup>nd</sup> , 2017	Discussion concerning Operational and Financial Performance 1st Semester 2017 of PT Bakrie Building Industries	1	1	1	1
30	August 2 <sup>nd</sup> , 2017	Discussion concerning Operational and Financial Performance 1st Semester 2017 of PT Multi Kontrol Nusantara	1	1	1	1
31	August 2 <sup>nd</sup> , 2017	Discussion concerning Operational and Financial Performance 1st Semester 2017 of PT Bakrie Solusi Strategis	1	1	1	1
32	August 3 <sup>rd</sup> , 2017	Discussion concerning Operational and Financial Performance 1st Semester 2017 of PT Bakrie Autoparts and Bakrie Steel Industries	1	1	1	1
33	August 3 <sup>rd</sup> , 2017	Discussion concerning Operational and Financial Performance 1st Semester 2017 of PT Bakrie Metal Industries and its Subsidiaries	1	1	1	1
34	October 2 <sup>nd</sup> , 2017	BOD Monthly Meeting	1	1	1	1
35	October 5 <sup>th</sup> , 2017	Updating on Company's Current Situation	1	1	1	1

NO	TANGGAL	AGENDA	DIREKSI			
			BGU	AAP	DTW	YS
36	October 16 <sup>th</sup> , 2017	Discussion concerning the Result of Internal Audit	1	1	1	1
37	November 1 <sup>st</sup> , 2017	BOD Monthly Meeting	1	1	0	1
38	December 4 <sup>th</sup> , 2017	Discussion concerning 2018 Budget and Strategic Plan for 2019-2021 of PT Bakrie Autoparts & Bakrie Steel Industries	1	1	1	1
39	December 4 <sup>th</sup> , 2017	Discussion concerning 2018 Budget and Strategic Plan for 2019-2021 of PT Bakrie Building Industries	1	1	1	1
40	December 4 <sup>th</sup> , 2017	Discussion concerning 2018 Budget and Strategic Plan for 2019-2021 of PT Bakrie Metal Industries	1	1	1	1
41	December 5 <sup>th</sup> , 2017	Discussion concerning 2018 Budget and Strategic Plan for 2019-2021 of PT Bakrie Indo Infrastructure	1	1	1	1
42	December 5 <sup>th</sup> , 2017	Discussion concerning 2018 Budget and Strategic Plan for 2019-2021 of PT Bakrie Solusi Strategis	1	1	1	1
43	December 5 <sup>th</sup> , 2017	Discussion concerning 2018 Budget and Strategic Plan for 2019-2021 of PT Bakrie Multi Kontrol Nusantara	1	1	1	1
44	December 11 <sup>th</sup> , 2017	Preparation of Annual Public Expose	1	1	1	1
TOTAL			44	44	42	43
ATTENDANCE PERCENTAGE			100%	100%	95%	98%

**Note:**

BGU: Bobby Gafur S. Umar

AAP: A. Amri Aswono Putro

DTW: Dody Taufiq Wijaya

YS: R.A. Sri Dharmayanti

## DIRECTORS ATTENDANCE IN BOC-BOD JOINT MEETING

During 2017, the Board of Commissioners and Board of Directors held 38 (thirty eight) Joint Meetings, with detailed agenda and attendance as described in this Annual Report page 128-130.

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

NAME	TOTAL OF MEETINGS HELD IN A YEAR	ATTENDANCE	PERCENTAGE OF ATTENDANCE IN MEETING
Bobby Gafur S. Umar	38	38	100%
A. Amri Aswono Putro	38	38	100%
Dody Taufiq Wijaya	38	36	95%
R. A. Sri Dharmayanti	38	37	97%





## BOARD OF DIRECTORS PERFORMANCE ASSESSMENT

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

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

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 managerials 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
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 2017, as follows:

POSITION	2017	2016
Board of Directors	Rp 38,889,223,723,-	Rp 36,953,899,141,-

### The Board of Directors Allowances and Facilities

The Company regulates the allowances and facilities stipulations of the Board of Directors in 2017, as follows:

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

### AFFILIATED RELATIONS OF THE BOARD OF COMMISSIONERS AND DIRECTORS

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

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

BOARD OF COMMISSIONERS & DIRECTORS	FAMILIAL RELATIONS WITH						FINANCIAL RELATIONS WITH						DESCRIPTION ON FAMILIAL RELATIONS AND/OR FINANCIAL RELATIONS
	BOARD OF COMMISSIONERS		DIRECTORS		CONTROLLING SHAREHOLDERS		BOARD OF COMMISSIONERS		DIRECTORS		CONTROLLING SHAREHOLDERS		
	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	YES	NO	
Irwan Sjarkawi	-	√	-	√	-	√	-	√	-	√	-	√	-
Armansyah Yamin	-	√	-	√	-	√	-	√	-	√	-	√	-
Nugroho I.Purbowinoto	-	√	-	√	-	√	-	√	-	√	-	√	-
Bobby Gafur S. Umar	-	√	-	√	-	√	-	√	-	√	-	√	-
A. Amri Aswono Putro	-	√	-	√	-	√	-	√	-	√	-	√	-
Dody Taufiq Wijaya	-	√	-	√	-	√	-	√	-	√	-	√	-
R.A. Sri Dharmayanti	-	√	-	√	-	√	-	√	-	√	-	√	-

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

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

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

The following are the diversity in BNBR's Board of Commissioners and Directors composition in 2017.

#### Diversity Based on Age

	30 – 40 yr	40 – 50 yr	50 – 60 yr	60 yr<
Board of Commissioners	–	–	–	3
Board of Directors	–	2	2	–

#### Diversity Based on Gender

	Male	Female
Board of Commissioners	3	–
Board of Directors	3	1

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

	5 – 10 yr	10 – 15 yr	15 – 20 yr	20 yr<
Board of Commissioners	–	–	–	3
Board of Directors	–	1	3	–

#### Diversity Based on Education

	Graduates	Post Graduates	Honorary Degree	Honorary Member
Board of Commissioners	2	1	–	1
Board of Directors	–	4	–	2

## Functions Supporting the Board of Commissioners

### THE SECRETARY TO THE BOARD OF COMMISSIONERS

The Secretary to the Board of Commissioners is appointed by and responsible to the Board of Commissioners. The responsibilities of Secretary to the BOC are to manage the administration and the implementation of Good Corporate Governance in assisting the BOC to conduct an effective supervision function.



### Lifransyah Gumay, SE Ak. MM. CA

*Secretary to the Board  
of Commissioners*

Lifransyah Gumay, an Indonesian, born in 1961. Began his career in 1986 with the Public Accounting Firm Drs. Santoso Harsokusumo (member of Arthur Young International). Appointed as the Company's Audit Committee member since December 2013. He has served as manager level and board of directors in several companies as well as consultant in the General Election, Business Competition Supervisory Commission and expert staff of Parliament of RI and Audit Committee Member of SOEs Banks. He earned a Bachelor of Economics degree majoring in Accounting from the University of Indonesia in 1986 and Master degree in Management from the School of Management LPMI in 2003.

### 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.

During 2017 Secretary to the Board of Commissioners has attended the following development program::

NO	DATE	AGENDA	LOCATION
1	April 2017	Leadership Assessment by Daya Dimensi Indonesia	Jakarta
2	September 2017	Leadership on Global Perspective, Short Course by Daya Dimensi Indonesia	Jakarta
3	October – December 2017	Leadership Coaching by Daya Dimensi Indonesia	Jakarta



## 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. 02/SK-DEKOM/BNBR/I/2017, as of January 18th, 2017, the Audit Committee's composition for the period of 2017-2019 is as follows:

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

### Profile of Audit Committee Member

1. Irwan Sjarkawi (see profile of Board of Commissioners)
2. Nugroho I. Purbowinoto (see profile of Board of Commissioners)
3. Lifransyah Gumay (see profile of Secretary to the Board of Commissioners)



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

#### Audit Committee

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 Audit Committee Members

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

During 2017 the company's Audit Committee members attended the following development program:

NO	DATE	AGENDA	LOCATION
1	March 6th, 2017	Workshop on New Stipulation of Accounting Income (ED PSAK 72) by IAPI	Jakarta
2	March 10th, 2017	Implementation of Rule VIII.G.7 by OJK and IAPI	Jakarta
3	July 27th, 2017	Seminar on Role of Public Accountant in Increasing State Revenue by IAPI	Jakarta
4	November 24th, 2017	Accounting and Audit Aspect in Financial Statement Preparation for Financing Institution by OJK and IAPI	Jakarta

### Audit Committee Duties Implementation

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

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

### Audit Committee Members Meeting and Attendance

During 2017, 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 2017:

NO	DATE	AGENDA	AUDIT COMMITTEE			
			IS	NIP	LG	AD
1	March 21st, 2017	Discussion concerning Public Accounting Firm audit result on 2016 Financial Statement	1	1	1	1
2	April 4th, 2017	Discussion concerning Internal Audit monitoring result and 2017 audit plan	1	1	1	1
3	April 26th, 2017	Discussion concerning internal control recommendation	1	1	1	1
4	May 23rd, 2017	Discussion concerning internal audit manager appointing and interim Financial Statement	1	1	1	1
5	June 16th, 2017	Discussion concerning the appointment of public accounting firm as External Auditor	1	1	1	1
6	July 11th, 2017	Meeting with Internal Audit team	1	1	1	1
7	August 15th, 2017	Discussion concerning Internal Audit monitoring result	1	1	1	1
8	October 9th, 2017	Discussion concerning management letter from Public Accounting Firm	1	1	1	1

9	November 14th, 2017	Discussion with Public Accounting Firm concerning audit plan 2017 Financial Statement	1	1	1	1
10	November 21st, 2017	Discussion concerning 3rd quarter 2017 Financial Statement	1	1	1	1
11	December 5th, 2017	Discussion concerning Internal Audit monitoring result and 2017 audit plan	1	1	1	1
<b>TOTAL</b>			<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
<b>Note:</b> IS : Irwan Sjarkawi NIP : Nugroho I. Purbowinoto LG : Lifransyah Gumay 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 *tantiem* and variables incentives.
3. Reviewing the appropriateness of remuneration system for the Board of Directors and the Board of Commissioners, as well as to recommend any necessary adjustment by taking into account the relations between awarded remuneration levels with the set performance achievements.
4. Providing recommendations on nomination system, transparent remuneration evaluations for the Board of Commissioners, Directors and one-down executives under the Directors for further recommendation to the Board of Commissioners.
5. Reviewing the appropriateness of rewarding policies and the usage of available facilities for the Board of Commissioners, Directors and one-down executives under the Directors, and to provide recommendation on necessary improvements/amendments.
6. Stipulating the policies in the formulation of salary system and benefits rewarding as well as reviewing and recommending the performance achievement, incentives rewarding, pension and compensation systems in the event of employees reduction.
7. Developing the selection criteria and nomination procedures of the members of the Board of Commissioners and Directors, and other executives, and providing recommendation on the number of the Board of Directors and Commissioners.



## Nomination and Remuneration Committee Independence

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

## Nomination and Remuneration Committee Membership Composition

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

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

## Profile of Nomination and Remuneration Committee Member

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

## COMPETENCE DEVELOPMENT PROGRAM FOR NOMINATION AND REMUNERATION COMMITTEE MEMBERS

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

## Nomination and Remuneration Committee Duties Implementation

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

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



## Okder Pendrian

### *Nomination and Remuneration Committee*

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

## Nomination and Remuneration Committee Members Meeting and Attendance

NO	DATE	AGENDA	NOMINATION & REMUNERATION COMMITTEE		
			IS	NIP	OP
1	March 7th, 2017	Evaluation of Company's Executives performance year 2016	1	1	1
2	June 20th, 2017	Planning of performance improvement of Company's Executives	1	1	1
3	September 26th, 2017	Update on new issues and regulation regarding Nomination and Remuneration Committee	1	1	1
4	November 21st, 2017	Review on performance of the Director of subsidiaries and Company executives	1	1	1
TOTAL			4	4	4

**Note:**

IS : Irwan Sjarkawi

NIP : Nugroho I. Purbowinoto

OP : Okder Pendrian

## Policies on Board of Directors Succession

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

## RISK MANAGEMENT COMMITTEE

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

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

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

## Duties and Responsibilities of Risk Management Committee

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

1. Ensuring implementation of comprehensive company risk management ranging from formulation of policies, provision of resources and facilities, completeness of procedures and application practices, implemented efficiently and effectively in accordance with international standard and prevailing law.
2. Conducting evaluation on risk management policies and assess the risk appetite and risk tolerance stipulated by Board of Directors.
3. Conducting evaluation on adequacy of facilities, infrastructures, resources and competencies to implement Enterprise Risk Management (ERM).
4. Ensuring implementation of ERM program is in accordance with internationally acknowledged ERM standards.
5. Requesting and collecting reports in a periodic basis from BOD concerning business risks encountered.
6. Conducting discussion, evaluation, verification and recommendation on risk management reports from BOD and delivers the result to BOC.
7. If deemed necessary the committee may request inputs and recommendations from experts on risk management implementation.

## Risk Management Committee Independence

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

### Risk Management Committee Membership Composition

The composition of Risk Management Committee for the period of 2017 to 2019 was stipulated based on the Board of Commissioners Decree No. 04/SK-DEKOM/BNBR/I/2017 dated January 18th, 2017 with the following composition:

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

### Profile of Risk Management Committee Member

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

### COMPETENCE DEVELOPMENT PROGRAM FOR RISK MANAGEMENT COMMITTEE MEMBERS

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.

### Risk Management Committee Duties Implementation

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

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

### Risk Management Committee Members Meeting and Attendance

NO	DATE	AGENDA	RISK MANAGEMENT COMMITTEE			
			NIP	AY	LG	AD
1	March 20 <sup>th</sup> , 2017	Discussion concerning implementation of risk management in 2016 and 2017 programs	1	1	-	1
2	April 4 <sup>th</sup> , 2017	Discussion concerning internal control recommendation	1	1	1	1
3	May 23 <sup>rd</sup> , 2017	Internal meeting of Risk Management Committee with various agendas	1	1	1	1
4	August 15 <sup>th</sup> , 2017	Discussion concerning implementation of risk management in 1st semester 2017	1	1	1	1
5	November 21 <sup>st</sup> , 2017	Discussion concerning Financial Statement 3rd quarter 2016	1	1	1	1
6	December 5 <sup>th</sup> , 2017	Discussion concerning implementation of risk management in year 2017	1	-	1	1
TOTAL			6	5	5	6

Note:  
 NIP : Nugroho I. Purbowinoto  
 AY : Armansyah Yamin  
 LG : Lifransyah Gumay  
 AD : Arief Dhani

## CORPORATE GOVERNANCE COMMITTEE

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

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

### Duties and Responsibilities of Corporate Governance Committee

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

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

### Corporate Governance Committee Independency

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

### Corporate Governance Committee Membership Composition

The composition of Corporate Governance Committee for the period of 2017 to 2019 was stipulated based on the Board of Commissioners Decree No. 03/SK-DEKOM/BNBR/I/2017 dated January 18th, 2017 with the following composition:

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

### Profile of Corporate Governance Management Committee Member

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



## 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		
			NIP	IS	DTW
1	March 21st, 2017	Review of GCG implementation in 2016	1	1	1
2	May 23rd, 2017	Annual Report review year 2016	1	1	1
3	August 22nd, 2017	Review of GCG implementation interim 2017	1	1	1
4	November 14th, 2017	Review on socialisation of GCG in BNBR and Subsidiary Companies	1	1	1
TOTAL			4	4	4

**Note:**

NIP : Nugroho I. Purbowinoto  
 IS : Irwan Sjarkawi  
 DTW : Dody Taufiq Wijaya

## Functions Supporting the Board of Directors

### CORPORATE SECRETARY

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

In 2015 there is a replacement of Corporate Secretary official, starting June 5, 2015 the Corporate Secretary official of PT Bakrie & Brothers Tbk is Christofer A. Uktolseja, who replaced previous official namely R.A. Sri Dharmayanti. The appointment of Christofer A. Uktolseja as Corporate Secretary was ratified by the Decision Letter of Board of Directors No.003/SK-BOD-BNBR/VI/15 dated June 5th, 2015, and has been informed to OJK through letter No.046/BNBR/CS-OJK/VI/15 dated June 8th, 2015.

## Corporate Secretary Duties

The Corporate Secretary duties cover the following:

1. A liaison between the Company with OJK, Shareholders, Self Regulatory Organization (SRO), other Institutions, and public.
2. Provide suggestion to the Board of Directors on the compliance towards relevant regulations, and to hold firmly on the Company's standard of ethics.
3. Prepare and disseminate accurate and complete information regarding the Company's performance to the Capital Market community and other stakeholders.
4. Assist the Board of Directors in:
  - Information dissemination to the Board of Directors regarding the requirement of the Board of Commissioners, OJK, SRO and other Institutions.
  - Ensuring the Company's fulfillment in its obligations to reporting and information transparency in timely and accurate manners.
5. Documenting several activities and information on the Company as well as to publish it on time in accordance with the Company's policy.
6. Conducting update on the Capital Market industry development, specifically the prevailing regulations in the Capital Market, as well as GCG practices so as to provide whenever necessary any information required by the Board of Commissioners, Directors, and internal parties.
7. Maintain and enhance the Company's positive image, both nationally and internationally.

## 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 2017 Corporate Secretary has attended the following development program:



## Christofer Alexander Uktolseja

*Corporate Secretary*

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

NO	DATE	AGENDA	ORGANIZER	LOCATION
1	February 7 <sup>th</sup> , 2017	Workshop "Shareholders Support – Legal Aspect of Shareholders Loan"	ICSA	IDX Mainhall
2	February 22 <sup>nd</sup> – 23 <sup>rd</sup> , 2017	"Corporate Secretary - The CG Officer" Batch 2	ICSA	Le Meridien Hotel
3	March 8 <sup>th</sup> , 2017	ICSA: Workshop "Merger and Acquisition and Discussion on POJK 74/POJK.14/2016 and Bapepam-LK Rule IX.H.1"	ICSA	IDX Mainhall
4	March 9 <sup>th</sup> – 11 <sup>th</sup> , 2017	Rights Issue, Non Pre-emptive Rights, & Contract Drafting	BLC	Sentul
5	April 13 <sup>th</sup> , 2017	Socialization of Annual Report Award 2016, POJK No.10-2017 and POJK No. 11-2017	ICSA	IDX Mainhall
6	May 15 <sup>th</sup> , 2017	Workshop "Socialization of POJK No. 07/POJK.04/2017, POJK No. 08/POJK.04/2017 and POJK No. 09/POJK.04/2017"	ICSA	IDX Mainhall
7	May 17 <sup>th</sup> , 2017	Socialization of Regulation Explanation and E-Registration System	OJK	Borobudur Hotel
8	July 18 <sup>th</sup> , 2017	ICSA: Workshop "Optimise Your Core Potential as Corporate Secretary for Corporate Transformation and Global Positioning" and ICSA Annual General Meeting of Members	ICSA	Le Meridien Hotel
9	July 18 <sup>th</sup> – 20 <sup>th</sup> , 2017	Professional Director Program 2017	IICD	Pullman Hotel
10	July 21 <sup>st</sup> , 2017	Workshop on Implementation of Electronic Based Disclosure System of Registration or Corporate Action (E-Registration)	OJK	Pullman Hotel
11	July 26 <sup>th</sup> , 2017	Socialization of POJK number 13/POJK. 03/2017	IDX	IDX Mainhall
12	August 16 <sup>th</sup> , 2017	Seminar on POJK 21/POJK.04/2015 concerning Implementation of Corporate Governance Guideline	OJK	IDX Mainhall
13	September 6 <sup>th</sup> , 2017	Socialization of POJK No. 13/POJK.03/2017 concerning Use of Public Accountant Services in Financial Services Activity and POJK No. 51/POJK.03/2017 concerning Application of Sustainable Finance to Financial Services Institution, Issuer, and Publicly Listed Companies.	AEI	IDX Mainhall
14	September 27 <sup>th</sup> , 2017	Corporate Secretary Dialogue concerning POJK 51/POJK.03/2017	ICSA	Intiland Tower
15	October 5 <sup>th</sup> , 2017	Seminar on Conversion Rule and Revision of Old Rule to POJK	ICSA	IDX Mainhall
16	November 6 <sup>th</sup> , 2017	CEO Focus	AEI	IDX Mainhall
17	November 20 <sup>th</sup> , 2017	Indonesia 2018: Sailing through economic and political tide	KSEI	IDX Mainhall

## Corporate Secretary Duties Implementation in 2017

The Corporate Secretary activities in 2017 are as follows:

- 2017 Annual GMS preparation and implementation
- Held the Public Expose
- Conducted communication with the regulators and relevant institutions

NO.	DATE	ADDRESSED TO	SUBJECT	REGULATION
1	January 6 <sup>th</sup> , 2017	IDX	Monthly Report on Share Registrar As of December 31, 2016	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
2	January 9 <sup>th</sup> , 2017	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of December 2016	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009
3	January 25 <sup>th</sup> , 2017	FSA	Information Disclosure	Financial Service Authority Regulation No. 32/POJK.04/2014 concerning Disclosure of Information or Material Facts by Issuer or Public Company
4	February 8 <sup>th</sup> , 2017	IDX	Monthly Report on Share Registrar As of January 31, 2016	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
5	February 8 <sup>th</sup> , 2017	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of January 2017	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009
6	February 14 <sup>th</sup> , 2017	IDX	Respond to Request of Explanation Concerning Volatility of Stock Transaction	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
7	March 6 <sup>th</sup> , 2017	IDX	Monthly Report on Share Registrar As of February, 2017	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
8	March 8 <sup>th</sup> , 2017	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of February 2017	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009
9	March 15 <sup>th</sup> , 2017	IDX	Application of Capital Increases Without Pre-Emptive Rights for Public Companies	Financial Service Authority Regulation No. 38/POJK.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
10	March 22 <sup>nd</sup> , 2017	FSA	Announcement of Capital Increases Without Pre-Emptive Rights for Public Companies Execution	Financial Service Authority Regulation No. 38/POJK.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
11	March 24 <sup>th</sup> , 2017	FSA	Submission of Annual Consolidated Financial Statement of PT Bakrie & Brothers Tbk as of December 31, 2016 (audited)	Bapepam Rule No. X.K.2 Concerning Obligation to Submit Periodic Financial Statement
12	March 24 <sup>th</sup> , 2017	FSA	Submission of Advertisement Proof for BNBR Annual and Extraordinary General Meeting of Shareholders Announcement	Financial Service Authority Regulation No. 32/POJK.04/2014 Concerning Planning and Conducting of General Meeting of Shareholders of Public Companies
13	April 3 <sup>rd</sup> , 2017	IDX	Announcement of Capital Increases Without Pre-Emptive Rights for Public Companies Result	Financial Service Authority Regulation No. 38/POJK.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
14	April 4 <sup>th</sup> , 2017	FSA	Announcement of Capital Increases Without Pre-Emptive Rights for Public Companies Execution Result to Public	Financial Service Authority Regulation No. 38/POJK.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
15	April 7 <sup>th</sup> , 2017	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of March 2017	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009



NO.	DATE	ADDRESSED TO	SUBJECT	REGULATION
16	April 7 <sup>th</sup> , 2017	IDX	Monthly Report on Share Registrar As of March 2017	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
17	April 20 <sup>th</sup> , 2017	FSA	Announcement of BNBR Annual and Extraordinary General Meeting of Shareholders Agenda	Financial Service Authority Regulation No. 32/POJK.04/2014 Concerning Planning and Conducting of General Meeting of Shareholders of Public Companies
18	April 26 <sup>th</sup> , 2017	FSA	Announcement of BNBR Annual and Extraordinary General Meeting of Shareholders Reschedule	Financial Service Authority Regulation No. 32/POJK.04/2014 Concerning Planning and Conducting of General Meeting of Shareholders of Public Companies
19	April 28 <sup>th</sup> , 2017	IDX	Submission of Consolidated Interim Financial Statement BNBR and Subsidiaries As of March 2017	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
20	April 28 <sup>th</sup> , 2017	IDX	Submission of PT Bakrie & Brothers Tbk Annual Report Fiscal Year 2016	Bapepam Rule No. X.K.6 Concerning Obligation to Submit Annual Report for Issuers or Public Companies
21	April 28 <sup>th</sup> , 2017	FSA	Submission of PT Bakrie & Brothers Tbk Annual Report Fiscal Year 2016	Bapepam Rule No. X.K.6 Concerning Obligation to Submit Annual Report for Issuers or Public Companies
22	May 4 <sup>th</sup> , 2017	FSA	Announcement of BNBR Annual and Extraordinary General Meeting of Shareholders Agenda	Financial Service Authority Regulation No. 32/POJK.04/2014 Concerning Planning and Conducting of General Meeting of Shareholders of Public Companies
23	May 4 <sup>th</sup> , 2017	IDX	Monthly Report on Share Registrar As of April 2017	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
24	May 10 <sup>th</sup> , 2017	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of April 2017	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009
25	May 12 <sup>th</sup> , 2017	FSA	Information Submission to Shareholders concerning Capital Increases Without Pre-Emptive Rights for Public Companies	Financial Service Authority Regulation No. 38/POJK.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
26	May 12 <sup>th</sup> , 2017	FSA	Submission of Advertisement Proof for BNBR Annual and Extraordinary General Meeting of Shareholders Announcement	Financial Service Authority Regulation No. 32/POJK.04/2014 Concerning Planning and Conducting of General Meeting of Shareholders of Public Companies
27	May 29 <sup>th</sup> , 2017	FSA	Submission of Advertisement Proof for BNBR Annual and Extraordinary General Meeting of Shareholders Announcement	Financial Service Authority Regulation No. 32/POJK.04/2014 Concerning Planning and Conducting of General Meeting of Shareholders of Public Companies
28	June 2 <sup>th</sup> , 2017	FSA	Respond of change and/or Additional Information towards Information Disclosure concerning Capital Increases Without Pre-Emptive Rights for PT Bakrie & Brothers Tbk	Financial Service Authority Regulation No. 38/POJK.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
29	June 6 <sup>th</sup> , 2017	IDX	Respond to Request of Explanation and Document	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
30	June 8 <sup>th</sup> , 2017	IDX	Monthly Report on Share Registrar As of May 2017	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
31	June 8 <sup>th</sup> , 2017	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of May 2017	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009



NO.	DATE	ADDRESSED TO	SUBJECT	REGULATION
32	June 16 <sup>th</sup> , 2017	FSA	Submission of Additional Documents of Application for Pre-Listing of Mandatory Convertible Bonds for Additional Shares through Capital Increases Without Pre-Emptive Rights for Public Companies	Financial Service Authority Regulation No. 38/POJK.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
33	June 20 <sup>th</sup> , 2017	FSA	Announcement of BNBR Annual and Extraordinary General Meeting of Shareholders Postponement	Financial Service Authority Regulation No. 32/POJK.04/2014 Concerning Planning and Conducting of General Meeting of Shareholders of Public Companies
34	June 22 <sup>nd</sup> , 2017	FSA	Submission of Advertisement Proof for BNBR Annual and Extraordinary General Meeting of Shareholders Announcement	Financial Service Authority Regulation No. 32/POJK.04/2014 Concerning Planning and Conducting of General Meeting of Shareholders of Public Companies
35	June 22 <sup>nd</sup> , 2017	FSA	Submission of BNBR Annual and Extraordinary General Meeting of Shareholders Resolution	Financial Service Authority Regulation No. 32/POJK.04/2014 Concerning Planning and Conducting of General Meeting of Shareholders of Public Companies
36	July 7 <sup>th</sup> , 2017	IDX	Monthly Report on Share Registrar As of June 2017	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
37	July 7 <sup>th</sup> , 2017	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of June 2017	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009
38	July 10 <sup>th</sup> , 2017	FSA	Submission of Additional Information towards Information Disclosure concerning Capital Increases Without Pre-Emptive Rights for PT Bakrie & Brothers Tbk	Financial Service Authority Regulation No. 38/POJK.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
39	July 12 <sup>th</sup> , 2017	FSA	Appointment of Internal Audit Unit Head of PT Bakrie & Brothers Tbk	Financial Services Authority Regulation No. 56/POJK.04/2015 concerning Establishment and Guidelines for Preparation of Internal Audit Charter
40	July 14 <sup>th</sup> , 2017	FSA	Submission of BNBR Annual and Extraordinary General Meeting of Shareholders Resolution	Financial Service Authority Regulation No. 32/POJK.04/2014 Concerning Planning and Conducting of General Meeting of Shareholders of Public Companies
41	July 14 <sup>th</sup> , 2017	FSA	Submission of Advertisement Proof for BNBR Annual and Extraordinary General Meeting of Shareholders Resolution	Financial Service Authority Regulation No. 32/POJK.04/2014 Concerning Planning and Conducting of General Meeting of Shareholders of Public Companies
42	July 20 <sup>th</sup> , 2017	FSA	Submission of Minute of General Meeting of Shareholders	Financial Service Authority Regulation No. 32/POJK.04/2014 Concerning Planning and Conducting of General Meeting of Shareholders of Public Companies
43	July 31 <sup>st</sup> , 2017	FSA	Submission of Consolidated Mid-Year Financial Statement of BNBR and Subsidiaries As of June 30, 2017	Bapepam Rule No. X.K.2 Concerning Obligation to Submit Periodic Financial Statement
44	July 31 <sup>st</sup> , 2017	FSA	Submission of Advertisement Proof of Consolidated Mid-Year Financial Statement of BNBR and Subsidiaries As of June 30, 2017	Bapepam Rule No. X.K.2 Concerning Obligation to Submit Periodic Financial Statement
45	August 4 <sup>th</sup> , 2017	FSA	Respond of Reviewer concerning Annual Report of PT Bakrie & Brothers	Bapepam Rule No. X.K.6 Concerning Obligation to Submit Annual Report for Issuers or Public Companies
46	August 8 <sup>th</sup> , 2017	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of July 2017	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009

NO.	DATE	ADDRESSED TO	SUBJECT	REGULATION
47	August 11 <sup>th</sup> , 2017	FSA	Submission of Minute of General Meeting of Shareholders	Financial Service Authority Regulation No. 32/POJK.04/2014 Concerning Planning and Conducting of General Meeting of Shareholders of Public Companies
48	August 11 <sup>th</sup> , 2017	IDX	Monthly Report on Share Registrar As of July 2017	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
49	August 25 <sup>th</sup> , 2017	IDX	Application for Listing of Additional Shares through Capital Increases Without Pre-Emptive Rights for Public Companies	Indonesia Stock Exchange Rule Number I-A Concerning the Listing of Shares (Stock) and Equity-Type Securities Other Than Stock Issued by the Listed Company
50	August 31 <sup>st</sup> , 2017	FSA	Announcement of Capital Increases Without Pre-Emptive Rights for Public Companies Plan to Public	Financial Service Authority Regulation No. 38/POJK.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
51	September 7 <sup>th</sup> , 2017	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of August 2017	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009
52	September 7 <sup>th</sup> , 2017	IDX	Monthly Report on Share Registrar As of August 2017	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
53	September 13 <sup>th</sup> , 2017	IDX	Announcement of Capital Increases Without Pre-Emptive Rights Implementation Result	Financial Service Authority Regulation No. 38/POJK.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
54	September 14 <sup>th</sup> , 2017	FSA	Announcement of Capital Increases Without Pre-Emptive Rights Implementation and Submission of Proof for Announcement to Public	Financial Service Authority Regulation No. 38/POJK.04/2014 Concerning Capital Increases Without Pre-Emptive Rights for Public Companies
55	October 10 <sup>th</sup> , 2017	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of September 2017	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009
56	October 10 <sup>th</sup> , 2017	IDX	Monthly Report on Share Registrar As of September 2017	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
57	October 25 <sup>th</sup> , 2017	FSA	Respond of Reviewer concerning Mid-Year Financial Statement 2017 of PT Bakrie & Brothers Tbk	Bapepam Rule No. X.K.2 Concerning Obligation to Submit Periodic Financial Statement
58	October 27 <sup>th</sup> , 2017	IDX	Submission of Financial Statement of BNBR and Subsidiaries As of September 30 <sup>th</sup> , 2017	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
59	November 7 <sup>th</sup> , 2017	IDX	Monthly Report on Share Registrar As of October 2017	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
60	November 10 <sup>th</sup> , 2017	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of October 2017	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009
61	November 23 <sup>rd</sup> , 2017	IDX	Respond to Request of Explanation Concerning Volatility of Stock Transaction	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
62	November 30 <sup>th</sup> , 2017	IDX	Announcement of BNBR Annual Public Expose Plan	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
63	December 7 <sup>th</sup> , 2017	IDX	Monthly Report on Share Registrar As of November 2017	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
64	December 8 <sup>th</sup> , 2017	FSA	Submission of Debts/Liabilities Data in Foreign Exchange As of November 2017	Circular Letter from Chairman of Bapepam and LK No. SE-02/BL/2009 dated March 10, 2009
65	December 12 <sup>th</sup> , 2017	IDX	Submission of Public Expose Material	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
66	December 20 <sup>th</sup> , 2017	IDX	Report on BNBR Annual Public Expose Execution	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission



NO.	DATE	ADDRESSED TO	SUBJECT	REGULATION
67	December 22 <sup>nd</sup> , 2017	IDX	Information Disclosure of certain Shareholders	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission
68	December 22 <sup>nd</sup> , 2017	IDX	Information Disclosure of certain Shareholders	Indonesia Stock Exchange Rule Number I-E Concerning The Obligation of Information Submission

## Investor Relations

The Company's information communication activity is also supported by the Investor Relations function with the focus on financial aspects, investments and the Company's business strategy. The Investor Relations Officer holds the roles to conduct efficient and effective communication with the investors, shareholders and capital market communities, as well as relevant institutions in accordance with the Company's plans and strategies as well as investment policies. The Company's information dissemination presented by the Investor Relations, among others are:

1. Financial Performances
2. Investment Performances (including the Company's portfolio)
3. Share prices movements
4. The Company's frameworks
5. The Company's other strategic activity

Chief Investor Relations Officer leads the Investor Relations. The Company appointed Indra Ginting as the Chief of Investor Relations Officer since February 2011, and he concurrently serves as Chief Strategic Business Development Officer since July 2012.

Profile of Indra Ginting can be seen in profile of Senior Management.

## Investment Committee

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

- Functions and Objectives of the Investment Committee.
- Duties and Authorities of the Investment Committee.
- Composition and position requirements of the Investment Committee.

- Reporting of the Investment Committee.
- Review of the Investment Committee's implementation guidelines and performance evaluations.
- Meetings mechanism and decision-making of the Investment Committee.
- Tenure and compensation of the members of the Investment Committee.
- Operational costs of the Investment Committee.
- Code of conduct of the Investment Committee.

### DUTIES AND RESPONSIBILITIES

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

1. Reviewing the investment, divestment, and financing proposals, as well as extending the approval or decision to following-up or rejecting the proposals.
2. Extending the decisions on transaction limits and objectives.
3. Extending the decisions and stipulations on policies and directions/guidelines in managing the capital resources efficiently and effectively to be implemented by the Board of Directors and Chief Investment Officer (CIO).
4. In extending the decisions on investment/divestment/financing, the Investment Committee considers the strategic risk, reputation risk, financial risk, and operational risk on the investment, divestment, and financing activity plans.
5. Providing periodical and/or on request reports to the Board of Directors, and only upon request to the Board of Commissioners.

## Investment Committee Qualifications

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

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

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

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

## Investment Committee Membership Composition

Investment Committee membership consists of at least 3 (three) permanent members, namely President Director & CEO as Chairman and Chief Financial Officer and Chief Investment Officer as members. The following are membership composition of Investment Committee as of December 31, 2015:

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

## Profile of Investment Committee Member

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

## Investment Committee Members Meeting and Attendance

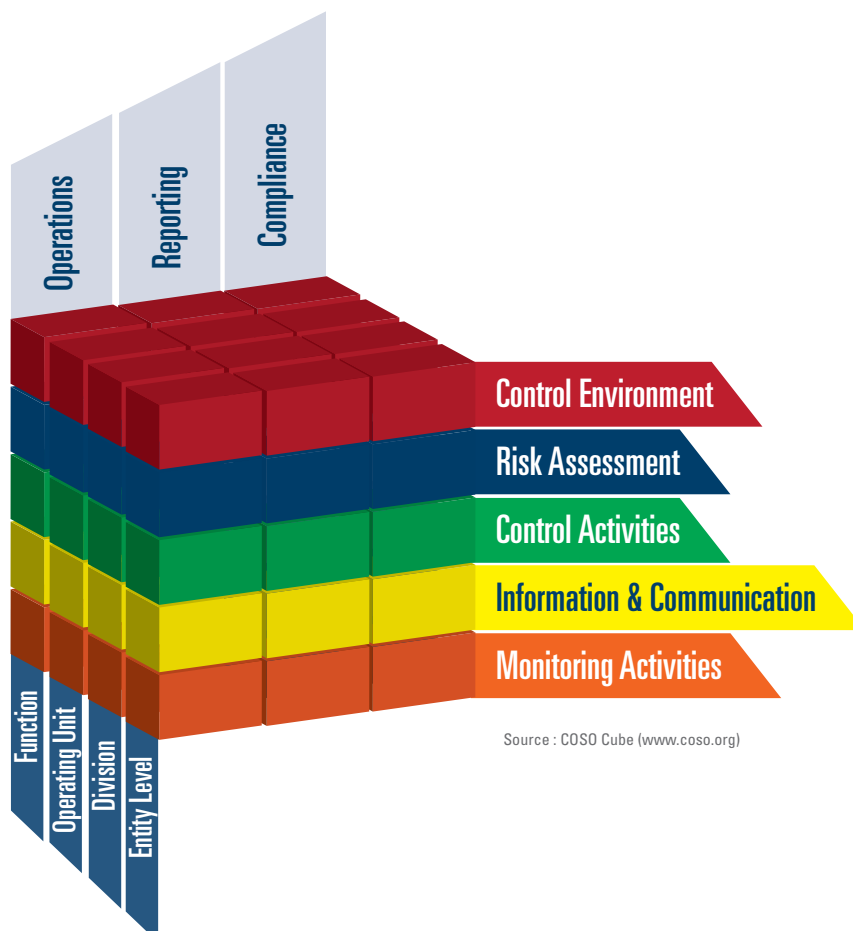
NO	DATE	AGENDA	INVESTMENT COMMITTEE		
			BGU	AAP	AR
1	January 31 <sup>st</sup> , 2017	Discussion concerning Operational Activity Plan of PT Bakrie & Brothers Tbk and Subsidiaries	1	1	1
2	May 9 <sup>th</sup> , 2017	Updating on Company's Current Situation	1	1	1
TOTAL			2	2	2

Note:  
 BGU : Bobby Gafur S. Umar  
 AAP : A. Amri Aswono Putro  
 AR : Anandh R. Haridh

## Internal Control System

BNBR has implemented the control functions in its operational activities in order to manifest the implementation of GCG in the Company. By referring to the General Guidelines of Indonesia Good Corporate Governance published by KNKG in 2006, the Company continuously strives to develop the Internal Control System by the application of COSO (Committee of Sponsoring Organizations of The Treadway Commissions) approach to secure the Company's investments and assets.

The BNBR's Internal Control System and quality assurance implementation has complied with the internal control framework validated internationally (COSO), including control environment, risk assessment, control activities, information & communication and monitoring activities.



### Internal Control Objectives

The implementation of internal control functions in all aspects of the Company is continuously assured by the Board of Directors as the Company's top executives organs responsible on the Company's operations and management. Through the Audit Committee, the Board of Commissioners directly monitors the internal control implementation. In general, the Company's Internal Control System is conducted through the application of the Corporate values, ethics, and employees integrity, as reflected in the Company's Code of Conduct, Business Conduct Policy, and Integrity Pacts. The Internal Control System management is 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 are 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 is required 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 2017

BNBR's Internal Control System has conducted the following monitoring and control activity in 2017:

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 (Monitoring of Bakrie Pension Fund, PT TKEZ, PT CKP and PT BPI) through Internal Audit Unit of BNBR.

## Internal Audit

The Internal Audit is the assurance and consultation activities that independently and objectively give added value and improve the operations of organization. This activity supports the organization in reaching its objectives through discipline and systematic approaches to evaluate and enhance the effectiveness of risk management process, control and governance.

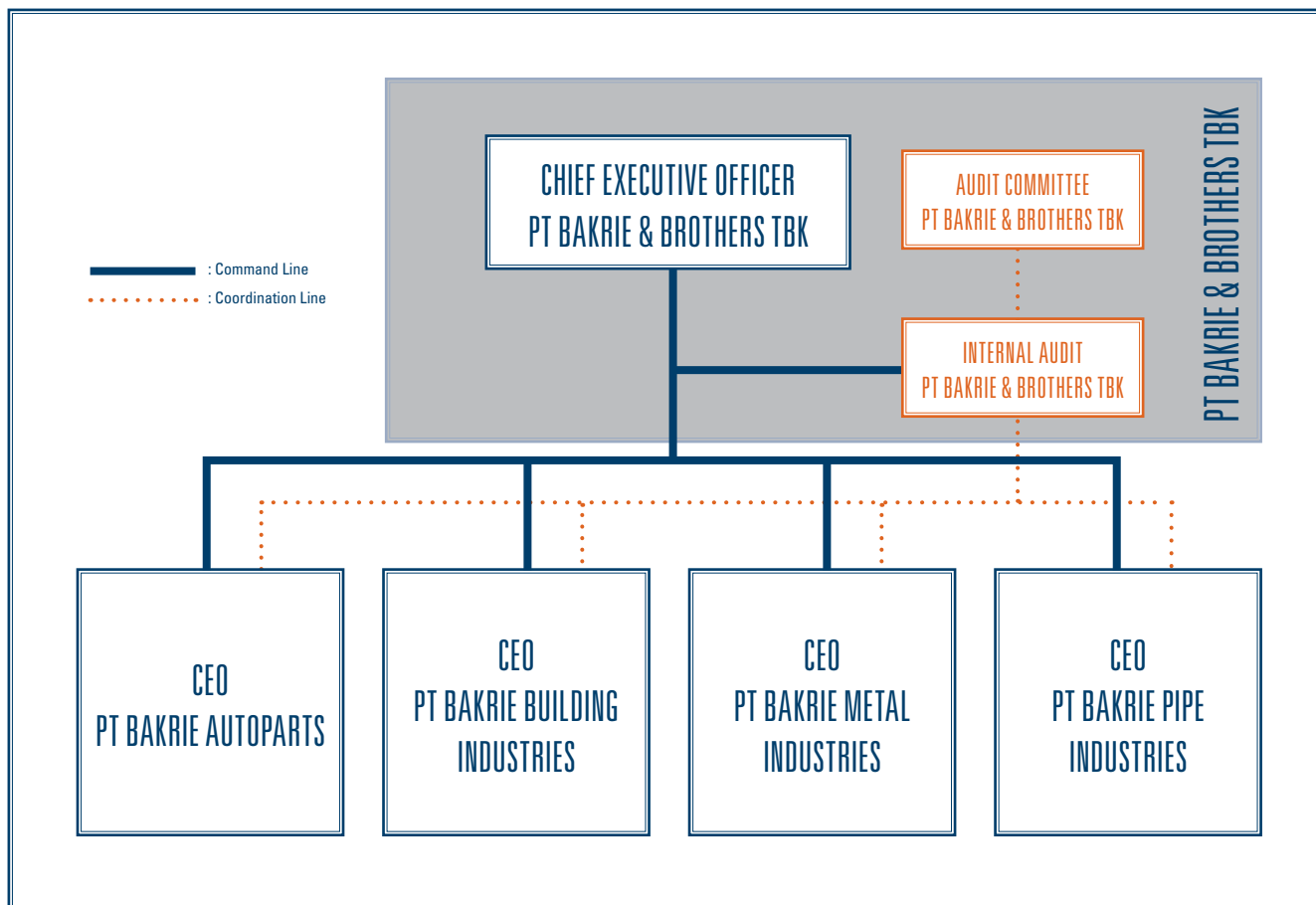
The Internal Audit activity of PT Bakrie & Brothers Tbk was intended to deliver added value and improve the organization's operations. The means and scopes of internal audit are assurance and consultation in the area of risk management process, control and organization's governance. The Company's commitment to implement good corporate governance and standard is strongly seen since the inception of Corporate Internal Audit ("CIA").



## POSITION OF THE INTERNAL AUDIT UNIT IN COMPANY STRUCTURE

Position of The Internal Audit is formally stated in The Internal Audit Charter which defines the purpose, authority, and responsibility of the Internal Audit activities that are consistent with the Standards for the Professional Practice of Internal Auditing.

The Internal Audit Charter was mutually agreed by the President Director & CEO and President Commissioner / Independent Commissioner.



## QUALIFICATION OF INTERNAL AUDIT

The following are minimum requirements of an Internal Auditor at BNBR:

1. Possess high integrity and professional, independent, trustworthy, discipline and objective behavior in performing its duties.
2. Possess knowledge and experience on audit technic and other subjects relevant with its scope of work.
3. Possess knowledge about capital market and other related rules and regulations.
4. Have the ability to interact and effectively communicate in both verbal and written manner.
5. Must adhere to profession standard as issued by Internal Audit Association.
6. Must obey Internal Audit ethics.
7. Must protect confidentiality of corporate information and/or data in relation with its implementation of duties and responsibilities as Internal Audit unless obligated by law or court order.
8. Understand principles of good corporate governance and risk management.
9. Willing to continuously improve his/her profession knowledge, skills and abilities.

## Duties Implementation of Internal Audit

CIA has become a significant function to assist the President Director in the supervision of financial and operational, both in the Company and subsidiary in order to achieve the company's objectives and going concern, through:

1. Reviewing and assessing the appropriateness and accuracy of accounting control, finance and operations implementation.

2. Analyzing the implementation that shall be in accordance with the set policies, plans and procedures.
3. Analyzing whether the company/organization treasuries are appropriately accountable and securely conducted towards every possibility of risk losses.
4. Ensuring the accounting trust levels and other manners that are developed in the organization.
5. Assessing the quality of duties implementation and responsibilities.

The Internal Audit scopes of work covers the following duties:

1. Develop and implement annual internal audit plans.
2. Analyze and evaluates the internal control implementation from the risk management system in accordance with the company's policy.
3. Investigate and assess the efficiency and effectiveness of finance, accounting, operational, human resources, marketing, information technology and other activities.
4. Provide advices on objectives improvement and information on the audited activities in all level of management.
5. Prepare the audit results report and present it to the President Director & CEO as well as the Board of Commissioners.
6. Monitors, analysis, and report the recommended in follow up implementation.
7. Cooperate with the Audit Committee.
8. Develop the program to evaluate the quality of internal audit activity.
9. Conduct specific investigations whenever necessary.

### INTERNAL AUDIT DUTIES IMPLEMENTATION REPORT IN 2017

The Annual General Audit schedule plan is developed based on the risk analysis results reported and approved by the President Director and Chairman of Audit Committee. The Annual General Audit Plan can be adjusted in accordance with the business risk dynamics in the organization in the relevant years.

In 2017, Internal Audit has conducted Audit and published the Audit Report (LHA) as follows:

NO.	TYPE OF AUDIT	AUDIT ACTIVITY	AUDIT RESULT
1	Monitoring on Bakrie Pension Fund	<ul style="list-style-type: none"> <li>Assessment on compliance to prevailing rules and regulations or existing Standard Operating Procedures (SOP)</li> </ul>	Recommendation for improvement
2	Operational audit of PT Trans Kalimantan Economic Zone (PT TKEZ)	<ul style="list-style-type: none"> <li>Assessment on 3 E (Efficiency, Effectiveness and Economic) in every Operational Function / Division</li> <li>Assessment on effectiveness of internal control</li> </ul>	Recommendation for improvement
3	Operational audit of PT Citra Kusuma Perdana (PT CKP)	<ul style="list-style-type: none"> <li>Assessment on 3 E (Efficiency, Effectiveness and Economic) in every Operational Function / Division</li> <li>Assessment on effectiveness of internal control</li> </ul>	Recommendation for improvement
4	Operational audit of PT Bakrie Pipe Industries (PT BPI)	<ul style="list-style-type: none"> <li>Assessment on 3 E (Efficiency, Effectiveness and Economic) in every Operational Function / Division</li> <li>Assessment on effectiveness of internal control</li> <li>Assessment on compliance to prevailing rules and regulations or existing Standard Operating Procedures (SOP)</li> </ul>	Recommendation for improvement

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, BNR is obliged to publish the financial statements audited by the External Auditors. External Auditors are the third party responsible to audit and ensure the presentation of BNR 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 BNR Financial Statements. In the event of corporate actions, BNR also can publish the financial statements on certain periods.

Based on the 2017 Annual GMS resolutions, the Board of Directors has the authority to appoint the Public Accounting Firm (KAP) Y. Santosa & Rekan as the auditor of the Company Financial Statements fiscal year December 31st, 2017. The Board of Commissioners has approved the appointment after taking into account the recommendation of Audit Committee.

2017 is the second year of Public Accounting Firm (KAP) Y. Santosa & Rekan in conducting the audit of the Company's Financial Statements. During 2017, the Public Accounting Firm (KAP) Y. Santosa & Rekan does not provide other services to the Company apart from the audit services, thus there was no conflicts of interest in the audit process implementation.

### Assignment Period and Fee of External Auditors

DESCRIPTION	2017	2016	2015	2014	2013
KAP NAME	Y. Santosa & Rekan	Y. Santosa & Rekan	Handoko Tomo Samuel Gunawan & Rekan (Moores Rowland)	Samuel Gunawan (Moores Rowland)	Tjiendradjaja & Handoko Tomo (Mazars)
AUDIT FEE	Rp 3,600,000,000	Rp 3,500,000,000	Rp 2,135,000,000	Rp1,494,000,000	USD 256,755

# Risk Management

## SOLID FOUNDATION OF RISK MANAGEMENT

While presenting opportunities, the demand of changes and company's capability improvement also presents risks. These risks may disrupt the Company from achieving its goal and mission if not addressed properly. Company's failure in achieving its goal and mission may cause public distrust towards the Company, wherein at its worst state such distrust may halts its business activity.

Risk management is therefore a strategic requirement and it plays an important part in improving PT Bakrie & Brothers Tbk's performance. Risk management is needed to optimize the Company's limited resources to achieve specified targets and to fulfill the Company's vision and mission. Allocation of resources is decided based on risk priorities, with the utmost attention paid to the most critical risk. Furthermore, management of existing risks is periodically reviewed along with improving its reliability.

Risks can be mitigated by lowering the probability of risk occurrence and/or reducing effects caused by such risk. Risk Management at BNBR is expected to be able to anticipate rapid changes, to improve corporate governance, and to secure Company's resources and assets. These reasons form the base of BNBR's commitment to continuously implement solid risk management for the fulfillment of Company's goals.

The creation of a Risk Management team in 2003 marked the beginning of formal implementation of risk management at PT Bakrie & Brothers Tbk, wherein at that time the Risk Management team was responsible to supervise the implementation of Company's business revitalization blue-print post debt restructuring program. This Risk Management team also implemented basic risk management principles across the Company in accordance with international standards.

## CORPORATE RISK MANAGEMENT SYSTEM

### ERM Implementation Roadmap

As part of continuous efforts, the Company has systematically laid out the foundations of risk management to form the basis of a good corporate governance infrastructure. The formal implementation of risk management began with the creation of the Risk Management Team as stipulated by PT Bakrie & Brothers Tbk Directors' Decree No.BGU-109/Presdir-BB/III/03, dated March 11th, 2003, which was later amended by Decree No.BGU-739/Presdir-BB/XII/05, dated December 6th, 2005, with



the task of coordinating the entire business development plans and strategic decisions to ensure optimal results, by mitigating the business risks, and ensuring cost efficiency while acting as achievement and milestone monitoring function as well.

The duty of this team later was reaffirmed by the Policy & Procedure No. 004/BNBR/II/2010, dated February 20th, 2010, on the Implementation of Enterprise Risk Management and no. 005/BNBR/II/2010, dated February 25th, 2010, on the Evaluation of Transaction-Based Risk, as well as several other policies and procedures linked to the evaluation of market risk, credit risk and liquidity risk.

By end of 2017, Risk Management Implementation has entered into the risk management reinforcement and integrated risk management up to Subsidiaries stage as outlined in the Roadmap depicted in the following illustration, with periodic risk evaluation at the level of both the Holding and the Subsidiaries.



## ERM Implementation Roadmap PT Bakrie & Brothers Tbk



Illustration 1: Company ERM Roadmap Implementation

## ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK

In 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.



Illustration 2: ERM Framework "The Pyramid"

#### **A. PRELIMINARY PROCESS: (LEVELS 1 AND 2 FROM THE BOTTOM OF THE PYRAMID)**

- “Internal Environment”, aiming to prepare conducive internal corporate environment for effective and efficient risk management process implementation. This stage consists of preparation of framework, policies, systems and procedures, resources, organization, implementation strategy and other tools.
- “Goal Setting”, acting as the Company’s directional reference in achieving its short, medium and long-term goals.

#### **B. CORE PROCESS: (LEVELS 3, 4 AND 5 FROM THE BOTTOM OF THE PYRAMID)**

- “Risk identification”, in all Company’s business processes, functions and structures, as well as transactions/ activities/projects/investments currently being implemented or to be carried out by the Company.
- “Risk assessment”, conducted by weighing the risks in terms of their probability/likelihood and impact.
- “Risk responses” as follow-up measures to mitigate.

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

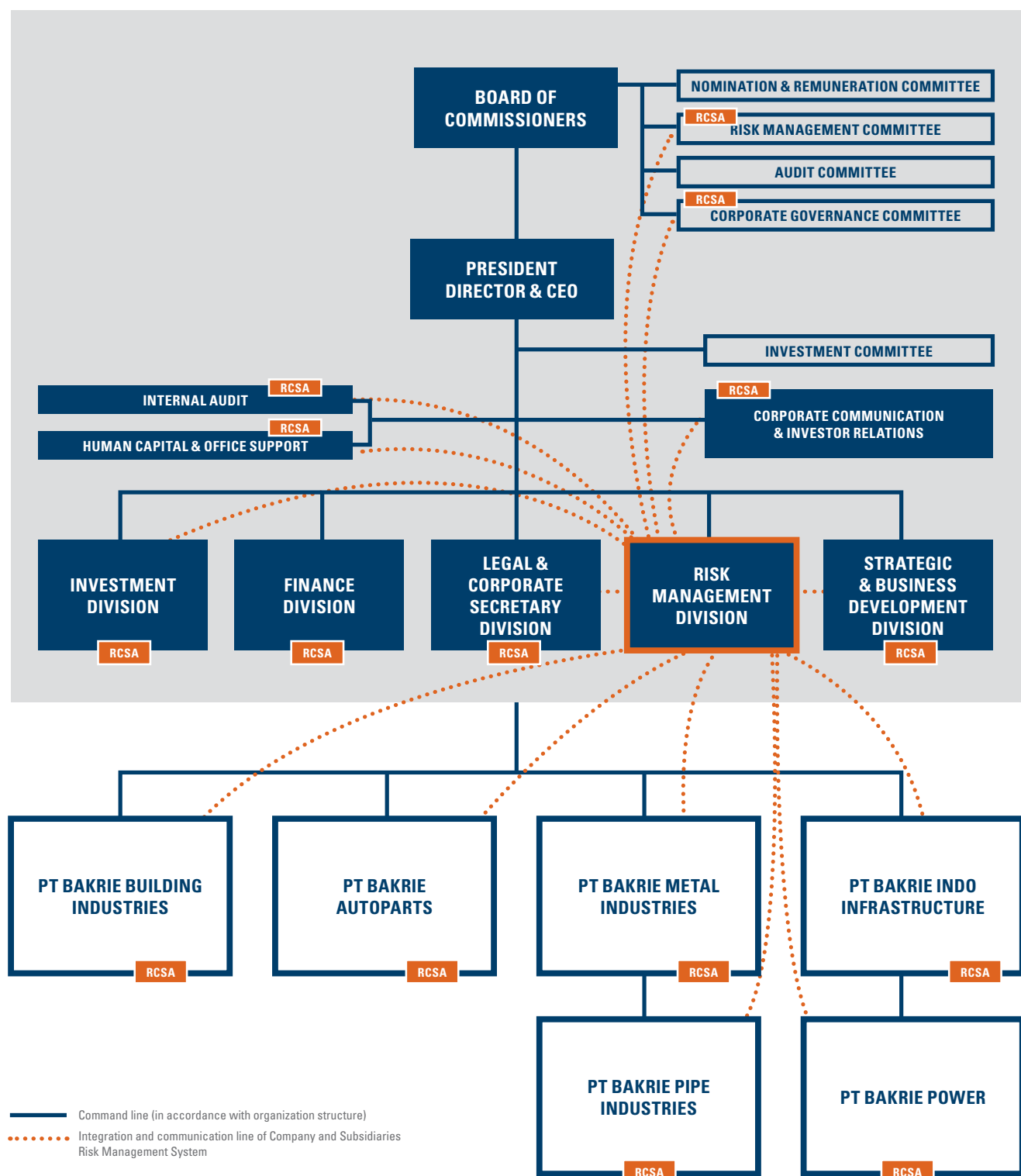
- “Control Activities” are policies and procedures to ensure that all risk mitigation processes and measures have been carried out properly.
- “Communication and Information Provision Activities” intend to communicate the results of risk management to all related stakeholders.
- “Monitoring Activities” aim to evaluate and to ensure that all risk management systems have been implemented effectively and efficiently.

#### **D. SCOPE OF COMPANY RISK MANAGEMENT (THE RIGHT FACE OF THE PYRAMID)**

1. The scope of risk management set by PT Bakrie & Brothers Tbk includes all activities and process within the holding company and subsidiaries as follows:
  - Holding company level.
  - Subsidiary level, which constitutes the non-listed companies whose financial reports are consolidated to BNBR.
  - Business unit level, functions, or activities at the holding and the subsidiary levels.
2. Implementation of Risk Management Systems at the level of holding company and non-listed subsidiaries whose financial reports are consolidated to BNBR must be coordinated with the Risk Management Committee and the holding company level through the office of the President Director and the CRM.
3. Implementation of Risk Management Systems at the level of business units/ functions/ activities at holding company or subsidiaries included in the risk management scope is carried out by the Risk and Control Self Assessment (RCSA) Officer. The RCSA Officer is appointed by Risk Owners from relevant business units/functions/activities. RCSA at the holding company level is the responsibility of the CRM.

# 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 2015 include:

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

GRC Series is a routine program of Company's Corporate Risk Management Department and act as a means of socialization and guardians of implementation process of Governance, Risk Management and Compliance down to Company's Business Units. Various topics included in the GRC series are among others: Corporate Governance, Internal Control System, Risk Management, Compliance and Corporate Ethics.

Participants of GRC Series are President Directors/CEOs and/or Chief down to employees of Business Units with the minimum position of Manager from all Departments. The Business Units that were present in the event include PT Bakrie Metal Industries, PT Bakrie Pipe Industries, PT Bakrie Building Industries, PT Bakrie Autoparts and PT Bakrie Solusi Strategis.

#### b. Appointment of Risk and Control Self-Assessment (RCSA) Officers

The commitment of the Board of Directors and all BNBR employees to Enterprise Risk Management (ERM) implementation is reflected through the appointment of the BNBR Risk & Control Self Assessment (RCSA) Officer. Through RCSA, all divisions/departments as Process Owners and Risk Owners are obliged to carry out the Risk Management System in intensive and sustainable manner with an independent risk control and evaluation concept. To facilitate coordination and cooperation for processes of evaluation, mitigation control and management of risks, some BNBR employees, whose job ranks are at least Manager, are appointed as RCSA Officer in each division. The RCSA Officers subsequently report to each Risk Owner and coordinate regularly with the CRM Division.

RCSA Officers' tasks and responsibilities are:

- Disseminating and keeping up with the ERM System's Procedure and Policy in the respective work unit or risk-owner in an entity within their scope of duties.
- Ensuring completion of the ERM Standard Work Papers in the respective entity.
- Collecting and summarizing risk registers of the entity within their scope of duties.
- Collecting the Risk Mitigation Plans and Risk Mitigation Progress Status Reports from the entity within their scope of duties, as well as reporting to the related unit head if there is any risk that has not been dealt with.
- Informing the CRM Division if any business entity within their scope of duties is exposed to a risk whose level is beyond the organization's tolerance limit.
- Carrying out annual evaluation of ERM system application in the entity within their scope of duties.
- Facilitating Risk Evaluation Meetings in the entity within their scope of duties.
- Supporting the entity within their scope of duties in educating the topics of risk management to all of its employees and related parties.

- Motivating, driving and maintaining risk awareness culture in the entity within their scope of duties.

In carrying out their tasks and responsibilities, the RCSA Officers are supported by the CRM Division which acts as a facilitator and mediator, especially in disseminating relevant Policies and Procedures as well as the transfer of theoretical and practical risk management knowledge. This is implemented through continuous review of Company business processes and detection of potential risks which are ranked from extreme to low, which in turn, are used to formulate Policies and Procedures as operational risks mitigation. The transfer of risk management knowledge is carried out through regular RCSA meetings, with the agenda of updating the list of risks that could affect each entity.

The Company's Board of Directors has appointed 13 (thirteen) people from various divisions and 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 2017	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)	52 (weekly)	<ul style="list-style-type: none"> <li>• Macro economic conditions including inflation, Bank Indonesia interest rates, foreign exchanges reserves, exchange rates.</li> <li>• Capital Market, formed of the Composite Index (JCI), average fluctuation and volatility.</li> <li>• Commodities.</li> <li>• Market Performance of portfolio stocks held by the Company, including share price, volatility, risk level, trade volume and value and fluctuation comparisons between the stock portfolio and the JCI.</li> <li>• Industry news related to the Company's portfolio.</li> </ul>
Market Risk Assessment(MRA)	12 (monthly)	<ul style="list-style-type: none"> <li>• macroeconomic conditions</li> <li>• commodities</li> <li>• core portfolio market risk analysis</li> <li>• risk evaluation</li> <li>• forecasting</li> <li>• risk mitigation</li> </ul>

TYPE OF ACTIVITY AND/OR REPORT	NUMBER OF REPORTS	DESCRIPTION
Financial Risk Report and Asset and Liability Management Position Monitoring	4 (quarterly)	Weekly monitoring of Company asset positions as reflected through stock price in the market and ownership portion at every core portfolio and Company's debt position as reflected through principal, interest rates, payment terms, top-up positions and due dates.
Transaction-Based Risk Evaluation	6 (per project)	Reports on identification, evaluation and recommended mitigation of transaction-based risks at Company and Subsidiary level. These reports cover: financing, investment, and operational transactions, reporting and compliance and investment proposals from subsidiaries, requiring the agreement of the Investment Committee, Board of Directors and/or Board of Commissioners.

### 3. Cooperation and Capacity Building

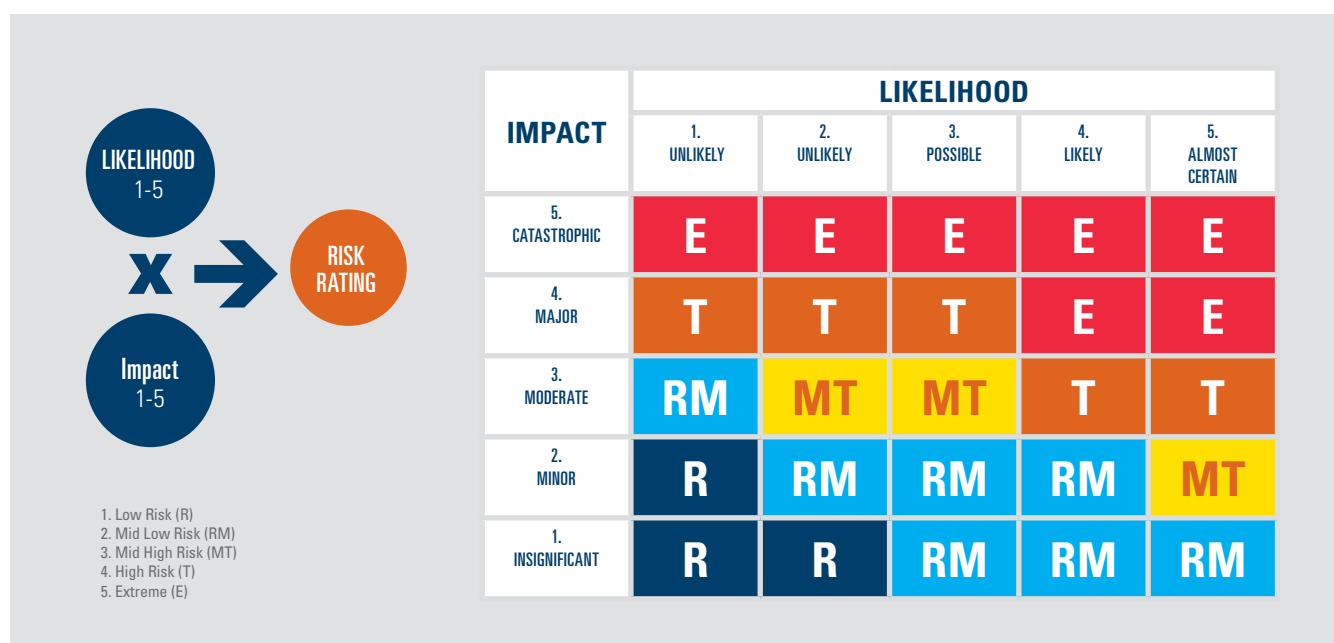
As part of professional risk management efforts, CRM needs to be actively involved as an association member and to cooperate with other professionals in the field of risk management. The Company's Board of Directors and CRM Division members are registered as members of GARP and PRMIA, as well as the Practicing Risk Manager Forum (PRMF). The Company's CRM Division has been invited as speakers at the Workshop ISO 31000: International Risk Management Standard event, and has also carried out a Benchmarking & Sharing Session with Risk Management Teams of several public companies. Some CRM Division members hold CIA (Certified Internal Audit) and ERMAP (Enterprise Risk Management Associate Professional) certificates. Furthermore, the CRM Division has 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 2016, the CRM Division was active in three cross-divisional activities: Governance – Risk – Compliance (GRC) Day, the construction of the 2015 Annual Report, 2015 Sustainability Report and financial report studies in every financial reporting period.

### Corporate Risk Evaluation Matrix

The risk evaluation matrix serves as a reference for PT Bakrie & Brothers Tbk to evaluate risks, classified by their likelihood, impact and risk rating, as shown in the following illustration.



## INTEGRATED RISK MANAGEMENT AT COMPANY AND SUBSIDIARIES

### A. Risks at Holding Level

CRM classified risks at Company holding level into seven types of main risks as follows::

1. Strategic Risk
2. Market Risk
3. Liquidity Risk
4. Insolvency Risk
5. Credit Risk
6. Mismatch Risk
7. Operational Risk



NO.	RISK CLASSIFICATION	RISK REGISTER	RISK MITIGATION
1.	<b>Strategic Risk</b>	<ul style="list-style-type: none"> <li>A shortfall of revenues at the Company and/or consolidated subsidiaries level in a fiscal year.</li> <li>Increased sovereign risk of the Republic of Indonesia (country risk) which can be caused by deteriorating macroeconomic conditions leading to a less economic stability required for business growth. Negative changes to the world/global economy will also affect the Indonesian economy and/or performance of the Company. The Company is strongly affected by the volatility of the Indonesian economy and/or the global economy.</li> <li>The deterioration of the Company's reputation can be affected by the same issue experienced by other Bakrie Group Companies.</li> <li>Changes in the composition of the Company's investment portfolio that may be less optimal due to unfulfilled macroeconomic condition assumptions.</li> <li>Changes in the composition of financing constrained by the prevailing laws and regulations.</li> <li>Failure to achieve synergy in marketing, finance, human resources and/or operational.</li> <li>Inadequate good corporate governance practices, and/or</li> <li>Unexpected changes to government policies and regulations, related to certain industries or to financial systems or fiscal or monetary policy of the country.</li> </ul>	<ul style="list-style-type: none"> <li>Risk identification and assessment, as well as recommendation to the Board of Directors and Risk Management Committee concerning every investment plan, particularly those that are related to change of Company investment and financing portfolio, and/or other strategic measure.</li> <li>Carry out discussion and assessment on every transaction through IFRL-WG (Investment, Finance, Risk &amp; Legal Working Group) to ensure completion of a transaction or project, operational monitoring and achievement of revenue target.</li> <li>Continuously strive to build a unique and positive brand of Bakrie &amp; Brothers among other businesses in the Bakrie Group while simultaneously supporting the reputation of Bakrie Group through intensive and professional collaboration with related parties, ie the creditors, print/electronic media, regulator, analysts and investors.</li> </ul>



NO.	RISK CLASSIFICATION	RISK REGISTER	RISK MITIGATION
2.	<b>Market Risk</b>	<p>Movements that are against the Company's expectation in:</p> <ul style="list-style-type: none"> <li>• stock price of assets,</li> <li>• interest rate of the financing,</li> <li>• exchange rate, and/or</li> <li>• commodity prices affecting the Company's business.</li> </ul> <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>
3.	<b>Liquidity Risk</b>	<ul style="list-style-type: none"> <li>• Asset liquidity risk, i.e. the risk arising from factors affecting the market price of assets (stocks), such as the size of asset transaction volume, discrepancy between bid prices and market demand and total market value in circulation.</li> <li>• Cash flow risk, such as those that are due to lack of cash in the Company to pay the due principal or interest or other cash obligations.</li> </ul>	<ul style="list-style-type: none"> <li>• Liquidity risks mitigation steps are highly dependent on market risks mitigation steps.</li> <li>• Periodically perform quantitative method measurement, Cash Flow At Risk (CFAR), particularly for cash flow availability risks.</li> <li>• The Company strives to periodically perform stress testing process on its investment portfolio in particular scenarios as an early anticipation of liquidity risks occurrence.</li> </ul>
4.	<b>Insolvency Risk</b>	<ul style="list-style-type: none"> <li>• Risk that Company asset value is insufficient to meet all claims received by the Company, including long-term claims.</li> </ul>	<ul style="list-style-type: none"> <li>• Improve operational and financial performance to regain investors' trust towards Bakrie Group.</li> <li>• Realized internal and external Good Corporate Governance (GCG) practices through information disclosure for regulator, investors and media.</li> <li>• Perform a breakthrough or corporate action directly related with real investment activity in order to regain positive market sentiment towards Bakrie Group.</li> <li>• Settlement of default and gaining new financing source to fund investment projects in infrastructure and other sectors.</li> </ul>
5.	<b>Credit Risk</b>	<ul style="list-style-type: none"> <li>• Risk of failure of all or part of the cash flow promised from loans and securities held by the Company sourced from investment and non-investment activities through the use of the Company's loans facilities in banks or other financial institutions, and/or fund provision for liquidity requirements, working capital, debt restructuring and/or investment projects with certain yield levels in line with business/ investment deals between related parties.</li> </ul>	<p>Credit risks mitigation starts with assessment on:</p> <ul style="list-style-type: none"> <li>• Loan purpose and payment source.</li> <li>• Recent risk profile from debtor candidate.</li> <li>• Adequacy and quality of collateral/guarantee.</li> <li>• Repayment capacity analysis.</li> <li>• Internal business capacity analysis and benchmarking to similar industries.</li> <li>• Debtor risk mitigation plan in case of default. In credit risk management process the CRM set a risk limit as reference in managing investment and non-investment transactions categorized as credit risks</li> </ul>

NO.	RISK CLASSIFICATION	RISK REGISTER	RISK MITIGATION
6.	<b>Mismatch Risk</b>	<ul style="list-style-type: none"> <li>Refinancing risk, in which the cost of refinancing in the future increases and exceeds the returns of the Company's investment activities, and</li> <li>Reinvestment risk, in which returns to be reinvested shrunk below the cost of funds.</li> </ul>	<ul style="list-style-type: none"> <li>Reprofiling investment and financing portfolio to reduce mismatch and continuously perform similar risk mitigation steps.</li> </ul>
7.	<b>Operational Risk</b>	<ul style="list-style-type: none"> <li>Risk of negligence, error and/or fraud in internal business management related to Policies and Procedures, Human Resources, stock trading activity management, financial liabilities and asset management systems and other supporting systems (assets and working tools), as well as such aforementioned risks that are related to laws and regulations and other legal aspects.</li> <li>Tax risk linked to the possibility of differing conclusions on tax regulations between relevant authorities, in which the Company has decided to respect and comply with all prevailing regulations.</li> <li>Risk of poor decision-making or poor coordination between functions and structure within the Company</li> </ul>	<ul style="list-style-type: none"> <li>Imposing sanctions for violations on system.</li> <li>ERM work frame implementation in the Company.</li> <li>Active participation of Company Compliance function with the Legal function in monitoring Company's adherence to various rules and regulations as well as legal aspects related with business activities of the Company as a whole.</li> <li>Periodical risk profiling in each Division of the Company.</li> </ul>

## B. Risks Faced by Company Related with Subsidiaries Business Activities

Considering that the Company's business continuity is affected by risk exposures arising directly from its business activities and indirectly from subsidiaries business activities, the Company is obligated to implement consolidated risk management in order to oversee those risks exposures. Consolidated risk management implementation is carried out by the Company through identifying, measuring, monitoring and managing risks arising from business activities of both Company and subsidiaries. The following are presentation of risk identification specific to Company and subsidiaries business activities in the manufacturing and infrastructure sector, namely: PT Bakrie Autoparts (BA), PT Bakrie Building Industries (BBI), PT Bakrie Indo Infrastructure (BIIN), PT Bakrie Metal Industries (BMI), and PT Bakrie Pipe Industries (BPI).



## Strategic Risk Profile

NO	RISK CLASSIFICATION	RISK REGISTER	RISK MITIGATION
1.	<b>Strategic Risk</b>	<ul style="list-style-type: none"> <li>• Risk of lack of innovation on design and product development.</li> </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>
2.	<b>Market Risk</b>	<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>	
3.	<b>Liquidity Risk</b>	<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>

NO	RISK CLASSIFICATION	RISK REGISTER	RISK MITIGATION
4.	<b>Insolvency Risk Profile</b>	<ul style="list-style-type: none"> <li>Force majeure.</li> </ul>	<ul style="list-style-type: none"> <li>Insurance</li> </ul>
		<ul style="list-style-type: none"> <li>Risk of production cost overrun which initiate major loss.</li> </ul>	<ul style="list-style-type: none"> <li>Perform prudent loan planning and review on credit agreement by taking its advantages and disadvantages into consideration; implement internal and external GCG practices through information disclosure to Stakeholders; perform new breakthrough or corporate actions that are related to real investment activities; settlement of matured loan and acquire new funding source to finance investment projects in infrastructure or other sectors.</li> </ul>
		<ul style="list-style-type: none"> <li>Risk of default on major liabilities.</li> </ul>	
5.	<b>Credit Risk</b>	<ul style="list-style-type: none"> <li>Risk of Bank credit facility extension (fine).</li> </ul>	<ul style="list-style-type: none"> <li>Perform prudent loan planning and review on credit agreement by using pros and cons analysis.</li> </ul>
		<ul style="list-style-type: none"> <li>Risk of Bank loan delinquency.</li> </ul>	
		<ul style="list-style-type: none"> <li>Risk of late payment of tax.</li> </ul>	<ul style="list-style-type: none"> <li>Perform periodical tax payment planning.</li> </ul>
6.	<b>Mismatch Risk</b>	<ul style="list-style-type: none"> <li>Risk of late payment by customers.</li> </ul>	<ul style="list-style-type: none"> <li>Perform synergy with financing company/Bank and/or supplier vendor to carry out vendor financing and working capital credit; perform effective project finance planning; perform strategic alliance synergy with other reliable companies to carry out investment.</li> </ul>
		<ul style="list-style-type: none"> <li>Risk of inadequate working capital for project execution.</li> </ul>	
		<ul style="list-style-type: none"> <li>Risk of inadequate total loan to finance projects.</li> </ul>	
		<ul style="list-style-type: none"> <li>Risk of unavailability of long term loan for investment financing.</li> </ul>	
7.	<b>Operational Risk</b>	<ul style="list-style-type: none"> <li>Risk of construction damage.</li> </ul>	<ul style="list-style-type: none"> <li>Perform periodic maintenance.</li> </ul>
		<ul style="list-style-type: none"> <li>Risk of reject products.</li> </ul>	<ul style="list-style-type: none"> <li>Reinforce QC and SOP based review on production process.</li> </ul>
		<ul style="list-style-type: none"> <li>Risk of labor strike.</li> </ul>	<ul style="list-style-type: none"> <li>Perform HR related policies and procedures monitoring; perform coordination with HR related parties; intensify supervision; socialization of HR &amp; GA issue and its resolutions.</li> </ul>
		<ul style="list-style-type: none"> <li>Risk of design and technology error.</li> </ul>	<ul style="list-style-type: none"> <li>Perform thorough review and project planning with related parties concerning design development and technology utilization.</li> </ul>
		<ul style="list-style-type: none"> <li>Risk of legal views that are unsuitable, failed at problem solving, and unsupportive of Company business development.</li> </ul>	<ul style="list-style-type: none"> <li>Perform second review for every internal and external legal review.</li> </ul>
		<ul style="list-style-type: none"> <li>Risk of Information Technology implementation that is unstructured and has deviated from Roadmap.</li> </ul>	<ul style="list-style-type: none"> <li>Formation of IT implementation team according to master plan.</li> </ul>
		<ul style="list-style-type: none"> <li>Risk of material purchase error (wrong specification).</li> </ul>	<ul style="list-style-type: none"> <li>Confirmation of completeness (detailed and specific) and accuracy of received RFQ by buyer; composing of PO matched with user requirement.</li> </ul>
		<ul style="list-style-type: none"> <li>Risk of sub-contractors not meeting specification.</li> </ul>	<ul style="list-style-type: none"> <li>Perform review and implementation of policies and procedures for products and services procurement.</li> </ul>

NO	RISK CLASSIFICATION	RISK REGISTER	RISK MITIGATION
		<ul style="list-style-type: none"> <li>• Risk of unperforming career path.</li> </ul>	<ul style="list-style-type: none"> <li>• Perform effective career planning and succession plan with reference to Bakrie Leadership Journey Matrix; execution of transfer and rotation based on employee's interest and talent; training program.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of high work injuries.</li> </ul>	<ul style="list-style-type: none"> <li>• Periodical HSE socialization and strict supervision by HSE team.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of fraud and abuse of authority.</li> </ul>	<ul style="list-style-type: none"> <li>• Whistleblowing system implementation; signing of business conduct policy, code of ethics and integrity pact; internal control implementation.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of production failure caused by power outage.</li> </ul>	<ul style="list-style-type: none"> <li>• Perform power switching to genset; maintain genset condition..</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of unavailable spare part and raw material stock.</li> </ul>	<ul style="list-style-type: none"> <li>• ERP system implementation.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of machine failure and over-capacity caused by production activity.</li> </ul>	<ul style="list-style-type: none"> <li>• Perform scheduled maintenance program for machineries.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of late construction completion.</li> </ul>	<ul style="list-style-type: none"> <li>• Perform value engineering; perform inventory on additional work to enable billing; reinforce supervision and coordination.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of untimely operation.</li> </ul>	<ul style="list-style-type: none"> <li>• Coordination with related parties, strict and timely supervision on planned time frame.</li> </ul>
		<ul style="list-style-type: none"> <li>• Risk of tort by related parties.</li> </ul>	<ul style="list-style-type: none"> <li>• Perform comprehensive and thorough review.</li> </ul>

### Risks Evaluation of Company at Holding and Subsidiaries Level

Risk evaluation was done annually by all Departments. At every fourth quarter, 19 (nineteen) members of Company RCSA Officer formulate and update the risk register on each Department's work sheet. The following table displays the result of fourth quarter year 2016 risk register.

Sustainable ERM and GRC process is managed through assessment of each risk registered by each business process in the Company.





Table 1:  
Matrix Result of Risk Register of Company at Holding level year 2017

IMPACT	LIKELIHOOD				
	1. UNLIKELY	2. UNLIKELY	3. POSSIBLE	4. LIKELY	5. ALMOST CERTAIN
5. CATASTROPHIC	Extreme : 17				
4. MAJOR	High: 23				
3. MODERATE		Medium to High: 15			
2. MINOR	Low: 4	Low to Medium: 14			
1. INSIGNIFICANT					

Matrix Result of Risk Register of Company at Subsidiaries level year 2017

Table 2:  
Matrix Result of Risk Register of Company at Subsidiaries level year 2017

IMPACT	LIKELIHOOD				
	1. UNLIKELY	2. UNLIKELY	3. POSSIBLE	4. LIKELY	5. ALMOST CERTAIN
5. CATASTROPHIC	Ekstreme : 6				
4. MAJOR	High: 43				
3. MODERATE		Medium to High: 89			
2. MINOR	Low: 30	Low to Medium: 79			
1. INSIGNIFICANT	Very Low: 19				

Total Risk Register of Company at Subsidiaries Level: 266

Comparison of operational risk evaluation at each Department has varied, in 2017 total risk at every risk level category has decreased compared to 2016 total of 73 risk register at Holding level. Total risk at Subsidiaries level in 2017 remains the same compared to 2016 total of 266 risk register. This was a result of Company support to RCSA officer in developing accurate comprehension of risk owners at every business unit concerning risk management and mitigation in their business process, so that the RCSA officer (and risk owner) is capable of performing insightful risk management.

### Company Evaluation on the Effectiveness of Risk Management Systems

The Company's evaluation on the effectiveness of risk management systems is one of the tasks of the Risk Management Committee whose aforementioned evaluation is as follow:

1. The Risk Management Committee accepted well the results of the risk management program implementation carried out by CRM. In 2016, the CRM Department has published Market & Industry Outlook (MIO), Market Risk Assessment (MRA), Risk Outlook Risk, Financial Risk Report and Transaction Based Risk Report (Risk Assessment and Recommendation Sheet)

The Risk Management Committee was therefore able to see that the risk mitigation efforts had already been carried out by the Board of Directors, and that the results of the risk assessment had been used as reference in the decision-making process by the management. The Risk Management Committee also advised the CRM Division to implement steps in order to maintain and increase risk awareness at every subsidiary of the Company.

2. The Risk Management Committee has evaluated the CRM Division's efforts to ensure compliance at the levels of Business Process, Policy & Procedure, Compliance Monitoring and Compliance Reporting activities. The Risk Management Committee appreciates the Compliance Department's implementation of Compliance tests. The Risk Management Committee requested CRM to implement Financial Risk Report with its mitigations in Company Subsidiaries, as well as improving Asset Liability Management Report.
3. The Risk Management Committee advises the CRM Division to constantly monitor the managements mitigation efforts to maintain positive sentiment toward Bakrie Group shares, which are ensuring Good Corporate Governance (GCG) both internally and externally, through transparent disclosure to regulators, investors and the media; carrying out corporate actions directly related to investment in the real sector, so as to ensure positive sentiment toward Bakrie Group; resolving default; and finding new sources of funding for investment projects in infrastructure and other areas.

## Important Legal Cases

In 2017, the Company, Board of Commissioners, Directors and employees of BNBR are not involved in any legal or taxes cases.

## Access to Company Information and Data

As a public company, BNBR strives to disseminate clear, comprehensive and on time information to the stakeholders, as the manifestation of its commitment towards accountability and information transparency principles related to the Company's performance and operations.

For easy access to the public on BNBR information, the Company provides several official contacts information on the Company, including performance reports, announcements, and BNBR business activities, through:

### Corporate Secretary or Investor Relations

#### PT Bakrie & Brothers Tbk

Bakrie Tower 35-37 Fl

Rasuna Epicentrum

Jl H.R. Rasuna Said

Jakarta 12940, Indonesia

Phone : (62 21) 2991 2222

Faximile : (62 21) 2991 2333

Email : bnbr.corcomm@bakrie.co.id  
ir@bakrie.co.id

Website : www.bakrie-brothers.com

## Funds Provision for Social and Politics Activity

The Company is aware that 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 conduct, professionalism is expected to be elevated in the management level and all employees of PT Bakrie & Brothers Tbk including subsidiary.

### CODE OF CONDUCT IMPLEMENTATION

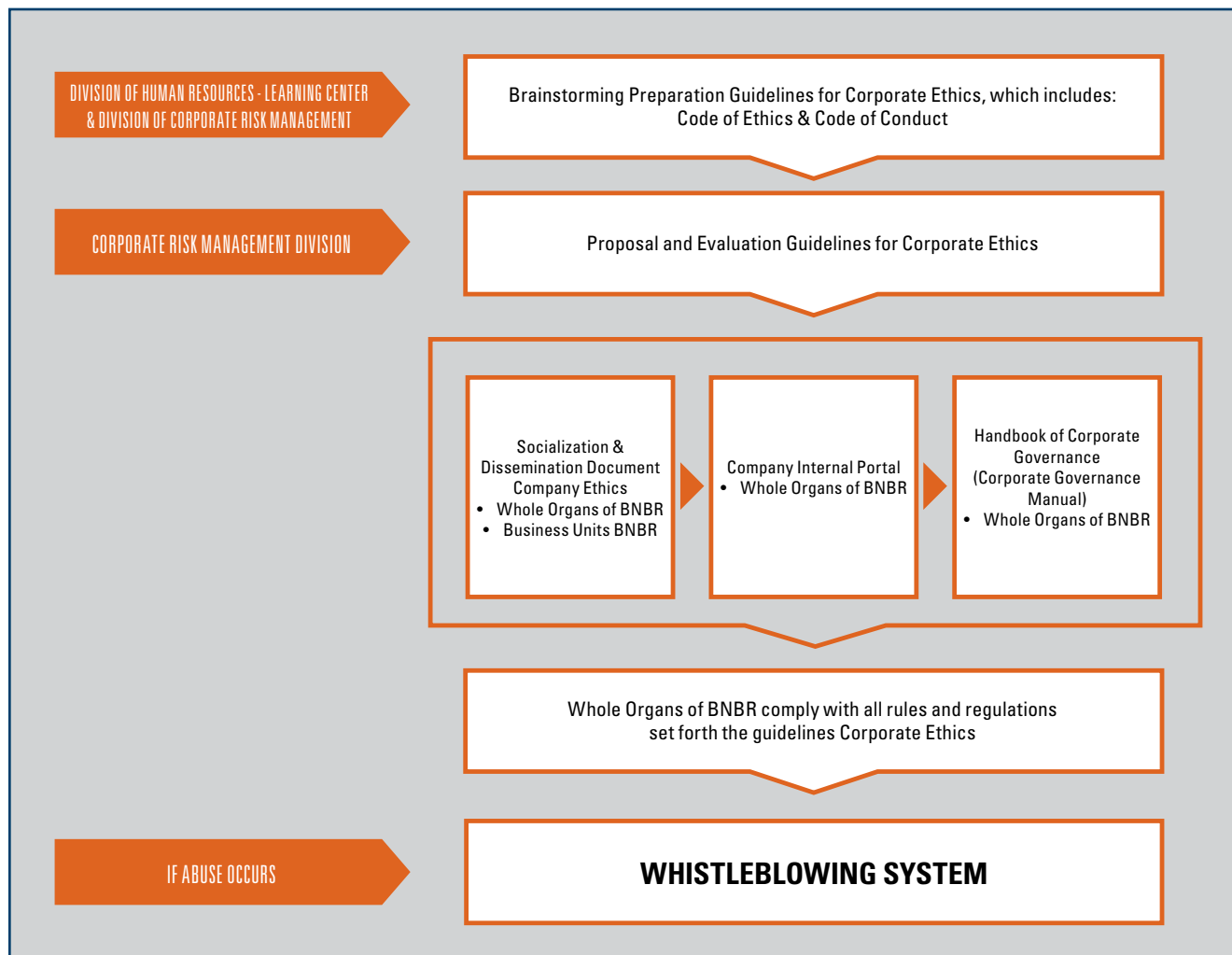
The code of conduct and business conduct policy contains full principles of the Company and covers the values and standard of manners of PT Bakrie & Brothers Tbk. Both conducts are applicable to all BNBR people in all level of Company's organization, and shall be used in day-to-day activities. These conducts enabled the best choices and acted in the highest integrity by following the Company's principles.

The implementation and enforcement of Code of Conduct and Business Conduct Policy of PT Bakrie & Brothers Tbk is stipulated in:

- Corporate Governance Guidelines
- Board Manual
- Conflicts of Interest Guidelines
- Integrity Pacts
- Corporate Culture

## CODE OF CONDUCT DISSEMINATION MECHANISM

The Company's Code of Conduct Dissemination Mechanism is illustrated as below:



## CODE OF ETHICS

PT Bakrie & Brothers Code of Ethics represents the employees' code of conduct in conducting their works. Every employee of PT Bakrie & Brothers Tbk is responsible to understand and implement this code in all daily activities. The Code of Ethics of PT Bakrie & Brothers Tbk consists of standard of manners in interact with the stakeholders, such as illicit activity, compliance on the Company's laws and policies, recordings and appropriate assets utilization, compensations for agents and others, prohibition of conflicts of interest, prohibition in granting and entertain the stakeholders, honesty in reporting per diem, disclosure of the Company's confidentiality with permission, protection on the Company's interests, prohibition to act that may cause 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 held 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 action or expressions regarding matters that are obliged, prohibited, or inappropriate to be performed by employees of PT Bakrie & Brothers Tbk.

The Business Conduct Policy is intended to support an ethical performance effectiveness based on laws. In general, Business Conduct Policy consists of policies on financial recording, inappropriateness, receipt of payment, entertainment and business, conflicts of interest, and annual questionnaires.

### Enforcement and Violation Sanctions

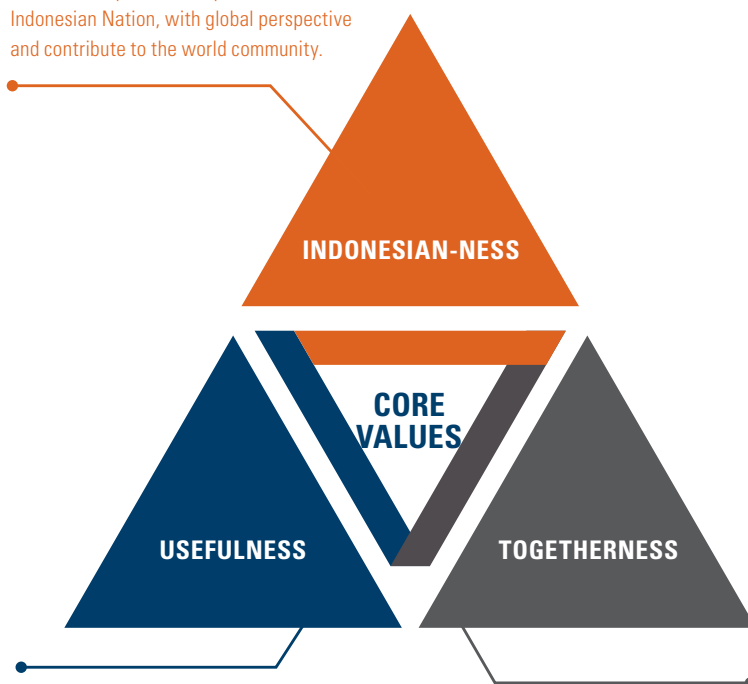
The effort of the Company in the enforcement of code of conduct among others are through the signing of Code of Ethics document and Business Conduct Policy. All employees are also mandated to sign the working agreement, which included the agreement on compliance towards the company's regulations. For several types of violations, the Company stipulated sanctions through reprimand, warning letters as well as termination of employment.

## Corporate Culture Statements

The Company has the cultural foundation that reflects the organization conduct and ethics communicated in writing and as the guidelines for all Company's employees. The corporate culture rooted in noble values that become the platform of the Company's management. In BNBR, the corporate culture is stated in Trimatra Bakrie statements.

## TRIMATRA BAKRIE

Point of views, motives and actions of Bakrie People who are proud to be Indonesian Nation, with global perspective and contribute to the world community.



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

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

### INSTRUMENTAL VALUE

#### INTEGRITY

Conducting duties with with sincerity, passion, loyalty, honesty, always respecting the principles of truth and put the interests of the nation and the company

#### PROFESSIONALISM

Have the knowledge, skills and insights that support the achievement of maximum employment with the best quality and conduct, governed and highly uphold personal and company's relations value with any parties.

## Whistleblowing System

BNBR has developed and implemented Whistleblowing System through the Policies and Procedures No. 258/BNBR/III/2012 concerning the Implementation of Whistleblowing System. The Whistleblowing System is intended to build loyalty to the Company and create conducive working environment, by supporting the whistleblowing towards matters that may cause financial or non-financial losses to the Company, including matters which may damage the Company's good name and image.

### WHISTLEBLOWING POLICY

Whistleblowing System is a manifestation of good Corporate Governance principles enforcement, related with the business operations of transparent, accountable, and responsible. Whistleblowing System is expected to place the roles as prevention function and detections towards whistleblowing potentials. The Company provides this system as the facility to BNBR employees, subsidiaries, and or external parties, in disseminating feedbacks, complaints and reports on matters, events, or actions that are inappropriate towards the Company's conduct, community norms, prevailing laws and legislations. Whistleblowing System is considered as one of the most secure, effective and efficient in prevention, reporting, collective of evidence and following up actions on the violations by the Company's employees or management. This system protects the whistleblowers' identity and rights to support conducive follow up.

### WHISTLEBLOWING MANAGEMENT

The Company's Whistleblowing System is managed professionally by the Ethics & Compliance Committee, assisted by Whistleblowing System Administration Management. The Ethics & Compliance Committee is a committee appointed and established by the Board of Directors to support the Directors in providing directions, decision-making and supervision on the Company's adherence/compliance and/or the Board of Commissioners, Directors and employees as well as executives of the Company towards ethics and conduct policies or prevailing laws and regulations. The Ethics & Compliance Committee guarantees protection to every Whistleblower. The Ethics & Compliance Committee and Whistleblowing System Officer guarantee the confidentiality of the Whistleblowers' identity that provide their personal data and information for communication purposes; including guarantee of confidentiality of the Whistleblowers' identity to the Investigations Team. The Whistleblowing System Officer/WBS Manager consists of the Corporate Internal Audit ("CIA"), and in implementing its duties, the CIA establishes and coordinates the Investigations Team, which members are comprising of Legal Department, Enterprise Risk Management (ERM) Department, Compliance

Department, and Human Capital (HC) Function, whereby the duties and responsibilities of Investigations team are to assist the WBS Manager in analyzing the whistleblowing system cases.

### REPORTING MANAGEMENT ON ALLEGED VIOLATIONS BY THE EMPLOYEES

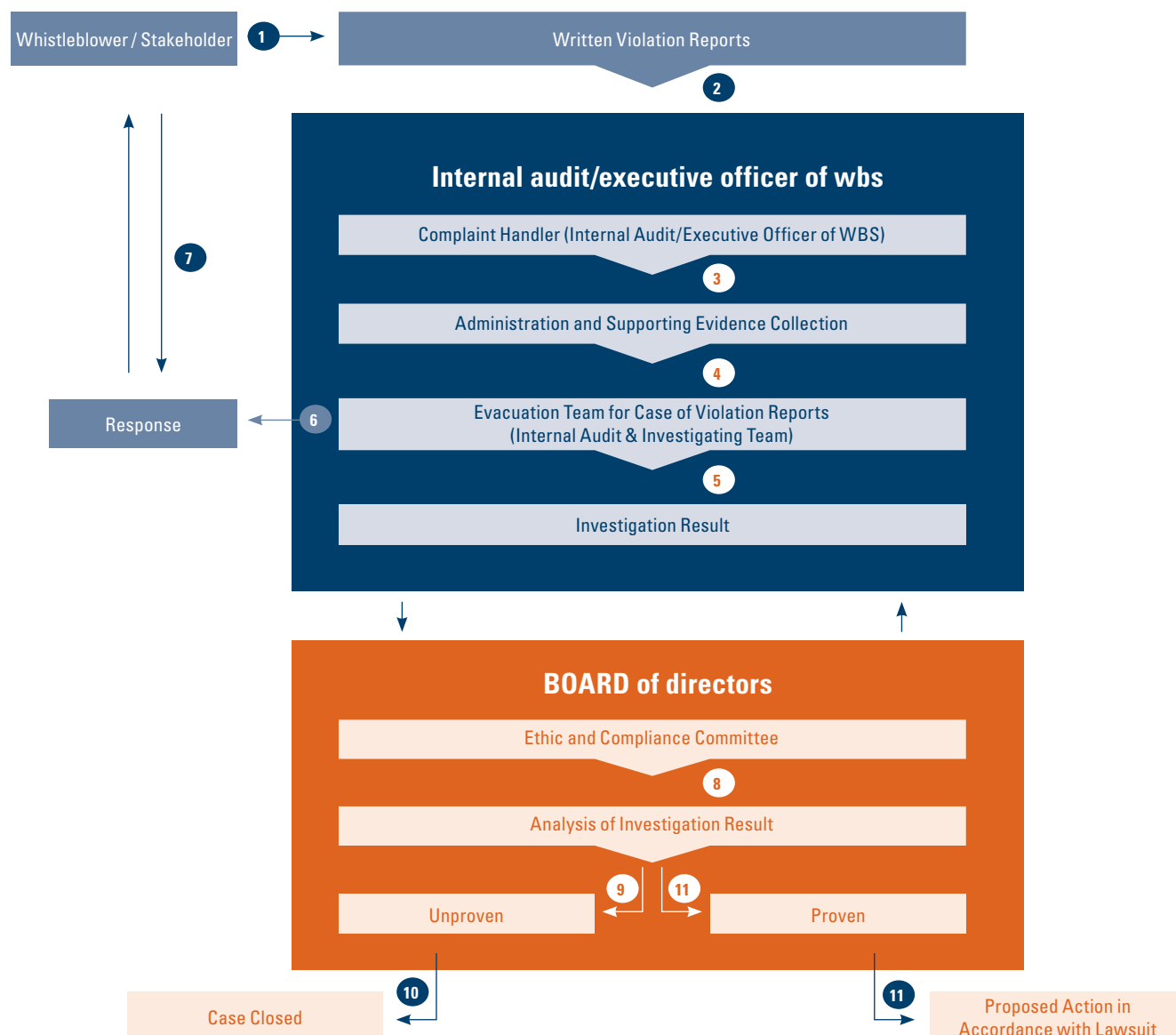
In general the following are procedures of whistleblowing system management of PT Bakrie & Brothers Tbk:

1. Whistleblowers aware and have the initial evidences that relevant with the violations indications done by the offenders (Reported) and submit it to the WBS Manager through hotlines or emails.
2. WBS Manager conducts prescreening on the initial evidences towards its relevancy with the initial indication reports presented by the Whistleblowers. WBS manager finds the other supporting evidences relevant and sanction that related to the whistleblowing.
3. WBS Manager forms the Investigations Team to assist the Internal Audit Unit (IAU) in analyzing the violations cases. Based on the investigations results, Ethics & Compliance Committee will audit and analyze the investigations results as a base of decision-making.
4. In the proven of violations:
  - Ethics & Compliance Committee stipulates sanctions and issued the Decree of Whistleblowing Sanctions to the Offenders.
  - Ethics & Compliance Committee submits to the HC Functions for following up the Decree of Whistleblowing Sanctions.
  - Ethics & Compliance Committee can submit to the Corporate Legal Department for every violation towards laws and regulations for follow up to the authorities.

The following are whistleblowing system procedures conducted by the employees as illustrated below:



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



## REPORTING MANAGEMENT ON ALLEGED VIOLATIONS BY THE BOARD OF COMMISSIONERS OR DIRECTORS OR WBS MANAGERS

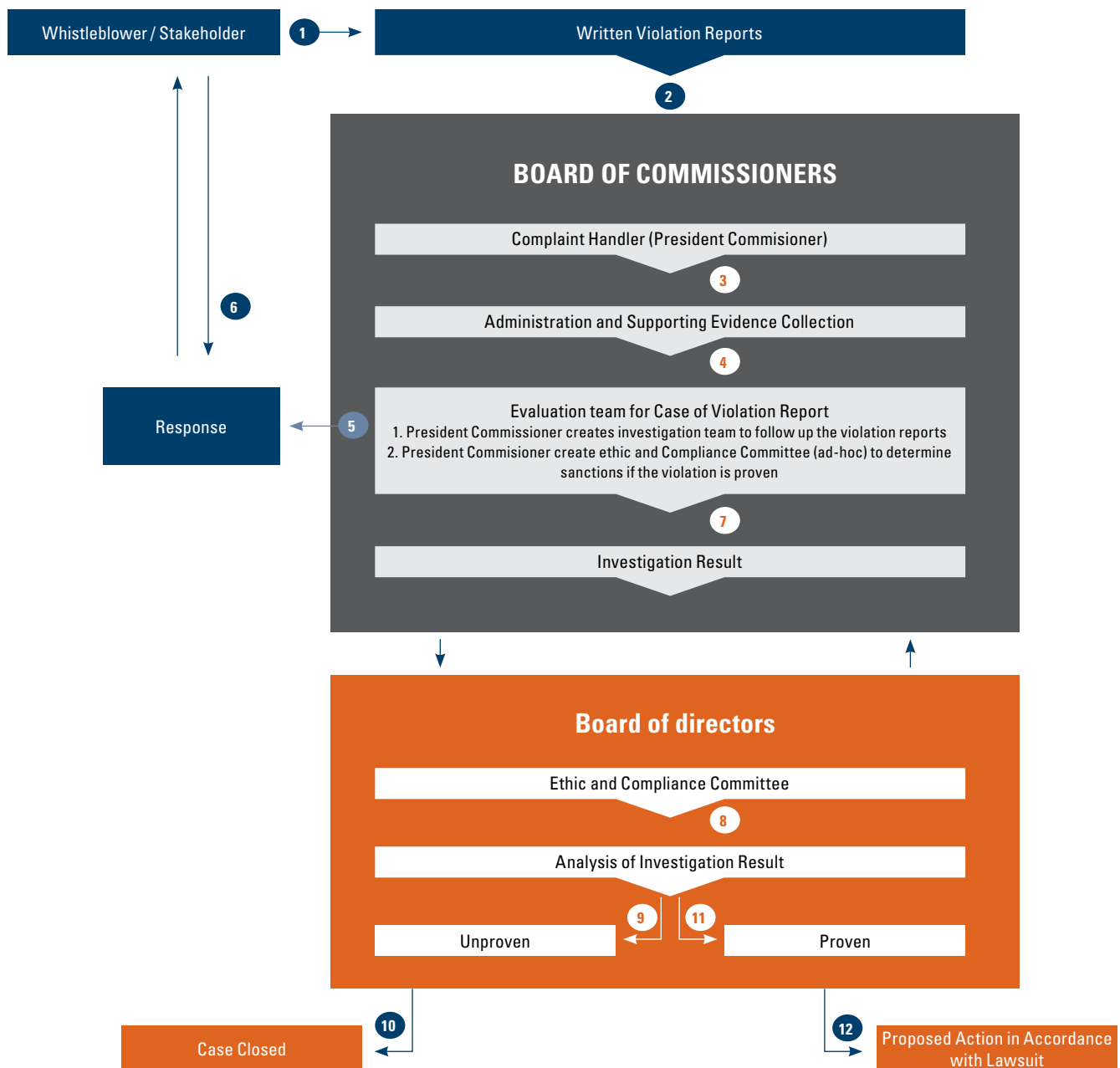
The following are procedures for the whistleblowing system by the Board of Commissioners/ Directors/ WBS Managers:

1. The Whistleblowers aware and has the initial evidences on violations indications conducted by the Board of Commissioners/ Directors/ WBS Managers. If the Offenders are the Board of Commissioners and/or WBS Managers, the Whistleblowers submit the violation indication reports through e-mails addressed to the President Director. If the Offenders are the Board of Directors, the Whistleblowers submit the violations indication through e-mails addressed to the President Commissioner.
2. The President Commissioner/ President Director conducts prescreening on the submitted initial evidences, for its relevancy with the violations indication presented by the Whistleblower by completing the Whistleblowing Forms.
3. The Commissioner/ President Director forms the internal Investigations Team and/or can request assistance from an independent external party for the following up of the violations. If the violations indications are done by the Board of Directors, President Commissioner forms the ad-hoc Ethics & Compliance Committee to set the sanctions to the Offenders if he/she is proven guilty.

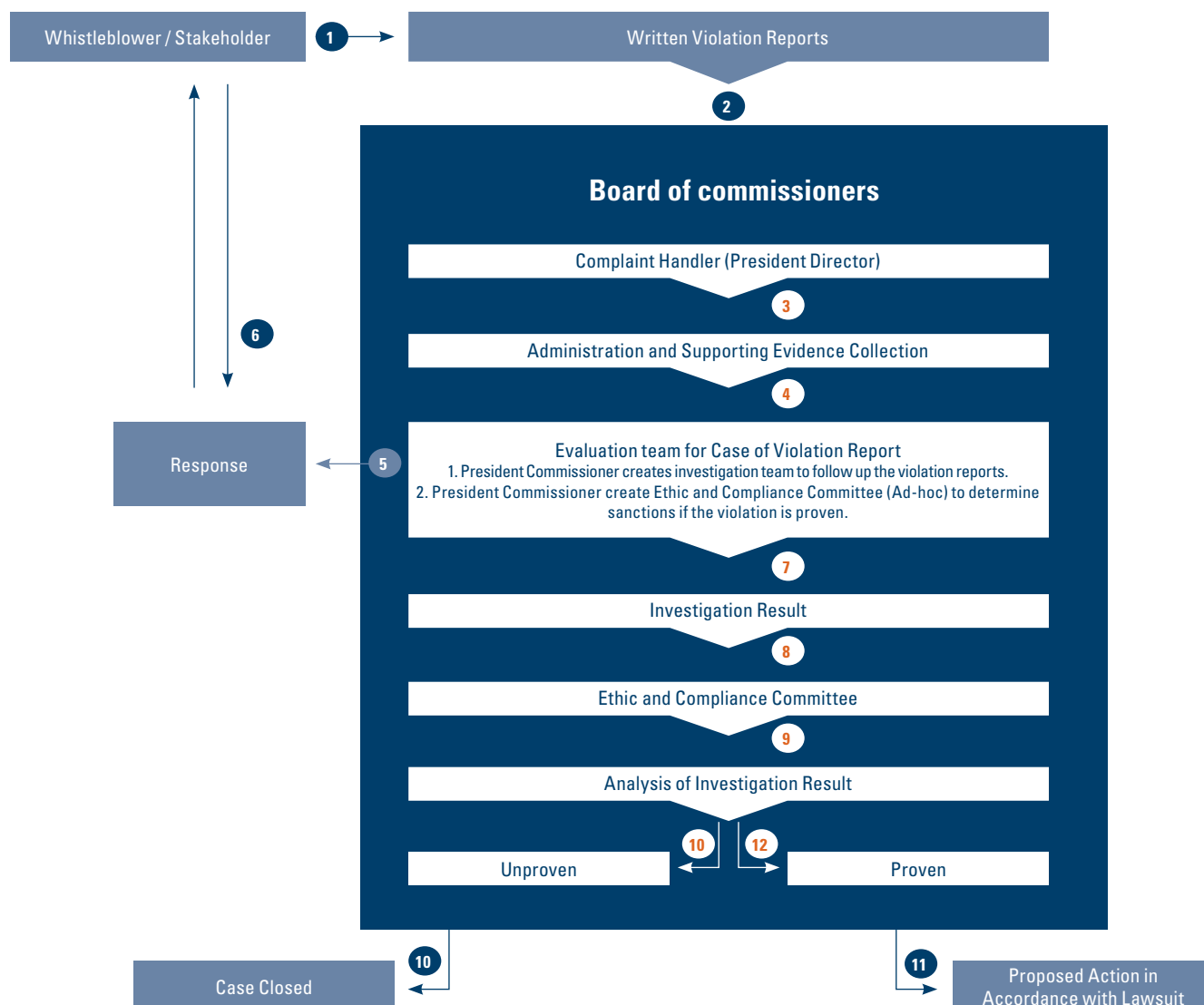
4. In the proven of violations:

- 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 violation towards laws and regulations for follow up to the authorities.

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



**THE FOLLOWING ARE WHISTLEBLOWING SYSTEM PROCEDURES OF VIOLATIONS DONE BY THE BOARD OF COMMISSIONERS OR WBS MANAGERS AS ILLUSTRATED BELOW:**



### WHISTLEBLOWING SYSTEM SOCIALIZATION

The Regulation and Implementation on Whistleblowing System is disseminated and evaluated sustainably to all employees of PT Bakrie & Brothers Tbk, and periodically conducted the Whistleblowing System advancement/refinement for sustainability in accordance with the Company's business development. The following are steps taken by the Company:

1. The Company conducts socialization, implementation and evaluation on Whistleblowing System continuously.
2. The socialization activity is done sustainably towards the Company's internal or external parties. The socialization for internal party will be focusing on the understanding, awareness and requirements to implement consistent GCG. The socialization to the external party is intended to provide understanding on the Company's applicable frameworks in accordance with GCG principles.
3. Whistleblowing System is consistently implemented with full commitment from all elements of PT Bakrie & Brothers Tbk and supported by the other stakeholders.
4. The Company evaluates the Whistleblowing System. The evaluation is intended to acknowledge and measure the appropriateness of Whistleblowing System with the Company's needs as well as the effectiveness of implementation programs. Based on evaluation results, improvement and development of Whistleblowing System and its implementation programs will be conducted sustainably.

## WHISTLEBLOWER PROTECTION

To maintain stability and conducive environment, Whistleblowing System shall provide whistleblower protection to the Whistleblowers. The protection to the whistleblowers cover the following:

1. Independent, free and confidential reporting facilities;
2. Whistleblowers' identity confidentiality guarantee;
3. Protection against retaliation from the Offenders or the Company as well as the other protections within the ability of the Company;
4. Protection guarantee provided by the Company's Ethics & Compliance Committee to the Whistleblowers.

The protection on the retaliation from the Offenders as well as other protections within the Company's ability.

## REPORTS OF VIOLATIONS DURING 2017

Since the policies and procedures of Whistleblowing System was developed and disseminated in March 2012 up to December 31st, 2017, the Company has not received any violation report.

## Information for Investors

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

Extraordinary General Meeting of Shareholders of PT Bakrie & Brothers Tbk ("The Company") held on June 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 26th, 2016.

The Company conducted capital increase with Non Preemptive Rights in accordance with POJK No.38/POJK.04/2014, specifically according to point iii (b) that the Company has negative net working capital and has obligations greater than 80% of Company assets at the time EGMS was conducted and iii (c) that the Company is unable to avoid default on its obligations to a non-affiliated lender and if such lender agrees to accept shares or convertible bonds of the Company in settlement of the loan.

The Company will issue MCB as much as Rp990,692,339,000 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 nominal value of Rp50 per share. The period of MCB conversion is 5 (five) years since the MCB issuance date.

Transaction Plan is a Material Transaction, however it was exempted from such definition as regulated in Rule IX.E.2 and it was not an Affiliated Transaction or Transaction with conflict of interests as described in Rule IX.E.1.

Company's debts that will be exchanged into MCB are debts from the following creditors:

1. Daley Capital Limited
2. Interventures Capital Pte Ltd
3. Smart Treasures Limited
4. Harus Capital Limited
5. PT Maybank Kim Eng Securities



Furthermore the aforementioned creditors became holders of MCB and are eligible to exercise conversion of MCB into Company New Shares.

On December 15th, 2016 PT Bakrie & Brothers Tbk has executed capital increase with NPR through conversion of MCB with total additional shares of 3,300,000,000 shares valued at Rp 50 per share. The party that absorbed the shares was Daley Capital Ltd and the fund raised from this addition of shares was used to settle Company's debt. Before the execution of capital increase with NPR the Company issued and fully paid capital was as much as 93,721,717,528 shares and after the execution of capital increase with NPR its total increased to 97,021,717,528 shares.

On March 31st, 2017 PT Bakrie & Brothers Tbk has executed capital increase with NPR through conversion of MCB with total additional shares of 16,458,094,820 shares valued at Rp 50 per share. The party that absorbed the shares was Daley Capital Ltd which appointed PT Solusi Sarana Sejahtera, Interventures Capital Pte Ltd, PT Maybank Kim Eng Securities, Harus Capital Ltd, and Smart Treasures. The fund raised from this addition of shares was used to restructure Company's debt. Before the execution of capital increase with NPR the Company issued and fully paid capital was as much as 97,021,717,528 shares and after the execution of capital increase with NPR its total increased to 113,479,812,348 shares.

On September 12th, 2017 PT Bakrie & Brothers Tbk has executed capital increase with NPR through conversion of MCB with total additional shares of 55,751,960 shares valued at Rp 50 per share. The party that absorbed the shares was PT Solusi Sarana Sejahtera and the fund raised from this addition of shares was used to restructure Company's debt. Before the execution of capital increase with NPR the Company issued and fully paid capital was as much as 113,479,812,348 shares and after the execution of capital increase with NPR its total increased to 113,535,564,308 shares.



## Adaptation to Corporate Governance

No.	PRINCIPLES & RECOMMENDATIONS		ADAPTATION			Descriptions
			Full	Partial	Not Yet	
A Relationship of Public Company with the Shareholders in Ensuring the Shareholders' Rights						
1.	Improving the Value of General Meeting of Shareholders (GMS) Convention					
1.1	Public Company has technical procedures for opened or closed voting that promote independency and shareholders' interest.	✓				Has been stipulated in Company's Articles of Association and Corporate Governance Manual.
1.2	All members of the Board of Directors and Board of Commissioners are present at Annual GMS.		✓			All members of Board of Commissioners were present at the AGMS held on June 2 <sup>nd</sup> , 2016.
1.3	Summary of GMS Minutes is available on Public Company's Website for no less than 1 (one) year.	✓				Summary of AGMS and EGMS are available on Company's website since June 6 <sup>th</sup> , 2016.
2.	Improving Communication Quality of Public Company with Shareholders or Investors					
2.1	Public Company has a communication policy with shareholders or investors.	✓				The Company has stipulated and applied Policy & Procedure No. 015/BNBR/II/2010 concerning Information Disclosure to Capital Market Community
2.2	Public Company discloses its communication policy with shareholders or investors on its Website.	✓				The Company has uploaded Policy & Procedure No. 15/BNBR/II/2010 concerning Information Disclosure to Capital Market Community to Company's website.
B Board of Commissioners' Function and Role						
3.	Strengthening the Membership and Composition of Board of Commissioners					
3.1	Determination of number of Board of Commissioners' member shall consider the condition of Public Company.	✓				Determination of total members of Board of Commissioners has complied with POJK No. 33/POJK.04/2014.
3.2	Determination of Composition of Board of Commissioners' member considers the variety of expertise, knowledge, and experiences required.	✓				Determination of Board of Commissioners members' composition diversity has been stipulated in Company's Articles of Association and Board Manual.
4.	Improving the Quality of Job and Responsibility Performance of Board of Commissioners					
4.1	Board of Commissioners has self-assessment policy to assess the performance of Board of Commissioners.			✓		Board of Commissioners has enacted self-assessment policy which implementation is supported by committees under Board of Commissioners.
4.2	Self-assessment policy to assess the performance of Board of Commissioners is disclosed in Annual Report of Public Company.	✓				Has been disclosed in 2016 Annual Report book page 116.
4.3	Board of Commissioners has a policy with respect to the resignation of the member of the Board of Commissioners if such member involved in financial crime.			✓		Has been disclosed in Board Manual
4.4	Board of Commissioners or Committee that conduct Nomination and Remuneration function arrange succession policy in Nomination process of Board of Directors member.			✓		The Company has put Nomination and Remuneration Committee into effect according to POJK No. 34/POJK.04/2014. Nomination and Remuneration Committee has formulated succession policy for Board of Directors member.

No.	PRINCIPLES & RECOMMENDATIONS		ADAPTATION			Descriptions
			Full	Partial	Not Yet	
C Board of Directors' Function and Role						
5.	Strengthening the Membership and Composition of the Board of Directors					
5.1	Determination of number of Board of Directors' member considers the condition of Public Company and the effectiveness of decision-making.	✓				Determination of total members of Board of Directors has complied with POJK No. 33/POJK.04/2014.
5.2	Determination of composition of Board of Directors' member considers the variety of expertise, knowledge, and experiences required.	✓				Determination of Board of Directors members' composition diversity has been stipulated in Company's Articles of Association and Board Manual.
5.3	Member of Board of Directors who is liable for accounting or finance has accounting expertise and/or knowledge.	✓				The Company has instated a Director who also holds the position of Chief Financial Officer and has capabilities in accounting field.
6.	Improving the Quality of Job and Responsibility Performance of Board of Directors					
6.1	Board of Directors has self-assessment policy to assess performance of Board of Directors.	✓				The Company has stipulated and applied Policy & Procedure which regulates employees performance appraisal as described in Policy & Procedure No. 034/BNBR/XII/2012 concerning Position Evaluation.
6.2	Self-assessment policy to assess the performance of Board of Directors is disclosed in Annual Report of Public Company.	✓				Has been disclosed in 2016 Annual Report book page 123.
6.3	Board of Directors has a policy with respect to the resignation of the member of the Board of Directors if such member involved in financial crime.			✓		Has been disclosed in Board Manual.
D Participation of Stakeholders						
7.	Improving Corporate Governance Aspect through Participation of Stakeholders					
7.1	Public Company has a policy to prevent insider trading.	✓				The Company has stipulated and applied Policy & Procedure No. 254/BNBR/XII/2014 concerning Stock Trading Activity.
7.2	Public Company has anti-corruption and anti-fraud policy.	✓				The Company has stipulated and applied Policy & Procedure No. 264/BNBR/I/2016 concerning Anti-Fraud and Report of Gratuities Receiving.
7.3	Public Company has policies concerning selection and capability improvement of suppliers and vendors.			✓		The Company has stipulated and applied Policy & Procedure No. 076/BNBR/XII/2015 concerning Goods and Services Procurement.
7.4	Public Company has a policy concerning the fulfillment of creditor's right.			✓		The Company has stipulated and applied Risk Valuation Policy & Procedure towards loan undertaken by Company, described in Policy & Procedure No. 086/BNBR/IV/2015 concerning Fund Raising.
7.5	Public Company has a policy of whistleblowing system.	✓				The Company has stipulated and applied Policy & Procedure No. 258/BNBR/III/2012 concerning Whistleblowing System.

No.	PRINCIPLES & RECOMMENDATIONS		ADAPTATION			Descriptions
			Full	Partial	Not Yet	
	7.6	Public Company has long-term incentive policy for Board of Directors and employees.				The Company has formulated a share-based long-term incentive policy for Board of Directors and employees which will be carried out according to the stipulations of Company's Articles of Associations and Indonesia's Capital Market regulations.
<b>E Information Disclosure</b>						
<b>8.</b>	<b>Improving the Implementation of Information Disclosure</b>					
	8.1	Public Company takes benefit from the application of a broader information technology other than Website as information disclosure media.	✓			The Company has executed Information Disclosure through Company's website, IDX website, OJK website (not for public consumption), and Newspaper with nationwide circulation (for certain Information Disclosure according to prevailing Capital Market Regulations).
	8.2	Annual Report of Public Company discloses beneficial owner in share ownership of Public Company of at least 5% (five percent), other than disclosure of beneficial owner in share ownership of Public Company through major and controlling shareholders.	✓			The Company has disclosed its beneficial owner by disclosing ownership of at least 5% (five percent) of Public Company shares but only until custody and/or securities level according to Share Registrar received through third party such as KSEI and Securities Administration Agency.

## Report of ASEAN Corporate Governance Scorecard Assessment - IICD

No.	QUESTIONS		ANSWER			SCORE
			Yes	No	N/A	
A	RIGHTS OF SHAREHOLDERS					
A.1	Basic Shareholder Rights					
	A.1.1	Does the company pay (interim and final/annual)dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by shareholders at annual general meeting (AGM) for final dividends?			✓	0
A.2	Rights to Participate in Decisions Concerning Fundamental Corporate Changes					
		Do shareholders have the right to participate in:				
	A.2.1	Amendments to the company’s constitution?	✓			1
	A.2.2	The authorization of additional shares?	✓			1
	A.2.3	The transfer of all or substantially all assets, which in effect results in the sale of the company?	✓			1
A.3	Rights to Participate Effectively In and Vote In General Shareholders Meetings and should be Informed of the Rules, including Voting Procedures that Govern General Shareholders Meetings					
	A.3.1	Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?	✓			1
	A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?	✓			1
	A.3.3	Does the company allow shareholders to elect directors/commissioners individually?	✓			1
	A.3.4	Does the company disclose the voting and vote tabulation procedures used, declaring both before the meeting proceeds?		✓		0
	A.3.5	Do the minutes of the most recent AGM record that there was an opportunity allowing for shareholders to ask questions or raise issues?		✓		0
	A.3.6	Do the minutes of the most recent AGM record questions and answers?		✓		0
	A.3.7	Does the disclosure of the outcome of the most recent AGM include resolution(s)?		✓		0
	A.3.8	Does the company disclose the voting results including approving, dissenting, and abstaining votes for each agenda items for the most recent AGM?		✓		0
	A.3.9	Does the company disclose the list of board members who attended the most recent AGM?		✓		0
	A.3.10	Did the chairman of the board of directors/commissioners attend the most recent AGM?		✓		0
	A.3.11	Did the CEO/Managing Director/President attend the most recent AGM?		✓		0
	A.3.12	Did the chairman of the Audit Committee attend the most recent AGM?		✓		0
	A.3.13	Did the company organize their most recent AGM in an easy to reach location?	✓			1
	A.3.14	Does the company allow for voting in absentia?	✓			1
	A.3.15	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?		✓		0
	A.3.16	Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?		✓		0
	A.3.17	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM for all resolutions?		✓		0
	A.3.18	Do companies provide at least 21 days notice for all resolutions?	✓			1
	A.3.19	Does the company provide the rationale and explanation for each agenda which require shareholders’ approval in the notice of AGM/circulars and/or the accompanying statement?		✓		0

No.	QUESTIONS		ANSWER			SCORE
			Yes	No	N/A	
A.4	Markets for Corporate Control should be Allowed to Function in an Efficient and Transparent Manner					
A.4.1	In cases of mergers, acquisitions and/or takeovers, does the board of directors/commissioners of the offeree company appoint an independent party to evaluate the fairness of the transaction price?	✓				1
A.5	The Exercise of Ownership Rights by All Shareholders, including Institutional Investors, should be Facilitated					
A.5.1	Does the company publicly disclose policy/practice to encourage shareholders including institutional shareholders to attend the general meetings or engagement with the company?		✓			0
B	EQUITABLE TREATMENT OF SHAREHOLDERS					
B.1	Shares and Voting Rights					
B.1.1	Do the company's ordinary or common shares have one vote for one share?	✓				1
B.1.2	Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website/reports/the stock exchange/the regulator's website)?		✓			0
B.2	Notice of AGM					
B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?	✓				1
B.2.2	Are the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version?	✓				1
	Does the notice of AGM/circulars have the following details:					
B.2.3	Are the profiles of directors/commissioners (at least age, qualification, date of first appointment, experience and directorships in other listed companies) in seeking election/re-election included?			✓		0
B.2.4	Are the auditors seeking appointment/re-appointment clearly identified?		✓			0
B.2.5	Has an explanation of the dividend policy been provided?		✓			0
B.2.6	Is the amount payable for final dividends disclosed?			✓		0
B.2.7	Documents required to be proxy/Were the proxy documents made easily available?	✓				1
B.3	Insider Trading and Abusive Self-Dealing should be Prohibited					
B.3.1	Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	✓				1
B.3.2	Are the directors and commissioners required to report their dealings in company shares within 3 business days?		✓			0
B.4	Related Party Transactions by Directors and Key Executives					
B.4.1	Are directors and commissioners required to disclose their interest in transactions and any other conflicts of interest?	✓				1
B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material/significant RPTs to determine whether they are in the best interests of the company?	✓				1
B.4.3	Does the company have a policy requiring board members (directors/ commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?	✓				1
B.4.4	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates?		✓			0
B.5	Protecting Minority Shareholders from Abusive Actions					
B.5.1	Were there any RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies?	✓				1
B.5.2	Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arm's length?		✓			0
B.5.3	In case of related party transactions requiring shareholders' approval, is the decision made by disinterested shareholders?	✓				1



No.	QUESTIONS		ANSWER			SCORE
			Yes	No	N/A	
C	ROLE OF STAKEHOLDERS					
C.1	The Rights of Stakeholders that are Established by Law or Through Mutual Agreements are to be Respected					
	Do the company disclose a policy that:					
	C.1.1	Stipulates the existence and scope of the company’s efforts to address customers’ health and safety?	✓			1
	C.1.2	Explains supplier/contractor selection practice?	✓			1
	C.1.3	Describes the company’s efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?	✓			1
	C.1.4	Elaborates the company’s efforts to interact with the communities in which they operate?	✓			1
	C.1.5	Directs the company’s anti-corruption programs and procedures?	✓			1
	C.1.6	Describes how creditors’ rights are safeguarded?	✓			1
	Does the company disclose the activities that it has undertaken to implement the above mentioned policies?					
	C.1.7	Customer health and safety	✓			1
	C.1.8	Supplier/Contractor selection and criteria	✓			1
	C.1.9	Environmentally-friendly value chain	✓			1
	C.1.10	Interaction with the communities	✓			1
	C.1.11	Anti-corruption programs and procedures	✓			1
	C.1.12	Creditors’ rights	✓			1
	C.1.13	Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?	✓			1
C.2	Where Stakeholder Interests are Protected by Law, Stakeholders should Have the Opportunity to Obtain Effective Redress for Violation of Their Rights					
	C.2.1	Does the company provide contact details via the company’s website or Annual Report which stakeholders (e.g. customers, suppliers, general public, etc.) can use to voice their concerns and/or complaints for possible violation of their rights?	✓			1
C.3	Performance-Enhancing Mechanisms for Employee Participation should be Permitted to Develop					
	C.3.1	Does the company explicitly disclose the health, safety, and welfare policy for its employees?	✓			1
	C.3.2	Does the company publish data relating to health, safety and welfare of its employees?	✓			1
	C.3.3	Does the company have training and development programs for its employees?	✓			1
	C.3.4	Does the company publish data on training and development programs for its employees?	✓			0
	C.3.5	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measure?		✓		1
C.4	Stakeholders Including Individual Employee and Their Representative Bodies, should be Able to Freely Communicate Their Concerns about Illegal or Unethical Practices to the Board and Their Rights should not be Compromised for Doing This					
	C.4.1	Does the company have procedures for complaints by employees concerning illegal (including corruption) and unethical behavior?	✓			1
	C.4.2	Does the company have a policy or procedures to protect an employee/ person who reveals illegal/unethical behavior from retaliation?	✓			1
D.	DISCLOSURE AND TRANSPARENCY					
D.1	Transparent Ownership Structure					
	D.1.1	Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?	✓			1
	D.1.2	Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?	✓			1
	D.1.3	Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?		✓		0
	D.1.4	Does the company disclose the direct and indirect (deemed) shareholdings of senior management?		✓		0

No.	QUESTIONS		ANSWER			SCORE
			Yes	No	N/A	
	D.1.5	Does the company disclose details of the subsidiaries, associates, joint ventures and special purpose enterprises/vehicles (SPEs)/(SPVs)?	✓			1
<b>D.2 Quality of Annual Report</b>						
	Does the company's annual report disclose the following questions:					
	D.2.1	Key risks	✓			1
	D.2.2	Corporate objectives	✓			1
	D.2.3	Financial performance indicators	✓			1
	D.2.4	Non-financial performance indicators	✓			1
	D.2.5	Dividend policy	✓			1
	D.2.6	Details of whistle-blowing policy	✓			1
	D.2.7	Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	✓			1
	D.2.8	Training and/or continuing education program attended by each director/commissioner		✓		0
	D.2.9	Number of board of directors/commissioners meeting held during the year	✓			1
	D.2.10	Attendance details of each director/commissioner in respect of meetings held	✓			1
	D.2.11	Details of remuneration of the CEO and each member of the board of directors/commissioners		✓		0
	D.2.12	Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue?		✓		0
<b>D.3 Disclosure of Related Party Transactions (RPT)</b>						
	D.3.1	Does the company disclose its policy covering the review and approval of material/significant RPTs?		✓		0
	D.3.2	Does the company disclose the name of the related party and relationship for each material/significant RPT?	✓			1
	D.3.3	Does the company disclose the nature and value for each material/significant RPT?	✓			1
<b>D.4 Directors and Commissioners Dealings in Shares of the Company</b>						
	D.4.1	Does the company disclose trading in the company's shares by insiders?	✓			1
<b>D.5 External Auditor and Auditor Report</b>						
	D.5.1	Are audit fees disclosed?	✓			1
	D.5.2	Are the non-audit fees disclosed?	✓			1
	D.5.3	Does the non-audit fees exceed the audit fees?		✓		0
<b>D.6 Medium of Communications</b>						
	Does the company use the following modes of communication?					
	D.6.1	Quarterly reporting	✓			1
	D.6.2	Company website	✓			1
	D.6.3	Analyst's briefing	✓			1
	D.6.4	Media briefings/press conference	✓			1
<b>D.7 Timely Filing/Release of Annual/Financial Reports</b>						
	D.7.1	Are the audited financial report/statement released within 120 days from the financial year end?	✓			1
	D.7.2	Is the annual report released within 120 days from the financial year end?	✓			1
	D.7.3	Is the true and fairness/fair representation of the annual financial statement/reports affirmed by the board of directors/commissioners and/or the relevant officers of the company?	✓			1
<b>D.8 Company Website</b>						
	Does the company have a website disclosing up-to-date information on the following:					
	D.8.1	Business operations	✓			1
	D.8.2	Financial statements/reports (current and prior years)	✓			1
	D.8.3	Materials provided in briefings to analysts and media	✓			1

No.	QUESTIONS		ANSWER			SCORE
			Yes	No	N/A	
	D.8.4	Shareholding structure	✓			1
	D.8.5	Group corporate structure	✓			1
	D.8.6	Downloadable annual report	✓			1
	D.8.7	Notice of AGM and/or EGM	✓			1
	D.8.8	Minutes of AGM and/or EGM		✓		0
	D.8.9	Company's constitution (company's bylaws, memorandum and articles of association)		✓		0
<b>D.3</b>	<b>Investor Relations</b>					
	D.9.1	Does the company disclose the contact details (e.g. telephone, fax, and email) of the officer responsible for investor relations?	✓			1
<b>E.</b>	<b>RESPONSIBILITIES OF THE BOARD</b>					
<b>E.1</b>	<b>Duties and Responsibilities of the Board of Directors and Board of Commissioners:</b>					
	Clearly Defined Board Responsibilities and Corporate Governance Policy:					
	E.1.1	Does the company disclose its corporate governance policy/board charter?	✓			1
	E.1.2	Are the types of decisions requiring board of directors/commissioners' approval disclosed?	✓			1
	E.1.3	Are the roles and responsibilities of the board of directors/commissioners clearly stated?	✓			1
	Company Vision and Mission:					
	E.1.4	Does the company have a vision and mission statement?	✓			1
	E.1.5	Has the board review the vision and mission/strategy in the last financial year?		✓		0
	E.1.6	Does the board of directors monitor/oversee the implementation of the corporate strategy?	✓			1
<b>E.2</b>	<b>Board of Commissioners Structure</b>					
	Code of Ethics or Conduct:					
	E.2.1	Are the details of the code of ethics or conduct disclosed?	✓			1
	E.2.2	Does the company disclose that all directors/commissioners, senior management and employees are required to comply with the code?	✓			1
	E.2.3	Does the company disclose how it implements and monitors compliance with the code of ethics or conduct?	✓			1
	Structure and Composition of Board of Commissioners:					
	E.2.4	Do independent directors/commissioners make up at least 50% of the board of directors/commissioners?		✓		0
	E.2.5	Are the independent directors/commissioners independent of management and major/substantial shareholders?	✓			1
	E.2.6	Does the company have a term limit of nine years or less for its independent directors/commissioners?		✓		0
	E.2.7	Has the company set a limit of five board seats that an individual independent/non-executive director/commissioner may hold simultaneously?	✓			1
	E.2.8	Does the company have any independent directors/commissioners who serve on more than five boards of publicly-listed companies?		✓		0
	Nominating Committee:					
	E.2.9	Does the company have a Nominating Committee?	✓			1
	E.2.10	Does the Nominating Committee comprise of a majority of independent directors/commissioners?		✓		0
	E.2.11	Is the chairman of the Nominating Committee an independent director/commissioner?	✓			1
	E.2.12	Does the company disclose the terms of reference/governance structure/chapter of the Nominating Committee?	✓			1
	E.2.13	Did the Nominating Committee meet at least twice during the year?	✓			1
	E.2.14	Is the attendance of members at Nominating Committee meetings disclosed?	✓			1
	Remuneration Committee/Compensation Committee:					
	E.2.15	Does the company have a Remuneration Committee?	✓			1

No.	QUESTIONS		ANSWER			SCORE
			Yes	No	N/A	
E.2.16	Does the Remuneration Committee comprise of a majority of independent directors/commissioners?			✓		0
E.2.17	Is the chairman of the Remuneration Committee an independent director/commissioner?		✓			1
E.2.18	Does the company disclose the terms of reference/governance structure/charter of the Remuneration Committee?		✓			1
E.2.19	Did the Remuneration Committee meet at least twice during the year?		✓			1
E.2.20	Is the attendance of members at Remuneration Committee meetings disclosed?		✓			1
Audit Committee:						
E.2.21	Does the company have a Audit Committee?		✓			1
E.2.22	Does the Audit Committee comprise entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?		✓			1
E.2.23	Is the chairman of the Audit Committee an independent director/commissioner?		✓			1
E.2.24	Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?		✓			1
E.2.25	Does the Annual Report disclose the profile or qualifications of the Audit Committee member?		✓			1
E.2.26	Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)?		✓			1
E.2.27	Did the Audit Committee meet at least four times during the year?		✓			1
E.2.28	Is the attendance of members at Audit Committee meetings disclosed?		✓			1
E.2.29	Does the Audit Committee have primary responsibility for recommendation on the appointment, and removal of the external auditor?			✓		0
<b>E.3 Role of Board of Directors and Board of Commissioners</b>						
Meetings and Attendance of Board of Directors and Board of Commissioners:						
E.3.1	Are the board of directors meetings scheduled before the start of financial year?			✓		0
E.3.2	Does the board of directors/commissioners meet at least six times per year?		✓			1
E.3.3	Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?		✓			1
E.3.4	Does the company require a minimum quorum of at least 2/3 for board decisions?			✓		0
E.3.5	Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present?		✓			1
Information Access:						
E.3.6	Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting?			✓		0
E.3.7	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?		✓			1
E.3.8	Is the company secretary trained in legal, accountancy or company secretarial practices?		✓			1
Appointment and Re-election of members of Board of Directors and Board of Commissioners						
E.3.9	Does the company disclose the criteria used in selecting new directors/commissioners		✓			1
E.3.10	Does the company disclose the process followed in appointing new directors/commissioners?			✓		0
E.3.11	Are all the directors/commissioners subject to re-election at least once every three years?			✓		0
Remuneration Matters:						
E.3.12	Does the company disclose its remuneration (fee, allowances, benefit-in-kind and other emoluments) policy (i.e., the use of short term and long term incentives and performance measures) for its executive directors and CEO?			✓		0
E.3.13	Is there disclosure of the fee structure for non-executive directors/commissioners?			✓		0
E.3.14	Do the shareholders or the board of directors approve the remuneration on the executive directors and/or the senior executives?		✓			1
E.3.15	Do independent/non-executive directors/commissioners receive options, performance shares or bonuses?			✓		0

No.	QUESTIONS		ANSWER			SCORE
			Yes	No	N/A	
	Internal Audit:					
E.3.16	Does the company have a separate internal audit functions?		✓			1
E.3.17	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?		✓			1
E.3.18	Does the appointment and removal of the internal auditor require the approval of the Audit Committee?		✓			1
	Risk Oversight:					
E.3.19	Does the company disclose the internal control procedures/ risk management systems it has in place?		✓			1
E.3.20	Does the Annual Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?		✓			1
E.3.21	Does the company disclose how key risks are managed?		✓			1
E.3.22	Does the Annual Report contain a statement from the board of directors/ commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management system?			✓		0
<b>E.4</b>	<b>Individuals in the Structure of Board of Directors and Board of Commissioners</b>					
	Board Chairman:					
E.4.1	Do different persons assume the roles of chairman and CEO?		✓			1
E.4.2	Is the chairman an independent director/commissioner?		✓			1
E.4.3	Is any of the directors a former CEO of the company in the past 2 years?			✓		1
E.4.4	Are the role and responsibilities of the chairman disclosed?		✓			1
	Skills and Competencies:					
E.4.5	Does at least one non-executive director/commissioner have prior working experience in the major sector that the company is operating in?		✓			1
E.4.6	Does the company disclose a board of directors/commissioners diversity policy?		✓			1
<b>E.5</b>	<b>Performance of Board of Directors and Board of Commissioners</b>					
	Training/Development of Board of Directors and Board of Commissioners:					
E.5.1	Does the company have orientation programs for new directors/commissioners?		✓			1
E.5.2	Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmes?		✓			1
	Appointment and Performance Assessment of President Director:					
E.5.3	Does the company disclose how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President Director?			✓		0
E.5.4	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President Director?		✓			1
	Board of Directors and Board of Commissioners Appraisal:					
E.5.5	Is an annual performance assessment conducted on the board of directors/commissioners?		✓			1
E.5.6	Does the company disclose the process followed in conducting the board assessment?		✓			1
E.5.7	Does the company disclose the criteria used in the board assessment?			✓		0
	Members of Board of Directors and Board of Commissioners Appraisal:					
E.5.8	Is an annual performance assessment conducted on individual directors/commissioners?			✓		0
E.5.9	Does the company disclose the process followed in conducting the director/commissioner assessment?			✓		0
E.5.10	Does the company disclose the criteria used in the director/commissioner assessment?			✓		0
	Committees under Board of Directors and Board of Commissioners Appraisal:					
E.5.11	Is an annual performance assessment conducted on the board of directors/commissioners committees?			✓		0



## Total Score for Corporate Governance Practices at PT Bakrie & Brothers Tbk

NO.	INDICATORS/DEFINING PARAMETERS		TOTAL OF COMPLIANCE ON QUESTIONS IN EACH PARAMETER	TOTAL OF QUESTIONS	SCORES OF EACH COMPONENT	WEIGHTAGE	SCORES OF EVERY PRINCIPLES
1.	A	RIGHTS OF SHAREHOLDERS	10	24	41,67%	10%	4,17
2.	B	EQUITABLE TREATMENT OF SHAREHOLDERS	9	16	56,25%	15%	8,44
3.	C	ROLE OF STAKEHOLDERS	20	21	95,24%	10%	9,52
4.	D	DISCLOSURE AND TRANSPARENCY	33	41	80,49%	25%	20,12
5.	E	RESPONSIBILITIES OF THE BOARD	54	74	72,97%	40%	29,19
6.		BONUS	-	-	-	-	2
7.		PENALTY	-	-	-	-	-2
Total Score for Corporate Governance Practices							71,44

Total score of GCG practices earned by PT Bakrie & Brothers Tbk for year 2015 (ASEAN CG Scorecard 2016) amounted to **71,44**.

Overall, assessment result of GCG implementation at PT Bakrie & Brothers Tbk gained the qualification **"FAIR"**





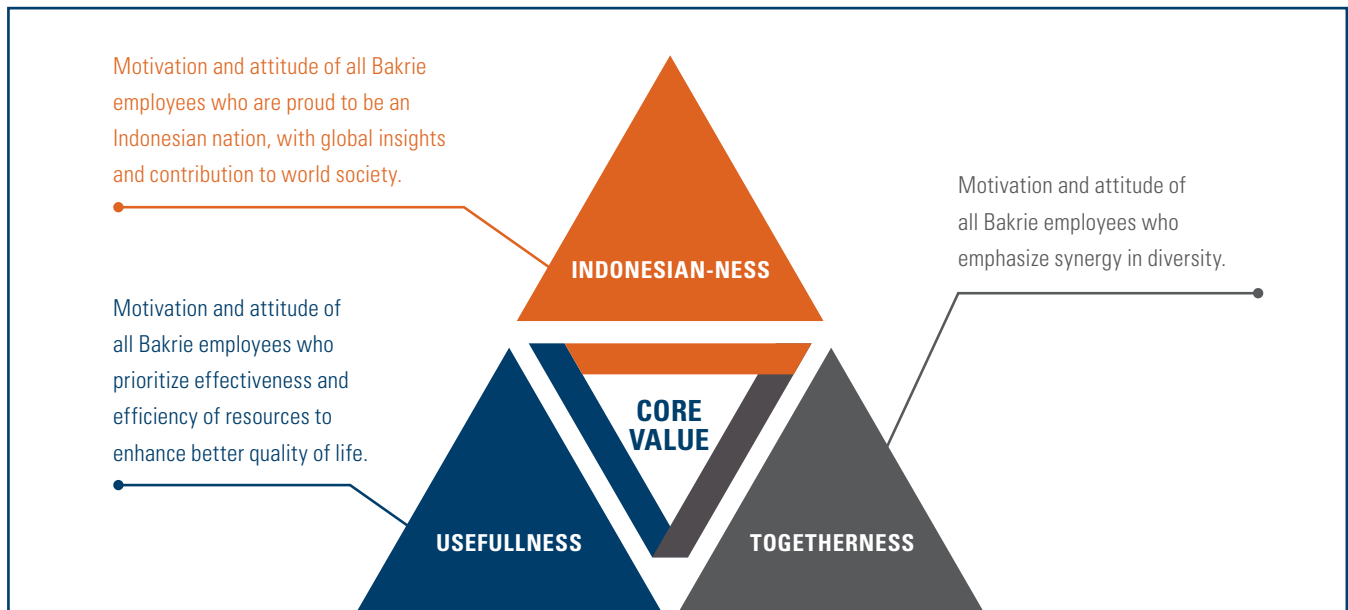
# Corporate Social Responsibility



# Corporate Social Responsibility

## COMPANY CSR VISION AND MISSION: “BAKRIE UNTUK NEGERI”

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 2017, making sure that each and every CSR activity that is conducted reflects back on our core values.

## Implementation 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.

## 2017 CORPORATE SOCIAL RESPONSIBILITY ACTIVITY PLAN






BNBR formulates its Corporate Social Responsibility activity plan through implementation of ISO 26000 as follows:

NO.	CORE SUBJECT	TARGET	2017 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 2017.
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, in peaceful 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 2017 a total of 47 employees were trained.
		3. Encourage human development.	BNBR Group continuously improves employees competencies through various relevant training programs. More information can be learned from the Human Capital Management chapter of this 2017 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. Implement a preventive approach in dealing with 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 21st, 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 improvement of social aspects for life community around BNBR.	BNBR Group recognizes its long-term interest in the sustainability of the communities in which it operates. More information can be learned the Corporate Social Responsibility Towards Social and Community Development segment in this chapter.
		2. Engage in actions to improve educational quality and promote good health of its employees and surrounding community.	

BNBR's charity-based CSR activities are carried out by subsidiaries as well as channeled through Management Board of Bakrie Untuk Negeri (BP BUN). This board was established on August 17th, 2007, carries out synergy functions in companies within the Bakrie Group including BNBR. CSR activities carried out by BNBR and its subsidiaries adapted the programs implemented by BP BUN as briefly described in the following CSR expenditure table.

### Expenditure for Charity Type Corporate Social Responsibility Activity

CSR Program	Expenditure (in Rupiah)
Peduli Untuk Negeri 	446,972,000
Cerdas Untuk Negeri 	172,572,000
Hijau Untuk Negeri 	60,000,000
Sehat Untuk Negeri 	121,856,676
Kemitraan Untuk Negeri 	267,532,034
<b>TOTAL</b>	<b>1,068,932,710</b>



## Corporate Social Responsibility related to environmental activities

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. On 2015 the board has won an award and earned a Green Listing award.

### ENVIRONMENT-FRIENDLY ENERGY

The company's subsidiary, PT Bakrie Power (BP) is dedicated in the development of clean energy projects that focuses on Geothermal Power Plant, Solar Power Plants, Wind Turbines, and Biomass Powerplant. By 2017, the company has branched out its Solar Power Plant projects in East Flores, Alor, Maluku, and even in Jakarta with a capacity totaling 735 KWp.

### 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. While BBI operates its machine by using clean up excess and scrap from its main production process as raw material.

### 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 2017, the program summed at Rp 60,000,000 with PT Bakrie Pipe Industries as the biggest contributor. The company not only continuously plants trees within the factory area, but also annually donates trees to the Medan Satria District.

### DEVELOPING AN ECO-FRIENDLY CULTURE WITHIN THE COMPANY

To build an eco-friendly culture that is embedded within each stakeholder of the Company is an important mission. BNBR encourages and conducts educational and socialization programs relating to waste reduction & management, recycling, environmental preservation and management. PT Bakrie Pipe Industries (BPI)

organizes a schedules river cleanup programs that is around the area, including one that flows through the plant area. The aim is to clean up rivers clogged by rubbish and to contribute to reducing negative environment impact in the area, including educating the community on the issue. To enhance the education, the company donates rubbish bins and carts to waste collectors in the community.

### AIR QUALITY MANAGEMENT

Various management efforts have been applied by BNBR group to reduce effects of air quality decrease due to its industrial operation activities. Some of those efforts are installation of dust collector exhaust fan, ventilation and chimney equipped with filter, as well as planting trees in open space area in the factory site. The Company also performs emission test on its operational machinery and vehicles at least once every six months.

## Environmental Awards & Certificates

### BAKRIE PIPE INDUSTRIES



#### ISO 14001:2004

May 2016 – September 2018

Environmental Management System Certificate; ISO 14001:2004 (TÜV Rheinland) for manufacture of Fabricated Steel Pipes, Steel Poles, Coated Steel Pipes, Galvanized Steel Pipes, Rectangular and Square Pipes was obtained by PT Bakrie Pipe Industries on May 3<sup>rd</sup>, 2016. This certificate is valid until September 14<sup>th</sup>, 2018.

### SOUTH EAST ASIA PIPE INDUSTRIES



#### ISO 14001:2015

September 2017 – September 2020

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<sup>th</sup>, 2017 and is valid until September 24<sup>th</sup>, 2020.

### BAKRIE METAL INDUSTRIES



#### ISO 14001: 2004

May 2015 – April 2018

Environmental Management System Certificate; ISO 14001:2004 (AJA Registrars) was obtained by PT Bakrie Metal Industries. This certificate is valid from May 19<sup>th</sup>, 2015 until April 17<sup>th</sup>, 2018.

### BAKRIE CONSTRUCTIONS

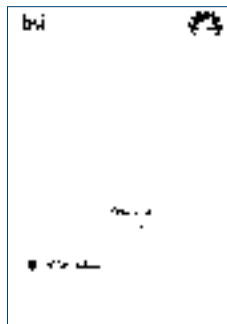


#### ISO 14001:2005

January 2016 – January 2020

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

### BAKRIE BUILDING INDUSTRIES



#### ISO 14001:2004

June 2015 – May 2018

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

### BAKRIE AUTOPARTS



#### ISO 14001:2004

April 2014 – April 2017

Environmental Management System Certificate; ISO 14001:2004 (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 April 9<sup>th</sup>, 2014. This certificate is valid until April 8<sup>th</sup>, 2017.



#### BRAJA MUKTI CAKRA



#### ISO 14001:2004

September 2016 – September 2018

Environmental Management Certificate; ISO 14001:2004 (BSI, ANAB, IAF, KAN) for Manufacture of Machining Part Used in Engine, Drive Axle, and Brake System by PT Braja Mukti Cakra on October 24<sup>th</sup>, 2012. This certificate is recertified and is valid from September 15<sup>th</sup>, 2016 until September 15<sup>th</sup>, 2018.

## 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 25<sup>th</sup>, 2013, and forms a guide to the creation of a safe and healthy workplace, as well as ensuring that Company activities caused the least negative effect on the environment. The implementation of this policy aims to allow the Company to reach ideal OHS indicators, as follows:

- Identification and evaluation of OHS aspects and threats, as well as control of risk and its effects in an acceptable level.
- Commitment to obey laws, regulations and other legal aspects.
- Prevention of workplace accidents, injuries, illnesses and pollution.
- Reduction of waste and the consumption of energy.





- Recording and socialization of OHS performance.
- Ensuring control of unsafe conditions and behavior, which may cause occupational accidents or injuries.
- Continued improvement of OHS implementation.

### OCCUPATIONAL HEALTH AND SAFETY TRAINING

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 9001:2015 workshops
- First Aid
- Disease or illness prevention and awareness
- Toxic materials
- Fire Extinguishing and prevention

### EQUAL WORK OPPORTUNITY

One of BNBR's core philosophy focuses on "Togetherness" that aims to emphasize synergy in diversity. The Company applies the principle of equal opportunity in the recruitment process. Therefore recruitment of BNBR and its subsidiaries' employee is basically open for everyone. To obtain high quality and talented candidate employees to fill certain positions, BNBR applies the following recruitment method:

- Internal recruitment, to accelerate employee career paths.
- External recruitment.

### EMPLOYEE TURNOVER RATE

During 2017 BNBR has employed 238 new employees. However a total of 162 people left the company, most of these people are outsourced employees.

## Employee Turnover Based on Position

POSITION	2016	2017	Variance
Comissioner	0	0	N/A
Director	2	0	-100%
VP/ Senior Manager	2	9	350%
Manager	11	24	118%
Assistant Manager	2	3	50%
Staff	7	68	871%
Non Staff	53	57	8%
Management Trainee	2	1	-50%
<b>Total</b>	<b>79</b>	<b>162</b>	<b>105%</b>

## Number of new Employees Based on Position

POSITION	2016	2017	Variance
Comissioner	0	0	N/A
Director	2	1	-50%
VP/ Senior Manager	3	6	100%
Manager	14	4	-71%
Assistant Manager	7	3	-57%
Staff	97	63	-35%
Non Staff	13	155	1092%
Management Trainee	4	6	50%
<b>TOTAL</b>	<b>140</b>	<b>238</b>	<b>70%</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 2017

SUBSIDIARIES	SEVERE INCIDENT 2017	MINOR INCIDENT 2017	LOST TIME INJURY (LTI) 2017
BBI	0	8	8
BMI (BFU, BCONs, Construction Site Projects)	0	1	0
BPI (including Seapi)	0	0	0
BA (BA, BUMM, BMC)	0	14	19
<b>TOTAL</b>	<b>-</b>	<b>23</b>	<b>27</b>

### Accident Rate 2016

SUBSIDIARIES	SEVERE INCIDENT 2016	MINOR INCIDENT 2016	LOST TIME INJURY (LTI) 2016
BBI	4	6	8
BMI (BFU, BCONs, Construction Site Projects)	0	27	0
BPI (including Seapi)	0	5	0
BA (BA, BUMM, BMC)	0	26	242
<b>TOTAL</b>	<b>4</b>	<b>64</b>	<b>250</b>

## Occupational, Health and Safety Awards & Certificates

### BAKRIE PIPE INDUSTRIES



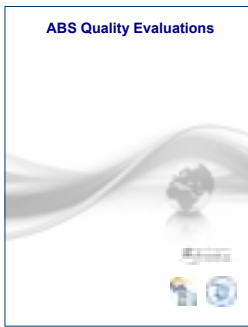
#### **Certificate of Appreciation for Occupational Safety and Health Management System**

July 2017 – July 2020

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

Certificate was obtained on July 14<sup>th</sup>, 2017 and is valid until July 14<sup>th</sup>, 2020.



**BAKRIE PIPE INDUSTRIES**

**OHSAS 18001:2007**

April 2016 – April 2019

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

**SOUTH EAST ASIA PIPE INDUSTRIES**

**OHSAS 18001:2007**

September 2017 – September 2020

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

**BAKRIE METAL INDUSTRIES**

**OHSAS 18001:2007**

May 2015 – April 2018

Occupational Health and Safety Management System; OHSAS 18001:2007 (AJA Registrars) was obtained by PT Bakrie Metal Industries. This certificate is valid from May 19<sup>th</sup>, 2015 until April 17<sup>th</sup>, 2018.

**BAKRIE CONSTRUCTIONS**

**OHSAS 18001:2007**

January 2017 – January 2020

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

**BAKRIE CONSTRUCTIONS**

**Contractor's Safety Management System**

September 2015 – September 2017

Contractor's Safety Management System Certificate (MSMS PT Pertamina) for refinery unit VI Balongan was obtained by PT Bakrie Construction on September 25<sup>th</sup>, 2015. The certificate is valid until September 23<sup>rd</sup>, 2017.

**BAKRIE BUILDING INDUSTRIES**

**OHSAS 18001:2007**

June 2015 – May 2018

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



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

June 2015 – June 2018

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

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

November 2016 – November 2018

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

## Corporate Social Responsibility related to social and community development

The social and community development part of BNBR group's CSR activities is carried out through the "*Cerdas Untuk Negeri*" ("Education for the Nation"), "*Sehat Untuk Negeri*" ("Health for the Nation"), "*Peduli Untuk Negeri*" ("Care for the Nation") as well as "*Kemitraan Untuk Negeri*" ("Partnership for the Nation") programs. Through these programs, BNBR and its subsidiaries strive to enhance the quality of life of the community in terms of health, education and the economy.

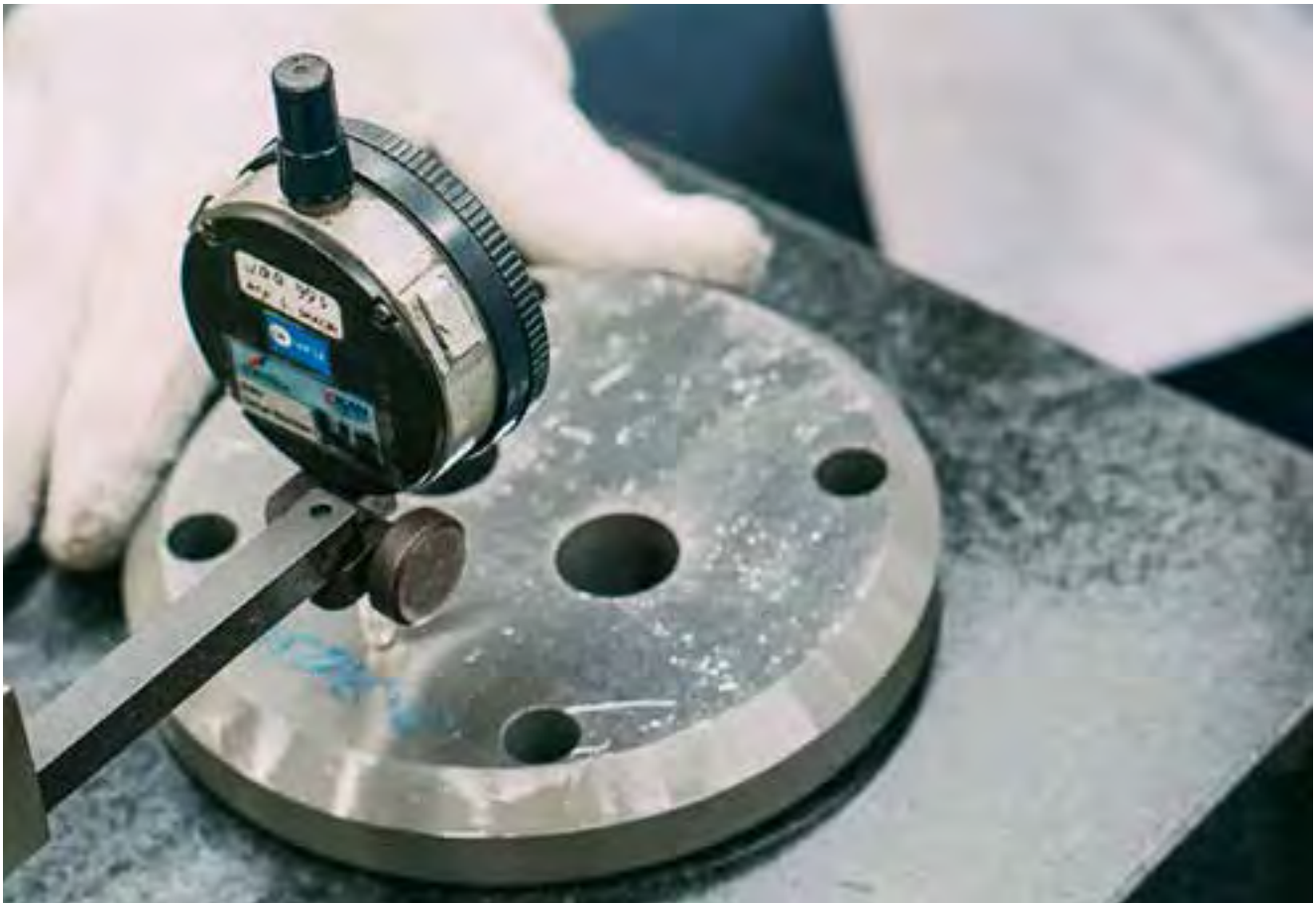
### RECRUITMENT OF LOCAL MANPOWER

The Company continuously supports people empowerment to reach independency through development of people economy. BNBR manufacturing subsidiaries hired local people around their factories as office boy, security, driver, cleaning service and employee canteen management to support their daily operational activities.

### COMMUNITY DEVELOPMENT

Developing a community culture that within the Company and the area surrounding it is truly important. Such program is named "*Kemitraan Untuk Negeri*" which included activities such as gathering local food vendors to operate within the plant areas and provide for the employees, constructing and building sports facilities within the plant and opening them for the local community to use free of charge, providing buses for employees to return to their hometown during religious holidays, as well as consumption donations for the community during religious festivals such as lambs for Idul Adha.

"*Kemitraan Untuk Negeri*" totaled at Rp. 267,532,034 for 2017.



BNBR and its subsidiaries consider human development and quality of life improvement of Indonesian people as a vital point. In the health sector, internally BNBR group supports healthy lifestyle of its employees by providing sports facility for employees in the holding level, while BNBR subsidiaries carry out weekly sport session. For its surrounding community, BNBR group has implemented various activities such as health counseling in areas nearby BPI, blood donation and fogging of residential area around PT South East Asia Pipe Industries (SEAPI) factory.

Total disbursement for “*Sehat Untuk Negeri*” program along 2017 is Rp 121,856,676.

The Company believes education is an essential tool to empower Indonesian people in achieving its independency and Excellency. Some of the activities carried out in the education sector are provision of working experience through internship program at BPI for university and high school students, as well as scholarship and career counselling for students with high achievements by BBI. Total disbursement for “*Cerdas Untuk Negeri*” program along 2017 is Rp 172,572,000.

### IMPROVEMENT TO PUBLIC FACILITIES AND SOCIAL DONATIONS

As a manifestation of empathy, various activities have been carried out as a real form of concern and care for others, and also to maintain good relationship with surrounding community as well as improving public facilities around the Company area. BNBR group routinely participate in various activities such as supporting construction and improvement of places of worship, celebration of religious holy days, and providing administrative facilities and infrastructures for people around its manufacturing sites. Total disbursement for “*Peduli Untuk Negeri*” program along 2017 is Rp 446,972,000.

### 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

BPI, SEAPI, and PT Bakrie Metal Industries (BMI) 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 agriculture

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 2017, to farm their crops there, allowing them to use them as rice 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.



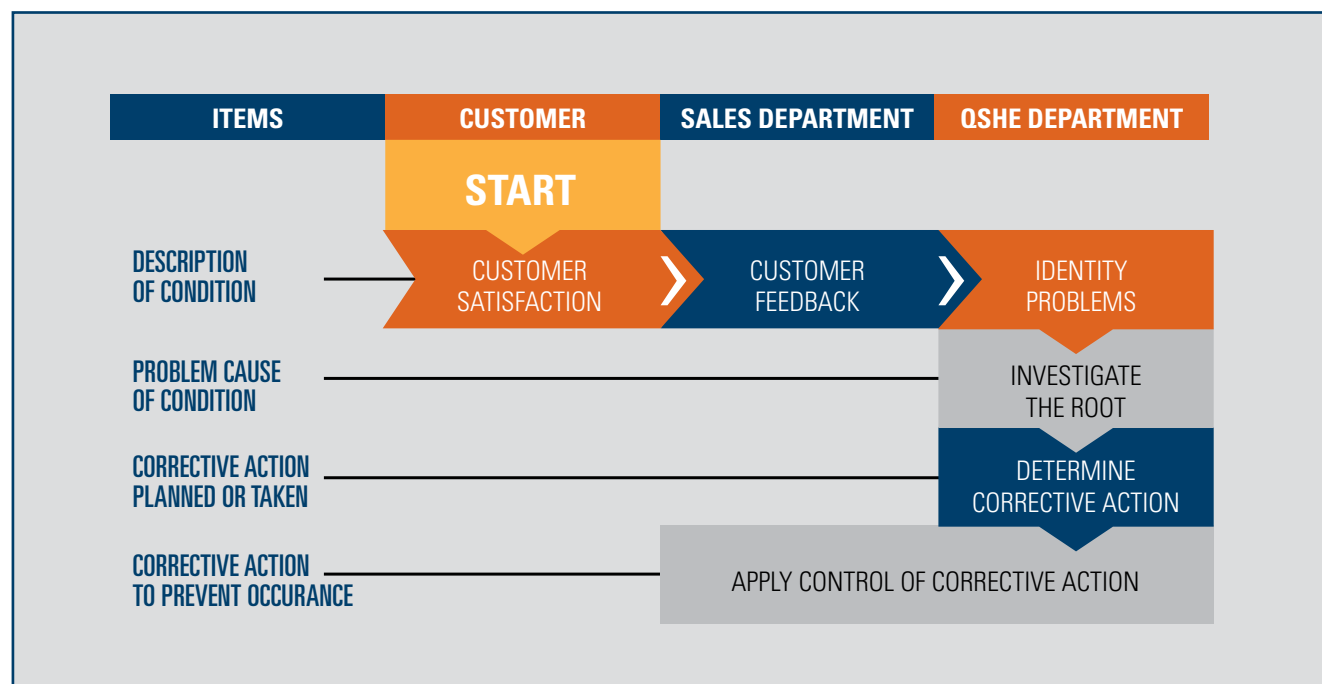
## PRODUCT INFORMATION AND RESPONSIBILITY

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.





## BUSINESS PARTNER AWARD

Business Partner Award (BPA) is an annual event by Bakrie Building Industries as a means of appreciation to our distributors that reached their target sales, as well as a method of motivation to increase productivity and sales. During 2017, the award was held in Seoul, South Korea where more than 50 persons from the 21 nominated distributors were treated with an all expense paid trip to the country. The theme for this year's BPA was named "Kita Bisa", which translates to "We Can". The name was inspired from the overall stagnant property industry faced during the year, and that the company and the distributors should never give up.

The awards were:

- Best performance
- Best rookie
- Best regional
- Best Versa wood
- Best Versa board
- Best Harflex

## CUSTOMER SERVICE CHANNELS

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

### Bakrie Autoparts

**Website** : www.bakrie-autoparts.com

**Call center** : (+62 21) 8897 6601

**Email** : info@bakrie-autoparts.com  
commercial@bakrie-autoparts.com

### Bakrie Building Industries

**Website** : www.bakrie-building.com

**Call center** : (+62 21) 619 0208

**Email** : sales@bakrie-building.com

### Bakrie Construction

**Website** : www.bakrieconstruction.com

**Call center** : (+62 254) 575 0351

**Email** : info\_bcon@bakrieconstruction.com

### Bakrie Metal Industries

**Website** : www.bakrie-metal.com

**Call center** : (+62 21) 2991 2120

**Email** : info@bakriemetal.co.id

### Bakrie Pipe Industries

**Website** : www.bakrie-pipe.com

**Call center** : (+ 62 21) 2994 1270

**Email** : commercial@bakrie-pipe.com





Additional  
Information





## Address of Subsidiaries and Business Units

### BAKRIE METAL INDUSTRIES

#### PT Bakrie Metal Industries

##### Head Office

Bakrie Tower 35th Floor, Jl HR Rasuna Said,  
Jakarta Selatan, Jakarta 12940, Indonesia  
Phone : (62 21) 2991 2120  
Fax : (62 21) 2991 2211  
www.bakrie-metal.com

##### Factory

Jl. Raya Kaliabang Bungur No. 86,  
RT. 004 RW. 02, Kelurahan Harapan Jaya,  
Kecamatan Bekasi Utara 17124, Indonesia  
Phone : (62 21) 8895 8673  
Fax : (62 21) 8895 8586

#### PT Bakrie Construction

##### Factory / Yard

Desa Sumuranja, Kec. Pulo Ampel,  
Kab. Serang Banten 24256, Indonesia  
Phone : (62 254) 575 0351  
Fax : (62 254) 575 0350  
www.bakrieconstruction.com

#### PT Bakrie Pipe Industries

##### Head Office

Bakrie Tower 7th Floor, Jl H.R Rasuna Said,  
Jakarta Selatan 12940, Indonesia  
Phone : (62 21) 2994 1270  
Fax : (62 21) 2994 1267-68-69  
www.bakrie-pipe.com

##### Factory

Jl. Raya Perjuangan, Medan Satria,  
Kota Bekasi 17131, Indonesia  
Phone : (62 21) 887 1135  
Fax : (62 21) 8898 6474

#### PT South East Asia Pipe Industries

Jl. Lintas Pantai Timur,  
Bakau Kramat Desa Sumur, Kec. Ketapang, Bakauheni,  
Lampung Selatan 35592, Indonesia  
Phone : (62 727) 331 234  
Fax : (62 727) 331 348  
www.seapi.co.id

### BAKRIE AUTOPARTS

#### PT Bakrie Autoparts

##### Head Office / Factory

Jl. Raya Bekasi KM.27 Pondok Ungu, Bekasi 17132, Indonesia  
Phone : (62 21) 8897 6601  
Fax : (62 21) 8897 6607  
www.bakrie-autoparts.com

#### PT Braja Mukti Cakra

Jl. Desa Harapan Kita No. 4 Harapan Jaya,  
Bekasi Utara 17124, Indonesia  
Phone : (62 21) 887 1836  
Fax : (62 21) 887 8949 / 887 1835  
www.bmc.co.id

#### PT Bina Usaha Mandiri Mizusawa

Jl. EZ. Muttaqien Kelurahan Alam Jaya  
Kecamatan Jatiuwung, Tangerang, Banten 15133, Indonesia  
Phone : (62 21) 590 2488  
Fax : (62 21) 590 0627  
www.bumm.co.id

### BAKRIE BUILDING INDUSTRIES

#### PT Bakrie Building Industries

##### Head Office / Factory

Jl. Daan Mogot Km 17,3 Jakarta 11850, Indonesia  
Phone : (62 21) 619 0208  
Fax : (62 21) 619 2950  
www.bakrie-building.com

##### Marketing Office

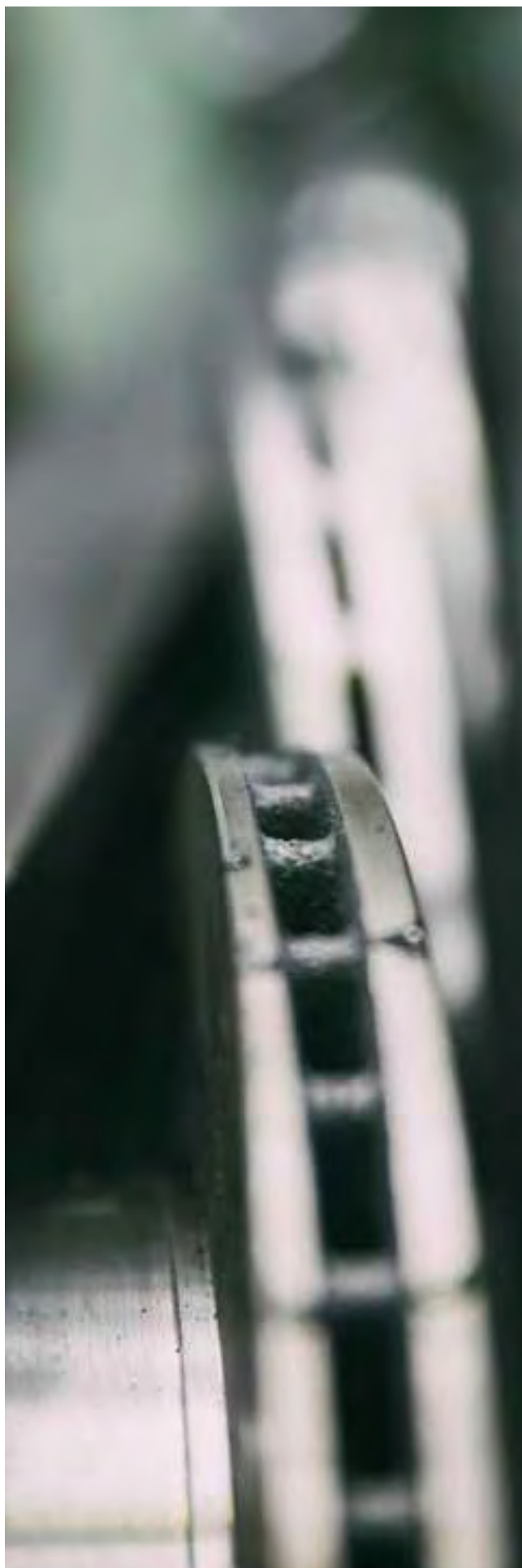
Rasuna Office Park, Ground Floor 02,  
Kawasan Rasuna Epicentrum, Jl. HR Rasuna Said,  
Jakarta 12960, Indonesia  
Phone : (62 21) 8379 7126

### PT BAKRIE INDO INFRASTRUCTURE

#### PT Bakrie Indo Infrastructure

##### Head Office

Bakrie Tower 34th Floor, Jl HR Rasuna Said,  
Jakarta Selatan, Jakarta 12940, Indonesia  
Phone : (62 21) 299 12345  
Fax : (62 21) 299 41955  
[http://www.bakrie-brothers.com/#/our\\_business/infrastructure\\_projects](http://www.bakrie-brothers.com/#/our_business/infrastructure_projects)



## Capital Market Supporting Agency and Profession

### SECURITIES ADMINISTRATION BUREAU

#### PT EDI INDONESIA

Divisi Biro Administrasi Efek  
Wisma SMR, 10th Floor  
Jl. Yos Sudarso Kav. 89, Jakarta 14350  
Phone : (62 21) 650 5829; (62 21) 652 1010  
Fax : (62 21) 650 5987

### PUBLIC ACCOUNTANT

#### Y. SANTOSA DAN REKAN

Jl. Sisingamangaraja No. 26, 2<sup>nd</sup> Floor  
Phone : (62 21) 720 2605  
Fax : (62 21) 7278 8954

### NOTARY

#### HUMBERG LIE, SH, SE, MKN

Jl. Raya Pluit Selatan 103, Jakarta 14450  
Phone : (62 21) 6669 7171/7272/7315/7316  
Fax : (62 21) 667 8527

### LEGAL COUNSELLOR

#### HADIPUTRANTO, HADINOTO & PARTNERS

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



# Senior Executive Profile

## Hendrajanto Marta Sakti

*EXECUTIVE VICE PRESIDENT  
OF CORPORATE FINANCE*

Hendrajanto Marta Sakti was born in Jakarta in 1972, domiciled in Jakarta, Indonesia. Obtained his Master degree in Business Administration from University of Missouri, USA.

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







# Anandh Haridh

*CHIEF INVESTMENT OFFICER*

Anandh Haridh was born in India in 1967, domiciled in Jakarta, Indonesia. Holds an MBA from The Wharton School, University of Pennsylvania, M.S. in Chemical Engineering from Oklahoma State University and B.E. (Hons) in Chemical Engineering from B.I.T.S., Pilani, India. He joined PT Bakrie & Brothers Tbk in August 2010.

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

# Indra Ginting

*CHIEF STRATEGIC BUSINESS DEVELOPMENT OFFICER*

Indra Ginting was born in 1966, domiciled in Jakarta, Indonesia. He earned a degree in Chemical Engineering from Bandung Institute of Technology in 1989 and then obtained a Master's degree in International Management from University of Indonesia in 1994.

He joined the Company since the beginning of 2011, initially as the Chief Investor Relations Officer. In January 2013, he was appointed as the Chief Strategic Business Development Officer until now. On top of that, he was appointed as the President Director of PT Bakrie Power (the Company's subsidiary) since February 2017. Previously, he held the position of Director of Investor Relations and Corporate Secretary for PT International Nickel Indonesia Tbk (now PT Vale Indonesia Tbk) in 2003 to early 2011, as President Director and Principal Fund Manager of PT MLC Investment Indonesia, Jakarta in 1999 until 2003. Prior to that role, Indra had experienced as an equity analyst for five years at two different securities companies. He started his career as Manufacturing Engineer as soon as he earned the Bachelor's degree in Chemical Engineering.





# Senior Executive Profile

## **Okder Pendrian**

Head of Human Capital & Office Support

## **Bimo Bayu Nimpuno**

Head of Corporate Communications

## **Christofer A Uktolseja**

Head of Corporate Secretary & Corporate Legal

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.



A professional photograph of three men in a modern office setting. The man on the left, Bachril Bachtarudin, is standing and wearing a brown blazer over a white shirt and black trousers. The man on the right, Andri Kabul, is standing and wearing a white shirt and black trousers. The man in the center, Ruddyar, is sitting in a brown armchair, wearing a light pink shirt and black trousers. They are all wearing glasses. The background features a large window with a geometric frame, providing a view of a city skyline.

**Bachril Bachtarudin**  
Head of Corporate  
Finance

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

**Ruddyar**  
Head of Group Accounting



# PT Bakrie Metal Industries

*Senior Management of Business Unit*

A photograph of three men standing in a modern building hallway with large glass windows and a curved wooden ceiling. The man on the left is wearing a white shirt and black trousers. The man in the middle is wearing a red shirt and black trousers. The man on the right is wearing a white shirt, a dark vest, and black trousers. They are all smiling and looking towards the camera.

**Rachmat Harimurti**  
Chief Commercial Officer

**Prama Prafitarto**  
Chief Operations Officer

**Dody Taufiq Wijaya**  
Chief Executive Officer





Bakrie Metal Industries (BMI) started its steel pipe manufacturing business in 1959 under the name "Talang Tirta", it originally produces conduit pipe for general use. In 1984 the company expand its business to fabrication service, which specialty is in corrugated steel and bridge. In 1985 BMI established its EPC business with the operation of its heavy industrial steel fabrication facility in Sumunraja, Banten. Today BMI is well known for its high quality steel pipes (oil & gas and general purposes) and nation wide acclaimed EPC and fabrication expertise.

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

**Mila Wijaya Kusuma**  
Chief Financial Officer



# PT Bakrie Pipe Industries

*Senior Management of Business Unit*



**Iskandar I. Daulay**  
Chief Marketing Officer



**R. Atok Hendrayanto**  
Chief Executive Officer



**Ira Wibisono**  
Chief Financial Officer





**Arief Djoko P**  
Chief Logistic Officer

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

**Deddy Kurnia**  
Chief Operations Officer

As one of the subsidiary company of PT Bakrie & Brothers Tbk, which is established in 1981, PT Bakrie Pipe Industries (BPI) became the largest and most prominent steel pipe manufacturer in Indonesia.

BPI produces various steel pipes and has established a coating plant in 2013 to strengthen its position as the leader of steel pipe business in South East Asia. The application of the latest technology and highly motivated professionals are the strong points of this new facility.

Experienced in manufacturing process for more than 54 years, with efficient and effective management team along with creative, innovative, reliable professionals and full integrity; these qualities have earned BPI its customers confidence in doing repeat order and long term contracts.



# PT Bakrie Indo Infrastructure

*Senior Management of Business Unit*



**AD Erlangga**  
Director of Bakrie Indo Infrastructure



**Andri Kabul**  
Director of  
Bakrie Mina Bahari



**Krisnaraga Syarfuan**  
Director of Bakrie Indo Infrastructure





**Chandra Devi Muharam**  
Director of Bakrie Power

**Indra Ginting**  
President Director  
of Bakrie Power

**Bambang Banyudoyo**  
Director of Bakrie  
Oil & Gas Infrastructure

Bakrie Indo Infrastructure (BIIN), a wholly owned subsidiary of Bakrie & Brothers, was established in 2008 as the development of Infrastructure Division.

As a holding company with diverse infrastructure assets in Indonesia, BIIN capitalizes on its vast infrastructure experience and regional expertise. Its objective is to invest in lucrative, high-growth toll road, power, oil & gas, port, and telecommunication infrastructure projects. The current Government of Indonesia plans to spend up to USD408 billion in the next four years on infrastructure projects. As a result, BIIN presents a compelling and unique opportunity to invest in Indonesia's burgeoning economy across a diverse array of infrastructure projects.



# PT Bakrie Building Industries

*Senior Management of Business Unit*

Established as a Joint Venture with an Australian company in 1976, PT Bakrie Building Industries (BBI) is currently one of the pioneers of building materials manufacturers in Indonesia which delivers "Total Building Solution" for domestic and international market. Today BBI is well known as producer of high quality building materials such as fiber cement roofing, ceiling and partition, as well as wood substitution products. Supported by experts in building material industry and a vast network of 80 loyal distributors, BBI is set to be a forefront solution company in innovation, energy efficiency and environmental protection.

**Yogi Pratomo Widhiarto**  
Chief Executive Officer

**Erti Sri Santi**  
General Manager Finance





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

**Yayan Primayanto Apandi**  
General Manager Commercial

**Cipto Firmansyah**  
General Manager  
Business Development



# PT Bakrie Autoparts

*Senior Management of Business Unit*

PT Bakrie Autoparts (BA) was established in 1975 under the name PT Bakrie Tubemakers which produced malleable pipe; the Company then changed its name to PT Bakrie Tosanjaya (BTJ). In 1983 BTJ expand its capacity by producing automotive component for vehicle and heavy duty equipment. The Company continuously enhance its production expertise and capacity, succeeding in achieving partnership with global player in automotive industry and started its export to several overseas market in 2003. In 2014 BTJ transformed to become an integrated manufacturer of auto component as PT Bakrie Autoparts.

**Boy Andoko Purnadie**  
Director & CEO



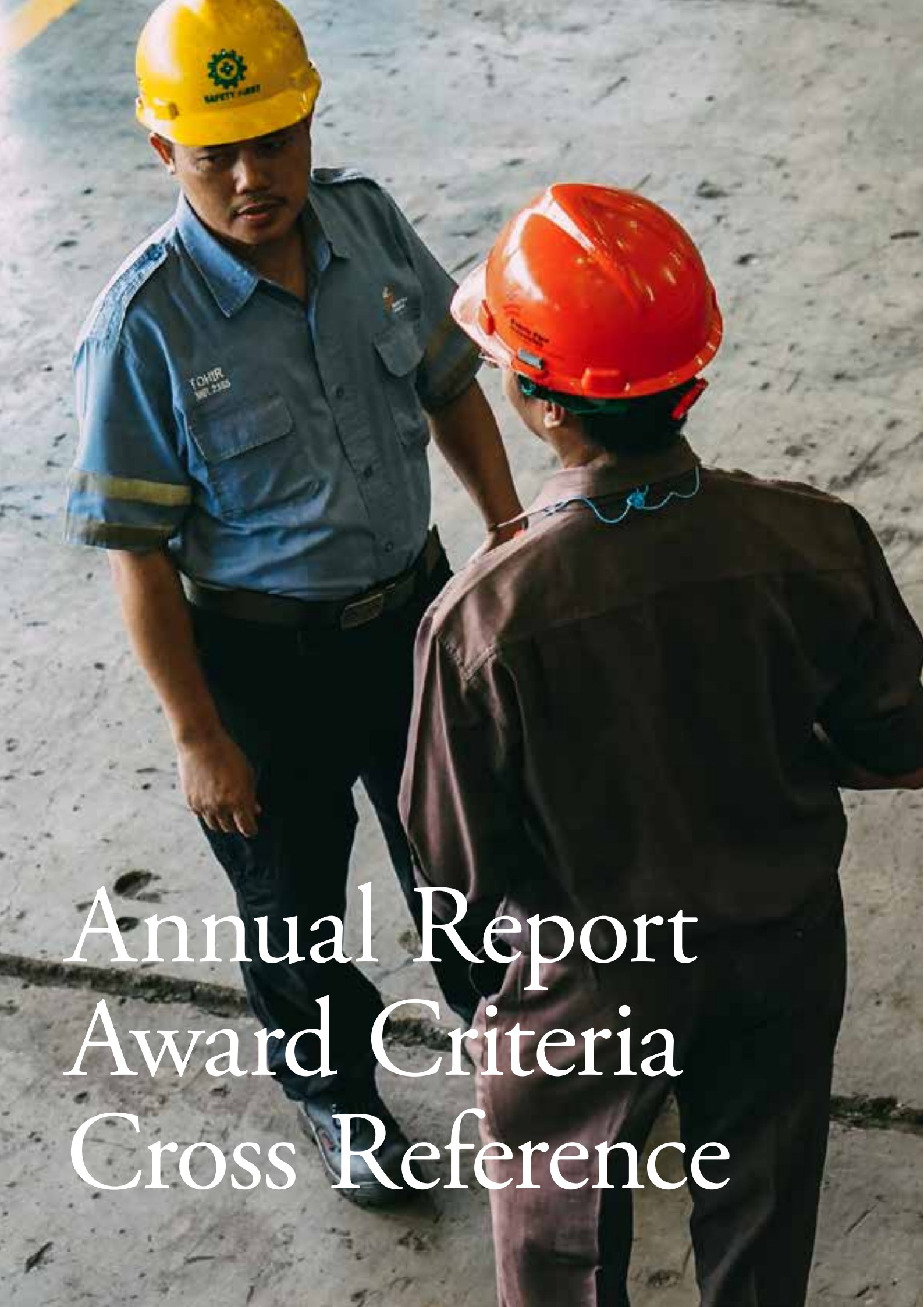


DKU=SAFETYKU SAFET  
HIDUPKU MASA DE  
SA DEPANKU ADALAH MASA

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

**Irfan Andriadi**  
Chief Finance Officer





# Annual Report Award Criteria Cross Reference

## Annual Report Award 2017 Criteria

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.	27
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.	27
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.	27
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.	28
5	Information regarding outstanding bonds, sukuk, or convertible bonds, in 2 (two) latest financial years Information contains: 1. Numbers of outstanding bonds, sukuk or convertible bonds; 2. Interest rate/yield; 3. Maturity date; and 4. Rating of bonds/sukuk in 2016 and 2017. Note: should be disclosed if the company does not have outstanding bonds, sukuk, or convertible bonds.	N/A

III	Board of Commissioner's and Board of Director's report	Page
1	Board of Commissioner's Report Contain the following: 1. Assessment on the performance of the Board of Directors in managing the company and the basis for such evaluation; 2. Views on the business prospects of the company as prepared by the Board of Directors and the basis for such consideration 3. Views on the implementation /management of the Company's whistleblowing system (WBS) and the role of the Board of Commissioners in the WBS; and 4. Changes in the composition of the Board of Commissioners (if any) and the reason for such changes.	50-53
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.	60-65
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.	72-73

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.	14-15
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.	56-59

7	<p>Profiles of members of the Board of Directors contain information on:</p> <ol style="list-style-type: none"> <li>1. Name;</li> <li>2. Position and period in position (including position(s) held at other company/institutions);</li> <li>3. Age;</li> <li>4. Domicile;</li> <li>5. Education (study field and education institutions)</li> <li>6. Work experience (position, company, and period in position); and</li> <li>7. History of assignments (period and position) as member of the Board of Directors at the Company since the first appointment.</li> </ol>	68-71
8	<p>Total number of employees (comparative for 2 years) and data on employee competence development programs reflecting equal opportunities for each level of the organization</p> <p>Information contains among others:</p> <ol style="list-style-type: none"> <li>1. Number of employees at each level of the organization;</li> <li>2. Number of employees by education;</li> <li>3. Number of employees by employment status;</li> <li>4. Date on employee competence development programs during the fiscal year concerning position of participants, type of training, and purpose of training; and</li> <li>5. The cost of employee competence development programs in the fiscal year.</li> </ol>	102-105
9	<p>Shareholders composition</p> <p>Covering among others;</p> <ol style="list-style-type: none"> <li>1. Names of the 20 largest shareholders and their shareholding percentage;</li> <li>2. Details of shareholders and shareholding percentage; <ol style="list-style-type: none"> <li>a. with 5% or more shareholding, and</li> <li>b. Group of public shareholders with individual shareholding of less than 5% each.</li> </ol> </li> <li>3. Names of Director and Commissioner with direct or indirect share-ownership and the percentage of such shareholding.</li> </ol> <p>Note: should be disclosed if the Director and Commissioner does not own shares, directly or indirectly.</p>	29
10	<p>List of subsidiaries and/pr associated entities</p> <p>In table form, containing:</p> <ol style="list-style-type: none"> <li>1. Name of subsidiary and/or associated entity;</li> <li>2. Share-ownership percentage;</li> <li>3. Line of business of subsidiary and/or associated entity; and</li> <li>4. Operational status of subsidiary and/or associated entity (in commercial operation/not yet in commercial operation).</li> </ol>	18-21
11	<p>Corporate group structure</p> <p>Diagram of corporate group structure involving relationship of the parent company, subsidiary, associated entity, joint venture, and special purpose vehicle (SPV).</p>	16-17
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>	30
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	Name and address of the supporting institutions and/or professionals Covers, among others; 1. Name and address of the company's Share Registrar; 2. Name and address of Public Accountant Firm; and 3. Name and address of rating agencies.	223
15	Awards received during the fiscal year, or valid certification in the fiscal year, at both national and international levels Covers, among others; 1. Name of award and/or certification; 2. Year received/issued 3. Name of institution that issued the award / certification; and 4. Validity period (certification).	31-32
16	Name and address of subsidiaries and/or branch offices or representative offices (if any) Covers information on: 1. Name and address of subsidiaries; and 2. Name and address of branch/representative office Note: should be disclosed if the company does not have a subsidiary, branch office or representative office.	18-21
17	Information in the corporate website Covers at the very least: 1. Information of shareholders up to the individual ultimate shareholder; 2. Contents of the code of conduct; 3. Information on the General Meeting of Shareholders (GMS), covering at least agenda of the GMS, summary of GMS resolutions, and information of pertinent dates, namely the dates of GMS announcement, GMS invitation, GMS event, and announcement of summary GMS resolutions; 4. Annual financial statements (last 5 years); 5. Profiles of the Board of Commissioners and Directors; and 6. Board manual/Charter of the BoC, BoD, Committees and Internal Audit Unit.	✓
18	Training and education for the Board of Commissioners, Board of Directors, Committees, Corporate Secretary, and Internal Audit Unit Cover at least information of the type of training and participant of: 1. Training and/or education for The Board Of Commissioners; 2. Training and /or education for The Board Of Directors 3. Training and/or education for Audit Committee; 4. Training and/or education for Nomination and Remuneration Committee; 5. Training and/or education for Other Committee(s); 6. Training and/or education for Corporate Secretary; and 7. Training and/or education for Internal Audit Units Note: should be disclosed if there are no training and/or education during the fiscal year.	127 136 145 148 149 151 154-155

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.	77-79
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.	81-84

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.	84
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.	85
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.	85
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.	87
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.	87-88
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.	88
9	Business prospects Description on business prospects related to the general industry and economy including quantitative supporting data from reliable resources.	89-92
10	Marketing aspects Descriptions on marketing aspects of the company's products and/or services, among others are marketing strategy and market shares.	93
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	93
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	93

13	<p>Realization of initial public offering proceeds (in the event of the company is obligated to submit the report)</p> <p>Covers the following:</p> <ol style="list-style-type: none"> <li>1. Total proceeds;</li> <li>2. Proceeds utilization plan;</li> <li>3. Proceeds utilization details;</li> <li>4. Proceeds balance; and</li> <li>5. The date of GMS/GMB resolution on the change of proceeds utilization (if any)</li> </ol> <p>Note: should be disclosed if there are no such information of realization proceeds of public offering.</p>	93
14	<p>Material transaction information with conflict of interest and/or transaction with related parties</p> <p>Covers the following:</p> <ol style="list-style-type: none"> <li>1. Name of transacting parties and the nature of related parties;</li> <li>2. Description of the transaction fairness;</li> <li>3. Transaction background</li> <li>4. Transaction realization at the last financial year;</li> <li>5. Company policy related with transaction review mechanism; and</li> <li>6. Compliance to relevant regulations and provisions</li> </ol> <p>Note: to disclose if there are no transactions.</p>	95
15	<p>Description on changes in laws and regulations during the fiscal year that impacted on the company</p> <p>Covers information on:</p> <ol style="list-style-type: none"> <li>1. Name of regulations and</li> <li>2. The impact (quantitative or qualitative) on the company, or statement, of the insignificant impact</li> </ol> <p>Note: To disclose if there are no changes in the laws and regulations during the last fiscal year.</p>	96
16	<p>Description on the changes in the accounting policy implemented by the company at the last financial year</p> <p>Descriptions include among others;</p> <ol style="list-style-type: none"> <li>1. Changes in the accounting policy;</li> <li>2. Reasons for the change; and</li> <li>3. Quantitative impact on the financial statements.</li> </ol> <p>Note: To disclose if there are no changes in the accounting policies during the fiscal year.</p>	96-97
17	<p>Information on business continuity</p> <p>Disclosures on:</p> <ol style="list-style-type: none"> <li>1. Significant issues on the company business continuity at the last financial year;</li> <li>2. Management assessment on point 1; and</li> <li>3. Assumption implemented by the management in conducting the assessment.</li> </ol> <p>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.</p>	89-92

VI	Good Corporate Governance	Page
1	<p>Description on the Board of Commissioners</p> <p>Covers the following:</p> <ol style="list-style-type: none"> <li>1. Board of Commissioners responsibilities;</li> <li>2. Assessment of performance of committees under the Board and the basis for such assessment; and</li> <li>3. Board Charter disclosures (Board of Commissioners work guidelines and procedures).</li> </ol>	124-131
2	<p>Independent Commissioners (at least 30% of the total personnel of the Board of Commissioners)</p> <p>Covers the following:</p> <ol style="list-style-type: none"> <li>1. Assignment criteria of independent Commissioners; and</li> <li>2. Independency statement of each Independent Commissioner.</li> </ol>	125
3	<p>Description on the Board of Directors</p> <p>Covers information on, among others;</p> <ol style="list-style-type: none"> <li>1. Duties and responsibilities of each member of the Board of Directors;</li> <li>2. Assessment of performance of committees under the Board (if any); and</li> <li>3. Board Charter disclosures (Board of Directors work guidelines and procedures).</li> </ol>	132-140

4	<p>GCG Implementation assessment for 2017, at least for aspects of the Board of Commissioners and/or Board of Directors</p> <p>Covers the following:</p> <ol style="list-style-type: none"> <li>1. Assessment criteria;</li> <li>2. Assessor;</li> <li>3. Assesment score on each criteria;</li> <li>4. Recommendation on results of assessment; and</li> <li>5. Reasons for the delay or non implementation of such recommendations.</li> </ol> <p>Note: should be disclosed if there are no GCG assessment for fiscal year 2016.</p>	117-118
5	<p>Description of the remuneration policy for the Board of Commissioners and the Board of Directors</p> <p>Covers the following:</p> <ol style="list-style-type: none"> <li>1. Disclosure of procedure for the proposal and determination of remuneration for the Board of Commissioners;</li> <li>2. Disclosure of procedure for the proposal and determination for the Board of Directors;</li> <li>3. Remuneration structure showing the remuneration components and amounts per component for each member of the Board of Commissioners;</li> <li>4. Remuneration structure showing the remuneration components and amounts per components for each member of the Board of Directors;</li> <li>5. Disclosure of indicators for the remuneration of the Board of Directors; and</li> <li>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).</li> </ol> <p>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.</p>	131 139
6	<p>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)</p> <p>Covers among others</p> <ol style="list-style-type: none"> <li>1. Date;</li> <li>2. Attendance; and</li> <li>3. Agenda.</li> </ol> <p>Of each of the meetings of BoC, BoD, and Joint Meetings of BoC and BoD</p>	127-128
7	<p>Information on majority and controlling shareholders, direct or indirect, up to the ultimate individual shareholder</p> <p>Diagram with separate illustration for majority shareholders and controlling shareholders.</p> <p>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</p>	16
8	<p>Disclosure of affiliation between members of the Board of Directors, Board of Commissioners and Majority/Controlling Shareholders</p> <p>Covers among others:</p> <ol style="list-style-type: none"> <li>1. Affiliation between a member of the Board of Directiors with fellow members of the Board of Directors;</li> <li>2. Affiliation between a member of the Board of Directiors with members of the Board of Commissioners;</li> <li>3. Affiliation between a member of the Board of Directiors with Majority and/or Controlling Shareholder;</li> <li>4. Affiliation between a member of the Commissioners with fellow members of the Board of Commissioners; and</li> <li>5. Affiliation between a member of the Commissioners with Majority and/or Controlling Shareholder</li> </ol> <p>Note: should be disclosed if there is no affiliation relationship.</p>	141
9	<p>Audit Committee</p> <p>Includes the following:</p> <ol style="list-style-type: none"> <li>1. Name, position, and tenure of audit committee members;</li> <li>2. Education qualification (study field and institution) and work experience (position, company and tenure) of audit committee members;</li> <li>3. Independency of audit committee members;</li> <li>4. Duties and responsibilities;</li> <li>5. Brief report of audit committee activity; and</li> <li>6. Meeting frequency and attendance of audit committee.</li> </ol>	143-146



10	<p>Nomination and/or Remuneration Committee</p> <p>Includes the following:</p> <ol style="list-style-type: none"> <li>1. Name, position and brief profiles of members of the Nomination and/or Remuneration Committee;</li> <li>2. Independency of Nomination and/or Remuneration Committee;</li> <li>3. Duties and responsibilities;</li> <li>4. Brief report of committee activity in the fiscal year;</li> <li>5. Meeting frequency and attendance;</li> <li>6. Statement of committee charter; and</li> <li>7. Policies on Director succession.</li> </ol>	146-148
11	<p>Other committees under the Board of Commissioners</p> <p>Includes the following:</p> <ol style="list-style-type: none"> <li>1. Name, position, and brief profile of members of committee;</li> <li>2. Independency of committee;</li> <li>3. Duties and responsibilities;</li> <li>4. Committee activity in the fiscal year; and</li> <li>5. Committee meeting frequency and attendance.</li> </ol>	148-151
12	<p>Description of duties and functions of Corporate Secretary</p> <p>Information on, among others:</p> <ol style="list-style-type: none"> <li>1. Name and brief work experience of corporate secretary;</li> <li>2. Domicile;</li> <li>3. Duties and responsibilities; and</li> <li>4. Report of Activities of corporate secretary in the fiscal year.</li> </ol>	151-158
13	<p>Description on Internal Audit Unit</p> <p>Includes the following</p> <ol style="list-style-type: none"> <li>1. Name of internal audit unit head;</li> <li>2. Total employees (internal Auditors) in internal audit unit;</li> <li>3. Certification on internal audit profession;</li> <li>4. Internal audit unit composition in the company's structure;</li> <li>5. Brief Report on internal audit unit activity implementation; and</li> <li>6. The parties responsible to appoint/terminate the internal audit unit head.</li> </ol>	162-165
14	<p>Public Accountant</p> <p>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>	165
15	<p>Description on risk management of the company</p> <p>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>	166-181
16	<p>Description of internal control system</p> <p>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>	161-162

17	<p>Description on corporate social responsibility related to environmental</p> <p>Covers information on, among others:</p> <ol style="list-style-type: none"> <li>1. Activity target/plans by the Management for 2017;</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>	207-210
18	<p>Description on corporate social responsibility related to occupational, health, and safety</p> <p>Covers information on, among others;</p> <ol style="list-style-type: none"> <li>1. Activity target plans by the management for 2017; 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>	210-215
19	<p>Description on corporate social responsibility related to social and community development</p> <p>Covers information on, among others;</p> <ol style="list-style-type: none"> <li>1. Activity target/plans by the management for 2017;</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>	215-217
20	<p>Description on corporate social responsibility related to responsibility to consumers</p> <p>Covers information on, among others:</p> <ol style="list-style-type: none"> <li>1. Activity target/plans by the Management for 2017; 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>	217-219
21	<p>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</p> <p>Includes the following:</p> <ol style="list-style-type: none"> <li>1. The principal litigation/claims;</li> <li>2. Settlement status of litigation/claims;</li> <li>3. Impact to the company's condition; and</li> <li>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)</li> </ol> <p>Note: To disclose in the event of no litigation.</p>	181
22	<p>Access to company information and data</p> <p>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.</p>	181
23	<p>Discussion on code of conduct</p> <p>Includes the following:</p> <ol style="list-style-type: none"> <li>1. Contents of Code of Conduct;</li> <li>2. Disclosure of code of conduct application in all level of organization;</li> <li>3. Code of conduct dissemination;</li> <li>4. Sanctions on code of conduct violations; and</li> <li>5. Number of violation and sanction in the last fiscal year.</li> </ol> <p>Note: should be disclosed if there are no violations of code of conduct in the last fiscal year</p>	181-183

24	<p>Disclosure on whistleblowing system</p> <p>Includes the following mechanism of whistleblowing system:</p> <ol style="list-style-type: none"> <li>1. Violations report submission;</li> <li>2. Whistleblowers protection;</li> <li>3. Claims handling;</li> <li>4. Claims managers;</li> <li>5. Total claims registered; and</li> <li>6. Sanctions/report processed at the last fiscal year including its follow up measures.</li> </ol> <p>Note: should be disclosed if there is no report and follow up action in the last fiscal year.</p>	184-188
25	<p>Diversity of the Board of Commissioners and Board of directors Composition</p> <p>Description of written policy regarding diversity of the Board of Commissioners and Board of Directors composition regarding education, work experience, age, and gender</p> <p>Note: to disclose the reasons and considerations if there is no policy applied.</p>	141

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3	<p>Independent Auditor Description in the Opinion</p> <p>Description contains the following:</p> <ol style="list-style-type: none"> <li>1. Name and signatures;</li> <li>2. Audit Report date; and</li> <li>3. License of Public Accounting Firm and license of Public Accountant</li> </ol>	259
4	<p>Comprehensive financial statements</p> <p>Comprehensively covers the financial statements elements</p> <ol style="list-style-type: none"> <li>1. Statements of financial position;</li> <li>2. Statements of comprehensive income and other comprehensive income;</li> <li>3. Statements of changes in equity;</li> <li>4. Statements of cash flows;</li> <li>5. Notes to financial statements;</li> <li>6. Comparative information on previous periods; and</li> <li>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).</li> </ol>	260-268
5	<p>Profitability level comparison</p> <p>Comparison of current profit (loss) with the previous year</p>	263-264
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>	267-268
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>	275-300

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>	357-360
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 2017 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>	348-351
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>	316-319
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>	360-362
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>	366-367
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>	255-256



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**Laporan Keuangan Konsolidasian  
Beserta Laporan Auditor Independen  
Untuk Tahun yang Berakhir pada  
Tanggal-tanggal 31 Desember 2017 dan 2016**

***Consolidated Financial Statements  
With Independent Auditors' Report  
For the Years Ended  
December 31, 2017 and 2016***

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

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

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2. Laporan keuangan konsolidasian Perusahaan dan Entitas Anak telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia; *(The consolidated financial statements of the Company and Subsidiaries has been composed and presented in accordance with Indonesian Financial Accounting Standard).*
3. a. Semua informasi dalam laporan keuangan konsolidasian Perusahaan dan Entitas Anak telah dimuat secara lengkap dan benar; *( all information in the consolidated financial statements of the Company and Subsidiaries has been composed completely and correctly.*  
 b. Laporan keuangan konsolidasian Perusahaan dan Entitas Anak tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material; *( the consolidated financial statements of the Company and Subsidiaries does not contain of any misstatement and does not eliminate any material information).*
4. Bertanggung jawab atas sistem pengendalian intern dalam Perusahaan. *( to take responsibility upon internal control system in the Company.*

Demikian pernyataan ini dibuat dengan sebenarnya/ *This statement has been made in good faith.*

Jakarta, 21 Maret 2018 / 21 March 2018  
PT Bakrie & Brothers Tbk

**Ir. Gafur Sulistyo Umar, MBA**  
Direktur Utama/ *President Director*

**Ir. A. Amri Aswono Putro**  
Direktur Keuangan/  
*Finance Director*

## Y. Santosa dan Rekan

Head Office:  
Jl. Mangrove Raya No. 20 2<sup>nd</sup> Floor  
Jakarta 12120, Indonesia  
Tel: +62 21 720 2665 - Fax: +62 21 720 2666

### Laporan Auditor Independen

Laporan No. AD18/P.TY2/03.21.01

Pemegang Saham, Dewan Komisaris dan  
Direksi  
**PT Bakrie & Brothers Tbk**

Kami telah mengaudit laporan keuangan konsolidasian PT Bakrie & Brothers Tbk ("Perusahaan") dan Entitas Anaknya ("Kelompok Usaha") terlampir, yang terdiri dari laporan posisi keuangan konsolidasian tanggal 31 Desember 2017, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan defisiensi modal, dan laporan arus kas konsolidasian untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

### Tanggung jawab manajemen atas laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan konsolidasian tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan konsolidasian yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesafahan.

### 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. AD18/P.TY2/03.21.01

The Shareholders, Boards of Commissioners and  
Directors  
**PT Bakrie & Brothers Tbk**

We have audited the accompanying consolidated financial statements of PT Bakrie & Brothers Tbk (the "Company") and its Subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of December 31, 2017, and the consolidated statements of profit or loss and other comprehensive income, changes in capital deficiency, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' responsibility

Our responsibility is to express an opinion on such consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such consolidated financial statements are free from material misstatement.

Y. Santosa dan Rekan  
Registered Public Accountant  
License Number: 43096(A)/2011

**Praxity**  
ACCOUNTING



## 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 2017, serta kinerja keuangan dan arus kas konsolidasiannya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

### Penekanan suatu hal

Seperti yang diungkapkan dalam Catatan 45 atas laporan keuangan konsolidasian, pada tanggal 31 Desember 2017, Kelompok Usaha telah mengalami defisiensi modal dan total liabilitas jangka pendek Kelompok Usaha telah melampaui total asetnya. Kondisi tersebut, bersama dengan hal-hal lain sebagaimana dijelaskan dalam Catatan 45, mengindikasikan adanya suatu ketidakpastian material yang dapat menyebabkan keraguan signifikan atas kemampuan Kelompok Usaha untuk mempertahankan kelangsungan usahanya. Catatan 45 juga mengungkapkan rencana manajemen untuk mengatasi kondisi tersebut. 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, 2017, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

### Emphasis of matter

As disclosed in Note 45 to the consolidated financial statements, as of December 31, 2017, the Group incurred capital deficiency and the total current liabilities of the Group exceeded its total assets. These conditions, along with other matters as set forth in Note 45, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Note 45 also describes management's plans in regard to these matters. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Y. Santosa dan Rekan  
Registered Public Accountants  
Licence Number: 430/KJA.1/2012

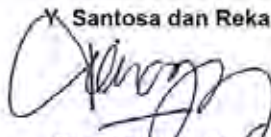
**Praxity**  
MEMBER  
OF THE ALLIANCE OF  
INDEPENDENT FIRMS

## 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



Tjiendradjaja Yamin

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

21 Maret 2018 / March 21, 2018

### NOTICE TO READERS

*The accompanying consolidated financial statements are not intended to present the financial position, results of operations, and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Indonesia. The standards, procedures and practices utilized to audit such consolidated financial statements may differ from those generally accepted in countries and jurisdictions other than Indonesia. Accordingly, the accompanying consolidated financial statements and the auditors' report thereon are not intended for use by those who are not informed about Indonesian accounting principles and auditing standards, and their application in practice.*

Y. Santosa dan Rekan  
Registered Public Accountants  
Licence Number: 430/KM-1/2012

**Praxity:**  
Praxity Accountants & Advisors  
Praxity Accountants & Advisors



**PT BAKRIE & BROTHERS Tbk  
DAN ENTITAS ANAK  
LAPORAN POSISI KEUANGAN  
KONSOLIDASIAN  
31 DESEMBER 2017 DAN 2016**  
(Angka dalam tabel disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)

**PT BAKRIE & BROTHERS Tbk  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF  
FINANCIAL POSITION  
DECEMBER 31, 2017 AND 2016**  
(Amounts in tables are expressed in millions of Rupiah,  
unless otherwise stated)

	Catatan/ Notes	2017	2016	
<b>ASET</b>				<b>ASSETS</b>
<b>ASET LANCAR</b>				<b>CURRENT ASSETS</b>
Kas dan setara kas	3d,3e,5	124.348	145.763	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		348.558	360.360	Third parties
Pihak berelasi	3f,37a	161.187	196.285	Related parties
Piutang usaha - setelah dikurangi penyisihan kerugian atas penurunan nilai	3e,7a			Trade receivables - net of allowance for impairment losses
Pihak ketiga		441.928	1.032.236	Third parties
Pihak berelasi	3f,37b	14.439	14.280	Related parties
Piutang lain-lain - setelah dikurangi penyisihan kerugian atas penurunan nilai	3e,8			Other receivables - net of allowance for impairment losses
Pihak ketiga		658.823	445.498	Third parties
Persediaan - setelah dikurangi penyisihan persediaan usang	3g,9	558.791	680.133	Inventories - net of allowance for inventory obsolescence
Uang muka	10	242.283	133.950	Advance payments
Biaya dibayar dimuka	3h,11	4.549	8.730	Prepaid expenses
Pajak Pertambahan Nilai dibayar dimuka - neto	3v	51.605	83.808	Prepaid Value-Added Tax - net
Kelompok lepasan yang diklasifikasikan sebagai dimiliki untuk dijual	3m,47a	-	39.020	Disposal group classified as held for sale
Total Aset Lancar		2.606.511	3.140.063	Total Current Assets
<b>ASET TIDAK LANCAR</b>				<b>NON-CURRENT ASSETS</b>
Piutang pihak berelasi - setelah dikurangi penyisihan kerugian atas penurunan nilai	3e,3f,37c	256.538	224.062	Due from related parties - net of allowance for impairment losses
Piutang usaha jangka panjang - neto	3e,7b	468.014	-	Long-term trade receivables - net
Investasi pada entitas asosiasi dan entitas pengendalian bersama - setelah dikurangi penyisihan kerugian atas penurunan nilai	3i,12	201.187	37.568	Investments in associates and jointly controlled entities - net of allowance for impairment losses
Investasi jangka panjang lainnya	3e,3j,13	251.825	154.201	Other long-term investments
Aset tetap - setelah dikurangi dengan akumulasi penyusutan	3k,3l,3n,3o,14	2.535.648	2.509.218	Fixed assets - net of accumulated depreciation
Aset pajak tangguhan - neto	3v,34c	78.378	72.898	Deferred tax assets - net
Biaya pengembangan proyek - setelah dikurangi penyisihan kerugian atas penurunan nilai	3p,15	18.399	125.297	Project development costs - net of allowance for impairment losses
Biaya ditangguhkan - setelah dikurangi akumulasi amortisasi	3q,16	509	4.348	Deferred charges - net of accumulated amortization
Aset tidak lancar lainnya	3d,3e,3f,17	187.876	290.783	Other non-current assets
Total Aset Tidak Lancar		3.998.374	3.418.375	Total Non-Current Assets
<b>TOTAL ASET</b>		<b>6.604.885</b>	<b>6.558.438</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 2017 DAN 2016**

(Angka dalam tabel disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

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

**DECEMBER 31, 2017 AND 2016**

(Amounts in tables are expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2017	2016	
<b>LIABILITAS DAN DEFISIENSI MODAL</b>				<b>LIABILITIES AND CAPITAL DEFICIENCY</b>
<b>LIABILITAS JANGKA PENDEK</b>				<b>SHORT-TERM LIABILITIES</b>
Pinjaman jangka pendek	3e,18	670.829	1.712.927	Short-term loans
Utang usaha	3e,19			Trade payables
Pihak ketiga		541.440	578.746	Third parties
Pihak berelasi	3f,37e	2.276	16.549	Related parties
Utang lain-lain	3e,20			Other payables
Pihak ketiga		213.155	143.491	Third parties
Pihak berelasi	3f,37f	21.468	40.289	Related parties
Beban masih harus dibayar	3e,3s,21	1.484.343	1.193.952	Accrued expenses
Uang muka pelanggan	3s,22	128.901	44.213	Customer deposits
Utang pajak	3v,34a	73.532	50.842	Taxes payable
Liabilitas derivatif	3e,40	5.116.955	4.476.613	Derivative liabilities
Liabilitas jangka panjang yang jatuh tempo dalam satu tahun:	3e			Current maturities of long-term liabilities:
Pinjaman jangka panjang	23	3.441.447	3.438.208	Long-term loans
Utang sewa pembiayaan	3n,24	334	661	Finance lease payables
Liabilitas yang secara langsung berhubungan dengan aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual	3m,47b	-	19.107	Liabilities directly associated with disposal group classified as held for sale
Total Liabilitas Jangka Pendek		11.694.680	11.715.598	Total Short-Term Liabilities
<b>LIABILITAS JANGKA PANJANG</b>				<b>LONG-TERM LIABILITIES</b>
Liabilitas pajak tangguhan - neto	3v,34c	176.737	197.905	Deferred tax liabilities - net
Liabilitas imbalan kerja	3t,35	392.136	320.385	Employee benefits liabilities
Utang pihak yang berelasi	3f,37g	199.112	223.400	Due to related parties
Liabilitas jangka panjang - setelah dikurangi bagian yang jatuh tempo dalam satu tahun:	3e			Long-term liabilities - net of current maturities:
Pinjaman jangka panjang	23	137.367	151.316	Long-term loans
Utang sewa pembiayaan	3n,24	823	1.855	Finance lease payables
Total Liabilitas Jangka Panjang		906.175	894.861	Total Long-Term Liabilities
Total Liabilitas		12.600.855	12.610.459	Total Liabilities

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

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**PT BAKRIE & BROTHERS Tbk  
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**PT BAKRIE & BROTHERS Tbk  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF  
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DECEMBER 31, 2017 AND 2016**  
(Amounts in tables are expressed in millions of Rupiah,  
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	Catatan/ Notes	2017	2016	
<b>DEFISIENSI MODAL</b>				<b>CAPITAL DEFICIENCY</b>
Ekuitas yang dapat diatribusikan kepada pemilik entitas induk				Equity attributable to owners of the Parent
Modal saham - nilai nominal Rp2.850, Rp399, Rp114 dan Rp50 pada tanggal 31 Desember 2017 dan 2016 untuk masing-masing saham Seri A, Seri B, Seri C dan Seri D				Share capital - Rp2,850, Rp399 Rp114 and Rp50 par value as of December 31, 2017 and 2016 for each A Series, B Series, C Series and D Series shares
Modal dasar 451.451.975.120 saham pada tanggal 31 Desember 2017 dan 2016				Authorized capital 451,451,975,120 shares as of December 31, 2017 and 2016
Modal ditempatkan dan disetor penuh 113.535.564.308 saham pada tanggal 31 Desember 2017 dan 97.021.717.528 saham pada tanggal 31 Desember 2016				Issued and fully paid capital 113,535,564,308 shares as of December 31, 2017 and 97,021,717,528 shares as of December 31, 2016
Tambahan modal disetor	1b,25	13.254.241	12.428.548	Additional paid-in capital
Obligasi wajib konversi	3r,26	(2.026.305)	(2.256.948)	Mandatory convertible bonds
Cadangan modal lainnya	3e,27	1.037.497	822.905	Other capital reserves
Defisit	3e, 3t, 3u, 3v, 28	375.198	384.388	Deficit
	3aa	(18.611.142)	(17.405.708)	
Subtotal		(5.970.511)	(6.026.815)	Subtotal
Kepentingan nonpengendali	3b,29	(25.459)	(25.206)	Non-controlling interest
Defisiensi Modal - Neto		(5.995.970)	(6.052.021)	Capital Deficiency - Net
<b>TOTAL LIABILITAS DAN DEFISIENSI MODAL</b>		<b>6.604.885</b>	<b>6.558.438</b>	<b>TOTAL LIABILITIES AND CAPITAL DEFICIENCY</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 LABA RUGI DAN PENGHASILAN  
KOMPREHENSIF LAIN KONSOLIDASIAN  
UNTUK TAHUN YANG BERAKHIR PADA  
TANGGAL-TANGGAL 31 DESEMBER 2017 DAN 2016  
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kecuali dinyatakan lain)**

**PT BAKRIE & BROTHERS Tbk  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF  
PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016  
(Amounts in tables are expressed in millions of Rupiah,  
unless otherwise stated)**

	Catatan/ Notes	2017	2016	
<b>PENDAPATAN NETO</b>	3s,30	2.459.736	2.075.909	<b>NET REVENUES</b>
<b>BEBAN POKOK PENDAPATAN</b>	3s,31	2.045.392	1.979.810	<b>COST OF REVENUES</b>
<b>LABA BRUTO</b>		414.344	96.099	<b>GROSS PROFIT</b>
<b>BEBAN USAHA</b>	3s,32			<b>OPERATING EXPENSES</b>
Beban karyawan		250.136	223.418	Personnel expenses
Beban umum dan administrasi		164.732	271.818	General and administrative expenses
Beban penjualan		99.461	44.807	Selling expenses
Total Beban Usaha		514.329	540.043	Total Operating Expenses
<b>RUGI USAHA</b>		(99.985)	(443.944)	<b>OPERATING LOSS</b>
<b>PENGHASILAN (BEBAK) LAIN-LAIN</b>				<b>OTHER INCOME (CHARGES)</b>
Bagian atas laba (rugi) neto pada entitas asosiasi dan entitas pengendalian bersama	3i,12	137.874	(1.523.168)	Share in net profit (loss) of associates and jointly controlled entities
Keuntungan atas pelepasan saham	1c,3b,47	12.701	30.507	Gain on divestment
Perubahan nilai wajar derivatif - neto	3e,40	(594.970)	(340.359)	Fair value changes of derivatives - net
Beban bunga dan keuangan	33a	(434.027)	(268.591)	Interest and financial expenses
Beban pajak		(60.764)	(21.881)	Tax expenses
Beban penghapusan dan penyisihan penurunan nilai piutang	3e,7,8	(59.602)	(94.597)	Write-off and provision for impairment of receivables
Keuntungan (kerugian) selisih kurs - neto	3u	(54.009)	212.006	Gain (loss) on foreign exchange - net
Beban penyisihan penurunan nilai investasi	3e,6,12	-	(1.024.588)	Provision for impairment losses of investments
Beban penyisihan penurunan nilai biaya pengembangan proyek	3l	-	(100.231)	Provision for impairment of project development costs
Lain-lain	33b	(32.386)	(15.522)	Others
Beban Lain-lain - Neto		(1.085.183)	(3.146.424)	Other Charges - Net
<b>RUGI SEBELUM MANFAAT (BEBAK) PAJAK PENGHASILAN</b>		(1.185.168)	(3.590.368)	<b>LOSS BEFORE INCOME TAX BENEFIT (EXPENSE)</b>
<b>MANFAAT (BEBAK) PAJAK PENGHASILAN</b>	3v,34			<b>INCOME TAX BENEFIT (EXPENSE)</b>
Kini		(33.374)	(8.183)	Current
Tangguhan		19.548	(63.067)	Deferred
Beban Pajak Penghasilan - Neto		(13.826)	(71.250)	Income Tax Expense - Net
<b>RUGI NETO</b>		<b>(1.198.994)</b>	<b>(3.661.618)</b>	<b>NET LOSS</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 LABA RUGI DAN PENGHASILAN  
KOMPREHENSIF LAIN KONSOLIDASIAN  
UNTUK TAHUN YANG BERAKHIR PADA  
TANGGAL-TANGGAL 31 DESEMBER 2017 DAN 2016  
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**PT BAKRIE & BROTHERS Tbk  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF  
PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016  
(Amounts in tables are expressed in millions of Rupiah,  
unless otherwise stated)**

	Catatan/ Notes	2017	2016	
<b>PENGHASILAN (RUGI) KOMPREHENSIF LAIN</b>				<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>
<b>Pos-pos yang akan direklasifikasi ke laba rugi:</b>				<b>Items that will be reclassified to profit or loss:</b>
Bagian atas penghasilan komprehensif lain dari entitas asosiasi dan entitas pengendalian bersama	3i,12	25.745	27.794	Share in other comprehensive income of associates and jointly controlled entities
Selisih kurs karena penjabaran laporan keuangan	3u	(7.199)	101.405	Exchange differences due to financial statements translation
Perubahan neto atas nilai wajar aset keuangan tersedia untuk dijual	3e,6	(175)	125.078	Net change in fair value of available-for-sale financial asset
Subtotal		18.371	254.277	Subtotal
<b>Pos-pos yang tidak akan direklasifikasi ke laba rugi:</b>				<b>Items that will not be reclassified to profit or loss:</b>
Pengukuran kembali atas program pensiun imbalan pasti	3t,35	(35.735)	(20.919)	Remeasurement of defined benefit pension plan
Pajak penghasilan terkait	3v,34	7.100	5.081	Related income tax
Subtotal		(28.635)	(15.838)	Subtotal
<b>PENGHASILAN (RUGI) KOMPREHENSIF LAIN - SETELAH DIKURANGI PAJAK</b>		(10.264)	238.439	<b>OTHER COMPREHENSIVE INCOME (LOSS) - NET OF TAX</b>
<b>RUGI KOMPREHENSIF NETO</b>		<b>(1.209.258)</b>	<b>(3.423.179)</b>	<b>NET COMPREHENSIVE LOSS</b>
<b>LABA (RUGI) NETO YANG DAPAT DIATRIBUSIKAN KEPADA</b>				<b>NET PROFIT (LOSS) ATTRIBUTABLE TO</b>
Pemilik entitas induk		(1.205.434)	(3.598.601)	Owners of parent
Kepentingan nonpengendali	3b,29	6.440	(63.017)	Non-controlling interest
<b>Neto</b>		<b>(1.198.994)</b>	<b>(3.661.618)</b>	<b>Net</b>
<b>LABA (RUGI) KOMPREHENSIF NETO YANG DAPAT DIATRIBUSIKAN KEPADA</b>				<b>NET COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO</b>
Pemilik entitas induk		(1.214.624)	(3.414.783)	Owners of parent
Kepentingan nonpengendali	3b,29	5.366	(8.396)	Non-controlling interest
<b>Neto</b>		<b>(1.209.258)</b>	<b>(3.423.179)</b>	<b>Net</b>
<b>RUGI NETO PER SAHAM DASAR/DILUSIAN DIATRIBUSIKAN KEPADA PEMILIK ENTITAS INDUK (Angka penuh)</b>	3x,36	<b>(11,02)</b>	<b>(37,09)</b>	<b>BASIC/DILUTED 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.

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 PERUBAHAN DEFISIENSI MODAL KONSOLIDASIAN**  
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Defisiensi Modal Ekuitas yang Dapat Diatribusikan Kepada Pemilik Entitas Induk/ Capital Deficiency Attributable to Owners of the Parent													
	Tambahan Modal Disetor/ Additional Paid-in Capital			Other Capital Reserves Cadangan Modal Lainnya					Defisit/ Deficit	Subtotal/ Subtotal	Kepentingan Nonpengendali/ Non-controlling Interest	Defisiensi Modal - Neto/ Capital Deficiency - Net	
	Modal Saham/ Share Capital	Selisih Penerimaan dari Penerbitan Saham atas Nilai Nominal/ Paid-in Capital in Excess of Par Value	Selisih atas Pengampunan Pajak/ Paid-in Capital from Tax Amnesty	Selisih Nilai Transaksi Restrukturisasi Entitas 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	Kerugian Investasi Jangka Pendek yang Belum Terealisasi/ Unrealized Loss on Short-term Investments	Akumulasi Pengukuran Kembali atas Program Imbalan Kerja/ Cumulative Remeasurements on Employee Benefits					
Saldo 1 Januari 2016	12.263.548	61.728	-	(2.621.572)	-	291.221	-	(78.577)	(13.807.107)	(3.890.759)	(16.810)	(3.907.569)	Balance as of January 1, 2016
Rugi neto tahun berjalan Penerbitan obligasi wajib konversi (Catatan 27)	-	-	-	-	-	-	-	-	(3.598.601)	(3.598.601)	(63.017)	(3.661.618)	Net loss for the year Issuance of mandatory convertible bonds (Note 27)
Penghasilan komprehensif lain yang direklasifikasikan ke laba rugi pada periode berikutnya	165.000	-	-	-	822.905	-	-	-	-	987.905	-	987.905	
Rugi komprehensif lain yang tidak direklasifikasikan ke laba rugi pada periode berikutnya	-	-	-	-	-	70.910	125.078	-	-	195.988	58.289	254.277	Other comprehensive income to be reclassified to profit or loss in subsequent periods
Dekonsolidasi entitas anak	-	-	-	-	-	-	-	(12.170)	-	(12.170)	(3.668)	(15.838)	Other comprehensive loss not to be reclassified to profit or loss in subsequent periods
Tambahan modal disetor atas pengampunan pajak (Catatan 26)	-	-	-	-	-	(12.074)	-	-	-	(12.074)	-	(12.074)	Deconsolidation of subsidiary Additional paid-in capital from tax amnesty (Note 26)
Saldo 31 Desember 2016	12.428.548	61.728	302.896	(2.621.572)	822.905	350.057	125.078	(90.747)	(17.405.708)	(6.026.815)	(25.206)	(6.052.021)	Balance as of December 31, 2016

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

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements.

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Defisiensi Modal Ekuitas yang Dapat Diatribusikan Kepada Pemilik Entitas Induk/ Capital Deficiency Attributable to Owners of the Parent												
Modal Saham/ Share Capital	Tambahan Modal Disetor/ Additional Paid-in Capital			Other Capital Reserves Cadangan Modal Lainnya					Defisit/ Deficit	Subtotal/ Subtotal	Kepentingan Nonpengendali/ Non-controlling Interest	Defisiensi Modal - Neto/ Capital Deficiency - Net
	Selisih Penerimaan dari Penerbitan Saham atas Nilai Nominal/ Paid-in Capital in Excess of Par Value	Selisih atas Pengampunan Pajak/ Paid-in Capital from Tax Amnesty	Selisih Nilai Transaksi Restrukturisasi Entitas Sepengendali/ Difference in Restructuring of Entities Under Common Control	Obligasi Konversi/ Wajib Mandatory Convertible Bonds	Selisih Kurs Penjabaran Laporan Keuangan/ Exchange Differences due to Financial Statements Translation	Kerugian Investasi Jangka Pendek yang Belum Terealisasi/ Loss on Short-term Investments	Akumulasi Pengukuran Kembali atas Program Imbalan Kerja/ Cumulative Remeasurements on Employee Benefits					
Saldo 1 Januari 2017, Laba (rugi) neto tahun berjalan	12.428.548	61.728	302.896	(2.621.572)	822.905	350.057	125.078	(90.747)	(17.405.708)	(6.026.815)	(25.206)	(6.052.021)
Penerbitan saham melalui konversi Obligasi Wajib (OWK) (Catatan 25 dan 27)	-	-	-	-	-	-	-	-	(1.205.434)	(1.205.434)	6.440	(1.198.994)
Penerbitan OWK (Catatan 27)	825.693	-	-	-	(822.905)	-	-	-	-	2.788	-	2.788
Penghasilan (rugi) komprehensif lain yang direklasifikasi ke laba rugi pada periode berikutnya	-	-	-	-	-	-	-	-	-	1.037.497	-	1.037.497
Rugi komprehensif lain yang tidak direklasifikasi ke laba rugi pada periode berikutnya	-	-	-	-	-	18.712	(175)	-	-	18.537	(166)	18.371
Dekonsolidasi entitas anak	-	-	-	-	-	-	-	(27.727)	-	(27.727)	(908)	(28.635)
Tambahan modal disetor atas pengampunan pajak (Catatan 26)	-	-	230.643	-	-	-	-	-	-	230.643	-	230.643
<b>Saldo 31 Desember 2017</b>	<b>13.254.241</b>	<b>61.728</b>	<b>533.539</b>	<b>(2.621.572)</b>	<b>1.037.497</b>	<b>368.769</b>	<b>124.903</b>	<b>(118.474)</b>	<b>(18.611.142)</b>	<b>(5.970.511)</b>	<b>(25.459)</b>	<b>(5.995.970)</b>

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

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	2017	2016	
<b>ARUS KAS DARI AKTIVITAS OPERASI</b>			<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>
Penerimaan kas dari pelanggan	2.573.964	2.134.144	Cash receipt from customers
Pembayaran kas untuk pemasok dan karyawan	(2.366.599)	(2.155.804)	Payments to suppliers and employees
Kas neto yang diperoleh dari (digunakan untuk) aktivitas operasi	207.365	(21.660)	Net cash provided by (used in) operating activities
Penerimaan dari:			Cash received from:
Pajak	50.868	7.827	Taxes
Bunga	2.780	7.618	Interest income
Pembayaran untuk:			Cash paid for:
Pajak	(87.336)	(137.936)	Taxes
Bunga	(50.667)	(70.816)	Interest expense
Penerimaan dari aktivitas operasi lainnya	33	10.374	Receipts from other operating activities
Arus Kas Neto Diperoleh dari (Digunakan untuk) Aktivitas Operasi	123.043	(204.593)	Net Cash Flows Provided by (Used in) Operating Activities
<b>ARUS KAS DARI AKTIVITAS INVESTASI</b>			<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>
Penerimaan dari:			Receipts from:
Penjualan investasi jangka pendek	35.352	-	Sale of short-term investments
Penjualan aset tetap	1.071	395	Sale of fixed assets
Penurunan (kenaikan) neto piutang pihak berelasi	(24.768)	253	Net decrease (increase) in due from related parties
Pembayaran untuk:			Payments for:
Penambahan aset tetap	(78.601)	(80.347)	Acquisition of fixed assets
Biaya pengembangan proyek	(8.808)	(7.441)	Project development costs
Investasi jangka pendek	-	(11.267)	Short-term investment
Kas neto Entitas Anak yang didekonsolidasi	-	(357)	Net cash of deconsolidated Subsidiaries
Pembayaran untuk aset tidak lancar lainnya	-	(567)	Payments for other non-current assets
Arus Kas Neto Digunakan untuk Aktivitas Investasi	(75.754)	(99.331)	Net Cash Flows Used in Investing Activities

Lihat Catatan 46 atas laporan keuangan konsolidasian untuk informasi tambahan arus kas

See Note 46 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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	2017	2016	
<b>ARUS KAS DARI AKTIVITAS PENDANAAN</b>			<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>
Penerimaan dari:			Proceeds from:
Utang jangka pendek	373.231	298.446	Short-term loans
Utang jangka panjang	41.570	16.890	Long-term loans
Penarikan kas di bank yang dibatasi penggunaannya - neto	64.705	59.951	Withdrawals of restricted cash in banks - net
Pembayaran untuk:			Payments for:
Utang jangka pendek	(478.153)	(270.987)	Short-term loans
Utang jangka panjang	(69.101)	(59.147)	Long-term loans
Utang sewa pembiayaan	(2.362)	(2.066)	Finance lease payables
Penurunan neto utang pihak berelasi	(2.191)	(2.584)	Net decrease in due to related parties
Arus Kas Neto Diperoleh dari (Digunakan untuk) Aktivitas Pendanaan	(72.301)	40.503	Net Cash Flows Provided by (Used in) Financing Activities
<b>PENURUNAN NETO KAS DAN SETARA KAS</b>	(25.012)	(263.421)	<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>
<b>PENGARUH PERUBAHAN KURS MATA UANG ASING KAS DAN SETARA KAS</b>	3.597	(8.916)	<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>
<b>KAS DAN SETARA KAS AWAL TAHUN</b>	145.763	418.100	<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>
<b>KAS DAN SETARA KAS AKHIR TAHUN</b>	<b>124.348</b>	<b>145.763</b>	<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>

Lihat Catatan 46 atas laporan keuangan konsolidasian untuk informasi tambahan arus kas

See Note 46 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.

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements.

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**1. UMUM**

**a. Pendirian Perusahaan**

PT Bakrie & Brothers Tbk ("Perusahaan") didirikan di Republik Indonesia berdasarkan Akta Notaris No. 55 tanggal 13 Maret 1951 dari Notaris Sie Khwan Djioe dengan nama "N.V. Bakrie & Brothers". Akta Pendirian tersebut telah mendapatkan persetujuan dari Menteri Kehakiman Republik Indonesia melalui Surat Keputusan No. J.A.8/81/6 tanggal 25 Agustus 1951. Anggaran Dasar Perusahaan telah mengalami beberapa kali perubahan, terakhir berdasarkan Akta Notaris No. 121 tanggal 11 Agustus 2017 oleh Humbert Lie, S.H., S.E., M.Kn., mengenai konversi 277,9 miliar saham Seri C dengan nilai nominal Rp114 per saham menjadi 633,6 miliar saham Seri D dengan nilai nominal Rp50 per saham. Perubahan ini telah disetujui oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan Surat No. AHU-0107820.AH.01.11.Tahun 2017 tanggal 30 Agustus 2017 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>	<b>Tanggal Efektif/ Effective Date</b>	<b>Nature of Corporate Action</b>
Penawaran Umum Perdana di Bursa Efek Indonesia (BEI) (dahulu Bursa Efek Jakarta)	2.850.000	28 Agustus 1989/ August 28, 1989	Initial Public Offering on the Indonesia Stock Exchange (IDX) (formerly Jakarta Stock Exchange)
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>

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**1. GENERAL**

**a. Company's Establishment**

PT Bakrie & Brothers Tbk (the "Company") was established in the Republic of Indonesia on March 13, 1951 based on Notarial Deed No. 55 of Sie Khwan Djioe under the name of "N.V. Bakrie & Brothers". The Deed of Establishment was approved by the Ministry of Justice of the Republic of Indonesia per its Decision Letter No. J.A.8/81/6 dated August 25, 1951. The Articles of Association have been amended several times, the most recent being based on Notarial Deed No. 121 dated August 11, 2017 by Humbert Lie, S.H., S.E., M.Kn. regarding the conversion of 277.9 billion Series C shares with par value of Rp114 per share into 633.6 billion Series D shares with par value of Rp50 per share. This amendment was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-0107820.AH.01.11.Tahun 2017 dated August 30, 2017 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**

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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>
Private Placement I	978.969	27 November 1991/ November 27, 1991	Private Placement I
Private Placement II	1.031	10 Januari 1992/ January 10, 1992	Private Placement II
Penawaran Umum Terbatas I dengan Hak Memesan Efek Terlebih Dahulu	1.080.000	4 Juni 1993/ June 4, 1993	Rights Issue I with Pre-emptive Rights
Saham Bonus I	31.590.000	22 Juni 1994/ June 22, 1994	Bonus Shares I
Penawaran Umum Terbatas II dengan Hak Memesan Efek Terlebih Dahulu	189.540.000	14 Juli 1994/ July 14, 1994	Rights Issue II with Pre-emptive Rights
Pemecahan Saham	242.190.000	7 Agustus 1995/ August 7, 1995	Stock Split
Saham Bonus II	1.453.140.000	7 Januari 1997/ January 17, 1997	Bonus Shares II
Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu	36.812.880.000	31 Oktober 2001/ October 31, 2001	Additional Capital through Non-preemptive Rights
Penggabungan Saham I	(31.000.320.000)	17 Maret 2005/ March 17, 2005	Reverse Stock Split I
Penawaran Umum Terbatas III dengan Hak Memesan Efek Terlebih Dahulu	19.220.198.400	6 Mei 2005/ May 6, 2005	Rights Issue III with Pre-emptive Rights
Penggabungan Saham II	(13.485.139.200)	6 Maret 2008/ March 6, 2008	Reverse Stock Split II
Penawaran Umum Terbatas IV dengan Hak Memesan Efek Terlebih Dahulu dan Waran Seri I	84.956.376.960	24 Maret 2008/ March 24, 2008	Rights Issue IV with Pre-emptive Rights and Warrant Series I
Akhir Periode Pelaksanaan Waran	(4.719.798.632)	1 April 2011/ April 1, 2011	Expiry of Warrant Exercise Period
Penambahan Modal Tanpa Hak Memesan Efek Terlebih Dahulu	3.300.000.000	30 November 2016/ November 30, 2016	Additional Capital through Non-preemptive Rights
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

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**1. UMUM (Lanjutan)**

**c. Struktur Entitas Anak, Ventura Bersama dan Entitas Asosiasi**

Pada tanggal 31 Desember 2017 dan 2016, 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:

**1. GENERAL (Continued)**

**c. Structure of the Subsidiaries, Joint Venture and Associates**

As of December 31, 2017 and 2016, 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	
				2017 (%)	2016 (%)	2017	2016
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	760.524	839.596
PT Bakrie Metal Industries (BMI)	Bekasi	Pabrikasi baja bergelombang dan "multiplate"/ Corrugated metal products and multiplate	1982	99,99	99,99	2.658.174	2.455.336
PT Bakrie Autoparts (BA)	Bekasi	Pabrikasi besi cor dan komponen otomotif/ Foundry and automotive component	1976	99,99	99,99	800.887	765.910
PT Bakrie Harper (BHP)	Jakarta	Konstruksi baja/ Steel Construction	1996	70,00	70,00	37.728	37.728
PT Bakrie Indo Infrastructure (BIIN)	Jakarta	Pembangunan dan jasa/ Development and services	2008	99,99	99,96	379.414	422.126
Sebastopol Inc. (SI)	Cayman Islands	Investasi/Investment	2008	100,00	100,00	351.156	348.253
Bakrie Energy International Pte. Ltd.	Singapura/ Singapore	Perdagangan/Trading	2009	100,00	100,00	231.318	53.752
PT Bakrie Solusi Strategis (BSS)	Jakarta	Perdagangan, Jasa, Industri/ Trading, Services, Industry	2010	99,99	99,99	4.186	4.983
PT Kreasindo Jaya Utama (KJU)	Jakarta	Perdagangan/Trading	2009	99,99	99,99	-	-
Asia Asset Manager Ltd. (AAM)	Cayman Islands	Investasi/Investment	2012	100,00	100,00	-	-
Kepemilikan secara tidak langsung/ Indirect Ownership							
Melalui BMI/Through BMI							
PT Bakrie Pipe Industries (BPI)	Jakarta	Pabrikasi pipa baja/ Steel pipe manufacturer	1979	99,99	99,99	2.217.711	1.807.926
PT Bakrie Construction (BCons)	Jakarta	Konstruksi baja/ Steel Construction	1986	97,57	97,57	366.441	431.805
PT Bina Inspeksi Ujiprima (BIU)	Jakarta	Laboratorium/ Laboratory service	2014	60,00	60,00	-	-
PT Bina Proteksi prima Pipabaja (BPP)	Jakarta	Jasa Pelapisan/ Coating Plant	2014	60,00	60,00	-	-

\*) Merger dengan BPI pada tanggal 31 Desember 2017.

\*\*) Telah didekonsolidasi pada tanggal 31 Desember 2017.

\*) Merged with BPI as of December 31, 2017.

\*) Deconsolidated as of December 31, 2017.



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**1. UMUM (Lanjutan)**

**1. GENERAL (Continued)**

Nama Entitas/ <i>Name of Entity</i>	Domisili/ <i>Domicile</i>	Bidang Usaha/ <i>Scope of Activities</i>	Tahun Pendirian/ Kegiatan Usaha - Year of <i>Establishment/</i>	Persentase Kepemilikan/ Percentage of Ownership		Total Aset Sebelum Eliminasi/ Total Assets Before <i>Elimination</i>	
			<i>Commercial Operations</i>	2017	2016	2017	2016
				(%)	(%)		
<u>Melalui BIIN/Through BIIN</u>							
PT Bakrie Gas (BG)	Jakarta	Perdagangan minyak dan gas bumi/ <i>Oil and Gas Trading</i>	2006	99,50	99,50	19.998	19.998
PT Bakrie Gasindo Utama (BGU)	Jakarta	Perdagangan minyak dan gas bumi/ <i>Oil and Gas Trading</i>	2006	99,50	99,50	19.998	19.998
PT Bakrie Java Energy (BJE)	Jakarta	Perdagangan minyak dan gas bumi/ <i>Oil and Gas Trading</i>	2006	99,99	99,99	498	498
PT Energas Daya Pratama (EDP)	Jakarta	Perdagangan minyak dan gas bumi/ <i>Oil and Gas Trading</i>	2006	99,50	99,50	9.998	9.998
PT Bakrie Power (BP)	Jakarta	Pembangkit tenaga Listrik/ <i>Energy and electrical power</i>	1994	99,99	99,99	364.026	404.080
PT Bangun Infrastruktur Nusantara (BIN)	Jakarta	Pembangunan dan jasa/ <i>Development and Services</i>	2008	99,99	99,99	20.267	17.990
PT Bakrie Oil & Gas Infrastructure (BOGI)	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	4.679	4.679
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	-	10.145	-
<u>Melalui BPI/Through BPI</u>							
PT South East Asia Pipe Industries (SEAPI)	Jakarta	Pabrikasi pipa baja/ <i>Steel pipe manufacturer</i>	2001	99,85	99,85	590.323	674.498
PT Bina Andalan Karya Inspeksi (BAKI) *)	Jakarta	Laboratorium/ <i>Laboratory service</i>	2014	-	99,99	-	8.789
PT Bina Karya Proteksi Pipabaja (BKPP) *)	Jakarta	Jasa Pelapisan/ <i>Coating Plant</i>	2014	-	99,99	-	52.021
<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	6.146	14.517
PT Braja Mukti Cakra (BMC)	Bekasi	Industri suku cadang kendaraan bermotor/ <i>Automotive components</i>	1986	50,00	50,00	229.461	238.949
PT Bina Usaha Mandiri Mizusawa (BUMM)	Tangerang	Industri suku cadang kendaraan bermotor/ <i>Automotive components</i>	1986	99,90	99,90	108.517	94.803
<u>Melalui BEI/Through BEI</u>							
PT Bakrie Kimia Investama (BKIV)	Jakarta	Konsultasi manajemen/ <i>Management consultation</i>	2009	99,00	99,00	38.622	44.266
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	-	-

\*) Merger dengan BPI pada tanggal 31 Desember 2017.

\*\*) Telah didekonsolidasi pada tanggal 31 Desember 2017.

\*) Merged with BPI as of December 31, 2017.

\*\*) Deconsolidated as of December 31, 2017.

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**1. GENERAL (Continued)**

Nama Entitas/ Name of Entity	Domisili/ Domicile	Bidang Usaha/ Scope of Activities	Tahun Pendirian/ Kegiatan Usaha - Year of	Persentase Kepemilikan/ Percentage of Ownership		Total Aset Sebelum Eliminasi/ Total Assets Before	
			Establishment/ Commercial Operations	2017	2016	Elimination	
				(%)	(%)	2017	2016
<u>Melalui BKIV/Through BKIV</u>							
PT Batuta Chemical Industrial Park (BCIP) **)	Jakarta	Pembangunan dan Pengelolaan Kawasan Industri/ <i>Industrial estated management</i>	2009	-	95,00	-	-
PT Batuta Kimia Utama (BKU)	Jakarta	Industri pupuk buatan/ Non-organic fertilizer industry	2009	95,00	95,00	-	-
PT Batuta Kimia Perdana (BKP)	Jakarta	Industri kimia dasar chlororganik/ <i>Chemical Industries-organic chlor</i>	2009	45,00	45,00	-	-
<u>Melalui BP/Through BP</u>							
PT Bakrie Darmakarya Energi (BDE)	Jakarta	Pembangkit tenaga Listrik/ Energy and electrical power	2011	98,00	98,00	431.112	422.428
PT Kuala Tanjung Power (KTP)	Jakarta	Pembangkit tenaga Listrik/ Energy and electrical power	2010	99,00	99,00	2.865	2.866
<u>Melalui KJU/Through KJU</u>							
PT Batuta Kimia Perdana (BKP)	Jakarta	Industri kimia dasar chlororganik/ <i>Chemical Industries-organic chlor</i>	2009	55,00	55,00	-	-
<u>Melalui BBI/Through BBI</u>							
PT Bangun Bantala Indonesia (BBIn)	Jakarta	Perdagangan Umum/ General Trading	2013	99,02	99,02	37.003	52.891
PT Pilar Agra Unggul (PAU)	Jakarta	Perdagangan Umum/ General Trading	2015	99,04	99,04	911.409	902.062
<u>Melalui BIN/Through BIN</u>							
PT Bakrie Mina Bahari	Jakarta	Perdagangan Umum/ General Trading	2017	30,00	-	10.145	-
<u>Entitas Asosiasi/Associates</u>							
<u>Kepemilikan secara langsung/ Direct Ownership</u>							
PT Petro Storindo Energi	Jakarta	Jasa/Services	2012	0,45	0,45	-	-
<u>Kepemilikan secara tidak langsung/ Indirect Ownership</u>							
<u>Melalui BEI/Through BEI</u>							
Bakrie Petroleum International Pte. Ltd.	Singapore	Perdagangan/ <i>Trading</i>	2009	40,00	40,00	1.124.948	917.757
PT Bakrie Investa Eco Industri	Jakarta	Perdagangan, Jasa, Industri/ Trading, Services, Industry	2012	40,00	40,00	-	-
<u>Entitas Pengendalian Bersama/Jointly Controlled Entities</u>							
<u>Kepemilikan secara tidak langsung/ Indirect Ownership</u>							
<u>Melalui BP/Through BP</u>							
PT Kalimantan Prima Power (KPP)	Jakarta	Pembangkit tenaga Listrik/ Energy and electrical power	2010	70,00	70,00	2.823.746	2.858.692
PT Guruh Agung	Jakarta	Pembangkit tenaga Listrik/ Energy and electrical power	2010	7,00	7,00	1.304.708	20.844
PT Citra Prima Buana	Jakarta	Pembangkit tenaga Listrik/ Energy and electrical power	2010	7,00	7,00	16.057	3.066
*) Merger dengan BPI pada tanggal 31 Desember 2017.							
**) Telah didekonsolidasi pada tanggal 31 Desember 2017.							
			*)	Merged with BPI as of December 31, 2017.			
			*)	Deconsolidated as of December 31, 2017.			

\*) Merger dengan BPI pada tanggal 31 Desember 2017.

\*\*) Telah didekonsolidasi pada tanggal 31 Desember 2017.

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**1. UMUM (Lanjutan)**

PT Bina Karya Proteksi Pipabaja

Berdasarkan Akta Notaris No. 12 oleh Rakhmat Mushawwir Rasyidi, S.H., M.Kn tanggal 9 Mei 2017, PT Bina Karya Proteksi Pipabaja (BKPP), menandatangani perjanjian merger dengan Perusahaan induknya, PT Bakrie Pipe Industries (BPI), dimana BPI akan melanjutkan operasi dan kegiatan usaha serta mengambil alih dan menerima semua hak dan kewajiban BKPP. Tidak ada keuntungan atau kerugian yang diakui dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian yang timbul dari transaksi ini.

PT Bina Andalan Karya Inspeksi

Berdasarkan Akta Notaris No. 78 oleh Muchlis Patahn, S.H., M.Kn, tanggal 30 Oktober 2017, PT Bina Andalan Karya Inspeksi (BAKI), menandatangani perjanjian merger dengan Perusahaan induknya, PT Bakrie Pipe Industries (BPI), dimana BPI akan melanjutkan operasinya dan kegiatan usaha serta mengambil alih dan menerima semua hak dan kewajiban BAKI. Tidak ada keuntungan atau kerugian yang diakui dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian yang timbul dari transaksi ini.

PT Bakrie Chemical Industrial Park

Pada tanggal 30 November 2017, PT Bakrie Kimia Investama (BKIV) telah menandatangani Perjanjian Jual Beli atas saham di PT Batuta Chemical Industrial Park (BCIP) sebesar 95% kepemilikan saham di BCIP. Lebih lanjut, efektif tanggal tersebut, BKIV telah kehilangan kendali dan pengaruh signifikan atas BCIP sehubungan dengan perubahan kepemilikan saham atas BCIP. Sejak saat itu, BKIV tidak lagi mengkonsolidasi BCIP.

Kelompok Usaha mengakui keuntungan atas pelepasan saham dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian sebesar Rp4,8 miliar.

Entitas Bertujuan Khusus

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

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

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PT Bina Karya Proteksi Pipabaja

Based on Notarial Deed No. 12 of Rakhmat Mushawwir Rasyidi, S.H., M.Kn. dated May 9, 2017, PT Bina Karya Proteksi Pipabaja (BKPP) and entered into a merger agreement with its parent company, PT Bakrie Pipe Industries (BPI) wherein BPI will continue the operations and business activities as well as take over and receive all the rights and obligations of BKPP. There were no gain or loss recognized in the consolidated statement of profit or loss and other comprehensive income arising from this transaction.

PT Bina Andalan Karya Inspeksi

Based on Notarial Deed No. 78 of Muchlis Patahn, S.H., M.Kn. dated October 30, 2017, PT Bina Andalan Karya Inspeksi (BAKI), entered into a merger agreement with its parent company, PT Bakrie Pipe Industries (BPI) wherein BPI will continue the operations and business activities as well as take over and receive all the rights and obligations of BAKI. There were no gain or loss recognized in the consolidated statement of profit or loss and other comprehensive income arising from this transaction.

PT Bakrie Chemical Industrial Park

On November 30, 2017, PT Bakrie Kimia Investama (BKIV) entered into a Sale and Purchase Agreement of shares in PT Batuta Chemical Industrial Park (BCIP) equivalent to 95% ownership in BCIP. Furthermore, effective on the same date, BKIV lost its control and significant influence over BCIP as a result of the change in ownership. Since then, BKIV deconsolidated BCIP.

The Group recognized gain on divestment in the consolidated statements of profit or loss and other comprehensive income amounting to Rp4.8 billion.

Special Purpose Entities

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

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

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**1. UMUM (Lanjutan)**

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

Susunan Dewan Komisaris dan Direksi Perusahaan pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

	2017
<b>Dewan Komisaris</b>	
Komisaris Utama/ Independen	Irwan Sjarkawi
Komisaris	Armansyah Yamin
Komisaris	Nugroho I. Purbowinoto
<b>Direksi</b>	
Direktur Utama	Gafur Sulistyo Umar
Direktur	A. Amri Aswono Putro
Direktur Independen	Dody Taufiq Wijaya
Direktur	R.A. Sri Dharmayanti

Selain Dewan Komisaris dan Direksi, personil manajemen kunci Perusahaan terdiri dari pimpinan dari masing-masing departemen seperti investasi, pengembangan strategis dan komunikasi perusahaan.

Pembentukan Komite Audit Perusahaan mengacu pada Peraturan Bapepam No. IX.1.5, dimana susunan anggota Komite Audit pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

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

Pada tanggal 31 Desember 2017 dan 2016, Kelompok Usaha mempekerjakan masing-masing 3.129 karyawan dan 3.343 karyawan (tidak diaudit).

**e. Penyelesaian Laporan Keuangan Konsolidasian**

Manajemen Perusahaan bertanggung jawab atas penyusunan laporan keuangan konsolidasian ini yang telah disetujui oleh Direksi untuk diterbitkan pada tanggal 21 Maret 2018.

**2. PERNYATAAN KEPATUHAN**

Laporan keuangan konsolidasian telah disusun sesuai dengan Standar Akuntansi Keuangan ("SAK"), yang mencakup Pernyataan dan Interpretasi yang diterbitkan oleh Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia, dan Keputusan Ketua Bapepam-LK No. KEP-347/BL/2012 tertanggal 25 Juni 2012 tentang Penyajian dan Pengungkapan Laporan Keuangan Emiten atau Perusahaan Publik yang diterbitkan oleh Otoritas Jasa Keuangan (OJK) (dahulu Bapepam-LK).

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

As of December 31, 2017 and 2016, the members of the Company's Boards of Commissioners and Directors were as follows:

	2016	
<b>Board of Commissioners</b>		
President/Independent Commissioner	Irwan Sjarkawi	
Commissioner	Armansyah Yamin	
Commissioner	Nugroho I. Purbowinoto	
<b>Board of Directors</b>		
President Director	Gafur Sulistyo Umar	
Director	A. Amri Aswono Putro	
Independent Director	Dody Taufiq Wijaya	
Director	R.A. Sri Dharmayanti	

Aside from Boards of Commissioners and Directors, the Company's key personnel consist of chief officers in each department such as investment, strategic development and corporate communications.

The Company's Audit Committee is set to conform with Bapepam Regulation No. IX.1.5, whereas the members of the Audit Committee as of December 31, 2017 and 2016, were as follows:

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

As of December 31, 2017 and 2016, the Group employed 3,129 staffs and 3,343 staffs, respectively (unaudited).

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

The management of the Company is responsible of the preparation of these consolidated financial statements that have been authorized for issue by the Board of Directors on March 21, 2018.

**2. STATEMENT OF COMPLIANCE**

The consolidated financial statements have been prepared in accordance with Financial Accounting Standards ("SAK"), which comprise the Statements and Interpretations issued by the Board of Financial Accounting Standards of the Indonesian Institute of Accountants, and the Decree of the Chairman of Bapepam-LK No. KEP-347/BL/2012 dated June 25, 2012 regarding the Presentation and Disclosure of Financial Statement of Issuers of Public Companies issued by the Financial Services Authority (OJK) (formerly Bapepam-LK).



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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 2016, kecuali untuk penerapan amandemen dan penyesuaian pernyataan yang berlaku efektif tanggal 1 Januari 2017 seperti yang diungkapkan dalam kebijakan akuntansi terkait.

Efektif tanggal 1 Januari 2017, Kelompok Usaha menerapkan Amandemen PSAK No. 1, "Penyajian Laporan Keuangan", tentang Prakarsa Pengungkapan. Amandemen ini mengklarifikasi:

- a. persyaratan materialitas dalam PSAK No. 1;
- b. bahwa pos-pos tertentu dalam laporan laba rugi dan penghasilan komprehensif lain dan laporan posisi keuangan dapat dipisahkan;
- c. bahwa entitas fleksibel dalam membuat urutan ketika menyajikan catatan atas laporan keuangan;
- d. bahwa bagian penghasilan komprehensif lain atas entitas asosiasi dan ventura bersama yang dicatat menggunakan metode ekuitas harus disajikan secara agregat sebagai item tersendiri, dan diklasifikasikan antara item yang akan atau tidak akan direklasifikasi lebih lanjut ke laba rugi; dan
- e. persyaratan yang berlaku ketika subtotal tambahan disajikan dalam laporan posisi keuangan dan laporan laba rugi dan penghasilan komprehensif lain.

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

Laporan keuangan konsolidasian, kecuali laporan arus kas konsolidasian, telah disusun secara akrual dengan menggunakan konsep biaya perolehan (*historical cost*), kecuali untuk akun-akun tertentu yang diukur berdasarkan basis lain seperti yang dijelaskan dalam kebijakan akuntansi terkait.

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

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

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**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, 2016, except for the adoption of amendment and improvements to statements effective January 1, 2017 as described in the related accounting policies.*

*Effective January 1, 2017, the Group applied Amendment to PSAK No. 1, "Presentation of Financial Statements," on Disclosure Initiatives. The amendment clarifies:*

- a. the materiality requirements in PSAK No.1;*
- b. that specific line items in the statement of profit or loss and other comprehensive income and the statement of financial position may be disaggregated;*
- c. that an entity has flexibility as to the order in which it presents the notes to the financial statements;*
- d. that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss; and*
- e. the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss and other comprehensive income.*

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

*The consolidated financial statements, except for the consolidated statements of cash flows, have been prepared on an accrual basis of accounting using the historical cost concept, except for certain accounts that are measured on the other basis described in the related accounting policies.*

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

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

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
DITERAPKAN (Lanjutan)**

**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 apakah *investor* tersebut mengendalikan *investee*.

*Investor* mengendalikan *investee* ketika *investor* terekspos atau memiliki hak atas imbal hasil variabel dari keterlibatannya dengan *investee* dan memiliki kemampuan untuk memengaruhi imbal hasil tersebut melalui kekuasaannya atas *investee*. Dengan demikian, *investor* mengendalikan *investee* jika dan hanya jika *investor* memiliki seluruh hal berikut ini:

- kekuasaan atas *investee*;
- eksposur atau hak atas imbal hasil variabel dari keterlibatannya dengan *investee*; dan
- kemampuan untuk menggunakan kekuasaannya atas *investee* untuk memengaruhi jumlah imbal hasil *investor*.

*Investor* menilai kembali apakah *investor* mengendalikan *investee* jika fakta dan keadaan mengindikasikan adanya perubahan terhadap satu atau lebih dari tiga (3) elemen pengendalian.

Konsolidasi atas *investee* dimulai sejak tanggal *investor* memperoleh pengendalian atas *investee* dan berakhir ketika *investor* kehilangan pengendalian atas *investee*.

Entitas induk menentukan apakah entitas induk adalah entitas investasi. Entitas investasi adalah entitas yang:

- memperoleh dana dari satu atau lebih *investor* dengan tujuan memberikan *investor* tersebut jasa manajemen investasi;
- menyatakan komitmen kepada *investor* bahwa tujuan bisnisnya adalah untuk menginvestasikan dana yang semata-mata untuk memperoleh imbal hasil dari kenaikan nilai modal, penghasilan investasi, atau keduanya; dan
- mengukur dan mengevaluasi kinerja dan seluruh investasinya berdasarkan nilai wajar.

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.

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**b. Principles of Consolidation**

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

An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Therefore, the investor controls the investee if and only if the investor has all of the following:

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

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

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

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

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

A parent that is an investment entity measures its investments in particular subsidiaries at fair value through profit or loss.

Non-controlling interest represents a portion of the profit or loss and net assets not attributable to the parent and is presented separately in the consolidated statement of profit or loss and other comprehensive income, and within equity in the consolidated statement of financial position, separate from equity attributable to the parent.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
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Seluruh penghasilan komprehensif diatribusikan pada pemilik entitas induk dan pada kepentingan nonpengendali bahkan jika hal ini mengakibatkan kepentingan nonpengendali mempunyai saldo defisit.

Seluruh saldo akun dan transaksi yang material antar entitas yang dikonsolidasi telah dieliminasi.

Perubahan bagian kepemilikan

Perubahan dalam bagian kepemilikan entitas induk pada entitas anak yang tidak mengakibatkan hilangnya pengendalian dicatat sebagai transaksi ekuitas, dimana jumlah tercatat kepentingan pengendali dan nonpengendali disesuaikan untuk mencerminkan perubahan bagian relatifnya atas entitas anak. Perbedaan antara jumlah kepentingan nonpengendali disesuaikan dan nilai wajar imbalan yang diberikan atau diterima diakui secara langsung dalam ekuitas dan diatribusikan pada pemilik entitas induk.

Jika entitas induk kehilangan pengendalian pada entitas anak, maka entitas induk:

- menghentikan pengakuan aset (termasuk setiap *goodwill*) dan liabilitas entitas anak terdahulu dari laporan posisi keuangan konsolidasian;
- mengakui sisa investasi pada entitas anak terdahulu pada nilai wajarnya pada tanggal hilangnya pengendalian, dan selanjutnya mencatat sisa investasi tersebut dan setiap jumlah terutang oleh atau kepada entitas anak terdahulu. Nilai wajar tersebut dianggap sebagai nilai wajar pada saat pengakuan awal aset keuangan atau (jika sesuai) biaya perolehan pada saat pengakuan awal investasi pada entitas asosiasi atau ventura bersama.
- mengakui keuntungan atau kerugian terkait dengan hilangnya pengendalian yang dapat diatribusikan pada kepentingan pengendali terdahulu.

**c. Kombinasi Bisnis**

Kombinasi bisnis dicatat dengan metode akuisisi. Jika aset yang diperoleh bukan suatu bisnis, maka Kelompok Usaha mencatatnya sebagai akuisisi aset. Biaya perolehan dari sebuah akuisisi diukur berdasarkan nilai agregat imbalan yang dialihkan yang diukur pada nilai wajar tanggal akuisisi dan jumlah setiap kepentingan nonpengendali pada pihak yang diakuisisi. Untuk setiap kombinasi bisnis, Kelompok Usaha memilih mengukur kepentingan nonpengendali pada pihak yang diakuisisi baik pada nilai wajar atau pada bagian proporsional dari aset neto yang teridentifikasi dari pihak diakuisisi. Biaya terkait akuisisi dibebankan pada saat terjadi dan diakui dalam laba rugi.

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Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All significant intercompany transactions and balances have been eliminated.

Changes in the ownership interests

Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions, in which the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognized directly in equity and attributed to the owners of the parent.

If a parent loses control of a subsidiary, the parent:

- derecognizes the assets (including goodwill) and liabilities of the former subsidiary from the consolidated statement of financial position.
- recognizes any investment retained in the former subsidiary at its fair value at the date when control is lost, and subsequently accounts for it and for any amounts owed by or to the former subsidiary. That fair value shall be regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.
- recognizes the gain or loss associated with the loss of control attributable to the former controlling interest.

**c. Business Combinations**

Business combinations are accounted for using the acquisition method. If the asset acquired is not a business, the Group accounts for it as asset acquisition. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition-date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and recognized in profit or loss.

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Jika kombinasi bisnis dilakukan secara bertahap, setiap kepentingan ekuitas yang dimiliki sebelumnya diukur kembali pada nilai wajar tanggal akuisisi dan setiap keuntungan atau kerugian yang dihasilkan diakui dalam laba rugi.

Setiap imbalan kontinjensi yang dialihkan oleh pihak pengakuisisi diakui pada nilai wajar pada tanggal akuisisi. Imbalan kontinjensi diklasifikasi sebagai aset atau liabilitas yang merupakan instrumen keuangan dan termasuk dalam ruang lingkup PSAK No. 55, diukur pada nilai wajar dengan perubahan pada nilai wajar diakui baik dalam laba rugi atau penghasilan komprehensif lain. Jika imbalan kontinjensi tidak termasuk dalam ruang lingkup PSAK No. 55 diukur dengan PSAK yang sesuai. Imbalan kontinjensi yang diklasifikasikan sebagai ekuitas tidak diukur kembali dan penyelesaian selanjutnya dicatat dalam ekuitas.

*Goodwill* pada awalnya diakui sebesar biaya perolehan, menjadi selisih lebih nilai gabungan dari imbalan yang dialihkan dan jumlah yang diakui untuk kepentingan nonpengendali, dan setiap kepentingan yang dimiliki sebelumnya, atas jumlah neto aset teridentifikasi yang diperoleh dan liabilitas yang diambil-alih. Dalam kasus pembelian dengan diskon, jika nilai wajar atas aset neto yang diakuisisi melebihi nilai gabungan imbalan yang dialihkan, maka selisih tersebut diakui langsung dalam laba rugi.

Setelah pengakuan awal, *goodwill* diukur pada biaya perolehan dikurangi akumulasi rugi penurunan nilai. Untuk tujuan pengujian penurunan nilai, *goodwill* yang diperoleh dari suatu kombinasi bisnis, sejak tanggal akuisisi, dialokasikan ke setiap unit penghasil kas dari Kelompok Usaha yang diharapkan bermanfaat untuk kombinasi tersebut, terlepas dari apakah aset atau liabilitas lain dari pihak yang diakuisisi ditetapkan ke unit-unit tersebut.

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.

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*If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition-date fair value and any resulting gain or loss is recognized in profit or loss.*

*Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PSAK No. 55, is measured at fair value with changes in fair value recognized either in profit or loss or in other comprehensive income. If the contingent consideration is not within the scope of PSAK No. 55, it is measured in accordance with the appropriate PSAK. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.*

*Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred in the case of a bargain purchase, the difference is recognized directly in profit or loss.*

*After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.*

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

**d. Cash and Cash Equivalents**

*Cash and cash equivalents consist of cash on hand and in banks, and time deposits with original maturities within three (3) months or less and not pledged as collateral or restricted in use.*



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Kas di bank dan deposito berjangka yang dibatasi penggunaannya disajikan sebagai "Kas di Bank yang Dibatasi Penggunaannya." Kas di bank yang dibatasi penggunaannya yang akan digunakan untuk membayar kewajiban jatuh tempo dalam satu (1) tahun, disajikan sebagai bagian dari aset lancar. Rekening bank dan deposito berjangka lainnya yang dibatasi penggunaannya disajikan sebagai aset tidak lancar.

**e. Instrumen Keuangan**

Efektif tanggal 1 Januari 2017, Kelompok Usaha menerapkan PSAK No. 60 (Penyesuaian 2016), "Instrumen Keuangan: Pengungkapan", yang mengklarifikasi bahwa entitas harus menilai sifat dari imbalan kontrak jasa untuk menentukan apakah entitas memiliki keterlibatan berkelanjutan dalam aset keuangan dan apakah persyaratan pengungkapan terkait keterlibatan berkelanjutan terpenuhi. Penerapan penyesuaian ini tidak berdampak terhadap laporan keuangan konsolidasian Kelompok Usaha.

**1. Aset Keuangan**

Pengakuan Awal

Aset keuangan pada awalnya diakui sebesar nilai wajarnya ditambah biaya transaksi, kecuali untuk aset keuangan yang diklasifikasikan pada nilai wajar melalui laba rugi yang pada awalnya diukur dengan nilai wajar. Klasifikasi aset keuangan antara lain sebagai aset keuangan yang ditetapkan untuk diukur pada nilai wajar melalui laba rugi (FVTPL), investasi dimiliki hingga jatuh tempo (HTM), pinjaman yang diberikan dan piutang atau aset keuangan tersedia untuk dijual (AFS). Kelompok Usaha menetapkan klasifikasi aset keuangannya pada saat pengakuan awal dan, sepanjang diperbolehkan dan diperlukan, ditelaah kembali pengklasifikasian aset tersebut pada setiap akhir periode pelaporan.

Pengukuran Selanjutnya

• Aset keuangan FVTPL

Aset keuangan diklasifikasikan sebagai FVTPL jika aset keuangan diperoleh untuk diperdagangkan atau ditetapkan sebagai FVTPL pada saat pengakuan awal. Aset keuangan diklasifikasikan sebagai kelompok diperdagangkan jika diperoleh untuk tujuan dijual atau dibeli kembali dalam waktu dekat. Aset derivatif juga diklasifikasikan sebagai kelompok diperdagangkan kecuali aset derivatif tersebut ditetapkan sebagai instrumen lindung nilai efektif.

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Cash in banks and time deposits, which are restricted in use, are presented as "Restricted Cash in Banks." Restricted cash in banks to be used to pay currently maturing obligations that are due within one (1) year is presented under current assets. Other bank accounts and time deposits that are restricted in use are presented under non-current assets.

**e. Financial Instruments**

Effective January 1, 2017, the Group applied PSAK No. 60 (Improvement 2016), "Financial Instrument: Disclosures," which clarifies that the entity shall assess the nature of servicing contract fee to determine whether the entity has a continuing involvement in the financial asset and whether disclosure requirements related to continuing involvement are met. The adoption of this improvement had no impact on the Group's consolidated financial statements.

**1. Financial Assets**

Initial Recognition

Financial assets are recognized initially at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value. Financial assets are classified as financial assets at fair value through profit or loss (FVTPL), held-to-maturity investments (HTM), loans and receivables or available-for-sale financial assets (AFS). The Group determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates the designation of such assets at each end of reporting period.

Subsequent Measurement

• Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial assets are either held for trading or they are designated as FVTPL at initial recognition. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivative assets are also classified as held for trading unless they are designated as effective hedging instruments.

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Aset keuangan yang ditetapkan sebagai FVTPL disajikan dalam laporan posisi keuangan konsolidasian pada nilai wajar dengan keuntungan atau kerugian dari perubahan nilai wajar diakui dalam laba rugi. Keuntungan atau kerugian yang diakui dalam laba rugi termasuk dividen atau bunga yang diperoleh dari aset keuangan.

- Pinjaman yang diberikan dan piutang

Pinjaman yang diberikan dan piutang adalah aset keuangan nonderivatif dengan pembayaran tetap atau telah ditentukan, yang tidak mempunyai kuotasi di pasar aktif. Aset keuangan tersebut diukur sebesar biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif, dikurangi dengan penurunan nilai. Keuntungan atau kerugian diakui dalam laba rugi pada saat pinjaman yang diberikan dan piutang dihentikan pengakuannya atau mengalami penurunan nilai, serta melalui proses amortisasi.

- Aset keuangan AFS

Aset keuangan AFS adalah aset keuangan nonderivatif yang ditetapkan sebagai tersedia untuk dijual atau yang tidak diklasifikasikan dalam tiga (3) kategori sebelumnya. Setelah pengakuan awal, aset keuangan AFS diukur dengan nilai wajar dengan keuntungan atau kerugian yang belum terealisasi diakui dalam penghasilan komprehensif lain, kecuali untuk kerugian penurunan nilai dan keuntungan atau kerugian akibat perubahan kurs, sampai aset keuangan tersebut dihentikan pengakuannya. Pada saat itu, keuntungan atau kerugian kumulatif yang sebelumnya diakui dalam penghasilan komprehensif lain direklasifikasi dari ekuitas ke laba rugi sebagai penyesuaian reklasifikasi. Akan tetapi, bunga yang dihitung menggunakan metode suku bunga efektif diakui dalam laba rugi. Aset keuangan ini diklasifikasikan sebagai aset tidak lancar kecuali aset keuangan tersebut ditujukan untuk dilepaskan dalam waktu dua belas (12) bulan dari tanggal pelaporan.

Penurunan Nilai Aset Keuangan

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

- Aset keuangan yang diukur pada biaya perolehan diamortisasi

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Financial assets at FVTPL are carried on the consolidated statement of financial position at fair value with gains or losses recognized in profit or loss. The gains or losses recognized in profit or loss include any dividend or interest earned from the financial assets.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Such financial assets are carried at amortized cost using the effective interest method, less any impairment. Gains or losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

- AFS financial assets

AFS financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three (3) preceding categories. After initial recognition, AFS financial assets are measured at fair value with unrealized gains or losses being recognized in other comprehensive income, except for impairment losses and gains or losses due to changes in exchange rates, until the financial assets are derecognized. At that time, the cumulative gains or losses previously reported in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustments. However, interest is calculated using the effective interest method is recognized in profit or loss. These financial assets are classified as non-current assets unless the intention is to dispose of them within twelve (12) months from the reporting date.

Impairment of Financial Assets

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

- Financial assets measured at amortized cost

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Jika terdapat bukti objektif penurunan nilai, maka jumlah kerugian tersebut, yang diukur sebagai selisih antara jumlah tercatat aset dengan nilai kini estimasi arus kas masa datang (tidak termasuk kerugian kredit dimasa datang yang belum terjadi) yang didiskonto menggunakan suku bunga efektif yang dihitung saat pengakuan awal aset tersebut, diakui pada laba rugi.

- Aset keuangan AFS

Jika terdapat bukti objektif bahwa aset AFS mengalami penurunan nilai, maka kerugian kumulatif yang sebelumnya diakui secara langsung dalam ekuitas harus dikeluarkan dari ekuitas dan diakui pada laba rugi.

Penghentian Pengakuan Aset Keuangan

Kelompok Usaha menghentikan pengakuan aset keuangan jika, dan hanya jika: hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut berakhir; atau Kelompok Usaha mentransfer hak kontraktual untuk menerima arus kas yang berasal dari aset keuangan atau tetap memiliki hak kontraktual untuk menerima arus kas yang berasal dari aset keuangan namun juga menanggung kewajiban kontraktual untuk membayar arus kas yang diterima tersebut kepada satu atau lebih pihak penerima melalui suatu kesepakatan yang memenuhi persyaratan tertentu. Ketika Kelompok Usaha mentransfer aset keuangan, maka Kelompok Usaha mengevaluasi sejauh mana Kelompok Usaha tetap memiliki risiko dan manfaat atas kepemilikan aset keuangan tersebut.

**(2) Liabilitas Keuangan dan Instrumen Ekuitas**

Pengakuan Awal

Kelompok Usaha menetapkan klasifikasi liabilitas keuangannya pada saat pengakuan awal. Instrumen utang dan ekuitas dikelompokkan sebagai liabilitas keuangan atau sebagai ekuitas sesuai dengan substansi pengaturan kontraktual.

Liabilitas keuangan diklasifikasikan sebagai liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi, liabilitas keuangan yang diukur pada biaya perolehan diamortisasi, atau sebagai derivatif yang ditentukan sebagai instrumen lindung nilai dalam lindung nilai yang efektif, mana yang sesuai. Liabilitas keuangan diakui pada awalnya sebesar nilai wajar dan, dalam hal pinjaman dan utang, termasuk biaya transaksi yang dapat diatribusikan secara langsung.

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*If there is objective evidence of impairment, the amount of loss, which is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the effective interest rate computed at initial recognition of the asset, shall be recognized in profit or loss.*

- AFS financial assets

*If there is objective evidence that an AFS asset is impaired, the cumulative loss previously recognized directly in equity is transferred from equity to profit or loss.*

Derecognition of Financial Assets

*The Group derecognizes financial assets, if and only if: the contractual rights to the cash flows from the financial asset expire; the contractual rights to receive the cash flows of the financial asset are transferred to another entity or the contractual rights to receive the cash flows of the financial asset are retained but a contractual obligation is assumed to pay the cash flows to one or more recipients in an arrangement that meets certain conditions. When the Group transfers a financial asset, it evaluates the extent to which it retains the risks and rewards of ownership of the financial asset.*

**(2) Financial Liabilities and Equity Instruments**

Initial Recognition

*The Group determines the classification of its financial liabilities at initial recognition. Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.*

*Financial liabilities are classified as financial liabilities at fair value through profit or loss, financial liabilities measured at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, inclusive of directly attributable transaction costs.*

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
DITERAPKAN (Lanjutan)**

Instrumen ekuitas adalah setiap kontrak yang memberikan hak residual atas aset suatu entitas setelah dikurangi seluruh liabilitasnya. Instrumen ekuitas yang diterbitkan oleh Kelompok Usaha dicatat sebesar hasil yang diperoleh, dikurangi biaya penerbitan instrumen ekuitas.

Instrumen keuangan majemuk, seperti obligasi atau instrumen sejenis yang dapat dikonversi oleh pemegangnya menjadi saham biasa dengan jumlah yang telah ditetapkan, dipisahkan antara liabilitas keuangan dan ekuitas sesuai dengan substansi pengaturan kontraktual. Pada tanggal penerbitan instrumen keuangan majemuk, nilai wajar dari komponen liabilitas diestimasi dengan menggunakan suku bunga yang berlaku di pasar untuk instrumen *non-convertible* yang serupa. Jumlah ini dicatat sebagai liabilitas dengan dasar biaya perolehan diamortisasi menggunakan metode suku bunga efektif sampai dengan liabilitas tersebut berakhir melalui konversi atau pada tanggal instrumen jatuh tempo. Komponen ekuitas ditentukan dengan cara mengurangi jumlah komponen liabilitas dari keseluruhan nilai wajar instrumen keuangan majemuk. Jumlah tersebut diakui dan dicatat dalam ekuitas, dikurangi dengan pajak penghasilan, dan tidak ada pengukuran setelah pengakuan awal.

Pengukuran Selanjutnya

- Liabilitas keuangan

Liabilitas keuangan yang diukur pada FVTPL termasuk liabilitas keuangan untuk diperdagangkan dan liabilitas keuangan yang ditetapkan pada saat pengakuan awal untuk diukur pada FVTPL. Liabilitas keuangan diklasifikasikan sebagai kelompok diperdagangkan jika liabilitas keuangan tersebut diperoleh untuk tujuan dijual atau dibeli kembali dalam waktu dekat. Liabilitas derivatif juga diklasifikasikan sebagai kelompok diperdagangkan kecuali liabilitas derivatif tersebut ditetapkan sebagai instrumen lindung nilai efektif. 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.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
(Continued)**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issuance costs.

Compound financial instruments, a bond or similar instrument convertible by the holder into a fixed number of ordinary shares, are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issuance of compound financial instruments, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound financial instruments as a whole. This amount is recognized and included in equity, net of income tax effects, and is not subsequently remeasured.

Subsequent Measurement

- Financial liabilities

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition at FVTPL. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivative liabilities are also classified as held for trading unless they are designated as effective hedging instruments. 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.



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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
DITERAPKAN (Lanjutan)**

- Liabilitas keuangan yang diukur pada biaya perolehan diamortisasi

Setelah pengakuan awal, liabilitas keuangan dalam kategori ini selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif. Keuntungan atau kerugian diakui dalam laba rugi pada saat liabilitas tersebut dihentikan pengakuannya serta melalui proses amortisasi.

Penghentian Pengakuan Liabilitas Keuangan

Kelompok Usaha menghentikan pengakuan liabilitas keuangan, jika dan hanya jika, kewajiban Kelompok Usaha dihentikan, dibatalkan atau kedaluwarsa.

**(3) Fasilitas Repo**

Fasilitas repo diakui pada awalnya sebesar nilai wajar dan termasuk biaya transaksi yang dapat diatribusikan secara langsung, dan selanjutnya diukur pada biaya perolehan diamortisasi. Selisih antara harga pembelian kembali dengan nilai nominal pinjaman diakui sebagai beban keuangan menggunakan metode suku bunga efektif.

**(4) Instrumen Derivatif**

Instrumen derivatif dicatat pada pengakuan awal sebesar nilai wajar pada tanggal perjanjian derivatif ditandatangani dan diukur kembali setiap akhir periode laporan. Derivatif dicatat sebagai aset keuangan saat nilai wajar positif dan liabilitas keuangan saat nilai wajar negatif.

Derivatif melekat disajikan dengan kontrak utamanya pada laporan posisi keuangan konsolidasian yang mencerminkan penyajian yang memadai atas seluruh arus kas pada masa datang dari instrumen tersebut secara keseluruhan. Derivatif yang melekat pada instrumen keuangan atau kontrak awal diperlakukan sebagai derivatif yang berbeda saat risiko dan karakteristiknya tidak saling berhubungan dengan kontrak utamanya dan kontrak utama tersebut tidak diukur dengan nilai wajar serta perubahan pada nilai wajar diakui dalam laba rugi.

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.

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(Continued)**

- Financial liabilities measured at amortized cost

After initial recognition, financial liabilities in this category are subsequently measured at amortized cost using the effective interest method. Gains or losses are recognized in profit or loss when the liabilities are derecognized, as well as through the amortization process.

Derecognition of Financial Liabilities

The Group derecognizes financial liabilities if, and only if the Group obligations are discharged, cancelled or expire.

**(3) Repo Facility**

Repo facility is recognized initially at fair value and inclusive of directly attributable transaction costs, and subsequently measured at amortized cost. The difference between the repurchase price and the loan nominal value is recognized as financial charges using the effective interest method.

**(4) Derivative Instruments**

Derivative instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each end of reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Embedded derivative is presented with the host contract on the consolidated statement of financial position which represents an appropriate presentation of overall future cash flows for the instrument taken as a whole. Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value, with changes in fair value recognized in profit or loss.

A derivative is presented as a non-current asset or a long-term liability if the remaining maturity of the instrument is more than twelve (12) months and it is not expected to be realized or settled within twelve (12) months.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
DITERAPKAN (Lanjutan)**

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 Lain" sesuai dengan tipe akuntansi lindung nilai tertentu terpenuhi.

Seluruh instrumen derivatif Kelompok Usaha tidak memenuhi kriteria khusus untuk akuntansi lindung nilai, dan oleh karenanya, tidak ditentukan sebagai transaksi lindung nilai untuk tujuan akuntansi.

**(5) Saling Hapus Instrumen Keuangan**

Aset keuangan dan liabilitas keuangan saling hapus dan jumlah netonya dilaporkan dalam laporan posisi keuangan konsolidasian jika, dan hanya jika, saat ini memiliki hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui dan terdapat niat untuk menyelesaikannya secara neto, atau untuk merealisasikan aset dan menyelesaikan liabilitasnya secara simultan.

**(6) Nilai Wajar dari Instrumen Keuangan**

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur antara pelaku pasar di pasar utama (atau pasar yang paling menguntungkan) pada tanggal pengukuran dalam kondisi pasar saat ini (yaitu harga keluar) terlepas apakah harga tersebut dapat diobservasi secara langsung atau diestimasi dengan menggunakan teknik penilaian lain pada tanggal pengukuran.

Pengukuran nilai wajar mengasumsikan bahwa transaksi untuk menjual aset atau mengalihkan liabilitas terjadi:

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

Kelompok Usaha mengukur nilai wajar suatu aset atau liabilitas menggunakan asumsi yang akan digunakan pelaku pasar ketika menentukan harga aset atau liabilitas tersebut, dengan asumsi bahwa pelaku pasar bertindak dalam kepentingan ekonomis terbaiknya.

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Gains or losses arising from changes in the fair value of the derivative instrument be recognized currently in earnings, unless meeting all the specific requirements (i.e., formal documentation, designation and assessment of the effectiveness of the transaction) to allow deferral as "Other Comprehensive Income" under certain types of hedge accounting.

None of the derivative instruments of the Group qualifies the specific criteria for hedge accounting, and therefore, are not designated as hedges for accounting purposes.

**(5) Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

**(6) Fair Value of Financial Instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous market) at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique at the measurement date.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The Group measures the fair value of an asset or a liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
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Pengukuran nilai wajar aset nonkeuangan memperhitungkan kemampuan pelaku pasar untuk menghasilkan manfaat ekonomis dengan menggunakan aset dalam penggunaan tertinggi dan terbaiknya atau dengan menjualnya kepada pelaku pasar lain yang akan menggunakan aset tersebut dalam penggunaan tertinggi dan terbaiknya.

Kelompok Usaha menggunakan teknik penilaian yang sesuai dalam keadaan dan dimana data yang memadai tersedia untuk mengukur nilai wajar, memaksimalkan penggunaan *input* yang dapat diobservasi yang relevan dan meminimalkan penggunaan *input* yang tidak dapat diobservasi.

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

- 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.

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A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- a. Level 1 inputs - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- b. Level 2 inputs - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- c. Level 3 inputs - unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines appropriate classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability, and the level of the fair value hierarchy within which the fair value measurement is categorized.

**f. Transactions with Related Parties**

The Group discloses transactions with related parties. The transactions are made based on terms agreed by the parties, whereas such terms may not be the same as those transactions with unrelated parties.

All significant transactions with related parties, whether or not conducted under the same terms and conditions as those with third parties, are disclosed in the notes to the consolidated financial statements.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
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**g. Persediaan**

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

**h. Biaya Dibayar Dimuka**

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

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

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.

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.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
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**g. Inventories**

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

**h. Prepaid Expenses**

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

**i. Investments in Associates and Joint Arrangements**

An associate is an entity, over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Direct or indirect ownership of 20% or more of the voting power of an investee is presumed to be an ownership of significant influence, unless it can be clearly demonstrated that this is not the case.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.

An entity with investment in an associate or a joint venture accounts for its investment using the equity method. Under the equity method, investment in an associate or joint venture is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of profit or loss of the investee after the date of acquisition.

Subsequently, the Group's share of the profit or loss of the associate or joint venture, after any adjustments necessary to give effect to uniform accounting policies and elimination of profits 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.



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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 bila Kelompok Usaha mempunyai komitmen untuk menyediakan bantuan pendanaan atau menjamin kewajiban entitas asosiasi atau ventura bersama yang bersangkutan.

Jika investasi pada entitas asosiasi menjadi investasi pada ventura bersama atau sebaliknya, maka entitas melanjutkan penerapan metode ekuitas dan tidak mengukur kembali kepentingan yang tersisa.

Perubahan bagian kepemilikan

Jika bagian pemilikan Kelompok Usaha pada entitas asosiasi berkurang, namun investasi tersebut tetap sebagai investasi pada entitas asosiasi, maka Kelompok Usaha mereklasifikasi ke dalam laba rugi hanya suatu jumlah proporsional dari keuntungan atau kerugian yang sebelumnya diakui dalam penghasilan komprehensif lain.

**j. Investasi Jangka Panjang Lain-lain**

Investasi dalam bentuk saham dengan kepemilikan kurang dari 20% yang tidak memiliki kuotasi harga di pasar aktif dan nilai wajarnya tidak dapat diukur secara andal, diukur pada biaya perolehan. Jumlah tercatat investasi diturunkan nilainya untuk mengakui penurunan nilai yang bersifat permanen. Setiap penurunan nilai investasi dibebankan langsung pada laba rugi.

**k. Aset Tetap**

Kelompok Usaha telah memilih untuk menggunakan model biaya sebagai kebijakan akuntansi pengukuran aset tetapnya.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
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Distributions received from the associate or joint venture reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the associate or joint venture arising from changes in the associate's or joint venture's other comprehensive income. The Group's share of those changes is recognized in other comprehensive income of the Group.

*Goodwill* on acquisition of associate or joint venture is included in the carrying amount of the investment. *Goodwill* is no longer amortized but annually assessed for impairment.

Once an investment's carrying value has been reduced to zero, further losses are taken up if the Group has committed to provide financial support to, or has guaranteed the obligations of the associate or joint venture.

If an investment in an associate becomes an investment in a joint venture or vice versa, the entity continues to apply the equity method and does not remeasure the retained interest.

Changes in the ownership interests

If the Group's ownership interest in an associate is reduced, but the investment continues to be an associate, the Group reclassifies to profit or loss only a proportionate amount of the gain or loss previously recognized in other comprehensive income.

**j. Other Long-Term Investments**

Investments in shares of stock with ownership interest of less than 20% that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are stated at cost. The carrying amount of the investment is written down to recognize a permanent decline in value of the individual investment. Any write-down of investment is charged directly to profit or loss.

**k. Fixed Assets**

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

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
DITERAPKAN (Lanjutan)**

Penyusutan dihitung dengan menggunakan metode garis lurus berdasarkan taksiran masa manfaat ekonomis aset tetap sebagai berikut:

	Tahun/Years
Prasarana tanah	5 - 30
Bangunan dan prasarana	4 - 20
Mesin dan peralatan	5 - 20
Peralatan telekomunikasi	10 - 15
Alat-alat pengangkutan	3 - 20
Perabotan dan peralatan kantor	3 - 10

Umur manfaat dan metode penyusutan aset ditelaah dan disesuaikan secara prospektif, pada setiap akhir tahun buku.

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

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

Aset dalam pengerjaan dinyatakan biaya perolehan yang mencakup biaya pinjaman dari kredit untuk membiayai konstruksi aset selama periode pembangunan didistribusikan ke aset dalam penyelesaian tersebut. Akumulasi biaya perolehan akan dipindahkan ke masing-masing aset tetap yang bersangkutan dan kapitalisasi biaya pinjaman berhenti pada saat aset selesai dan siap digunakan.

Beban perbaikan dan pemeliharaan dibebankan pada laba rugi pada saat terjadinya; biaya penggantian atau inspeksi yang signifikan dikapitalisasi pada saat terjadinya dan jika besar kemungkinan manfaat ekonomis di masa depan berkenaan dengan aset tersebut akan mengalir ke Kelompok Usaha, dan biaya perolehan aset dapat diukur secara andal. Aset tetap dihentikan pengakuannya pada saat dilepaskan atau ketika tidak ada manfaat ekonomis masa depan yang diharapkan dari penggunaan atau pelepasannya. Keuntungan atau kerugian yang timbul dari penghentian pengakuan aset dimasukkan dalam laba rugi pada tahun aset tersebut dihentikan pengakuannya.

**I. Penurunan Nilai Aset Nonkeuangan**

Pada setiap tanggal pelaporan, Kelompok Usaha menilai apakah terdapat indikasi aset mengalami penurunan nilai. Jika terdapat indikasi tersebut, maka Kelompok Usaha mengestimasi jumlah terpulihkan aset tersebut.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
(Continued)**

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

<i>Land improvements</i>
<i>Buildings and improvements</i>
<i>Machinery and equipment</i>
<i>Telecommunication equipment</i>
<i>Transportation equipment</i>
<i>Office equipment</i>

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

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

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

*Assets under construction are stated at acquisition cost, which includes borrowing cost from loans incurred to finance the construction of the assets during the period of development that attributable to the asset. The accumulated cost will be reclassified to the appropriate fixed asset accounts and capitalization of these borrowing costs ceases when projects are completed and assets are ready for their intended use.*

*The cost of repairs and maintenance is charged to profit or loss as incurred; replacement or major inspection costs are capitalized when incurred if it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be reliably measured. An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognized.*

**I. Impairment of NonFinancial Assets**

*The Group evaluates at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.*

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
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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**

Efektif tanggal 1 Januari 2017, Kelompok Usaha menerapkan PSAK No. 58 (Penyesuaian 2016), "Aset Tidak Lancar yang Dimiliki Untuk Dijual dan Operasi yang Dihentikan", yang mengklarifikasi bahwa perubahan dari satu metode pelepasan ke metode pelepasan lainnya dianggap sebagai rencana awal yang berkelanjutan dan bukan sebagai rencana pelepasan baru. Selanjutnya, perubahan metode ini tidak mengubah tanggal klasifikasi sebagai aset atau kelompok lepasan. Penerapan penyesuaian ini tidak berdampak terhadap laporan keuangan konsolidasian Kelompok Usaha.

Aset tidak lancar dan kelompok lepasan diklasifikasikan sebagai aset dimiliki untuk dijual jika jumlah tercatatnya akan dipulihkan terutama melalui transaksi penjualan daripada melalui pemakaian berlanjut. Kondisi ini dipenuhi jika penjualannya sangat mungkin terjadi dan aset tidak lancar (atau kelompok lepasan) tersebut tersedia untuk segera dijual dalam kondisi kininya. Manajemen harus berkomitmen terhadap rencana penjualan tersebut, yang diharapkan akan diselesaikan dalam satu (1) tahun setelah tanggal klasifikasi.

Jika Kelompok Usaha berkomitmen terhadap rencana penjualan yang mengakibatkan kehilangan pengendalian atas entitas anak, seluruh aset dan liabilitas entitas anak tersebut diklasifikasikan sebagai dimiliki untuk dijual ketika kriteria yang dijelaskan di atas terpenuhi, meskipun setelah penjualan tersebut Kelompok Usaha masih memiliki kepentingan nonpengendali entitas anak terdahulu.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
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The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. Whenever the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized immediately in profit or loss.

Reversal on impairment loss for non-financial assets other than goodwill would be recognized if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment test was carried out. Reversal on impairment losses will be immediately recognized on profit or loss, except for assets that presented using the revaluation model in accordance with other PSAK. Impairment losses relating to goodwill would not be reversed.

**m. Non-Current Assets Held for Sale**

Effective January 1, 2017, the Group applied PSAK No. 58 (Improvement 2016), "Non-current Assets Held For Sale and Discontinued Operations," which clarifies that the change from one disposal method to another disposal method is considered as a continuation of the original disposal plan and not as a new disposal plan. Furthermore, change in the method does not change the date of classification of the asset or disposal group. The adoption of this improvement had no impact on the Group's consolidated financial statements.

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.

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Aset tidak lancar (atau kelompok lepasan) yang diklasifikasikan sebagai dimiliki untuk dijual diukur pada nilai yang lebih rendah antara jumlah tercatat sebelumnya dan nilai wajar setelah dikurangi biaya untuk menjual.

**n. Biaya Pinjaman**

Biaya pinjaman, baik yang secara langsung maupun tidak langsung digunakan untuk mendanai suatu proses pembangunan aset tertentu yang memenuhi syarat ("aset kualifikasian"), dikapitalisasi hingga saat proses pembangunannya selesai. Untuk pinjaman yang secara khusus digunakan untuk perolehan aset kualifikasian, jumlah yang dikapitalisasi adalah sebesar biaya pinjaman yang terjadi selama periode berjalan, dikurangi dengan penghasilan investasi jangka pendek dari pinjaman tersebut.

Untuk pinjaman yang tidak secara khusus digunakan untuk perolehan aset kualifikasian, jumlah biaya pinjaman yang dikapitalisasi ditentukan dengan mengalikan tingkat kapitalisasi tertentu terhadap pengeluaran untuk aset kualifikasian tersebut.

**o. Sewa**

Sewa yang mengalihkan secara substansial semua risiko dan manfaat yang terkait dengan kepemilikan aset kepada lessee diklasifikasikan sebagai sewa pembiayaan. Pada awal masa sewa, sewa pembiayaan dikapitalisasi sebesar nilai wajar aset sewaan atau sebesar nilai kini dari pembayaran sewa minimum, jika nilai kini lebih rendah dari nilai wajar. Pembayaran sewa minimum dipisahkan antara bagian yang merupakan beban keuangan dan bagian yang merupakan pelunasan liabilitas sehingga menghasilkan suatu tingkat bunga periodik yang konstan atas saldo liabilitas. Beban keuangan dibebankan pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian. Aset sewaan yang dimiliki oleh lessee dengan dasar sewa pembiayaan dicatat pada akun aset tetap dan disusutkan sepanjang masa manfaat dari aset sewaan tersebut atau periode masa sewa, mana yang lebih pendek, jika tidak ada kepastian yang memadai bahwa lessee akan mendapatkan hak kepemilikan pada akhir masa sewa.

Dalam hal transaksi jual dan sewa-balik merupakan sewa pembiayaan maka transaksi tersebut harus diperlakukan sebagai dua transaksi yang terpisah yaitu transaksi penjualan dan transaksi sewa. Selisih lebih hasil penjualan dari jumlah tercatat ditangguhkan dan diamortisasi selama masa sewa.

Sewa yang tidak mengalihkan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset diklasifikasikan sebagai sewa operasi.

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Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

**n. Borrowing Costs**

Borrowing costs, either directly or indirectly used in financing the construction of a qualifying asset, are capitalized up to the date when construction is complete. For borrowings that are specific to the acquisition of a qualifying asset, the amount to be capitalized is determined as the actual borrowing costs incurred during the period, less any income earned from the temporary investment of such borrowings.

For borrowings that are not specific to the acquisition of a qualifying asset, the amount to be capitalized is determined by applying a capitalization rate to the amount expensed on the qualifying asset.

**o. Leases**

Leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the lessee are classified as finance leases. Finance leases are capitalized at the inception of the lease at the fair value of the leased assets or at the present value of the minimum lease payments if the present value is lower than the fair value. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recorded in the consolidated statement of profit or loss and other comprehensive income. Leased assets held by the lessee under finance leases are included in fixed assets and depreciated over the estimated useful life of the assets or the lease term, whichever is shorter, if there is no reasonable certainty that lessee will obtain ownership by the end of the lease term.

In the case of sale and leaseback that results in a finance lease, this is to be treated as two separated transactions, i.e. sale and lease. The excess of sales proceeds over the carrying amount is deferred and amortized over the lease term.

Leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item are classified as operating leases.



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**p. Biaya Pengembangan Proyek**

Biaya yang terjadi sehubungan dengan pengembangan proyek ditangguhkan sampai proyek tersebut beroperasi. Biaya pengembangan proyek yang gagal akan dibebankan pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian pada saat proyek tersebut dinyatakan gagal.

**q. Beban Ditangguhkan**

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

**r. Selisih Nilai Transaksi dengan Entitas  
Sepengendali**

Kombinasi bisnis entitas sepengendali dicatat berdasarkan PSAK No. 38, "Kombinasi Bisnis Entitas Sepengendali", dengan menggunakan metode penyatuan kepemilikan. Selisih antara harga pengalihan dengan nilai buku dicatat dalam akun "Selisih Nilai Transaksi dengan Entitas Sepengendali" dan disajikan sebagai bagian dari akun "Tambahan Modal Disetor" dalam laporan posisi keuangan konsolidasian.

**s. Pengakuan Pendapatan dan Beban**

**Penjualan barang dan jasa**

Pendapatan diakui bila besar kemungkinan manfaat ekonomi akan diperoleh oleh Kelompok Usaha dan jumlahnya dapat diukur secara andal. Pendapatan diukur pada nilai wajar imbalan yang diterima, tidak termasuk diskon, rabat dan pajak penjualan (PPN).

Pendapatan dari penjualan ekspor diakui pada saat penyerahan barang di atas kapal di pelabuhan pengiriman. Pendapatan dari penjualan domestik diakui pada saat penyerahan barang kepada pelanggan.

Pendapatan jasa diakui pada saat jasa diberikan sesuai kontrak dimana jumlah tersebut dapat diukur dengan andal. Pendapatan dari kontrak konstruksi jangka panjang diakui berdasarkan metode akuntansi persentase penyelesaian dan diukur pada umumnya berdasarkan estimasi penyelesaian dari pekerjaan fisik atas kontrak konstruksi. Bila besar kemungkinan terjadi bahwa total biaya kontrak akan melebihi total pendapatan kontrak, taksiran rugi segera diakui sebagai beban tahun berjalan.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
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**p. Project Development Costs**

*Costs incurred regarding the development of certain projects are deferred until these projects operate. Costs related to unsuccessful projects will be charged to the consolidated statement of profit or loss and other comprehensive income at the time the projects declare failed.*

**q. Deferred Charges**

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

**r. Difference in Value from Transaction with  
Entities Under Common Control**

*Business combination under common control is recorded in accordance with PSAK No. 38, "Business Combination Under Common Control," by using the pooling of interest method. The difference between the transfer price and the book value is recorded as "Difference in Value from Transaction with Entities Under Common Control" and presented under "Additional Paid-in Capital" account in the consolidated statement of financial position.*

**s. Revenues and Expenses Recognition**

**Sale of goods and services**

*Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and sales taxes (VAT).*

*Revenues from export sales are recognized when the goods are shipped. Revenues from domestic sales are recognized when the goods are delivered to the customers.*

*Revenues from services are recognized when the service is rendered in accordance to the terms of the contracts provided that the amount can be measured reliably. Revenues from long-term construction contracts are recognized based on the percentage of completion method of accounting and measured principally on the basis of the estimated completion of physical proportion of contract works. When it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately recognized as current year expense.*

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**Pendapatan diterima dimuka**

Pendapatan sewa dan jasa ditagihkan di muka berdasarkan kontrak. Tagihan yang belum diakui sebagai pendapatan pada tanggal pelaporan dicatat sebagai "Pendapatan Ditangguhkan" dalam komponen liabilitas jangka pendek pada laporan posisi keuangan konsolidasian.

**Pendapatan lain-lain**

Pendapatan jasa lainnya diakui pada saat penyerahan jasa tersebut.

**Pengakuan beban**

Beban diakui pada saat terjadinya (basis akrual).

**t. Imbalan Kerja**

Efektif tanggal 1 Januari 2017, Kelompok Usaha menerapkan PSAK No. 24 (Penyesuaian 2016), "Imbalan Kerja", yang mengklarifikasi bahwa pasar yang aktif dan stabil bagi obligasi korporasi berkualitas tinggi dinilai berdasarkan mata uang dimana obligasi tersebut didenominasi dan bukan berdasarkan negara dimana obligasi tersebut berada. Penerapan penyesuaian 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.

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**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
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**Unearned revenue**

Revenue from rent and services are invoiced in advance based on agreements. Unrecognized revenue as of the reporting date is recorded as "Unearned Revenue" in the short-term liabilities section in the consolidated statement 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, 2017, the Group applied PSAK No. 24 (Improvement 2016), "Employee Benefits," which clarifies that the market depth of high-quality corporate bonds is assessed based on the currency in which the obligation is denominated and not on the basis of the country where the obligation is located. The adoption of this improvement had no impact in 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 benefits obligation, the related current service cost, and past service cost to be determined using the "Projected Unit Credit" method.

The Company and certain domestic Subsidiaries domiciled in Indonesia have defined retirement benefit plans, covering substantially all of their eligible permanent employees.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
DITERAPKAN (Lanjutan)**

Kewajiban menurut Undang-undang dihitung dengan membandingkan imbalan yang akan diterima oleh karyawan pada usia pensiun normal melalui program pensiun dengan imbalan yang dihitung berdasarkan Undang-undang setelah dikurangi akumulasi iuran karyawan dan hasil pengembangannya. Jika bagian iuran yang didanai Perusahaan dan Entitas Anak melalui program pensiun kurang dari imbalan yang diwajibkan menurut Undang-undang, Kelompok Usaha akan melakukan penyesuaian atas kekurangannya.

Ketika entitas memiliki surplus dalam program imbalan pasti, maka entitas mengukur aset imbalan pasti pada jumlah yang lebih rendah antara surplus program imbalan pasti dan batas atas aset yang ditentukan dengan menggunakan tingkat diskonto.

Entitas mengakui komponen biaya imbalan pasti, kecuali SAK mensyaratkan atau mengizinkan biaya tersebut sebagai biaya perolehan aset, sebagai berikut:

- biaya jasa dalam laba rugi;
- bunga neto atas liabilitas (aset) imbalan pasti neto dalam laba rugi; dan
- pengukuran kembali liabilitas (aset) imbalan pasti neto dalam penghasilan komprehensif lain.

Pengukuran kembali atas liabilitas (aset) imbalan pasti neto yang diakui dalam penghasilan komprehensif lain tidak direklasifikasi ke laba rugi pada periode berikutnya. Akan tetapi, entitas dapat mengalihkan jumlah yang diakui sebagai penghasilan komprehensif lain tersebut pada pos lain dalam ekuitas.

Pengukuran kembali liabilitas (aset) imbalan pasti neto terdiri atas:

- keuntungan dan kerugian aktuarial;
- imbal hasil atas aset program, tidak termasuk jumlah yang dimasukkan dalam bunga neto atas liabilitas (aset) imbalan pasti neto; dan
- setiap perubahan dampak batas atas aset, tidak termasuk jumlah yang dimasukkan dalam bunga neto atas liabilitas (aset) imbalan pasti neto.

Entitas mengakui biaya jasa lalu sebagai beban pada tanggal yang lebih awal antara ketika amandemen atau kurtailmen program terjadi dan ketika entitas mengakui biaya restrukturisasi terkait atau pesangon.

Kelompok Usaha mengakui keuntungan atau kerugian atas penyelesaian program imbalan pasti pada saat penyelesaian terjadi.

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*The obligation for the Law has been calculated by comparing the benefit that will be received by an employee at normal pension age from the pension plan with the benefit as stipulated under the Law after deduction of accumulation of employee contribution and the related investment results. If the employer funded portion of the pension plan benefit is less than the benefit as required by the Law, the Group will provide for such shortage.*

*When an entity has a surplus in a defined benefit plan, an entity measures the defined benefit asset at the lower amount between the surplus of defined benefit plan and the upper limit on assets that determined using a discount rate.*

*An entity recognizes the components of defined benefit cost, except SAK require or permit such costs as the acquisition cost of the asset, as follows:*

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

*Remeasurement on net liability (asset) of defined benefit that is recognized in other comprehensive income is not reclassified to profit or loss in subsequent periods. However, the entity may transfer the amounts recognized as other comprehensive income in another account in equity.*

*Remeasurement the net liability (asset) of defined benefit consists of:*

- actuarial gains and losses;*
- return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and*
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).*

*The entity recognizes past service cost as an expense in an earlier of when the amendment or curtailment of program occurs and when the entity recognizes related restructuring costs or severances.*

*The Group recognizes gains or losses on the settlement of defined benefit plan when it occurs.*

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
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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.

**u. Transaksi dan Saldo dalam Mata Uang Asing**

Transaksi dalam mata uang asing dijabarkan ke dalam mata uang fungsional dengan kurs yang berlaku pada saat transaksi dilakukan. Pada akhir periode pelaporan, aset dan liabilitas moneter dalam mata uang asing disesuaikan ke dalam mata uang fungsional menggunakan kurs tengah yang ditetapkan oleh Bank Indonesia pada tanggal terakhir transaksi perbankan pada periode tersebut. Keuntungan atau kerugian yang timbul dari penyesuaian kurs maupun penyelesaian aset dan liabilitas moneter dalam mata uang asing tersebut dikreditkan atau dibebankan sebagai laba rugi periode berjalan.

Untuk tujuan penyajian laporan keuangan konsolidasian dari Entitas Anak dan Entitas Asosiasi yang mata uang fungsionalnya bukan Rupiah pada tanggal pelaporan, aset dan liabilitas dijabarkan ke dalam mata uang Rupiah dengan menggunakan kurs pada tanggal pelaporan, sedangkan pendapatan dan beban dijabarkan dengan menggunakan kurs rata-rata pada periode yang bersangkutan. Penyesuaian selisih kurs karena penjabaran tersebut disajikan sebagai bagian dari penghasilan komprehensif lain.

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A curtailment occurs when an entity make a material reduction in the number of employees covered by a plan; or amending the terms of a defined benefit plan so a significant element of future service by current employees will no longer qualify for benefits, or will qualify only for reduced benefits.

A curtailment may arise from an isolated event, such as the closing of a plant, discontinuance of an operation or termination or suspension of a plan. Before determining the past service cost, or gains and losses on the settlement, the Group shall remeasure the net liability (asset) of defined benefit using current fair value of plan assets and current actuarial assumptions (including current market interest rates and other current market prices) which reflects the rewards offered in the program prior to amendment, curtailment or settlement program.

Other Long-term Employee Benefits

The costs of providing other long-term benefits is determined using the Projected Unit Credit method. The provision for long-term employee benefits recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation.

**u. Foreign Currency Transactions and Translation**

Transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing at the time the transactions are made. At the end of reporting period, monetary assets and liabilities denominated in foreign currencies are adjusted to functional currency to reflect the middle exchange rate published by Bank Indonesia at the last banking transaction date of the period. Gains or losses resulting from such adjustment or settlement of each monetary asset and liability denominated in foreign currencies are credited or charged as current period profit or loss.

For consolidation purposes of Subsidiaries and Associates for which Rupiah is not their functional currency, assets and liabilities at the reporting date are translated into Rupiah using the exchange rates at reporting date, while revenues and expenses are translated at the average rates of exchange for the period. The resulting translation adjustments are presented as part of other comprehensive income.



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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
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Kurs penutup yang digunakan pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut (angka penuh):

	2017	2016	
Pound Sterling	18.218	16.508	Pound Sterling
Euro	16.174	14.162	Euro
Dolar Amerika Serikat	13.548	13.436	US Dollar
Dolar Australia	10.557	9.724	Australian Dollar
Dolar Singapura	10.134	9.299	Singapore Dollar
Yen Jepang	120	115	Japanese Yen

**v. Perpajakan**

**(1) Pajak Penghasilan**

Beban pajak kini ditetapkan berdasarkan taksiran laba kena pajak tahun berjalan.

Pajak penghasilan dalam laba rugi periode berjalan terdiri dari pajak kini dan tangguhan. Pajak penghasilan diakui dalam laba rugi, kecuali untuk transaksi yang berhubungan dengan transaksi yang diakui langsung dalam ekuitas atau penghasilan komprehensif lain, dalam hal ini diakui dalam ekuitas atau penghasilan komprehensif lain.

Aset pajak kini dan liabilitas pajak kini dilakukan saling hapus jika, dan hanya jika, entitas memiliki hak yang dapat dipaksakan secara hukum untuk melakukan saling hapus jumlah yang diakui; dan bermaksud untuk menyelesaikan dengan dasar neto, atau merealisasikan aset dan menyelesaikan liabilitas secara bersamaan.

Aset dan liabilitas pajak tangguhan diakui atas perbedaan temporer antara aset dan liabilitas untuk tujuan komersial dan untuk tujuan perpajakan setiap tanggal pelaporan. Aset pajak tangguhan diakui untuk seluruh perbedaan temporer yang boleh dikurangkan sepanjang besar kemungkinan perbedaan temporer yang boleh dikurangkan tersebut dapat dimanfaatkan untuk mengurangi laba fiskal pada masa yang akan datang. Manfaat pajak di masa mendatang, seperti saldo rugi fiskal yang belum digunakan, diakui sejauh besar kemungkinan realisasi atas manfaat pajak tersebut.

Aset dan liabilitas pajak tangguhan diukur pada tarif pajak yang diharapkan akan digunakan pada periode ketika aset direalisasi atau ketika liabilitas dilunasi berdasarkan tarif pajak (dan peraturan perpajakan) yang berlaku atau secara substansial telah diberlakukan pada akhir periode pelaporan.

**3. SIGNIFICANT ACCOUNTING POLICIES APPLIED  
(Continued)**

The closing exchange rates used as of December 31, 2017 and 2016 were as follows (full amount):

**v. Taxation**

**(1) Income Taxes**

Current tax expense is provided based on the estimated taxable income for the year.

Income tax in profit or loss for the period comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income in which case it is recognized in equity or other comprehensive income.

Current tax assets and current tax liabilities are offset if, and only if, the entity has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are recognized for temporary differences between the financial and the tax bases of assets and liabilities at each reporting date. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary difference can be utilized. Future tax benefits, such as the carry-forward of unused tax losses, are also recognized to the extent that realization of such benefits is probable.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of reporting period.

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Aset pajak tangguhan dan liabilitas pajak tangguhan dilakukan saling hapus jika, dan hanya jika, entitas memiliki hak secara hukum untuk saling hapus aset pajak kini terhadap liabilitas pajak kini, dan aset pajak tangguhan dan liabilitas pajak tangguhan terkait dengan pajak penghasilan yang dikenakan oleh otoritas perpajakan atas entitas kena pajak, yang sama atau entitas kena pajak berbeda yang bermaksud untuk memulihkan aset dan liabilitas pajak kini dengan dasar neto, atau merealisasikan aset dan menyelesaikan liabilitas secara bersamaan, pada setiap periode masa depan yang mana jumlah signifikan atas aset atau liabilitas pajak tangguhan diharapkan diselesaikan atau dipulihkan.

Perubahan terhadap kewajiban perpajakan diakui pada saat penetapan pajak diterima dan/atau, jika Kelompok Usaha mengajukan keberatan dan/atau banding, pada saat keputusan atas keberatan dan/atau banding telah ditetapkan.

**(2) Aset dan Liabilitas Pengampunan Pajak**

Kelompok Usaha menerapkan PSAK No. 70, "Akuntansi Aset dan Liabilitas Pengampunan Pajak", secara prospektif. Standar ini mengatur perlakuan akuntansi atas aset dan liabilitas pengampunan pajak sesuai dengan Undang-Undang No. 11 Tahun 2016 tentang Pengampunan Pajak (UU Pengampunan Pajak). Pernyataan ini berlaku efektif sejak tanggal pengesahan UU Pengampunan Pajak.

Kelompok Usaha telah memilih pendekatan opsional terkait dengan pengukuran, penyajian dan pengungkapan aset dan liabilitas Pengampunan Pajak.

**Pengukuran saat Pengakuan Awal**

Aset Pengampunan Pajak diukur sebesar biaya perolehan atas aset yang timbul dari Pengampunan Pajak berdasarkan Surat Keterangan Pengampunan Pajak ("Surat Keterangan"). Liabilitas Pengampunan Pajak diukur sebesar kewajiban kontraktual untuk menyerahkan kas atau setara kas untuk menyelesaikan kewajiban yang berkaitan langsung dengan perolehan aset Pengampunan Pajak.

Entitas mengakui selisih antara aset Pengampunan Pajak dan liabilitas Pengampunan Pajak di ekuitas dalam akun "Tambahan Modal Disetor". Jumlah tersebut tidak dapat diakui sebagai laba rugi direalisasi maupun direklasifikasi ke saldo laba. Uang tebusan yang dibayarkan diakui dalam laba rugi pada periode Surat Keterangan disampaikan.

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Deferred tax assets and deferred tax liabilities are offset if, and only if, the entity has a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity, or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Amendments to tax obligations are recorded when an assessment is received and/or, if objected to and/or appealed against by the Group, when the result of the objection and/or appeal is determined.

**(2) Assets and Liabilities under Tax Amnesty**

The Group applied PSAK No. 70, "Accounting for Assets and Liabilities Under Tax Amnesty," prospectively. This standard regulates the accounting treatment of the Tax Amnesty assets and liabilities in accordance with Law No. 11 Year 2016 on Tax Amnesty (Tax Amnesty Law). This statement becomes effective from the date of enactment of the Tax Amnesty Law.

The Group had chosen the optional approach in relation to the measurement, presentation and disclosure of Tax Amnesty assets and liabilities.

**Measurement at Initial Recognition**

The Tax Amnesty assets are measured at cost of the assets arising from Tax Amnesty in accordance with the Tax Amnesty Certificate (the "Certificate"). The Tax Amnesty liabilities are measured at the contractual obligation to deliver cash or cash equivalents to settle the obligations relating directly to the acquisition of the Tax Amnesty assets.

An entity recognizes the difference between the Tax Amnesty assets and the Tax Amnesty liabilities in equity under "Additional Paid-in Capital" account. Such amount cannot be recognized as the realized profit or loss nor reclassified to retained earnings. The payment of redemption money is recognized in profit or loss in the period the Certificate is delivered.

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**3. KEBIJAKAN AKUNTANSI SIGNIFIKAN YANG  
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Pengukuran setelah Pengakuan Awal

Setelah pengakuan awal, Kelompok Usaha aset dan liabilitas Pengampunan Pajaknya mengacu pada SAK yang relevan. Selanjutnya, entitas dikenakan, namun tidak disyaratkan untuk mengukur kembali aset dan liabilitas Pengampunan Pajak berdasarkan nilai wajar sesuai dengan SAK yang relevan pada tanggal Surat Keterangan.

Selisih pengukuran kembali antara nilai wajar pada tanggal Surat Keterangan dengan biaya perolehan aset dan liabilitas pengampunan pajak yang telah diakui sebelumnya disesuaikan dalam saldo tambahan modal disetor.

Penghentian Pengakuan

Aset dan liabilitas Pengampunan Pajak dihentikan pengakuannya sesuai dengan ketentuan SAK untuk masing-masing jenis aset dan liabilitas tersebut.

Entitas mereklasifikasi aset dan liabilitas Pengampunan Pajak ke dalam pos aset dan liabilitas serupa, ketika:

- entitas mengukur kembali aset dan liabilitas Pengampunan Pajak; atau
- entitas memperoleh pengendalian atas investee.

Entitas tidak melakukan saling hapus aset dan liabilitas Pengampunan Pajak.

**w. Informasi Segmen**

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.

**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.

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Measurement after Initial Recognition

After initial recognition, the Group measures its Tax Amnesty assets and liabilities in reference to the relevant SAK. Furthermore, an entity is allowed, but not required, to remeasure the assets and liabilities under Tax Amnesty at fair value in accordance with the relevant SAK at the date of the Certificate.

The difference of remeasurement between the fair value on the date of the Certificate and the costs of the assets and liabilities under Tax Amnesty that were recognized previously is adjusted in the balance of additional paid-in capital.

Derecognition

Assets and liabilities under Tax Amnesty are derecognized in accordance with the provisions of SAK for each type of asset and liability.

An entity reclassifies the assets and liabilities under Tax Amnesty to the item of similar assets and liabilities, when:

- the entity remeasures the assets and liabilities under Tax Amnesty; and
- the entity obtains control over the investee.

An entity does not offset Tax Amnesty assets and liabilities to each other.

**w. Segment Information**

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.

**x. Earning or Loss per Share**

Basic earning or loss per share are calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity, by the weighted average number of ordinary shares outstanding, during the period.

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Laba atau rugi per saham dasar dilusian dihitung dengan membagi laba atau rugi yang dapat diatribusikan kepada pemegang saham biasa entitas induk, dengan jumlah rata-rata tertimbang saham biasa yang sifatnya disesuaikan dengan efek yang berpotensi untuk dilusi, dalam suatu periode.

**y. Provisi dan Kontinjensi**

Provisi diakui jika Kelompok Usaha memiliki kewajiban kini (baik bersifat hukum maupun bersifat konstruktif) yang akibat peristiwa masa lalu besar kemungkinannya penyelesaian kewajiban tersebut mengakibatkan arus keluar sumber daya yang mengandung manfaat ekonomi dan estimasi yang andal mengenai jumlah kewajiban tersebut dapat dibuat.

Provisi ditelaah pada setiap tanggal pelaporan dan disesuaikan untuk mencerminkan estimasi kini terbaik. Jika tidak terdapat kemungkinan arus keluar sumber daya yang mengandung manfaat ekonomi untuk menyelesaikan kewajiban tersebut, provisi tidak diakui.

Liabilitas kontinjensi tidak diakui dalam laporan keuangan konsolidasian tetapi diungkapkan, kecuali arus keluar sumber daya yang mengandung manfaat ekonomi kemungkinannya kecil. Aset kontinjensi tidak diakui dalam laporan keuangan konsolidasian tetapi diungkapkan apabila terdapat kemungkinan besar arus masuk manfaat ekonomis akan diperoleh.

**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. 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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*Diluted earning or loss per share are calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity, by the weighted average number of ordinary shares as adjusted for effects of all potential dilution, during the period.*

**y. Provisions and Contingencies**

*Provisions are recognized when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.*

*Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.*

*Contingent liabilities are not recognized in the consolidated financial statements, but are disclosed unless the possibility of an outflow of resources is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.*

**z. Dividends**

*Final dividend distributions are recognized as a liability when the dividends are approved in the General Meeting of the Company's Shareholders. Dividend distributions are recognized as a liability when the dividends are approved based on a Board of Directors' resolution in accordance with the Company's Articles of Association.*

**aa. Quasi-Reorganization**

*Pursuant to PSAK No. 51 (Revised 2003), a quasi-reorganization is an accounting procedure that enables an entity to restructure its equity by eliminating its deficit and reappraising all of its assets and liabilities. By this procedure, the entity is expected to continue its business as if it was a fresh start, with a statement of financial position showing a better financial position with no past deficit.*



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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 44, Perusahaan melakukan kuasi-reorganisasi pada tanggal 30 Juni 2011 mengikuti persyaratan dari PSAK di atas.

**4. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG  
PENTING**

Penyusunan laporan keuangan konsolidasian sesuai, dengan Standar Akuntansi Keuangan di Indonesia, mewajibkan manajemen untuk membuat pertimbangan dan estimasi yang memengaruhi jumlah-jumlah yang dilaporkan dalam laporan keuangan. Sehubungan dengan adanya ketidakpastian yang melekat dalam membuat estimasi, hasil sebenarnya yang dilaporkan di masa mendatang dapat berbeda dengan jumlah estimasi yang dibuat.

Kelompok Usaha mendasarkan pertimbangan dan estimasinya pada parameter yang tersedia pada saat laporan keuangan disusun. Situasi mengenai perkembangan masa depan mungkin berubah akibat perubahan pasar atau situasi diluar kendali Kelompok Usaha. Perubahan tersebut dicerminkan dalam pertimbangan terkait pada saat terjadinya.

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**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) legal reserve;
- b) special reserve;
- c) revaluation increment on assets and liabilities; and other revaluation increments
- d) additional paid-in capital and the similar accounts, and
- e) share capital.

In addition, under PSAK No. 38 (Revised 2012), the account balance of 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 44, 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 judgments and estimates that affect amounts reported therein. Due to the inherent uncertainty in making estimates, actual results reported in future periods may differ from those estimates.

The Group based its judgments and estimates on parameters available when the financial statements were prepared. Existing circumstances about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the judgments as they occur.

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**4. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG  
PENTING (Lanjutan)**

Pertimbangan dan estimasi berikut ini dibuat oleh manajemen dalam rangka penerapan kebijakan akuntansi Kelompok Usaha yang memiliki pengaruh paling signifikan atas jumlah yang diakui dalam laporan keuangan konsolidasian:

Menentukan mata uang fungsional

Faktor-faktor yang dipertimbangkan dalam menentukan mata uang fungsional Perusahaan dan masing-masing Entitas Anak termasuk, antara lain, mata uang:

- yang paling memengaruhi harga jual barang dan jasa; dari negara yang kekuatan persaingan dan peraturannya sebagian besar menentukan harga jual barang dan jasa entitas;
- yang paling memengaruhi biaya tenaga kerja, bahan baku, dan biaya lain dari pengadaan barang atau jasa;
- yang mana dana dari aktivitas pendanaan dihasilkan; dan
- yang mana penerimaan dari aktivitas operasi pada umumnya ditahan.

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 42.

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**4. CRITICAL ACCOUNTING ESTIMATES AND  
JUDGMENTS (Continued)**

The following judgments and estimates made by management in the process of applying the Group's accounting policies have the most significant effects on the amounts recognized in the consolidated financial statements:

Determining functional currency

The factors considered in determining the functional currency of the Company and each of its Subsidiary include, among others, the currency:

- that mainly influences sales prices for goods and services; of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services;
- that mainly influences labour, material and other costs of providing goods or services;
- in which funds from financing activities are generated; and
- in which receipts from operating activities are usually retained.

Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency has been determined to be Rp, as this reflected the fact that majority of the Group's businesses are influenced by primary economic environment in which the Group operates and sales prices for goods in 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 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 requires the use of accounting estimates. While significant components of fair value measurement and assumptions used in the calculation of cost amortization were determined using verifiable objective evidence, the fair value or amortization amount would differ if the Group utilized different valuation methodology or assumptions. Such changes would directly affect the Group's profit or loss. Further details are disclosed in Note 42.

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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. Provisi dievaluasi kembali dan disesuaikan jika terdapat tambahan informasi yang memengaruhi jumlah yang diestimasi. Penjelasan lebih rinci diungkapkan dalam Catatan 9.

Jumlah terpulihkan atas investasi pada entitas pengendalian bersama, aset tetap dan biaya pengembangan proyek didasarkan pada estimasi dan asumsi khususnya mengenai prospek pasar dan arus kas terkait dengan aset. Estimasi arus kas masa depan mencakup perkiraan mengenai pendapatan masa depan. Setiap perubahan dalam asumsi-asumsi ini mungkin memiliki dampak material terhadap pengukuran jumlah terpulihkan dan bisa mengakibatkan penyesuaian penyisihan penurunan nilai yang sudah dibukukan. Penjelasan lebih rinci diungkapkan dalam Catatan 12, 14 dan 15.

Menentukan metode penyusutan dan estimasi umur manfaat aset tetap

Biaya perolehan aset tetap disusutkan dengan menggunakan metode garis lurus dan unit produksi berdasarkan taksiran masa manfaat ekonomisnya dan jenis industri masing-masing Entitas Anak. Manajemen mengestimasi masa manfaat ekonomis aset tetap selama 3 tahun sampai dengan 30 tahun. Ini adalah umur yang secara umum diharapkan dalam industri dimana Kelompok Usaha menjalankan bisnisnya. Perubahan tingkat pemakaian dan perkembangan teknologi dapat memengaruhi masa manfaat ekonomis dan nilai sisa aset, dan karenanya biaya penyusutan masa depan mungkin direvisi. Penjelasan lebih rinci diungkapkan dalam Catatan 14.

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**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 provision for impairment. Further details are disclosed in Notes 7 and 8.

Assessing recoverable amounts of non-financial assets

Allowance for decline in market value and obsolescence of inventories is estimated based on available facts and circumstances, including but not limited to, the inventories own physical condition, their market selling prices, estimated costs of completion and estimated costs to be incurred for their sales. The provisions are re-evaluated and adjusted as additional information received affects the amount estimated. Further details are disclosed in Note 9.

The recoverable amounts of investment in jointly controlled entities, fixed assets and project development costs are based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the assets. Estimated future cash flows include estimates of future revenues. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in adjustments to the provision of impairment already booked. Further details are disclosed in Notes 12, 14 and 15.

Determining depreciation method and estimated useful lives of fixed assets

The costs of fixed assets are depreciated on a straight-line basis and unit production basis over their estimated useful lives and the industry of each Subsidiary. Management estimates the useful lives of these fixed assets to be within 3 years to 30 years. These are common life expectancies applied in the industries in which the Group conducts its business. Changes in the expected level of usage and technological development could impact on the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised. Further details are disclosed in Note 14.

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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.

Kelompok Usaha menilai apakah Kelompok Usaha memiliki pengendalian atau pengaruh signifikan pada entitas lain melalui:

- Struktur dari pengaturan bersama - apakah dibentuk melalui kendaraan terpisah.
- Ketika pengaturan tersebut terstruktur melalui kendaraan terpisah, Kelompok Usaha juga mempertimbangkan hak dan kewajiban yang timbul dari:
  - Bentuk legal dari kendaraan terpisah;
  - Persyaratan dari perjanjian kontraktual; dan
  - Fakta dan ketentuan lain (ketika relevan).

Penilaian ini sering membutuhkan pertimbangan yang signifikan, dan kesimpulan yang berbeda mengenai pengendalian bersama dan apakah pengaturan tersebut merupakan operasi bersama atau ventura bersama, dapat memiliki dampak material terhadap akuntansi.

Kelompok Usaha memiliki pengaturan bersama yang terstruktur melalui ventura bersama, KPP, GA dan CPB. Struktur persyaratan dari perjanjian kontraktual mengindikasikan bahwa Kelompok Usaha memiliki hak atas aset neto dari pengaturan bersama tersebut. Kelompok Usaha menilai fakta dan kondisi lain yang berkaitan dengan pengaturan ini dan kesimpulan final dari penilaian yang dilakukan adalah pengaturan tersebut merupakan ventura bersama. Penjelasan lebih rinci diungkapkan dalam Catatan 12.

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 12.

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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.*

*The Group has assessed the significant influence of the Group in other entities through:*

- *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 assessed the other facts and circumstances relating to this arrangement and the final conclusion from the assessment made was that the arrangement was a joint venture. Further details are disclosed in Note 12.*

Assessing control or significant influence on other entities

*The Group has assessed the significant influence of the Group in other entities through:*

- *the presence of the board representative of the Group and the contractual term.*
  - *the Group is the majority shareholder with the greater interest of other shareholders.*
  - *has the power to participate in the financial and operating policy decisions.*
- Further details are disclosed in Note 12.*



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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 kerja. Penjelasan lebih rinci diungkapkan dalam Catatan 35.

Menentukan pajak penghasilan

Pertimbangan signifikan dilakukan dalam menentukan provisi atas pajak penghasilan badan. Terdapat transaksi dan perhitungan tertentu yang penentuan pajak akhirnya adalah tidak pasti sepanjang kegiatan usaha normal. Kelompok Usaha mengakui liabilitas atas pajak penghasilan badan yang diharapkan berdasarkan estimasi apakah akan terdapat tambahan pajak penghasilan badan yang akan jatuh tempo. Penjelasan lebih rinci diungkapkan dalam Catatan 34.

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 pemulihan perbedaan temporer dan menyesuaikan pengaruh atas pajak tangguhan yang sesuai. Penjelasan lebih rinci diungkapkan dalam Catatan 34.

Mengevaluasi provisi dan kontinjensi

Kelompok Usaha melakukan pertimbangan untuk membedakan antara provisi dan kontinjensi serta mempersiapkan provisi yang sesuai untuk proses hukum atau kewajiban konstruktif, jika ada, sesuai dengan kebijakan provisinya dan mempertimbangkan risiko dan ketidakpastian yang relevan.

Menentukan nilai wajar dan biaya untuk menjual serta  
klasifikasi dari aset tidak lancar yang dimiliki untuk dijual

Nilai wajar dan biaya untuk menjual dari aset tidak lancar dan kelompok lepasan yang diklasifikasikan sebagai dimiliki untuk dijual didasarkan pada estimasi dan asumsi khususnya mengenai prospek pasar terkait dengan aset dalam kondisi kininya. Setiap perubahan dalam prospek pasar mungkin memiliki dampak material terhadap pengukuran nilai wajar dan biaya untuk menjual dari aset tersebut dan bias mengakibatkan penyesuaian pada jumlah yang dibukukan dalam laporan keuangan konsolidasian.

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**4. CRITICAL ACCOUNTING ESTIMATES AND  
JUDGMENTS (Continued)**

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 rates, salary increase rate, turn-over rate, 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 35.

Determining income taxes

Significant judgment is involved in determining provision for corporate income tax. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for expected corporate income tax based on estimates as to whether additional corporate income tax will be due. Further details are disclosed in Note 34.

The Group reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. The Group also reviews the expected timing and tax rates upon reversal of temporary differences and adjusts the impact of deferred tax accordingly. Further details are disclosed in Note 34.

Evaluating provisions and contingencies

The Group exercises its judgment to distinguish between provisions and contingencies and sets up appropriate provisions for its legal or constructive obligations, if any, in accordance with its policies on provisions and takes the relevant risks and uncertainty into account.

Determining fair value and costs to sell, and the  
classification of non-current assets held for sale

Fair value and costs to sell of non-current assets and disposal groups classified as held for sale are based on estimates and assumptions regarding in particular the expected market outlook associated with the asset in its present condition. Any changes in the expected market outlook may have a material impact on the measurement of the fair value and costs to sell and could result in adjustments to the amount booked in the consolidated financial statements.

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**4. ESTIMASI DAN PERTIMBANGAN AKUNTANSI YANG PENTING (Lanjutan)**

Penentuan aset tidak lancar dan kelompok lepasan yang diklasifikasikan sebagai dimiliki untuk dijual berdasarkan pertimbangan manajemen yang mungkin berubah akibat perubahan situasi di masa mendatang yang di luar kendali Kelompok Usaha. Penjelasan lebih rinci diungkapkan dalam Catatan 47.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)**

The determination of non-current assets and disposal groups classified as held for sale are based on management's judgment that may change due to changes of circumstances in the future arising beyond the control of the Group. Further details are disclosed in Note 47.

**5. KAS DAN SETARA KAS**

**5. CASH AND CASH EQUIVALENTS**

	2017	2016	
<b>Kas</b>			<b>Cash on hand</b>
Rupiah	1.252	1.078	Rupiah
Dolar AS	27	27	US Dollar
Dolar Singapura	2	2	Singaporean Dollar
Total kas	1.281	1.107	Total cash on hand
<b>Kas di bank</b>			<b>Cash in banks</b>
Rupiah			Rupiah
PT Bank Rakyat Indonesia (Persero) Tbk	59.357	7.964	PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank Mandiri (Persero) Tbk	16.864	22.399	PT Bank Mandiri (Persero) Tbk
PT Bank Central Asia Tbk	9.089	31.127	PT Bank Central Asia Tbk
PT Bank Negara Indonesia (Persero) Tbk	7.378	4.400	PT Bank Negara Indonesia (Persero) Tbk
PT Bank Negara Indonesia Syariah	4.775	3.182	PT Bank Negara Indonesia Syariah
PT Bank Muamalat Indonesia Tbk	2.226	3.269	PT Bank Muamalat Indonesia Tbk
PT Bank Bukopin Tbk	798	1.661	PT Bank Bukopin Tbk
PT Bank Mega Tbk	303	14.836	PT Bank Mega Tbk
PT Bank Permata Tbk	214	1.064	PT Bank Permata Tbk
PT Bank MNC Internasional Tbk	116	1.217	PT Bank MNC Internasional Tbk
Lain-lain (dibawah Rp1 miliar)	2.172	3.304	Others (below Rp1 billion)
Subtotal	103.292	94.423	Subtotal
<b>Mata uang asing</b>			<b>Foreign currencies</b>
PT Bank Mega Tbk	3.649	833	PT Bank Mega Tbk
PT Bank Mandiri (Persero) Tbk	2.422	14.541	PT Bank Mandiri (Persero) Tbk
PT Bank Central Asia Tbk	1.748	2.193	PT Bank Central Asia Tbk
PT Bank Negara Indonesia (Persero) Tbk	1.035	1.287	PT Bank Negara Indonesia (Persero) Tbk
PT Bank Maybank Indonesia Tbk	393	7.136	PT Bank Maybank Indonesia Tbk
PT Bank Rakyat Indonesia (Persero) Tbk	392	20.126	PT Bank Rakyat Indonesia (Persero) Tbk
Lain-lain (dibawah Rp1 miliar)	9.441	3.513	Others (below Rp1 billion)
Subtotal	19.080	49.629	Subtotal
Total kas di bank	122.372	144.052	Total cash in banks

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**5. KAS DAN SETARA KAS (Lanjutan)**

**5. CASH AND CASH EQUIVALENTS (Continued)**

	2017	2016	
<b>Setara kas</b>			<b>Cash equivalents</b>
Deposito berjangka			Time deposits
Rupiah			Rupiah
Lain-lain (dibawah Rp1 miliar)	695	604	Others (below Rp1 billion)
<b>Total</b>	<b>124.348</b>	<b>145.763</b>	<b>Total</b>

Kisaran suku bunga tahunan untuk deposito berjangka dari 4,00% sampai 5,25% untuk tahun yang berakhir pada tanggal 31 Desember 2017 dan 2016.

The annual interest rates of time deposits ranged from 4.00% to 5.25% for the years ended December 31, 2017 and 2016.

Seluruh kas dan setara kas ditempatkan pada pihak ketiga.

All placements in cash and cash equivalents were with third parties.

Rincian kas dan setara kas berdasarkan mata uang adalah sebagai berikut:

Details of cash and cash equivalents based on currencies were as follows:

Mata uang	2017	2016	Currencies
Rupiah	105.239	96.105	Rupiah
Dolar AS	19.052	49.585	US Dollar
Yen Jepang	55	71	Japanese Yen
Dolar Singapura	2	2	Singaporean Dollar
<b>Total</b>	<b>124.348</b>	<b>145.763</b>	<b>Total</b>

**6. INVESTASI JANGKA PENDEK**

**6. SHORT-TERM INVESTMENTS**

	2017	2016	
<b>Pihak Ketiga</b>			<b>Third parties</b>
<b>Dimiliki untuk diperdagangkan</b>			<b>Held-for-trading</b>
Dana investasi (USD)			Investment funds (USD)
Purple Rain Resources Ltd.	346.358	343.494	Purple Rain Resources Ltd.
Skytrend Investments Holdings Ltd.	-	900.132	Skytrend Investments Holdings Ltd.
Subtotal	346.358	1.243.626	Subtotal
Dikurangi penyisihan penurunan nilai investasi	-	(900.132)	Less allowance for impairment losses of investments
<b>Dimiliki untuk diperdagangkan - neto</b>	<b>346.358</b>	<b>343.494</b>	<b>Held-for-trading - net</b>
<b>Saham yang diperdagangkan</b>			<b>Marketable securities</b>
PT Tambang Batubara			PT Tambang Batubara
Bukit Asam Tbk	-	1.250	Bukit Asam Tbk
PT Waskita Karya (Persero) Tbk	-	1.148	PT Waskita Karya (Persero) Tbk
PT Waskita Beton Precast Tbk	-	1.110	PT Waskita Beton Precast Tbk
PT United Tractors Tbk	-	1.063	PT United Tractors Tbk
PT Bank Rakyat Indonesia (Persero) Tbk	-	1.051	PT Bank Rakyat Indonesia (Persero) Tbk
PT PP London Sumatra			PT PP London Sumatra
Indonesia Tbk	-	1.046	Indonesia Tbk
Lain-lain (dibawah Rp1 miliar)	-	7.998	Others (Below Rp1 billion)
Subtotal	-	14.666	Subtotal

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**6. INVESTASI JANGKA PENDEK (Lanjutan)**

**6. SHORT-TERM INVESTMENTS (Continued)**

	2017	2016	
<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
Pihak ketiga - neto	348.558	360.360	Third parties - net
<b>Pihak berelasi (Catatan 37a)</b>			<b>Related parties (Note 37a)</b>
<b>Efek tersedia untuk dijual</b>			<b>Available-for-sale securities</b>
Efek ekuitas tercatat			Quoted equity securities
PT Bumi Resources Tbk (BUMI)	148.119	157.178	PT Bumi Resources Tbk (BUMI)
PT Bakrie Sumatera Plantation Tbk (UNSP)	6.078	18.643	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	14.710	PT Darma Henwa Tbk (DEWA)
PT Energi Mega Persada Tbk (ENRG)	1	5	PT Energi Mega Persada Tbk (ENRG)
Total pihak berelasi	161.187	196.285	Total related parties
<b>Neto</b>	<b>509.745</b>	<b>556.645</b>	<b>Net</b>

Rincian investasi jangka pendek berdasarkan mata uang adalah sebagai berikut:

Details of short-term investments based on currencies were as follows:

Mata uang	2017	2016	Currencies
Dolar AS	346.358	343.494	US Dollar
Rupiah	163.387	213.151	Rupiah
<b>Total</b>	<b>509.745</b>	<b>556.645</b>	<b>Total</b>

**Efek Tersedia untuk Dijual**

**Available-for-Sale Securities**

Kepemilikan saham Perusahaan atas pihak berelasi adalah sebagai berikut:

The Company's share ownership in related parties are as follows:

Jumlah saham (dalam ribuan saham)	2017	2016	Number of shares (in thousands of shares)
<b>Perusahaan</b>			<b>Company</b>
BUMI	548.588	548.588	BUMI
UNSP	37.286	372.860	UNSP
ELTY	71.943	71.943	ELTY
BTEL	43.043	43.043	BTEL
DEWA	24.800	294.203	DEWA
ENRG	13	100	ENRG
Subtotal	725.673	1.330.737	Subtotal
<b>Entitas Anak</b>			<b>Subsidiary</b>
BUMI	-	17.298	BUMI
<b>Total</b>	<b>725.673</b>	<b>1.348.035</b>	<b>Total</b>



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**6. INVESTASI JANGKA PENDEK (Lanjutan)**

Dalam hal terjadi perbedaan jumlah kepemilikan dengan laporan keuangan BUMI, ELTY, ENRG, UNSP, BTEL dan DEWA, hal ini disebabkan oleh saham-saham yang dijadikan jaminan oleh Perusahaan ke kreditur telah berubah kepemilikan.

Sampai dengan tanggal 31 Desember 2017, sejumlah efek ekuitas pada BUMI sebesar 548,6 juta saham digunakan Perusahaan sebagai jaminan untuk pinjaman jangka pendek dan jangka panjang (Catatan 18l dan 23i).

Keuntungan yang belum terealisasi atas perubahan nilai investasi jangka pendek yang disajikan sebagai bagian dari ekuitas pada tanggal 31 Desember 2017 dan 2016 masing-masing sebesar Rp124,9 miliar dan Rp125,1 miliar.

**Dimiliki untuk diperdagangkan**

Pada tahun 2015, Sebastopol, Entitas Anak, mengadakan perjanjian jasa pengelolaan investasi dengan Purple Rain Resources Ltd. ("Purple Rain"), perusahaan yang didirikan di British Virgin Island, untuk mengelola dan melaksanakan strategi investasi yang telah disetujui oleh kedua belah pihak untuk total investasi sebesar USD24,7 juta.

Pada tahun 2016, Perusahaan juga mengadakan perjanjian jasa pengelolaan investasi dengan Purple Rain sebesar USD0,9 juta.

Pada tanggal 31 Desember 2017, manajemen Kelompok Usaha memutuskan untuk melakukan penghapusan investasi dengan Skytrend Investment Holdings Ltd (Skytrend) sebesar Rp900,1 miliar, dimana penyisihan tersebut telah berlangsung selama tiga tahun. Manajemen menilai bahwa investasi tersebut tidak dapat terpulihkan.

Pada tanggal 31 Desember 2017 dan 2016, nilai buku neto investasi dimiliki untuk diperdagangkan sebesar USD25,6 juta (masing-masing setara dengan Rp346,4 miliar dan Rp343,5 miliar).

**Pinjaman dan piutang**

Deposito berjangka merupakan penempatan dana dengan jangka waktu empat (4) sampai dengan enam (6) bulan dan memperoleh suku bunga tahunan berkisar antara 5,5% sampai dengan 6,25%.

Manajemen berkeyakinan bahwa tidak terdapat kejadian-kejadian atau perubahan-perubahan keadaan yang mengindikasikan adanya penambahan penurunan nilai investasi jangka pendek pada tanggal 31 Desember 2017.

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**6. SHORT-TERM INVESTMENTS (Continued)**

*Differences in the Company's ownership presented in the financial statements of BUMI, ELTY, ENRG, UNSP, BTEL and DEWA might arise due to shares pledged by the Company to the creditors wherein the ownership has been transferred.*

*As of December 31, 2017, certain number of equity securities in BUMI totaling 548.6 million shares were used as collateral for the Company's short-term and long-term loans (Notes 18l and 23i).*

*Unrealized gain for changes in the value of short-term investments presented as part of equity as of December 31, 2017 and 2016 amounted to Rp124.9 billion and Rp125.1 billion, respectively.*

**Held-for-trading**

*In 2015, Sebastopol, Subsidiary, entered into an investment management service agreement with Purple Rain Resources Ltd. ("Purple Rain"), company incorporated in British Virgin Islands, to manage and implement the investment strategy agreed by both parties for total investment amounting to USD24.7 million.*

*In 2016, the Company also entered into an investment management service agreement with Purple Rain amounting to USD0.9 million.*

*As of December 31, 2017, the Group's management decided to write-off the investment with Skytrend Investment Holdings Ltd (Skytrend) amounting to Rp900.1 billion which was fully provided with allowance for impairment during the last three years. Management assessed that the investment can no longer be recovered.*

*As of December 31, 2017 and 2016, net book value of investments held-for-trading amounted to USD25.6 million (equivalent to Rp346.4 billion and Rp343.5 billion, respectively).*

**Loan and receivables**

*Time deposits represented placements with terms of four (4) to six (6) months and earned interest at annual rates ranging from 5.5% to 6.25%.*

*The management believed that there were no events or changes in circumstances that indicate any additional impairment in the value of short-term investments as of December 31, 2017.*

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**7. PIUTANG USAHA**

**7. TRADE RECEIVABLES**

**a. Aset lancar**

**a. Current assets**

	<b>2017</b>	<b>2016</b>
<b>Pihak ketiga</b>		
PT Inerco Global International	54.128	-
PT Perusahaan Listrik Negara (Persero)	39.356	-
PT Alisan Catur Perkasa	23.445	28.796
PT Pertamina EP	18.656	10.674
Husky CNOOC Madura Ltd	17.671	41.517
John Holland Pte. Ltd.	16.705	16.567
PT Pertamina (Persero)	16.186	8.886
PT Krama Yudha Tiga Berlian	13.095	4.935
PT Punj Lloyd Indonesia	11.356	11.262
PT Hino Motors Manufacturing Indonesia	11.104	13.684
PT Catur Prima Perkasa	7.766	21.078
Piper Price & Company Limited	-	588.593
Lain-lain (dibawah Rp10 miliar)	304.074	334.512
<b>Total</b>	<b>533.542</b>	<b>1.080.504</b>
Dikurangi penyisihan kerugian atas penurunan nilai	(91.614)	(48.268)
<b>Subtotal</b>	<b>441.928</b>	<b>1.032.236</b>
<b>Pihak berelasi (Catatan 37b)</b>	<b>14.439</b>	<b>14.280</b>
<b>Total</b>	<b>456.367</b>	<b>1.046.516</b>

<b>Third parties</b>
PT Inerco Global International
PT Perusahaan Listrik Negara (Persero)
PT Alisan Catur Perkasa
PT Pertamina EP
Husky CNOOC Madura Ltd
John Holland Pte. Ltd.
PT Pertamina (Persero)
PT Krama Yudha Tiga Berlian
PT Punj Lloyd Indonesia
PT Hino Motors Manufacturing Indonesia
PT Catur Prima Perkasa
Piper Price & Company Limited
Others (below Rp10 billion)
<b>Total</b>
Less allowance for impairment losses
<b>Subtotal</b>
<b>Related parties (Note 37b)</b>
<b>Total</b>

Mutasi penyisihan kerugian atas penurunan nilai untuk piutang usaha adalah sebagai berikut:

The movements in the allowance for impairment losses on trade receivables were as follows:

	<b>2017</b>	<b>2016</b>
Saldo awal tahun	48.268	41.178
Perubahan selama tahun berjalan		
Penyisihan kerugian penurunan nilai	42.642	8.066
Penghapusan kerugian penurunan nilai	-	(10)
Selisih kurs	704	(966)
<b>Saldo Akhir Tahun</b>	<b>91.614</b>	<b>48.268</b>

Balance at beginning of year
Changes during the year
Provision for impairment losses
Write-off impairment losses
Foreign exchange translation
<b>Balance at End of Year</b>

**b. Aset tidak lancar**

**b. Non-current assets**

	<b>2017</b>	<b>2016</b>
<b>Pihak ketiga</b>		
Piper Price & Company Limited	517.263	-
Diskonto yang belum diamortisasi	(49.249)	-
<b>Neto</b>	<b>468.014</b>	<b>-</b>

<b>Third party</b>
Piper Price & Company Limited
Unamortized discount
<b>Net</b>

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**7. PIUTANG USAHA (Lanjutan)**

Rincian daftar umur piutang usaha adalah sebagai berikut:

	2017	2016
Sampai dengan 1 bulan	527.711	751.217
1 bulan - 3 bulan	120.012	104.031
3 bulan - 6 bulan	148.089	39.449
6 bulan - 1 tahun	62.856	42.058
Lebih dari 1 tahun	157.327	158.029
<b>Total</b>	<b>1.015.995</b>	<b>1.094.784</b>
Dikurangi penyisihan kerugian atas penurunan nilai	(91.614)	(48.268)
<b>Neto</b>	<b>924.381</b>	<b>1.046.516</b>

Rincian piutang usaha berdasarkan mata uang adalah sebagai berikut:

Mata uang	2017	2016
Rupiah	879.629	958.892
Dolar AS	44.752	87.624
<b>Total</b>	<b>924.381</b>	<b>1.046.516</b>

**Piper Price & Company Limited**

Pada tanggal 30 Desember 2010, Perusahaan menjual saham BUMI, ENRG, UNSP, ELTY dan BTEL miliknya sejumlah masing-masing 1,2 miliar, 2,4 miliar, 304,2 juta, 346,9 juta dan 1,3 miliar lembar saham kepada Piper Price & Company Limited (PPC) dengan harga jual keseluruhan sebesar Rp3,4 triliun yang akan dibayarkan pada tanggal 30 Juni 2011, dengan opsi perpanjangan. Berdasarkan perjanjian antara Perusahaan dan PPC, tanggal pembayaran telah diubah beberapa kali, terakhir tanggal 30 September 2019.

Manajemen berkeyakinan bahwa penyisihan kerugian atas penurunan nilai piutang usaha adalah cukup untuk menutup penurunan nilai kerugian atas tidak tertagihnya piutang usaha.

Pada tanggal 31 Desember 2017 dan 2016, beberapa Entitas Anak menggunakan piutang usaha sebagai jaminan atas pinjaman jangka pendek dan jangka panjang (Catatan 18 dan 23).

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**7. TRADE RECEIVABLES (Continued)**

Details of aging schedule of trade receivables were as follows:

Up to 1 month
1 month - 3 months
3 months - 6 months
6 months - 1 year
Over 1 year
<b>Total</b>
Less allowance for impairment losses
<b>Net</b>

Details of trade receivables based on currencies were as follows:

Currencies
Rupiah
US Dollar
<b>Total</b>

**Piper Price & Company Limited**

On December 30, 2010, the Company sold its shares in BUMI, ENRG, UNSP, ELTY and BTEL amounting to 1.2 billion, 2.4 billion, 304.2 million, 346.9 million and 1.3 billion, respectively, to Piper Price & Company Limited (PPC) for a total selling price of Rp3.4 trillion, which will be paid on June 30, 2011 and subject to extension. Based on agreement between the Company and PPC, payment date has been amended several times, the latest on September 30, 2019.

The management believed that allowance for impairment losses on trade receivables was adequate to cover any impairment losses on uncollectible trade receivables.

As of December 31, 2017 and 2016, several Subsidiaries used trade receivables, as collateral for short-term and long-term loans (Notes 18 and 23).

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**8. PIUTANG LAIN-LAIN**

	2017	2016
<b>Pihak ketiga</b>		
PT Southeast Asia Capital Investment	240.000	-
CV Inti Mandiri Sadaya	237.457	237.457
TJA Power Corporation (Asia) Ltd.	181.748	180.245
Pendapatan belum ditagih	19.577	44.119
PT Suplindo Sejahtera	15.035	15.035
Lain-lain (dibawah Rp10 miliar)	47.999	47.699
<b>Total</b>	<b>741.816</b>	<b>524.555</b>
Dikurangi penyisihan kerugian atas penurunan nilai	(82.993)	(79.057)
<b>Neto</b>	<b>658.823</b>	<b>445.498</b>

Mutasi penyisihan kerugian atas penurunan nilai untuk piutang lain-lain adalah sebagai berikut:

	2017	2016
Saldo awal	79.057	8.775
Perubahan selama tahun berjalan		
Penyisihan penurunan nilai	3.413	70.282
Selisih kurs	523	-
<b>Saldo Akhir</b>	<b>82.993</b>	<b>79.057</b>

Rincian piutang lain-lain berdasarkan mata uang adalah sebagai berikut:

Mata uang	2017	2016
Rupiah	539.364	257.140
Dolar AS	119.459	188.358
<b>Total</b>	<b>658.823</b>	<b>445.498</b>

**PT Southeast Asia Capital Investment**

Pada tanggal 15 November 2015, PT Bakrie Pipe Industries mengadakan perjanjian dengan PT Southeast Asia Capital Investment (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 2018.

**CV Inti Mandiri Sadaya**

Pada tanggal 28 Oktober 2016, Perusahaan mengakui hak tagih dari CV Inti Mandiri Sadaya (IMS) sehubungan dengan layanan teknis yang disediakan oleh PT Bakrie Power (BP) kepada IMS.

**8. OTHER RECEIVABLES**

<b>Third parties</b>	
PT Southeast Asia Capital Investment	
CV Inti Mandiri Sadaya	
TJA Power Corporation (Asia) Ltd.	
Unbilled revenues	
PT Suplindo Sejahtera	
Others (below Rp10 billion)	
<b>Total</b>	
Less allowance for impairment losses	
<b>Net</b>	

The movements in the allowance for impairment losses on other receivables were as follows:

Beginning balance	
Changes during the year	
Provision for impairment losses	
Foreign exchange translation	
<b>Ending Balance</b>	

Details of others receivables based on currencies were as follows:

Currencies	2017	2016
Rupiah	539.364	257.140
US Dollar	119.459	188.358
<b>Total</b>	<b>658.823</b>	<b>445.498</b>

**PT Southeast Asia Capital Investment**

On November 15, 2015, PT Bakrie Pipe Industries, a subsidiary, entered into an agreement with PT Southeast Asia Capital Investment (SECI) to grant loan to SECI amounting to Rp240 billion for SECI's operational purposes. The loan was secured by shares of PT Diva Perdana Pesona, a Company established under the law of the Republic of Indonesia domiciled in South Jakarta and owned by PT North Auto Mega and PT Gemilang Indo Raya. The loan will mature on November 15, 2018.

**CV Inti Mandiri Sadaya**

On October 28, 2016, the Company recognized receivables from CV Inti Mandiri Sadaya (IMS) in relation to technical services provided by PT Bakrie Power (BP) to IMS.



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**8. PIUTANG LAIN-LAIN (Lanjutan)**

**TJA Power Corporation (Asia) Ltd.**

Pada tanggal 28 Maret 2012, Entitas Anak, BP memberikan fasilitas pinjaman kepada TJA Power Corporation (Asia) Ltd. (TJA) sebesar USD5 juta yang dikenakan bunga sebesar LIBOR ditambah 6% per tahun dan jatuh tempo pada tanggal 29 Maret 2014.

Pada tanggal 27 Desember 2013, perjanjian atas pemberian fasilitas pinjaman kepada TJA telah diubah sebagai berikut:

- perpanjangan periode utang untuk dua tahun dan akan jatuh tempo pada tanggal 28 Maret 2016; dan
- bunga pinjaman menjadi 5,5 persen pada tahun kedua, 6,0 persen pada tahun ketiga dan 6,5 persen pada tahun keempat.

Pada tanggal 20 Agustus 2015, TJA mengalihkan uang mukanya di PT Tanjung Jati Power Company (TJPC) kepada BP untuk mengurangi saldo fasilitas pinjaman sebesar USD2,8 juta. Kemudian, TJA menjual seluruh kepemilikan di TJPC dan penerimaan sebesar USD1,3 juta digunakan untuk penyelesaian utang ke BP.

Pada tanggal 31 Desember 2017 dan 2016, saldo pinjaman adalah sebesar USD13,4 juta (masing-masing setara dengan Rp180 miliar dan Rp185 miliar).

**Pendapatan belum ditagih**

Pendapatan belum ditagih merupakan piutang dari pelanggan atas penjualan barang yang belum ditagihkan.

Manajemen berkeyakinan bahwa penyisihan kerugian atas penurunan nilai piutang lain-lain adalah cukup untuk menutup kemungkinan kerugian atas tidak tertagihnya piutang lain-lain.

**9. PERSEDIAAN**

	2017	2016
Barang jadi	302.733	295.911
Bahan baku	139.293	227.264
Bahan pembantu dan suku cadang	73.851	75.198
Barang dalam proses	64.491	89.035
Lain-lain (dibawah Rp1 miliar)	103	103
Total	580.471	687.511
Dikurangi penyisihan persediaan usang	(21.680)	(7.378)
<b>Neto</b>	<b>558.791</b>	<b>680.133</b>

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**8. OTHER RECEIVABLES (Continued)**

**TJA Power Corporation (Asia) Ltd.**

On March 28, 2012, BP, a subsidiary provided a loan facility to TJA Power Corporation (Asia) Ltd. (TJA) amounting to USD5 million that bears annual interest of LIBOR plus 6% and due on March 29, 2014.

On December 27, 2013, the loan agreement providing a loan facility to TJA was amended as follows:

- extension of the loan period for another two years and will be due on March 28, 2016; and
- annual interest on the loan shall be 5.5 percent for the second year, 6.0 percent for the third year and 6.5 percent for the fourth year.

On August 20, 2015, TJA made assignment to BP of its advances to PT Tanjung Jati Power Company (TJPC) which reduced the outstanding balance of the loan facility by USD2.8 million. Furthermore, TJA sold all of its shares in TJPC and the proceeds amounting to USD1.3 million was applied to the loan payable to BP.

As of December 31, 2017 and 2016, outstanding balance of the loan facility amounted to USD13.4 million (equivalent to Rp180 billion and Rp185 billion, respectively).

**Unbilled revenues**

Unbilled revenues are receivables from customers for goods sold that are not yet billed.

The management believed that the allowance for impairment losses on other receivables was adequate to cover any possible losses on uncollectible other receivables.

**9. INVENTORIES**

Finished goods
Raw materials
Indirect materials and spare-parts
Work-in-process
Others (below Rp1 billion)
Total
Less allowance for inventory obsolescence
<b>Net</b>

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**9. 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 sebesar Rp169,1 miliar pada tanggal 31 Desember 2017 dan Rp176,0 miliar dan USD4,0 juta pada tanggal 31 Desember 2016. 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 14). Manajemen berkeyakinan bahwa nilai pertanggungan tersebut cukup untuk menutup kemungkinan kerugian dari risiko kebakaran dan risiko tertentu lainnya atas persediaan yang dipertanggungkan.

Pada tanggal 31 Desember 2017 dan 2016, persediaan bahan baku dan barang jadi yang dimiliki oleh BMI dan BA masing-masing sebesar Rp454,6 miliar dan Rp370,5 miliar digunakan sebagai jaminan atas pinjaman jangka pendek dan jangka panjang (Catatan 18 dan 23).

**10. UANG MUKA**

	2017	2016
Uang muka pembelian	174.593	53.327
Uang muka investasi	50.000	51.384
Uang muka operasional	13.117	5.851
Uang muka proyek	2.545	7.494
Lain-lain (dibawah Rp1 miliar)	2.028	15.894
<b>Total</b>	<b>242.283</b>	<b>133.950</b>

Uang muka pembelian merupakan uang muka yang berkaitan dengan pembelian bahan baku.

Uang muka investasi merupakan pembayaran uang muka untuk pembelian saham pada perusahaan yang diperdagangkan di bursa tetapi masih menunggu pengalihan saham pada tanggal penyelesaian laporan keuangan konsolidasian.

**11. BIAYA DIBAYAR DIMUKA**

	2017	2016
Asuransi	1.947	2.894
Lain-lain (dibawah Rp1 miliar)	2.602	5.836
<b>Total</b>	<b>4.549</b>	<b>8.730</b>

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**9. 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 Rp169.1 billion as of December 31, 2017 and Rp176.0 billion and USD4.0 million, as of December 31, 2016. 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 14). 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, 2017 and 2016, raw materials and finished goods owned by BMI and BA amounting to Rp454.6 billion and Rp370.5 billion, respectively, were pledged as collateral for short-term and long-term loans (Notes 18 and 23).

**10. ADVANCE PAYMENTS**

Advances for purchases  
Advances for investments  
Operational advances  
Advances for projects  
Others (below Rp1 billion)

**Total**

Advances for purchases consisted of advances for the purchases of raw materials.

Advances for investments consisted of advances paid to acquire shares in listed companies that are still awaiting transfer of shares as of completion date of the consolidated financial statements.

**11. PREPAID EXPENSES**

Insurance  
Others (below Rp1 billion)

**Total**

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**12. INVESTASI PADA ENTITAS ASOSIASI DAN ENTITAS  
PENGENDALIAN BERSAMA**

Nilai tercatat dan mutasi investasi pada entitas asosiasi dan entitas pengendalian bersama adalah sebagai berikut:

**12. INVESTMENTS IN ASSOCIATES AND JOINTLY  
CONTROLLED ENTITIES**

Carrying value and changes of investment in associates and jointly controlled entities were as follows:

2017											
	Jumlah Tercatat Awal Tahun/ Carrying Amounts at the Beginning of the Year	Bagian atas Laba Rugi Neto/ Share in Net Profit (Loss)	Bagian atas Penghasilan Komprehensif Lain/ Share in Other Comprehensive Income	Penurunan Nilai/ Impairment	Jumlah Tercatat Akhir Tahun/ Carrying Amounts at the End of the Year						
<b>Asosiasi</b>						<b>Asosiasi</b>					
Bakrie Petroleum						Bakrie Petroleum					
International Pte. Ltd.	5.972	158.084	25.745	-	189.801	International Pte. Ltd.					
PT Bakrie Investa Eco Industri	10.000	-	-	-	10.000	PT Bakrie Investa Eco Industri					
PT Petro Storindo Energi	1.275	-	-	-	1.275	PT Petro Storindo Energi					
<b>Entitas Pengendalian Bersama</b>						<b>Jointly Controlled Entities</b>					
PT Kalimantan Prima Power	17.720	(17.720)	-	-	-	PT Kalimantan Prima Power					
PT Guruh Agung	2.377	(2.377)	-	-	-	PT Guruh Agung					
PT Citra Prima Buana	224	(113)	-	-	111	PT Citra Prima Buana					
<b>Total</b>	<b>37.568</b>	<b>137.874</b>	<b>25.745</b>	<b>-</b>	<b>201.187</b>	<b>Total</b>					
2016											
	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 (Rugi) Komprehensif Lain/ Share in Other Comprehensive Income (Loss)	Penurunan Nilai/ Impairment	Jumlah Tercatat Akhir Tahun/ Carrying Amounts at the End of the Year						
<b>Asosiasi</b>						<b>Asosiasi</b>					
Bakrie Petroleum						Bakrie Petroleum					
International Pte. Ltd.	1.706.142	(1.748.196)	48.026	-	5.972	International Pte. Ltd.					
PT Bakrie Investa Eco Industri	10.000	-	-	-	10.000	PT Bakrie Investa Eco Industri					
PT Petro Storindo Energi	1.275	-	-	-	1.275	PT Petro Storindo Energi					
<b>Entitas Pengendalian Bersama</b>						<b>Jointly Controlled Entities</b>					
PT Kalimantan Prima Power	754.806	202.498	(18.232)	(921.352)	17.720	PT Kalimantan Prima Power					
PT Guruh Agung	84.486	22.305	(2.000)	(102.414)	2.377	PT Guruh Agung					
PT Citra Prima Buana	821	225	-	(822)	224	PT Citra Prima Buana					
<b>Total</b>	<b>2.557.530</b>	<b>(1.523.168)</b>	<b>27.794</b>	<b>(1.024.588)</b>	<b>37.568</b>	<b>Total</b>					

Pada tahun 2016, Kelompok Usaha mengakui kerugian penurunan nilai sebesar Rp1,0 triliun untuk mengurangi investasi di dalam entitas pengendalian bersama. Pada tanggal 31 Desember 2016, jumlah terpulihkan untuk investasi pada entitas pengendalian bersama adalah sebesar Rp20,3 miliar.

In 2016, the Group recognized impairment loss of Rp1.0 trillion for the write-down of the investment in jointly controlled entities. As of December 31, 2016, the recoverable amount of the investment in jointly controlled entities amounted to Rp20.3 billion.

Informasi keuangan entitas asosiasi dan entitas pengendalian bersama adalah sebagai berikut:

Financial information of associates and joint control entities were as follows:

2017											
	Aset/ Assets	Liabilitas/ Liabilities	Pendapatan/ Revenue	Laba (rugi)/ Profit (loss)							
<b>Asosiasi</b>					<b>Asosiasi</b>						
Bakrie Petroleum					Bakrie Petroleum						
International Pte. Ltd.	1.124.948	925.983	-	385.572	International Pte. Ltd.						
<b>Entitas Pengendalian Bersama</b>					<b>Jointly Controlled Entities</b>						
PT Kalimantan Prima Power	2.823.746	1.502.495	312.692	(149.515)	PT Kalimantan Prima Power						
PT Guruh Agung	1.304.708	-	-	(164.036)	PT Guruh Agung						
PT Citra Prima Buana	16.057	-	-	(1.658)	PT Citra Prima Buana						

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**12. INVESTASI PADA ENTITAS ASOSIASI DAN ENTITAS  
PENGENDALIAN BERSAMA (Lanjutan)**

**12. INVESTMENTS IN ASSOCIATES AND JOINTLY  
CONTROLLED ENTITIES (Continued)**

2016					
	<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>Associates</u></b>
Bakrie Petroleum International Pte. Ltd.	917.757	903.302	-	(4.554.394)	Bakrie Petroleum International Pte. Ltd.
<b><u>Entitas Pengendalian Bersama</u></b>					<b><u>Jointly Controlled Entities</u></b>
PT Kalimantan Prima Power	2.858.692	1.332.561	558.014	290.559	PT Kalimantan Prima Power
PT Guruh Agung	20.844	1	-	(17)	PT Guruh Agung
PT Citra Prima Buana	3.066	-	-	(9)	PT Citra Prima Buana

**13. INVESTASI JANGKA PANJANG LAINNYA**

**13. OTHER LONG-TERM INVESTMENTS**

**a. Investasi penyertaan saham**

**a. Investments in shares of stocks**

2017			
<u>Penyertaan Saham</u>	<u>Persentase Kepemilikan/ Percentage of Ownership (%)</u>	<u>Jumlah/ Amount</u>	<u>Investment in Shares of Stock</u>
PT Seamless Pipe Indonesia Jaya	4.80	128.908	PT Seamless Pipe Indonesia Jaya
PT Kalimantan Jawa Gas (Catatan 15)	20.00	110.045	PT Kalimantan Jawa Gas (Note 15)
PT Cimanggis Cibitung Tollways	10.00	9.343	PT Cimanggis Cibitung Tollways
PT Tanjung Jati Power Company	20.00	1.714	PT Tanjung Jati Power Company
PT Sokoria Geothermal Indonesia	3.00	900	PT Sokoria Geothermal Indonesia
PT Sarana Lampung Ventura	3.07	585	PT Sarana Lampung Ventura
PT Sarana Papua Ventura	5.63	330	PT Sarana Papua Ventura
<b>Total</b>		<b>251.825</b>	<b>Total</b>

2016			
<u>Penyertaan Saham</u>	<u>Persentase Kepemilikan/ Percentage of Ownership (%)</u>	<u>Jumlah/ Amount</u>	<u>Investment in Shares of Stock</u>
PT Seamless Pipe Indonesia Jaya	10.00	128.908	PT Seamless Pipe Indonesia Jaya
PT Kalimantan Jawa Gas (Catatan 15)	20.00	13.321	PT Kalimantan Jawa Gas (Note 15)
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 Sarana Lampung Ventura	3.07	585	PT Sarana Lampung Ventura
PT Sarana Papua Ventura	5.63	330	PT Sarana Papua Ventura
<b>Total</b>		<b>154.201</b>	<b>Total</b>



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**13. INVESTASI JANGKA PANJANG LAINNYA (Lanjutan)**

**b. Mutasi investasi jangka panjang lainnya**

	2017	2016
Nilai tercatat awal tahun	154.201	153.286
Penambahan (Catatan 15)	97.624	915
<b>Total</b>	<b>251.825</b>	<b>154.201</b>

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.

PT Kalimantan Jawa Gas

Berdasarkan Akta Notaris No. 71 tanggal 24 Februari 2017 oleh Yulia, SH, pemegang saham PT Kalimantan Jawa Gas (KJG) menyetujui untuk penambahan modal dasar dari Rp266,4 miliar menjadi Rp2.200,9 miliar serta modal ditempatkan dan modal disetor dari Rp66,6 miliar menjadi Rp550,2 miliar. Perubahan ini telah disetujui oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan Surat No. AHU-0005063-AH.01.02.Tahun 2017 tanggal 28 Februari 2017.

Berdasarkan Aktar Notaris tersebut, sisa saldo biaya pengembangan proyek di KJG sebesar Rp96,7 miliar dikonversi menjadi saham Perusahaan di KJG adalah sejumlah 1.100.453 lembar saham dengan nilai nominal seluruhnya sebesar Rp110,0 miliar atau setara dengan 20% kepemilikan saham di KJG.

Pada tanggal 31 Desember 2017 dan 2016, manajemen berkeyakinan bahwa tidak terdapat penurunan nilai atas investasi jangka panjang lainnya.

**13. OTHER LONG-TERM INVESTMENTS (Continued)**

**b. Changes in other long-term investments**

Carrying value at  
beginning of the year  
Additions (Note 15)

**Total**

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.

PT Kalimantan Jawa Gas

Based on Notarial Deed No. 71 dated February 24, 2017 by Yulia, SH, the shareholders of PT Kalimantan Jawa Gas (KJG) approved the increase in KJG's authorized capital from Rp266.4 billion to Rp2,200.9 billion and issued and fully paid capital from Rp66.6 billion to Rp550.2 billion. This amendment was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-0005063-AH.01.02.Tahun 2017 dated February 28, 2017.

Also included in the above-mentioned Notarial Deed, the remaining project development costs in KJG amounting to Rp96.7 billion were converted into shares whereby total shares of the Company in KJG became 1,100,453 shares with nominal value amounting to Rp110.0 billion or equivalent to 20% share ownership in KJG.

As of December 31, 2017 and 2016, the management believed that there was no impairment in value of other long-term investments.

**14. ASET TETAP**

	Saldo 1 Januari/ Balance as of January 1, 2017	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	Selisih Kurs Penjabaran/ Translation Adjustment	Dekonsolidasi/ Deconsolidation	Saldo 31 Desember/ Balance as of December 31, 2017
<b>Biaya Perolehan</b>							
<u>Pemilikan langsung</u>							<u>Acquisition Costs</u>
Tanah	707.464	-	(9.378)	(475)	344	-	697.955
Hak atas tanah	36.691	-	-	-	-	-	36.691
Prasarana tanah	41.643	218	-	(1.654)	-	-	40.207
Bangunan dan prasarana	509.745	977	-	8.375	502	-	519.599
Mesin dan peralatan	2.498.477	66.685	(10.850)	6.941	1.019	-	2.562.272
Alat pengangkutan	39.458	4.732	(3.578)	125	49	-	40.786
Perabotan dan peralatan kantoor	149.321	2.311	(145)	12.025	364	-	163.876
Subtotal	3.982.799	74.923	(23.951)	25.337	2.278	-	4.061.386
<u>Pemilikan tidak langsung</u>							<u>Indirect ownership</u>
<u>Aset sewaan</u>							<u>Leased assets</u>
Alat telekomunikasi dan pengangkutan	8.548	1.003	-	-	-	-	9.551

Land  
Land rights  
Land improvements  
Buildings and improvements  
Machinery and equipment  
Transportation equipment  
Office equipment furniture  
and fixtures  
Subtotal  
Telecommunication and  
transportation equipment

**14. FIXED ASSETS**

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**14. ASET TETAP (Lanjutan)****14. FIXED ASSETS (Continued)**

	Saldo 1 Januari/ Balance as of January 1, 2017	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	Selisih Kurs Penjabaran/ Translation Adjustment	Dekonsolidasi/ Deconsolidation	Saldo 31 Desember/ Balance as of December 31, 2017	
<i>Aset dalam Pengerjaan</i>								<i>Assets under Construction</i>
Bangunan dan prasarana	11.591	-	(2.692)	(6.206)	-	-	2.693	Buildings and improvements
Mesin dan peralatan	18.052	3.679	-	(19.131)	-	-	2.600	Machinery and equipment
Subtotal	29.643	3.679	(2.692)	(25.337)	-	-	5.293	Subtotal
<b>Total Biaya Perolehan</b>	<b>4.020.990</b>	<b>79.605</b>	<b>(26.643)</b>	<b>-</b>	<b>2.278</b>	<b>-</b>	<b>4.076.230</b>	<b>Total Acquisition Costs</b>
<i>Akumulasi Penyusutan</i>								<i>Accumulated Depreciation</i>
<i>Pemilikan langsung</i>								<i>Direct ownership</i>
Hak atas tanah	26.752	367	-	(454)	-	-	26.665	Landrights
Prasarana tanah	9.995	1.857	(100)	454	-	-	12.206	Land improvements
Bangunan dan prasarana	313.298	11.182	-	-	495	-	324.975	Buildings and improvements
Mesin dan peralatan	994.633	42.242	(3.752)	7.013	(52.131)	-	988.005	Machinery and equipment
Alat pengangkutan	34.883	2.482	(2.620)	-	49	-	34.794	Transportation equipment
Perabotan dan peralatan kantor	129.446	10.696	-	(7.013)	348	-	133.477	Office equipment furniture and fixtures
Subtotal	1.509.007	68.826	(6.472)	-	(51.239)	-	1.520.122	Subtotal
<i>Pemilikan tidak langsung</i>								<i>Indirect ownership</i>
<i>Aset sewaan</i>								<i>Leased assets</i>
Alat telekomunikasi dan pengangkutan	2.765	528	-	-	-	-	3.293	Telecommunication and transportation equipment
<b>Total Akumulasi Penyusutan</b>	<b>1.511.772</b>	<b>69.354</b>	<b>(6.472)</b>	<b>-</b>	<b>(51.239)</b>	<b>-</b>	<b>1.523.415</b>	<b>Total Accumulated Depreciation</b>
<i>Penyisihan kerugian</i>								<i>Allowance for impairment</i>
Mesin dan peralatan	-	17.167	-	-	-	-	17.167	Machinery and equipment
<b>Jumlah Tercatat</b>	<b>2.509.218</b>						<b>2.535.648</b>	<b>Carrying Amounts</b>
	Saldo 1 Januari/ Balance as of January 1, 2016	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	Selisih Kurs Penjabaran/ Translation Adjustment	Dekonsolidasi/ Deconsolidation	Saldo 31 Desember/ Balance as of December 31, 2016	
<i>Biaya Perolehan</i>								<i>Acquisition Costs</i>
<i>Pemilikan langsung</i>								<i>Direct ownership</i>
Tanah	691.161	17.054	-	350	(1.101)	-	707.464	Land
Hak atas tanah	36.691	-	-	-	-	-	36.691	Landrights
Prasarana tanah	37.816	2.173	-	1.654	-	-	41.643	Land improvements
Bangunan dan prasarana	496.006	2.660	(45)	12.736	(1.612)	-	509.745	Buildings and improvements
Mesin dan peralatan	2.399.509	32.169	-	70.142	(3.343)	-	2.498.477	Machinery and equipment
Alat pengangkutan	40.015	2.545	(947)	(1.996)	(159)	-	39.458	Transportation equipment
Perabotan dan peralatan kantor	139.298	15.696	-	(4.284)	(1.389)	-	149.321	Office equipment furniture and fixtures
Subtotal	3.840.496	72.297	(992)	78.602	(7.604)	-	3.982.799	Subtotal
<i>Pemilikan tidak langsung</i>								<i>Indirect ownership</i>
<i>Aset sewaan</i>								<i>Leased assets</i>
Alat telekomunikasi dan pengangkutan	8.052	496	-	-	-	-	8.548	Telecommunication and transportation equipment
<i>Aset dalam Pengerjaan</i>								<i>Assets under Construction</i>
Bangunan dan prasarana	9.539	11.629	(123)	(9.454)	-	-	11.591	Buildings and improvements
Mesin dan peralatan	70.692	16.508	-	(69.148)	-	-	18.052	Machinery and equipment
Perabotan dan peralatan kantor	62	-	(62)	-	-	-	-	Office equipment furniture and fixtures
Subtotal	80.293	28.137	(185)	(78.602)	-	-	29.643	Subtotal
<b>Total Biaya Perolehan</b>	<b>3.928.841</b>	<b>100.930</b>	<b>(1.177)</b>	<b>-</b>	<b>(7.604)</b>	<b>-</b>	<b>4.020.990</b>	<b>Total Acquisition Costs</b>
<i>Akumulasi Penyusutan</i>								<i>Accumulated Depreciation</i>
<i>Pemilikan langsung</i>								<i>Direct ownership</i>
Hak atas tanah	26.061	464	-	227	-	-	26.752	Landrights
Prasarana tanah	8.398	1.824	-	(227)	-	-	9.995	Land improvements
Bangunan dan prasarana	298.265	16.567	-	-	(1.534)	-	313.298	Buildings and improvements
Mesin dan peralatan	991.395	49.881	-	-	(46.643)	-	994.633	Machinery and equipment
Alat pengangkutan	33.700	2.752	(947)	(470)	(152)	-	34.883	Transportation equipment
Perabotan dan peralatan kantor	113.244	17.199	-	470	(1.467)	-	129.446	Office equipment furniture and fixtures
Subtotal	1.471.063	88.687	(947)	-	(49.796)	-	1.509.007	Subtotal

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**14. ASET TETAP (Lanjutan)**

**14. FIXED ASSETS (Continued)**

	Saldo 1 Januari/ Balance as of January 1, 2016	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	Selisih Kurs Penjabaran/ Translation Adjustment	Dekonsolidasi/ Deconsolidation	Saldo 31 Desember/ Balance as of December 31, 2016	
Pemilikan tidak langsung Aset sewaan								Indirect ownership Leased assets
Alat telekomunikasi dan pengangkutan	1.991	774	-	-	-	-	2.765	Telecommunication and transportation equipment
Total Akumulasi Penyusutan	1.473.054	89.461	(947)	-	(49.796)	-	1.511.772	Total Accumulated Depreciation
Jumlah Tercatat	<u>2.455.787</u>						<u>2.509.218</u>	Carrying Amounts

Alokasi beban penyusutan adalah sebagai berikut:

Allocation of depreciation expense was as follows:

	2017	2016	
Beban pokok pendapatan	52.815	65.063	Cost of revenues
Beban umum dan administrasi (Catatan 32)	16.539	24.398	General and administrative expenses (Note 32)
<b>Total</b>	<b>69.354</b>	<b>89.461</b>	<b>Total</b>

Rincian aset dalam penyelesaian adalah sebagai berikut:

Details of construction-in progress were as follows:

	Persentase Penyelesaian/ Percentage of Completion (%)	Nilai Tercatat/ Carrying Value (Rp)	Estimasi Tahun Penyelesaian/ Estimated Year of Completion	
<b>2017</b>				<b>2017</b>
Bangunan dan prasarana	51-95	2.693	2018	Building and improvements
Mesin dan peralatan	51-95	2.600	2018	Machinery and equipment
<b>Total</b>		<b>5.293</b>		<b>Total</b>
<b>2016</b>				<b>2016</b>
Bangunan dan prasarana	51-95	11.591	2017	Building and improvements
Mesin dan peralatan	51-95	18.052	2017	Machinery and equipment
<b>Total</b>		<b>29.643</b>		<b>Total</b>

Manajemen berkeyakinan bahwa tidak ada hambatan yang dapat mengganggu penyelesaian atas aset-aset tersebut.

The management believed that there were no obstacles that can interfere with the completion of these assets.

Pada tanggal 31 Desember 2017 dan 2016, 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).

As of December 31, 2017 and 2016, 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).

Pada tanggal 31 Desember 2017 dan 2016, tidak terdapat nilai tercatat aset tetap yang tidak dipakai sementara dan aset tetap yang dihentikan dari penggunaan aktif.

As of December 31, 2017 and 2016, there were no temporarily idle fixed assets and fixed assets retired from active use.

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**14. ASET TETAP (Lanjutan)**

Pada tanggal 31 Desember 2017 dan 2016, jumlah tercatat aset tetap bruto yang telah disusutkan penuh dan masih digunakan masing-masing adalah sebesar Rp629,8 miliar dan Rp610,1 miliar.

Aset tetap dengan kepemilikan langsung diasuransikan terhadap risiko kebakaran, risiko gempa bumi dan risiko lainnya berdasarkan suatu paket polis. Jumlah nilai pertanggungan asuransi aset tetap masing-masing sebesar Rp2,0 triliun dan USD22,6 juta pada tanggal 31 Desember 2017 serta Rp1,1 triliun dan USD85,7 juta pada tanggal 31 Desember 2016. Nilai pertanggungan asuransi atas aset tetap BMI, BCONS, BPI, SEAPI, BBI, BA, BUMM, BMC dan BIIN termasuk nilai pertanggungan asuransi atas persediaan (Catatan 9).

Manajemen berkeyakinan bahwa nilai pertanggungan tersebut telah memadai untuk menutup kemungkinan kerugian atas aset tetap yang dipertanggungkan.

Berdasarkan penelaahan terhadap aset tetap, manajemen Kelompok Usaha berkeyakinan bahwa tidak terdapat indikasi penurunan nilai aset.

**15. BIAYA PENGEMBANGAN PROYEK**

Akun ini terutama merupakan akumulasi biaya-biaya yang terjadi sehubungan dengan proyek-proyek sebagai berikut:

	2017	2016
Pipa dan besi baja - Kertapati	200.792	200.792
Kalimantan Jawa Gas (Catatan 13)	-	96.724
Lain-lain	105.021	115.195
Total	305.813	412.711
Dikurang penyisihan kerugian atas penurunan nilai	(287.414)	(287.414)
<b>Neto</b>	<b>18.399</b>	<b>125.297</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 39b).

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**14. FIXED ASSETS (Continued)**

As of December 31, 2017 and 2016, the gross carrying amount of fully depreciated fixed assets that were still used amounting to Rp629.8 billion and Rp610.1 billion, respectively.

Direct ownership of fixed assets was covered by insurance against losses from fire, earthquake and other risk under blanket policies. Total sum insured for fixed assets amounted to Rp2.0 trillion and USD22.6 million as of December 31, 2017 and Rp1.1 trillion and USD85.7 million as of December 31, 2016. The insurance coverage for fixed assets of BMI, BCONS, BPI, SEAPI, BBI, BA, BUMM, BMC and BIIN includes sum insured for inventories (Note 9).

The management believed that the sum insured was adequate to cover the possible losses from these insured risks.

Based on review of fixed assets, the management of the Group believed that there was no condition or event indicating a decline in assets value.

**15. PROJECT DEVELOPMENT COSTS**

This account represents accumulated costs incurred in relation to the projects as follows:

Pipa dan besi baja - Kertapati
Kalimantan Jawa Gas (Note 13)
Others
Total
Less allowance for impairment losses
<b>Net</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 39b).



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**15. BIAYA PENGEMBANGAN PROYEK (Lanjutan)**

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.

Pada tanggal 21 Februari 2017, 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.

**Kalimantan Jawa Gas**

Pada tanggal 27 Juli 2006, Perusahaan telah memenangkan lelang khusus ruas transmisi gas bumi Bontang (Kalimantan Timur) ke Semarang (Jawa Tengah) berdasarkan Surat Keputusan Kepala Badan Pengatur Hilir Minyak dan Gas Bumi (BPH Migas) No. 042/Kpts/PL/BPHMigas/Kom/VII/2006. Perusahaan akan memulai konstruksi fisik proyek setelah pemerintah memutuskan alokasi produksi gas bumi untuk kebutuhan dalam negeri dan ekspor.

Pada tanggal 11 Maret 2014, Perusahaan menandatangani perjanjian pemesanan saham dengan PT Permata Graha Nusantara dimana biaya pengembangan proyek yang dikeluarkan oleh Perusahaan akan ditransfer dan diubah sebagai investasi dalam saham di PT Kalimantan Jawa Gas. Pada tahun 2017, biaya pengembangan proyek tersebut telah dikonversi menjadi penyertaan saham (Catatan 13).

**16. BIAYA DITANGGUHKAN**

	2017	2016
Pengembangan pabrik dan produk	44.941	36.841
Dikurangi akumulasi amortisasi	(44.432)	(32.493)
<b>Neto</b>	<b>509</b>	<b>4.348</b>

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**15. PROJECT DEVELOPMENT COSTS (Continued)**

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.

On February 21, 2017, Badan Arbitrasi Nasional Indonesia (BANI) has decided 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.

**Kalimantan Jawa Gas**

On July 27, 2006, the Company was awarded a bid for natural gas transmission from Bontang (East Kalimantan) to Semarang (Central Java) according to Regulatory Agency for Oil and Gas Downstream (BPH Migas) Decree No. 042/Kpts/PL/BPHMigas/Kom/VII/2006. The Company will start the construction when the government has decided the natural gas allocation for domestic and export purposes.

On March 11, 2014, the Company entered into a share subscription agreement with PT Permata Graha Nusantara whereby project development costs incurred by the Company will be transferred and converted as investments in shares of stocks at PT Kalimantan Jawa Gas. In 2017, project development costs were converted into shares of stocks (Note 13).

**16. DEFERRED CHARGES**

Factory and product development  
Less accumulated amortization  
**Net**

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**16. BIAYA DITANGGUHKAN (Lanjutan)**

Pengembangan pabrik dan produk merupakan biaya yang dikeluarkan sehubungan dengan perolehan sertifikasi untuk pabrik "New Submerged Arc Welded Pipe Mill" yang dikeluarkan oleh American Petroleum Institute dan beban lain yang berhubungan dengan pengembangan atas produk baru.

**16. DEFERRED CHARGES (Continued)**

Factory and product development represents expenses incurred in respect of "New Submerged Arc Welded Pipe Mill" certification issued by American Petroleum Institute and other costs in relation to the development of a new product.

**17. ASET TIDAK LANCAR LAINNYA**

**17. OTHER NON-CURRENT ASSETS**

	<u>2017</u>	<u>2016</u>	
Kas di bank yang dibatasi penggunaannya			Restricted cash in banks
<u>Rupiah</u>			<u>Rupiah</u>
PT Bank Rakyat Indonesia (Persero) Tbk	60.810	14.320	PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank Negara Indonesia Tbk	2.224	-	PT Bank Negara Indonesia Tbk
PT Bank Central Asia Tbk	1.313	1.410	PT Bank Central Asia Tbk
PT Bank Bukopin Tbk	500	500	PT Bank Bukopin Tbk
PT Bank Tabungan Negara Tbk	287	287	PT Bank Tabungan Negara Tbk
PT Bank Mandiri (Persero) Tbk	77	77	PT Bank Mandiri (Persero) Tbk
PT Bank MNC Internasional Tbk	-	13.409	PT Bank MNC Internasional Tbk
Subtotal	<u>65.211</u>	<u>30.003</u>	Subtotal
<u>Mata uang asing</u>			<u>Foreign currencies</u>
PT Bank Rakyat Indonesia (Persero) Tbk	15.937	3.182	PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank Negara Indonesia Tbk	8.253	-	PT Bank Negara Indonesia Tbk
PT Bank Mandiri (Persero) Tbk	362	359	PT Bank Mandiri (Persero) Tbk
PT Bank Tabungan Negara Tbk	-	24.185	PT Bank Tabungan Negara Tbk
PT Bank MNC Internasional Tbk	-	96.739	PT Bank MNC Internasional Tbk
Subtotal	<u>24.552</u>	<u>124.465</u>	Subtotal
Total kas di bank yang dibatasi penggunaannya	89.763	154.468	Total restricted cash in banks
Taksiran restitusi pajak	78.042	109.921	Estimated claims for tax refund
Jaminan	9.480	10.250	Guarantee deposits
Piutang dari komisaris, direktur dan karyawan (Catatan 37d)	3.002	6.081	Receivable from commissioners, directors and employees (Note 37d)
Biaya riset dan pengembangan	2.887	4.288	Research and development costs
Jaminan	1.328	3.423	Security deposits
Lain-lain (dibawah Rp1 miliar)	3.374	2.352	Others (below Rp1 billion)
<b>Total</b>	<b><u>187.876</u></b>	<b><u>290.783</u></b>	<b>Total</b>

Kas di bank yang dibatasi penggunaannya digunakan sebagai jaminan untuk pembayaran pokok atas pinjaman bank jangka panjang dan sebagai jaminan atas kontrak jangka panjang dengan pemasok yang diterima Kelompok Usaha (Catatan 23). Seluruh kas di bank yang dibatasi penggunaannya ditempatkan pada pihak ketiga.

Restricted cash in banks were used as collateral for payment of principal for long-term bank loans and guarantee for other long-term contracts with suppliers obtained by the Group (Note 23). All placements of restricted cash in banks were with third parties.

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**18. PINJAMAN JANGKA PENDEK**

**18. SHORT-TERM LOANS**

	2017	2016	
<b>Pinjaman Bank dan Bukan Bank Rupiah</b>			<b>Bank and Non-Bank Loans Rupiah</b>
Surat Sanggup Seri II, Indonesia	148.875	148.875	Promissory Note II, Indonesia
PT Bank Rakyat Indonesia Tbk, Indonesia	79.483	-	PT Bank Rakyat Indonesia Tbk, Indonesia
PT Bank Artha Graha Internasional Tbk, Indonesia	64.147	59.651	PT Bank Artha Graha Internasional Tbk, Indonesia
Surat Sanggup Seri I, Indonesia	39.662	39.662	Promissory Note I, Indonesia
PT Bank J Trust Indonesia Tbk, Indonesia	20.634	36.691	PT Bank J Trust Indonesia Tbk, Indonesia
PT Timas Suplindo, Indonesia	20.190	-	PT Timas Suplindo, Indonesia
PT Bank MNC Internasional Tbk, Indonesia	-	66.537	PT Bank MNC Internasional Tbk, Indonesia
Lain-lain (dibawah Rp10 miliar)	19.626	11.786	Others (each below Rp10 billion)
Subtotal	392.617	363.202	Subtotal
<b>Mata uang asing (USD)</b>			<b>Foreign currency (USD)</b>
Daley Capital Ltd, Kepulauan Cayman	118.202	40.308	Daley Capital Ltd, Cayman Island
PT Bank MNC Internasional Tbk, Indonesia	60.840	88.986	PT Bank MNC Internasional Tbk, Indonesia
Winn Metals Corporation, Indonesia	33.461	21.130	Winn Metals Corporation, Indonesia
Fountain City Investment Ltd, Kepulauan Marshall	30.483	-	Fountain City Investment Ltd, Marshall Islands
Credit Suisse AG, Singapura	-	1.166.456	Credit Suisse AG, Singapore
Lain-lain (dibawah Rp10 miliar)	8.226	5.845	Others (each below Rp10 billion)
Subtotal	251.212	1.322.725	Subtotal
<b>Repo - Rupiah</b>			<b>Repo - Rupiah</b>
PT Recapital Aset Indonesia (dahulu PT Recapital Securities), Indonesia	27.000	27.000	PT Recapital Aset Indonesia (formerly PT Recapital Securities), Indonesia
<b>Total</b>	<b>670.829</b>	<b>1.712.927</b>	<b>Total</b>

Pinjaman jangka pendek dikenakan bunga tahunan sebagai berikut:

Short-term loans bear annual interest rates as follows:

	2017 dan/and 2016	
Rupiah	7,5 % - 20,5 %	Rupiah
Dolar AS	3 % - 20 %	US Dollar

**a. Surat Sanggup (PN) Seri II**

Pada tanggal 9 Februari 2012, Perusahaan bersama-sama dengan beberapa pihak, menandatangani Perjanjian Penerbitan Surat Sanggup Seri II dengan jumlah nominal sebesar Rp2,6 triliun yang jatuh tempo 90 hari sejak tanggal penerbitan.

Surat Sanggup Seri II ini diterbitkan bersamaan dengan Surat Sanggup Seri I yang digunakan untuk menyelesaikan kewajiban Surat Utang Jangka Menengah dengan kewajiban keseluruhan sebesar Rp3,2 triliun. Rincian pemberi pinjaman sebagai berikut:

**a. Promissory Notes (PN) Series II**

On February 9, 2012, the Company, together with certain parties, signed an agreement for Promissory Notes Series II amounting to Rp2.6 trillion, which is due within 90 days from the date of issuance.

The Promissory Notes Series II were issued at the same time with Promissory Notes Series I which were used to settle the Company's Medium Term Notes amounting to Rp3.2 trillion. Details of lenders were as follows:

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**18. PINJAMAN JANGKA PENDEK (Lanjutan)**

**18. SHORT-TERM LOANS (Continued)**

Pemberi pinjaman	Surat Sanggup Seri II/Promissory Notes Series II			Lenders
	2017	2016	Nilai Penerbitan PN/ Nominal PN Issued	
PT Prima Elok Makmur	73.258	73.258	-	PT Prima Elok Makmur
PT Danpac Futures	47.007	47.007	-	PT Danpac Futures
PT Batasa Capital	-	-	289.537	PT Batasa Capital
PT Ciptadana Securities	-	-	130.236	PT Ciptadana Securities
HPAM Maestro Flexi 1	-	-	1.589.324	HPAM Maestro Flexi 1
HPAM Maestro Flexi 2	-	-	314.801	HPAM Maestro Flexi 2
MSN Tara Ltd	-	-	111.284	MSN Tara Ltd
Lain-lain	28.610	28.610	150.508	Others
<b>Total</b>	<b>148.875</b>	<b>148.875</b>	<b>2.585.690</b>	<b>Total</b>

Pada tanggal 11 September 2013, PT Ciptadana Securities mengalihkan Surat Sanggup Nomor BNBR-PN003-II/2012 senilai Rp73,3 miliar kepada PT Ciptadana Capital dan Surat Sanggup Nomor BNBR-PN004-II/2012 sebesar Rp47,0 miliar kepada PT Danpac Futures.

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.

Pada tanggal 8 Desember 2016, PT Ciptadana Capital mengalihkan Surat Sanggup Nomor BNBR-PN003-II/2012 sebesar Rp73,3 miliar.

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.

Pada tahun 2016, Perusahaan melakukan penyelesaian beberapa pemegang PN II melalui penerbitan obligasi wajib konversi.

In 2016, the Company has settled outstanding balance from several PN II holders through issuance of mandatory convertible bond.

Saldo surat sanggup ini pada tanggal 31 Desember 2017 dan 2016 sebesar Rp148,9 miliar.

Outstanding balance of these notes as of December 31, 2017 and 2016 amounted to Rp148.9 billion.

**b. PT Bank Rakyat Indonesia (Persero) Tbk**

**b. PT Bank Rakyat Indonesia (Persero) Tbk**

1. Berdasarkan Akta Notaris Dewantari Handayani S.H., MPA., No. 115, 116, 117, dan 118 pada tanggal 28 Agustus 2017, PT Bakrie Pipe Industries (BPI) mengadakan perjanjian pinjaman dengan PT Bank Rakyat Indonesia (Persero) Tbk ("BRI") untuk menyediakan fasilitas kredit modal kerja dan fasilitas bank garansi. Fasilitas berlaku sampai dengan tanggal 10 Juni 2018, yang terdiri atas:
  - i. Fasilitas Kredit Modal Kerja Impor atau Penangguhan Jaminan Mata Uang Impor dengan batas maksimum kredit sebesar USD13 juta, dalam bentuk fasilitas *Letter of Credit* ("L/C"), dan Surat Kredit Berdokumen Dalam Negeri (SKBDN) dalam bentuk *Sight/Usance Letter of Credit* maksimum 180 hari;
  - ii. Fasilitas Kredit Modal Kerja *Withdrawal Approval* (W/A) sebesar Rp140 miliar, dalam bentuk tambahan modal kerja untuk proyek-proyek BPI yang membutuhkan bahan baku lokal (tidak termasuk proyek dan *general market*);

1. Based on Notarial Deed No. 115, 116, 117, and 118 of Dewantari Handayani S.H., MPA, dated August 28, 2017, PT Bakrie Pipe Industries (BPI) entered into a loan agreement with PT Bank Rakyat Indonesia (Persero) Tbk ("BRI") to provide working capital credit facility and bank guarantee facility. The facilities were extended until June 10, 2018, consisting of:
  - i. Working Capital Loan Facility Import or Suspension of Guarantees Import Currency with maximum credit limit of USD13 million in the form of *Letter of Credit* ("L/C") facility and Surat Kredit Berdokumen Dalam Negeri (SKBDN) in the form of *Sight/Usance LC* with maximum term of 180 days;
  - ii. *Withdrawal Working Capital Loan Facility Approval* (W/A) amounting to Rp140 billion, in the form of additional working capital facility for local raw materials for BPI's projects (excluding project and *general market*);



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**18. PINJAMAN JANGKA PENDEK (Lanjutan)**

- iii. Fasilitas Bank Garansi sebesar USD16 juta; dan
- iv. Fasilitas *Forex Line* sebesar USD20 juta, dalam bentuk transaksi forex untuk melakukan transaksi jual beli valuta asing dengan penyelesaian valuta dalam periode tertentu (*value today, tomorrow, spot, dan forward*), terkait dengan kegiatan operasional BPI.

Fasilitas tersebut dijamin dengan:

- i. Agunan pokok terdiri dari persediaan barang bahan baku (HRC) dan barang jadi (pipa) milik BPI dan piutang dagang BPI atas proyek yang dibiaya dari fasilitas kredit BRI.
- ii. Agunan tambahan ruang kantor yang berada di Bakrie Tower Lt.7 dengan luas 533,10m<sup>2</sup>, tanah, bangunan dan mesin di Jl. Raya Perjuangan, Medan Satria, Bekasi Barat, Luas 122.745 m<sup>2</sup> dan agunan kredit atas nama PT Bakrie Metal Industries.

Pada tahun 2017, BPI membayar pinjaman tersebut sejumlah Rp173,0 miliar.

- 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 akan jatuh tempo pada tanggal 27 November 2018.

Fasilitas pinjaman ini dijamin dengan piutang usaha dan persediaan milik Bantala, serta 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 31 Desember 2017, saldo pinjaman adalah sebesar Rp79,5 miliar dan USD0.2 juta (setara dengan Rp2,3 miliar).

**c. PT Bank Artha Graha Internasional Tbk**

- 1. Pada tanggal 23 April 2014, BBI memperoleh perpanjangan atas fasilitas pinjaman promes berulang dengan *sublimit* bank garansi dari PT Bank Artha Graha Internasional Tbk (BAG) dengan batas atas kredit sebesar Rp60 miliar dan jatuh tempo pada tanggal 21 April 2015. Pinjaman ini dijamin dengan tanah, bangunan dan fasilitas milik BBI di Kalideres, Jakarta.

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**18. SHORT-TERM LOANS (Continued)**

- iii. Bank Guarantee facility of USD16 million; and
- iv. *Forex Line* facility of USD20 million, in the form of forex transactions to buy and sell foreign currency to the settlement currency within a certain period (*value today, tomorrow, spot and forward*), associated with the operations of BPI.

The facilities were secured by:

- i. Principal collateral consisted of BPI's raw materials (HRC) and finished goods (pipe) inventories and BPI's 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 PT Bakrie Metal Industries

In 2017, BPI paid this loan in the amount of of Rp173.0 billion.

- 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 was due on November 27, 2018.

This loan facility is secured with Bantala's trade receivables and inventories, and 2 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.

As of December 31, 2017, the outstanding balance of these loans amounted to Rp79.5 billion and USD0.2 million (equivalent to Rp2.3 billion).

**c. PT Bank Artha Graha Internasional Tbk**

- 1. On April 23, 2014, BBI obtained an extension on the existing revolving loan facility with sublimit bank guarantee from PT Bank Artha Graha Internasional Tbk (BAG) having maximum amount of Rp60 billion and matured on April 21, 2015. The loan is collateralized by BBI's land, building and facilities located at Kalideres, Jakarta.

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**18. PINJAMAN JANGKA PENDEK (Lanjutan)**

Fasilitas pinjaman promes berulang ini telah diperpanjang beberapa kali, terakhir pada tanggal 27 April 2016 dan akan jatuh tempo pada tanggal 21 Februari 2017. Pada tanggal penyelesaian laporan keuangan konsolidasian, fasilitas pinjaman ini masih dalam proses penyelesaian.

2. Pada bulan April 2017, Bantala memperoleh fasilitas kredit SKBDN dari BAG dengan total pinjaman sebesar Rp7,5 miliar. Fasilitas SKBDN ini digunakan untuk membiayai pembelian barang material Bantala dan jatuh tempo pada bulan Agustus 2017.

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, BAG telah menyetujui untuk memperpanjang jatuh tempo dengan mengubah fasilitas SKBDN menjadi fasilitas kredit lainnya.

Pada tanggal 31 Desember 2017 dan 2016, saldo pinjaman masing-masing adalah sebesar Rp64,1 miliar dan Rp59,6 miliar.

**d. Surat Sanggup (PN) Seri I**

Pada tanggal 9 Februari 2012, Perusahaan bersama-sama dengan beberapa pihak, menandatangani Perjanjian Penerbitan Surat Sanggup Seri I tanpa bunga dengan jumlah nominal sebesar Rp642,2 miliar yang jatuh tempo dalam 45 hari sejak tanggal penerbitan.

Rincian pemberi pinjaman adalah sebagai berikut:

Pemberi pinjaman	Surat Sanggup Seri I / Promissory Notes Series I			Lenders
	2017	2016	Nilai Penerbitan PN/ Nominal PN Issued	
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 Nomor BNBR-PN003-I/2012 senilai Rp32,6 miliar kepada PT Prima Elok Makmur.

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**18. SHORT-TERM LOANS (Continued)**

This revolving loan facility has been extended several times, the latest being on April 27, 2016 and was due on February 21, 2017. As completion date of the consolidated financial statements, the loan facility is in process of settlement.

2. On April 2017, Bantala has obtained SKBDN credit facility from BAG with total loan amounting to Rp7.5 billion. This SKBDN facility was used to finance the purchase of Bantala's raw material inventories and was due on August 2017.

As of completion date of the consolidated financial statements, BAG has agreed to extend the maturity date with changes in the SKBDN facility to become another credit facility.

As of December 31, 2017 and 2016, the outstanding balance of this loan amounted to Rp64.1 billion and Rp59.6 billion, respectively.

**d. Promissory Notes (PN) Series I**

On February 9, 2012, the Company, together with certain parties, signed non-interest bearing Promissory Notes Series I agreement amounting to Rp642.2 billion which is due within 45 days since the date of issuance.

Details of 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.

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**18. PINJAMAN JANGKA PENDEK (Lanjutan)**

Surat Sanggup ini digunakan untuk menyelesaikan Perusahaan Surat Utang Jangka Menengah.

Pada tahun 2016, Perusahaan melakukan penyelesaian saldo terutang kepada beberapa pemegang PN I melalui penerbitan obligasi wajib konversi.

Saldo Surat Sanggup pada tanggal 31 Desember 2017 dan 2016 adalah sebesar Rp39,7 miliar.

**e. PT Bank J Trust Indonesia Tbk**

Pada tanggal 22 April 2013, PT Bakrie Autoparts (BA) memperoleh fasilitas pinjaman dari PT Bank J Trust Indonesia Tbk dalam bentuk fasilitas pinjaman kredit rekening koran dengan batas kredit sebesar Rp5,0 miliar. Fasilitas ini dijamin dengan persediaan, piutang usaha, tanah, bangunan dan mesin-mesin milik BA dan telah jatuh tempo pada tanggal 31 Desember 2014.

Fasilitas kredit ini telah mengalami beberapa kali perpanjangan, terakhir diperpanjang sampai dengan tanggal 28 Maret 2018.

Pada tahun 2017, BA membayar pinjaman tersebut sejumlah Rp36,7 miliar.

Pada tanggal 31 Desember 2017 dan 2016, saldo pinjaman masing-masing sebesar Rp20,6 miliar dan Rp36,7 miliar.

**f. PT Timas Suplindo**

Pada tanggal 8 Maret 2017, PT Bakrie Construction menandatangani perjanjian pinjaman dengan PT Timas Suplindo untuk mendanai konsorsium PT Timas-PT Bakrie Construction untuk *MDA and MBH Fields Development Project* dengan tingkat bunga 2% setiap bulan. Pinjaman ini tanpa jaminan.

Pada tanggal 31 Desember 2017, saldo pinjaman adalah sebesar Rp20,2 miliar.

**g. PT Bank MNC Internasional Tbk**

Rupiah dan Dolar AS

1. Pada tanggal 3 Desember 2009, Perusahaan, BPI, SEAPI, BCons, BMI, BBI, BA dan PT Multi Kontrol Nusantara (MKN) ("Kelompok Usaha") mengadakan perjanjian fasilitas pinjaman dengan PT Bank MNC Internasional Tbk (Bank MNC) untuk kebutuhan modal kerja Kelompok Usaha dengan nilai maksimum sebesar Rp200,0 miliar atau USD20,0 juta. Fasilitas ini terdiri dari:

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**18. SHORT-TERM LOANS (Continued)**

*These Promissory Notes were issued to settle the Company's Medium Term Notes.*

*In 2016, the Company has settled outstanding balance from several PN I holders through issuance of mandatory convertible bond.*

*Outstanding balance of these Promissory Notes as of December 31, 2017 and 2016 amounted to Rp39.7 million.*

**e. PT Bank J Trust Indonesia Tbk**

*On April 22, 2013, PT Bakrie Autoparts (BA) obtained loan facility from PT Bank J Trust Indonesia Tbk in the form of bank overdraft facility with a credit limit of Rp5.0 billion. This facility was secured with BA's inventories, trade receivables, land, building and machinery and was due on December 31, 2014.*

*The credit facility has been extended several times, the latest being until March 28, 2018.*

*In 2017, BA paid this loan in the amount of Rp36.7 billion.*

*The outstanding balance of loan as of December 31, 2017 and 2016 amounted to Rp20.6 billion and Rp36.7 billion, respectively.*

**f. PT Timas Suplindo**

*On March 8, 2017, PT Bakrie Construction 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 at interest rate of 2% per month. This loan facility has no collateral.*

*The outstanding balance of loan as of December 31, 2017 amounted to Rp20.2 billion.*

**g. PT Bank MNC Internasional Tbk**

Rupiah and US Dollar

1. On December 3, 2009, the Company, BPI, SEAPI, BCons, BMI, BBI, BA and PT Multi Kontrol Nusantara (MKN) ("the Group") entered into a loan facility agreement with PT Bank MNC Internasional Tbk (MNC Bank) for its working capital requirements with a maximum amount of Rp200.0 billion or USD20.0 million. This facility consisted of:

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**18. PINJAMAN JANGKA PENDEK (Lanjutan)**

- i. Pinjaman tetap yang digunakan oleh Kelompok Usaha untuk membiayai modal kerja atau untuk membayar *Sight Letter of Credit* yang akan jatuh tempo. Tingkat suku bunga untuk pinjaman dalam mata uang Rupiah adalah 1% di atas bunga deposito Rupiah yang dijamin dan 1,25% di atas bunga deposito USD untuk pinjaman mata uang USD. *Sight Letter of Credit* dan/atau *Usance Letter of Credit* akan digunakan oleh Kelompok Usaha untuk membiayai modal kerja.
- ii. *Bank guarantee* yang akan digunakan oleh Kelompok Usaha untuk menjamin pembayaran kepada pihak ketiga baik dalam bentuk *tender/bid bond*, *performance bond*, *advance payment bond*, *retention bond*, dan lainnya.
- iii. *Contra guarantee* dan/atau *Standby Letter of Credit* yang akan digunakan oleh Kelompok Usaha untuk menjamin pembayaran kepada pihak ketiga, baik bank maupun bukan bank, dalam bentuk *tender/bid bond*, *performance bond*, *advance payment bond*, *retention bond*, dan lainnya.

Pada tanggal 3 Desember 2012, Kelompok Usaha menandatangani perjanjian perubahan terhadap perjanjian kredit dimana nilai batas kredit diubah menjadi sebesar Rp136,4 miliar.

Fasilitas pinjaman ini telah mengalami beberapa kali perubahan, terakhir dengan perjanjian tanggal 16 Februari 2017, dimana perjanjian ini efektif diperpanjang sampai dengan tanggal 27 November 2017.

Pada tahun 2017, Perusahaan, BPI, SEAPI, BMI, BBI dan BA telah membayar penuh saldo pinjaman sebesar Rp66,5 miliar dan USD2,1 juta (setara dengan Rp28,1 miliar)

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian ini, sisa saldo fasilitas pinjaman ini masih dalam proses penyelesaian.

2. Pada tanggal 5 Februari 2013, Perusahaan, BA dan MKN mendapat penambahan fasilitas pinjaman masing-masing senilai Rp33,2 miliar, Rp29,1 miliar dan Rp12,4 miliar dari Bank MNC, Pinjaman tersebut merupakan bagian dari fasilitas Bank MNC untuk Kelompok Usaha dengan nilai maksimum sebesar Rp50,0 miliar dan USD15,0 juta (setara dengan Rp230,0 miliar).

Saldo pinjaman dalam Rupiah pada tanggal 31 Desember 2017 dan 2016, masing-masing sebesar nihil dan Rp66,5 miliar. Saldo pinjaman dalam USD pada tanggal 31 Desember 2017 dan 2016 sebesar USD4,5 juta dan USD6,6 juta (masing-masing setara dengan Rp60,8 miliar dan Rp89,0 miliar).

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**18. SHORT-TERM LOANS (Continued)**

- i. Fixed loan that will be used by the Group to finance its working capital or to pay maturing *Sight Letter of Credit*. The interest rate for Rupiah facility is 1% above the secured Rupiah time deposit rate and 1.25% above the secured USD time deposit rate for USD facility. *Sight Letter of Credit* 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.

This loan facility has been amended several times, the latest being on February 16, 2017, wherein the agreement was extended and was due on November 27, 2017.

In 2017, the Company, BPI, SEAPI, BMI, BBI and BA has fully paid the outstanding loan balance amounting to Rp66.5 billion and USD2.1 million (equivalent to Rp28.1 billion).

As of completion date of the consolidated financial statements, the remaining balance of this loan facility is in the process of settlement.

2. On February 5, 2013, the Company, BA and MKN received additional loan facility from Bank MNC amounting to Rp33.2 billion, Rp29.1 billion and Rp12.4 billion, respectively. This facility is a part of Bank MNC facility to the Group with a maximum amount of Rp50.0 billion and USD15.0 million (equivalent to Rp230.0 billion).

The outstanding balance in Rupiah as of December 31, 2017 and 2016 amounted to nil and Rp66.5 billion, respectively. The outstanding balance in USD as of December 31, 2017 and 2016 amounted to USD4.5 million and USD6.6 million, respectively (equivalent to Rp60.8 billion and Rp89.0 billion, respectively).



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**18. PINJAMAN JANGKA PENDEK (Lanjutan)**

**h. Daley Capital Limited**

Pada tanggal 20 Juli 2016, Perusahaan memperoleh fasilitas pinjaman dari Daley Capital Limited (Daley) sebesar USD3,0 juta. Pinjaman ini digunakan sebagai tambahan modal kerja Perusahaan dan jatuh tempo pada tanggal 20 Juli 2017. Fasilitas pinjaman ini tanpa jaminan. Pada tanggal 24 Maret 2017, fasilitas pinjaman ini telah diamendemen menjadi fasilitas tanpa bunga dan akan diselesaikan dengan cara konversi pinjaman menjadi saham Perusahaan. Pada tanggal yang sama, Perusahaan dan Daley telah menandatangani perjanjian penyelesaian bahwa pinjaman akan dikonversi menjadi saham Perusahaan senilai Rp39,9 miliar dengan harga saham Rp50,0 per lembar saham.

Pada tanggal 15 Maret 2017, Perusahaan menandatangani fasilitas pinjaman baru senilai USD4,5 juta yang digunakan untuk penyelesaian fasilitas pinjaman kepada Credit Suisse. Fasilitas ini akan diselesaikan melalui konversi pinjaman menjadi saham Perusahaan dengan harga saham Rp50,0 per lembar saham.

Pada tanggal 15 Maret 2017, Perusahaan memperoleh fasilitas pinjaman tambahan dari Daley senilai USD0,8 juta yang digunakan untuk penyelesaian pinjaman kepada Credit Suisse. Fasilitas ini akan jatuh tempo dalam satu tahun.

Pada tanggal 12 Juli 2017, Perusahaan telah mendapatkan persetujuan dari Rapat Umum Pemegang Saham Luar Biasa untuk menerbitkan Obligasi Wajib Konversi sebesar USD7,5 juta (setara dengan Rp99,7 miliar) kepada Daley dalam rangka konversi pinjaman menjadi saham Perusahaan seri D (Catatan 27).

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 akan jatuh tempo di dalam satu tahun. Fasilitas tersebut USD6,7 juta akan dibayar dengan saham dan sisanya akan dibayar tunai.

Saldo pinjaman pada tanggal 31 Desember 2017 dan 2016 masing-masing sebesar USD8,7 juta (setara dengan Rp118,2 miliar) dan USD3,0 juta (setara dengan Rp40,3 miliar).

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**18. SHORT-TERM LOANS (Continued)**

**h. Daley Capital Limited**

On July 20, 2016, the Company obtained a loan facility from Daley Capital Limited (Daley) amounting to USD3.0 million. This loan was used as additional working capital of the Company and was due on July 20, 2017. This loan facility has no collateral. On March 24, 2017, the loan has been amended to a non-interest bearing loan and will be settled through issuance of the Company's shares. On the same date, the Company and Daley signed the settlement agreement that the loan will be converted into the Company's shares amounting to Rp39.9 billion with share price of Rp50.0 per share.

On March 15, 2017, the Company signed a new loan facility amounting to USD4.5 million that was used for the repayment of loan to Credit Suisse. The facility will be settled through conversion of the loan into Company's shares at Rp50.0 per share.

On March 15, 2017, the Company obtained an additional loan facility from Daley amounting to USD0.8 million that will be used for the repayment of loan to Credit Suisse. The facility will be due in one year.

On July 12, 2017, the Company has received approval from Extra Ordinary Shareholders General Meeting in order to issue Mandatory Convertible Bonds amounting to USD7.5 million (equivalent to Rp99.7 billion) to Daley for the conversion of loan to Company's share series D (Note 27).

On December 15, 2017, the Company obtained an additional loan facility from Daley amounting to USD7.9 million that will be 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.

Outstanding balance of the loan as of December 31, 2017 and 2016 amounted to USD8.7 million (equivalent to Rp118.2 billion) and USD3.0 million (equivalent to Rp40.3 billion), respectively.

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**18. PINJAMAN JANGKA PENDEK (Lanjutan)**

**i. Winn Metals Corporation**

Pada tanggal 21 Maret 2016, PT Bakrie Construction (BCons) memperoleh fasilitas pinjaman dari Winn Metals dengan nilai maksimum USD2,0 juta. Pinjaman tersebut akan digunakan oleh BCons untuk membiayai kewajiban pelaksanaan pekerjaan dalam proses berdasarkan kontrak konstruksi dengan Husky CNOOC Madura Limited. Fasilitas pinjaman ini tanpa jaminan kecuali pembayaran setelah penerimaan atas tagihan penyelesaian.

Pada tahun 2017, BCons membayar pinjaman tersebut sejumlah USD3,5 juta (setara dengan Rp46,8 miliar).

Saldo pinjaman pada tanggal 31 Desember 2017 dan 2016 adalah masing-masing sebesar USD2,5 juta (setara dengan Rp33,5 miliar) dan USD1,6 juta (setara dengan Rp21,1 miliar).

**j. Fountain City Investment Ltd**

Pada bulan Agustus 2017, Perusahaan mendapatkan fasilitas pinjaman baru dari Fountain City Investment Ltd yang akan jatuh tempo di dalam satu tahun. Fasilitas ini tidak dijamin.

Saldo pinjaman pada tanggal 31 Desember 2017 dan 2016 adalah masing-masing sebesar USD2,3 juta (setara dengan Rp30,5 miliar) dan nihil.

**k. Credit Suisse AG, Cabang Singapura**

Pada tanggal 23 Maret 2014, Perusahaan telah menandatangani perjanjian kredit untuk memperoleh fasilitas pinjaman senilai USD86,8 juta dari Credit Suisse dan institusi keuangan lainnya (*Term Loan Facility*). Fasilitas ini jatuh tempo dalam waktu delapan (8) bulan dan dijamin dengan saham beberapa entitas anak.

Pada tanggal 6 Maret 2017, Perusahaan dan Credit Suisse AG, Cabang Singapura sepakat untuk merubah syarat dan ketentuan fasilitas kredit tanggal 23 Maret 2014 menjadi fasilitas baru senilai USD92,1 juta. Fasilitas ini akan diselesaikan dengan cara pembayaran tunai sebesar USD21,7 juta dan sisanya sebesar USD70,4 juta akan diselesaikan dengan cara konversi pinjaman menjadi saham Perusahaan dengan nilai nominal Rp50,0 per lembar. Pada tanggal 31 Desember 2017, Perusahaan telah melunasi fasilitas tersebut termasuk menerbitkan OWK sebesar USD70,4 juta (setara dengan Rp937,9 miliar) dalam rangka konversi pinjaman menjadi saham Perusahaan seri D (Catatan 26).

Saldo pinjaman pada tanggal 31 Desember 2017 dan 2016 masing-masing sebesar nihil dan USD87,0 juta (setara dengan Rp1,2 triliun).

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**18. SHORT-TERM LOANS (Continued)**

**i. Winn Metals Corporation**

On March 21, 2016, PT Bakrie Construction (BCons) obtained loan facility from Winn Metals with a maximum amount of USD2.0 million. The loan will be used by BCons to fund the performance of work progress obligation under its construction contract with Husky CNOOC Madura Limited. This loan facility has no collateral except for repayment upon collection of progress billing.

In 2017, BCons paid this loan in the amount of USD3.5 million (equivalent to Rp46.8 billion).

Outstanding balance of the loan as of December 31, 2017 and 2016 amounted to USD2.5 million (equivalent to Rp33.5 billion) and USD1.6 million (equivalent to Rp21.1 billion), respectively.

**j. Fountain City Investment Ltd**

In August 2017, the Company obtained new loan facility from Fountain City Investment Ltd that will mature within one year.

Outstanding balance as of December 31, 2017 and 2016 amounted to USD2.3 million (equivalent to Rp30.5 billion) and nil, respectively.

**k. Credit Suisse AG, Singapore Branch**

On March 23, 2014, the Company signed a credit agreement to obtain a loan facility from Credit Suisse and other financial institution (*Term Loan Facility*) amounting to USD86.8 million. This facility is due within eight (8) months and secured with the pledge shares of subsidiaries.

On March 6, 2017, the Company and Credit Suisse AG, Singapore agreed to amend the term and condition of loan facility that have been signed on March 23, 2014 to be new facility amounting to USD92.1 million. This facility will be settled by cash repayment amounting to USD21.7 million and remaining balance amounted to USD70.4 million convert to Company's shares at nominal amounts of Rp50.0 per shares. As of December 31, 2017, the Company has settled the loan facility including the issuance of MCB amounting to USD70.4 million (equivalent to Rp937.9 billion) for the conversion of loan into series D shares of the Company (Note 26).

Outstanding balance of the loan as of December 31, 2017 and 2016 amounted to nil and USD87.0 million (equivalent to Rp1.2 trillion), respectively.

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**18. PINJAMAN JANGKA PENDEK (Lanjutan)**

**I. PT Recapital Aset Indonesia (dahulu PT Recapital Securities)**

Pada tanggal 17 Juni 2013, Perusahaan memperoleh fasilitas repo dari Recapital sebesar Rp35,0 miliar. Pada tahun 2013, Perusahaan menilai kembali fasilitas ini sebesar harga pembelian dalam perjanjian kembali sebesar Rp36,9 miliar. Fasilitas ini telah jatuh tempo pada 30 November 2013 dan dijamin dengan 322,8 juta saham UNSP (Catatan 6) dan telah diperpanjang sampai dengan tanggal 3 September 2014.

Pada tanggal 3 September 2014, Perusahaan telah melakukan pembayaran sebagian fasilitas repo kepada Recapital sebesar Rp9,9 miliar.

Fasilitas pinjaman ini dengan nilai sisa sebesar Rp27,0 miliar telah diperpanjang beberapa kali, perpanjangan terakhir sampai dengan tanggal 5 Maret 2018.

Pada tanggal 31 Desember 2017 dan 2016, saldo fasilitas ini sebesar Rp27 miliar.

Manajemen berkeyakinan bahwa seluruh pinjaman jangka pendek Kelompok Usaha telah memenuhi persyaratan dan kondisi sebagaimana diatur dalam perjanjian pinjaman.

**19. UTANG USAHA**

	2017	2016
Pihak ketiga		
PT Bumi Kaya Steel	51.586	51.160
Samsung C&T Corporation	34.832	-
PT Fedsin Rekayasa Pratama	27.343	-
SK Network Co Ltd	22.194	-
Ural Chrysotile, JSC	19.235	-
PT Bhakti Buana Makmur	19.088	11.758
PT Intisumber Bajasakti	14.475	2.508
PT Subur Buana Raya	14.194	19.284
PT Sentra Karya Mandiri	12.903	-
PT Semen Indonesia Logistik	12.331	-
PT BMP Mandiri Sejahtera	10.672	16.242
Worldwide Cargo Logistics Solution	8.706	16.762
PT Steel Pipe Indonesia	8.682	46.916
PT Indal Steel Pipe	5.228	48.831
Lain-lain (dibawah Rp10 miliar)	279.971	365.285
Subtotal	541.440	578.746
Pihak berelasi (Catatan 37e)	2.276	16.549
<b>Total</b>	<b>543.716</b>	<b>595.295</b>

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**18. SHORT-TERM LOANS (Continued)**

**I. PT Recapital Aset Indonesia (formerly known as PT Recapital Securities)**

On June 17, 2013, the Company obtained repo facility from Recapital amounting to Rp35.0 billion. In 2013, the Company revalued the facility using the repurchase price in the agreement amounting to Rp36.9 billion. This facility matured on November 30, 2013 and is secured by 322.8 million UNSP shares (Note 6) and has been extended until September 3, 2014.

On September 3, 2014, the Company has partially settled the repo facility to Recapital amounting to Rp9.9 billion.

This loan facility with remaining balance amounting to Rp27.0 billion has been extended several times, the latest being until March 5, 2018.

As of December 31, 2017 and 2016, the outstanding balance of this facility amounted to Rp27 billion.

The management believed that all short-term loans of the Group has complied with the terms and conditions stipulated in the agreements.

**19. TRADE PAYABLES**

	Third parties
	PT Bumi Kaya Steel
	Samsung C&T Corporation
	PT Fedsin Rekayasa Pratama
	SK Network Co Ltd
	Ural Chrysotile, JSC
	PT Bhakti Buana Makmur
	PT Intisumber Bajasakti
	PT Subur Buana Raya
	PT Sentra Karya Mandiri
	PT Semen Indonesia Logistik
	PT BMP Mandiri Sejahtera
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	PT Steel Pipe Indonesia
	PT Indal Steel Pipe
	Others (below Rp10 billion)
	Subtotal
	Related parties (Note 37e)
	<b>Total</b>

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**19. UTANG USAHA**

Rincian umur utang usaha adalah sebagai berikut:

	2017	2016	
Sampai dengan 1 bulan	132.250	170.444	Up to 1 month
1 bulan - 3 bulan	70.921	120.812	1 month - 3 months
3 bulan - 6 bulan	84.022	67.398	3 months - 6 months
6 bulan - 1 tahun	135.527	25.794	6 months - 1 year
Lebih dari 1 tahun	120.996	210.847	over 1 year
<b>Total</b>	<b>543.716</b>	<b>595.295</b>	<b>Total</b>

Rincian utang usaha berdasarkan mata uang adalah sebagai berikut:

*Details of aging schedule of trade payables were as follows:*

*Details of trade payable based on currencies were as follows:*

Mata uang	2017	2016	Currencies
Rupiah	364.076	396.244	Rupiah
Dolar AS	179.535	198.875	US Dollar
Dolar Singapura	96	124	Singapore Dollar
Euro	9	8	Euro
Dolar Australia	-	44	Australian Dollar
<b>Total</b>	<b>543.716</b>	<b>595.295</b>	<b>Total</b>

**20. UTANG LAIN-LAIN**

	2017	2016	
Pihak ketiga	213.155	143.491	Third parties
Pihak berelasi (Catatan 37f)			Related parties (Note 37f)
Dana Pensiun Bakrie	18.739	38.913	Dana Pensiun Bakrie
Lain-lain (dibawah Rp1 miliar)	2.729	1.376	Others (below Rp1 billion)
Subtotal	21.468	40.289	Subtotal
<b>Total</b>	<b>234.623</b>	<b>183.780</b>	<b>Total</b>

**21. BEBAN MASIH HARUS DIBAYAR****20. OTHER PAYABLES****21. ACCRUED EXPENSES**

	2017	2016	
Bunga	704.220	743.825	Interest
Denda	678.629	375.117	Penalty
Gaji, upah dan tunjangan	51.888	18.674	Salaries, wages and allowances
Jasa profesional	3.262	3.787	Professional fees
Listrik, air dan telepon	2.900	2.446	Electricity, water and telephone
Proyek	1.363	282	Projects
Lain-lain (dibawah Rp1 miliar)	42.081	49.821	Others (below Rp1 billion)
<b>Total</b>	<b>1.484.343</b>	<b>1.193.952</b>	<b>Total</b>



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**22. UANG MUKA PELANGGAN**

Pada tanggal 31 Desember 2017 dan 2016, uang muka pelanggan masing-masing sebesar Rp128,9 miliar dan Rp44,2 miliar, semua dari pihak ketiga.

**22. CUSTOMER DEPOSITS**

As of December 31, 2017 and 2016, customer deposits amounting to Rp128.9 billion and Rp44.2 billion, respectively, were all from third parties.

**23. PINJAMAN JANGKA PANJANG**

**23. LONG-TERM LOANS**

	2017	2016	
<b>Rupiah</b>			<b>Rupiah</b>
PT Bank Negara Indonesia Syariah, Indonesia	45.796	37.959	PT Bank Negara Indonesia Syariah, Indonesia
PT Bank Rakyat Indonesia Syariah, Indonesia	42.753	46.032	PT Bank Rakyat Indonesia Syariah, Indonesia
PT Bank Muamalat Tbk, Indonesia	32.188	37.044	PT Bank Muamalat Tbk, Indonesia
PT Bank Rakyat Indonesia, Indonesia	28.774	24.030	PT Bank Rakyat Indonesia, Indonesia
PT Bank Bukopin Tbk, Indonesia	30.022	53.934	PT Bank Bukopin Tbk, Indonesia
PT Bank J Trust Indonesia, Indonesia	20.468	10.232	PT Bank J Trust Indonesia, Indonesia
PT Timur Properti Investindo, Indonesia	19.238	-	PT Timur Properti Investindo, Indonesia
PT Bank Artha Graha Internasional Tbk, Indonesia	13.452	21.524	PT Bank Artha Graha Internasional Tbk, Indonesia
Subtotal	232.691	230.755	Subtotal
<b>Mata uang asing (USD)</b>			<b>Foreign currency (USD)</b>
Mitsubishi Corporation, Jepang	1.950.679	1.974.861	Mitsubishi Corporation, Japan
Eurofa Capital Investment Inc, Singapura	1.395.444	1.383.908	Eurofa Capital Investment Inc, Singapore
Subtotal	3.346.123	3.358.769	Subtotal
Total	3.578.814	3.589.524	Total
Dikurangi:			Less:
Bagian jangka pendek	(3.441.447)	(3.438.208)	Current portion
<b>Bagian Jangka Panjang pada Biaya Perolehan Diamortisasi</b>	<b>137.367</b>	<b>151.316</b>	<b>Long-Term Portion at Amortized Cost</b>

Pinjaman jangka panjang dikenakan bunga per tahun sebagai berikut:

Long-term loans bear annual interest rates as follows:

	2017 dan/and 2016	
Rupiah	12 % - 15 %	Rupiah
Dolar AS	2,5 % - 7%	US Dollar

**a. PT Bank Negara Indonesia Syariah**

1. Pada tanggal 19 Desember 2014, PT Braja Mukti Cakra (BMC) memperoleh Fasilitas Murabahah dari PT Bank BNI Syariah dengan jumlah plafon maksimum sebesar Rp50,0 miliar. Fasilitas ini akan jatuh tempo dalam waktu enam puluh (60) bulan. Fasilitas ini digunakan untuk take over pinjaman atas investasi mesin dan peralatan dari Bank J Trust Indonesia Tbk, take over pinjaman atas modal kerja dari Bank J Trust Indonesia Tbk, dan untuk investasi pembelian mesin dan modal kerja.

**a. PT Bank Negara Indonesia Syariah**

1. On December 19, 2014, PT Braja Mukti Cakra (BMC) obtained Murabahah Facility from PT Bank BNI Syariah with ceiling of amounting to Rp50.0 billion. This facility will mature in sixty (60) months. This facility was used to take over machinery and equipment investment loan from Bank J Trust Indonesia Tbk, take over working capital loan from Bank J Trust Indonesia Tbk, and as investment for machinery purchasing and working capital.

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**23. PINJAMAN JANGKA PANJANG (Lanjutan)**

Pada tahun 2017, BMC memperoleh beberapa Fasilitas Murabahah dengan total jumlah sebesar Rp6,34 miliar dengan total margin Rp1,63 miliar. Fasilitas ini akan jatuh tempo dalam waktu enam puluh (60) bulan. Fasilitas ini digunakan untuk membeli mesin produksi.

Fasilitas ini dijamin dengan:

- Segala harta yang bergerak maupun tidak bergerak;
- sebidang tanah, 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;
- rangkaian mesin dan perlengkapan yang diikat dengan kewajiban fidusia senilai Rp60,8 miliar; dan
- obyek pembiayaan berupa persediaan yang akan dibiayai oleh Bank dengan kewajiban fidusia dengan total minimal senilai Rp10 miliar.

- Pada tanggal 29 Februari 2016, PT Bina Usaha Mandiri Mizusawa (BUMM) memperoleh Fasilitas Musyarakah dari PT Bank BNI Syariah dengan jumlah plafon sebesar Rp5,0 miliar. Fasilitas ini akan jatuh tempo dalam 36 bulan. Fasilitas ini digunakan untuk modal kerja pembelian bahan baku.

Fasilitas ini dijamin dengan:

- 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, Provinsi Banten;
- rangkaian mesin dan perlengkapan yang diikat dengan kewajiban fidusia senilai Rp9,0 miliar; dan
- obyek pembiayaan berupa persediaan yang akan dibiayai oleh Bank dengan kewajiban fidusia dengan total minimal senilai Rp5 miliar.

Pada tahun 2017, BMC dan BUMM telah membayar fasilitas tersebut sejumlah Rp10,0 miliar.

Saldo fasilitas ini pada tanggal 31 Desember 2017 dan 2016, adalah masing-masing sebesar Rp45,8 miliar dan Rp38,0 miliar.

**b. PT Bank Rakyat Indonesia Syariah**

Pada tanggal 5 Desember 2012, PT Bakrie Autoparts (BA) memperoleh fasilitas dari PT Bank Rakyat Indonesia Syariah (BRI Syariah) dalam bentuk:

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**23. LONG-TERM LOANS (Continued)**

In 2017, the BMC obtained various Murabahah Facility with a total amount of Rp6.34 billion and total margin of Rp1.63 billion. These facilities will mature in sixty (60) months. These facilities were used to purchase production machinery.

These facilities were secured by:

- All of movable property and non-movable property;
- land, SHGB No. 3219 and No. 4080 on behalf of BMC that located in Jl. Harapan Kita No. 4, Kelurahan Harapan Jaya, Kecamatan Bekasi Utara, Kota Bekasi, Provinsi Jawa Barat;
- 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 Rp10 billion.

- On February 29, 2016, PT Bina Usaha Mandiri Mizusawa (BUMM) obtained Musyarakah Facility from PT Bank BNI Syariah with ceiling amounting to Rp5.0 billion. This facility will mature in 36 months. This facility was used to working capital purchase raw material.

This facility is secured by:

- All of movable property and non-movable 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 billion.

In 2017, BMC and BUMM paid these facilities in the amount of Rp10.0 billion.

Outstanding balance of these facilities as of December 31, 2017 and 2016, amounted to Rp45.8 billion and Rp38.0 billion, respectively.

**b. PT Bank Rakyat Indonesia Syariah**

On December 5, 2012, PT Bakrie Autoparts (BA) obtained facilities from PT Bank Rakyat Indonesia Syariah (BRI Syariah) in the form of:

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**23. PINJAMAN JANGKA PANJANG (Lanjutan)**

1. Fasilitas Murabahah dengan plafon sebesar Rp80,0 miliar dan jatuh tempo pada tanggal 5 Desember 2017.
2. Fasilitas Musyarakah dengan plafon sebesar Rp12,0 miliar dan telah jatuh tempo pada tanggal 5 Desember 2013. Perjanjian ini telah diperpanjang untuk jangka waktu 18 bulan terhitung sejak bulan Desember 2013.

Fasilitas Murabahah digunakan untuk pembelian pabrik PT Korindo Casting yang terletak di Jl. Raya Serang KM 31, Kel. Gombong, Kec. Balaraja, Kab. Tangerang, Banten, dan fasilitas Musyarakah digunakan untuk kebutuhan modal kerja operasional pabrik Casting.

Fasilitas ini dijamin dengan tanah BA seluas 77.660m<sup>2</sup> dan bangunan seluas 15.734m<sup>2</sup> yang berlokasi di Jl. Raya Serang KM 31, Tangerang, Banten.

Pada tahun 2017, BA telah membayar fasilitas tersebut sejumlah Rp3,3 miliar.

Saldo fasilitas ini pada tanggal 31 Desember 2016 dan 2015 masing-masing adalah sebesar Rp42,8 miliar dan Rp46,0 miliar.

**c. PT Bank Muamalat Indonesia Tbk**

Pada tanggal 6 Maret 2013, PT Braja Mukti Cakra (BMC), memperoleh fasilitas dari PT Bank Muamalat Indonesia Tbk dalam bentuk Fasilitas Murabahah dengan jumlah maksimum sebesar Rp14,0 miliar yang akan jatuh tempo dalam waktu 48 bulan. Fasilitas ini digunakan untuk pembelian tanah dan bangunan pabrik.

Pada tahun 2014, BMC memperoleh tambahan fasilitas Murabahah dengan jumlah total sebesar Rp38,2 miliar dengan margin Muqosah sebesar Rp15,0 miliar. Fasilitas ini akan jatuh tempo dalam waktu 60 bulan. Fasilitas ini digunakan untuk membeli mesin produksi dan mesin tersebut juga dengan sebagai jaminan.

Pada tahun 2015, BMC, memperoleh beberapa Fasilitas Murabahah dengan jumlah total sebesar Rp29,5 miliar dan total margin Rp13,3 miliar. Fasilitas ini akan jatuh tempo dalam waktu 60 bulan.

Berdasarkan perjanjian, BMC tidak diperkenankan melakukan kegiatan-kegiatan berikut tanpa persetujuan tertulis terlebih dahulu dari bank, antara lain:

- a. Menyatakan kebangkrutan atau mengajukan surat permohonan pailit ke Pengadilan.
- b. Mendapatkan fasilitas kredit dari bank atau lembaga keuangan lainnya.

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**23. LONG-TERM LOANS (Continued)**

1. Murabahah Facility with a ceiling of Rp80.0 billion and matured on December 5, 2017.
2. Musyarakah Facility with a ceiling of Rp12.0 billion and matured on December 5, 2013. This facility has been extended for 18 months since December 2013.

*The Murabahah facility was used to buy the factory of PT Korindo Casting which is located in Jl. Raya Serang KM 31, Kel. Gombong, Kec. Balaraja, Kab. Tangerang, Banten, and the Musyarakah facility was used for working capital of the Casting plant operations.*

*These facilities are secured by BA's land of 77,660m<sup>2</sup> and building of 15,734m<sup>2</sup> located in Jl. Raya Serang KM 31, Tangerang, Banten.*

*In 2017, BA paid these facilities in the amount of Rp3.3 billion.*

*Outstanding balance of these facilities as of December 31, 2017 and 2016 amounted to Rp42.8 billion and Rp46.0 billion, respectively.*

**c. PT Bank Muamalat Indonesia Tbk**

*On March 6, 2013, PT Braja Mukti Cakra (BMC), obtained facility from PT Bank Muamalat Indonesia Tbk in the form of Murabahah Facility with a maximum amount of Rp14.0 billion and will mature in 48 months. This facility was used to purchase land and factory building.*

*In 2014, BMC obtained additional Murabahah facility with total amount of Rp38.2 billion with a margin of Muqosah amounting to Rp15.0 billion. This facility will mature in 60 months. These facilities were used to purchase production machines and the machines are used as collateral.*

*In 2015, BMC, obtained various Murabahah Facility with a total amount of Rp29.5 billion and total margin of Rp13.3 billion. These facilities will mature in 60 months.*

*Based on the agreement, BMC shall not perform transactions to carryout the following activities without the prior written approval from the bank, among others:*

- a. *Declare bankruptcy or submit letter of bankruptcy petition to the Courts.*
- b. *Obtain credit facility from a bank or other financial institution.*

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- c. Mengubah komposisi pemegang saham, dewan komisaris dan direksi.
- d. Menjual aset jaminan kepada pihak lain.

Pada tanggal 14 Maret 2017, BMC melakukan pembiayaan kembali atas Fasilitas Murabahah dengan jumlah keseluruhan sebesar Rp33,33 miliar. Fasilitas ini akan jatuh tempo dalam waktu 64 bulan.

Pada tahun 2017, BMC telah membayar fasilitas tersebut sejumlah Rp4,9 miliar.

Saldo fasilitas ini pada tanggal 31 Desember 2017 dan 2016 masing-masing sebesar Rp32,2 miliar dan Rp37,0 miliar.

**d. PT Bank Rakyat Indonesia (Persero) Tbk**

Pada tanggal 29 November 2016, PT Bakrie Metal Industries (BMI) mengubah fasilitas kredit yang ada menjadi sebesar Rp8,0 miliar, untuk fasilitas Rekening Koran (KMK R/K), "Construction Withdrawal Approval" (KMK Konstruksi W/A), Rp23,0 miliar untuk Surat Kredit Berdokumen Dalam Negeri (KMK/PJ SKBDN) dan fasilitas bank garansi dengan batas pinjaman maksimum sebesar Rp3,0 miliar.

Fasilitas pinjaman ini dijamin dengan piutang usaha, persediaan, tanah dan bangunan, mesin-mesin dan peralatan dan deposito milik BMI. Fasilitas pinjaman ini tersedia untuk BMI dari tanggal 14 November 2016 sampai dengan tanggal 14 November 2018.

Pada tahun 2017, BMI telah membayar fasilitas tersebut sejumlah Rp4,0 miliar.

Saldo pinjaman ini pada tanggal 31 Desember 2017 dan 2016 masing-masing sebesar Rp28,8 miliar dan Rp24,0 miliar.

**e. PT Bank Bukopin Tbk**

1. Pada tanggal 26 April 2013, Perusahaan dan PT Bakrie Building Industries (BBI) menandatangani Perjanjian Fasilitas Kredit Investasi dengan PT Bank Bukopin Tbk ("Bukopin") dengan batas kredit masing-masing sebesar Rp20,0 miliar dan Rp22,0 miliar dan jatuh tempo dalam waktu 5 tahun. Fasilitas ini digunakan untuk pembelian 2 unit bangunan kantor.

Pada tanggal 10 September 2015, Perusahaan memperoleh fasilitas pinjaman cicilan, dengan fasilitas kredit maksimum sebesar Rp25,0 miliar dan akan jatuh tempo pada tanggal 29 September 2020.

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**23. LONG-TERM LOANS (Continued)**

- c. Change the composition of shareholders, boards of commissioners and directors.
- d. Sell the collateral assets to another party.

On March 14, 2017, the BMC refinanced the Murabahah Facility with a total amount of Rp33.33 billion. This facility will mature in 64 months.

In 2017, BMC paid these facilities in the amount of Rp4.9 billion.

Outstanding balance as of December 31, 2017 and 2016 amounted to Rp32.2 billion and Rp37.0 billion, respectively.

**d. PT Bank Rakyat Indonesia (Persero) Tbk**

On November 29, 2016, PT Bakrie Metal Industries (BMI) amended the existing loan agreement with changes pertaining to increase in the credit facility to become Rp8.0 billion, for the Bank Account, "Construction Withdrawal Approval", Rp23.0 billion for the Local Letter of Credit Facility, and bank guarantee facility with a maximum credit limit amounting to Rp3.0 billion.

This loan facility was secured with BMI's trade receivables, inventories, land and building, machinery and equipment and time deposit. This loan facility is available to BMI from November 14, 2016 until November 14, 2018.

In 2017, BMI paid these facilities in the amount of Rp4.0 billion.

Outstanding balance as of December 31, 2017 and 2016 amounted to Rp28.8 billion and Rp24.0 billion, respectively.

**e. PT Bank Bukopin Tbk**

1. On April 26, 2013, the Company and PT Bakrie Building Industries (BBI) entered into a Facility Credit Investment Agreement with PT Bank Bukopin Tbk ("Bukopin") with a credit limit of Rp20.0 billion and Rp22.0 billion, respectively, and will mature in 5 years. This facility was used to acquire 2 units of office building.

On September 10, 2015, the Company obtained an installment loan facility, with maximum credit facility amounting to Rp25.0 billion and will mature on September 29, 2020.



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**23. PINJAMAN JANGKA PANJANG (Lanjutan)**

Fasilitas ini dijamin dengan 2 unit bangunan kantor yang berlokasi di Gedung Bakrie Tower lantai 34 nomor BT.34-A dan lantai 36 nomor BT.36-A di Jalan Taman Rasuna Said, Jakarta Selatan.

2. Pada tanggal 26 Juli 2013 dan 12 September 2013, PT Bakrie Autoparts (BA) dan PT Bina Usaha Mandiri Mizusawa (BUMM) menandatangani Perjanjian Fasilitas Kredit Investasi dengan Bukopin masing-masing sebesar Rp25,0 miliar yang jatuh tempo dalam waktu 5 tahun. Fasilitas ini digunakan untuk pembelian 2 unit bangunan kantor.

Fasilitas ini dijamin dengan 2 unit bangunan kantor di Gedung Bakrie Tower lantai 35 nomor BT.35-A dan lantai 37 nomor BT.37-A di Jalan Taman Rasuna Said, Jakarta Selatan.

Pada tahun 2017, Perusahaan, BA dan BBI membayar sejumlah Rp23,9 miliar.

Saldo pinjaman ini pada tanggal 31 Desember 2017 dan 2016 masing-masing adalah sebesar Rp20,7 miliar dan Rp53,9 miliar.

**f. PT Bank J Trust Indonesia Tbk**

1. Pada tanggal 13 Juni 2011, PT Bina Usaha Mandiri Mizusawa (BUMM) memperoleh fasilitas pinjaman dari PT Bank J Trust Indonesia Tbk dengan jumlah maksimum sebesar Rp30,0 miliar.

Pinjaman ini digunakan untuk pembelian tanah dan bangunan termasuk mesin dan peralatan di Jl. E.Z. Muttaqqien Kelurahan Alam Jaya, Jatiuwung, Tangerang, Banten. Fasilitas ini akan jatuh tempo dalam waktu 60 bulan.

Fasilitas ini dijamin dengan:

- a. Tanah, SHGB No. 5340 dan SHGB No. 291 atas nama BUMM, termasuk bangunan pabrik berlokasi di Jl. E.Z. Muttaqqien Kel. Gembor, Kec. Jatiuwung, Tangerang, Banten.
- b. Semua sarana dan prasarana.
- c. Mesin dan peralatan berlokasi di Jatiuwung, Tangerang, Banten.
- d. Jaminan perusahaan dari BUMM.

2. Pada tanggal 22 Maret 2011, BA memperoleh fasilitas pinjaman investasi dari PT Bank J Trust Indonesia Tbk dengan jumlah maksimum sebesar Rp20,0 miliar yang akan digunakan untuk pembelian tanah dan bangunan termasuk mesin dan peralatan di Cakung, Jakarta Timur. Fasilitas ini akan jatuh tempo dalam waktu 60 bulan.

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**23. LONG-TERM LOANS (Continued)**

*These facilities are secured by 2 units of office building located at 34th floor number BT.34-A and 36th floor number BT.36-A, Bakrie Tower, Jalan Taman Rasuna Said, Jakarta Selatan.*

2. *On July 26, 2013 and September 12, 2013, PT Bakrie Autoparts (BA) and PT Bina Usaha Mandiri Mizusawa (BUMM) entered into a Credit Facility Investment Agreement with Bukopin amounting to Rp25.0 billion which will mature in 5 years. This facility was used to acquire 2 units of office building.*

*This facility was secured by 2 units of office building at 35th floor number BT.35-A and 37th floor number BT.37-A, Bakrie Tower, Jalan Taman Rasuna Said, Jakarta Selatan.*

*In 2017, the Company, BA and BBI paid a total of Rp23.9 billion.*

*The outstanding balance of these loans as of December 31, 2017 and 2016 amounted to Rp20.7 billion and Rp53.9 billion, respectively.*

**f. PT Bank J Trust Indonesia Tbk**

1. *On June 13, 2011, PT Bina Usaha Mandiri Mizusawa (BUMM) obtained a loan facility from PT Bank J Trust Indonesia Tbk with total maximum amount of Rp30.0 billion.*

*This loan was used to purchase land and building including machinery and equipment at Jl. E.Z. Muttaqqien Kelurahan Alam Jaya, Jatiuwung, Tangerang, Banten. This facility will mature within 60 months.*

*This facility was secured by:*

- a. *Land SHGB No. 5340 and SHGB No. 291 under the name of BUMM, including factory building, located at Jl. E.Z. Muttaqqien Kel. Gembor, Kec. Jatiuwung, Tangerang, Banten.*
- b. *All structure and infrastructure.*
- c. *Machinery and equipment located at Jatiuwung, Tangerang, Banten.*
- d. *Corporate guarantee from BUMM.*

2. *On March 22, 2011, BA obtained an investment loan facility from PT Bank J Trust Indonesia Tbk with total maximum amount of Rp20.0 billion that will be used to purchase land and building including machinery and equipment in Cakung, East Jakarta. This facility will mature within 60 months.*

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**23. PINJAMAN JANGKA PANJANG (Lanjutan)**

Fasilitas ini dijamin dengan:

- Tanah dengan luas 29.953m<sup>2</sup> berlokasi di Jl. Tipar Cakung, Kel. Cakung Barat, Kec. Cakung, Jakarta Timur.
- Bangunan berlokasi di Cakung, Jakarta Timur.
- Mesin dan peralatan berlokasi di Cakung, Jakarta Timur.

Pada tahun 2017, BA dan BUMM telah membayar pinjaman sejumlah Rp4,8 miliar.

Saldo pinjaman ini pada tanggal 31 Desember 2017 dan 2016 masing-masing adalah sebesar Rp20,5 miliar dan Rp10,2 miliar.

**g. PT Timur Properti Investindo**

Pada tanggal 27 Oktober 2017, BA memperoleh fasilitas pinjaman dari PT Timur Properti Investindo dalam bentuk fasilitas pinjaman kredit rekening koran dengan batas kredit sebesar Rp25,0 miliar. Fasilitas ini dijamin dengan persediaan, piutang usaha, tanah, bangunan dan mesin-mesin milik BA dan akan jatuh tempo pada tanggal 31 Oktober 2020.

Pada tanggal 31 Desember 2017, saldo pinjaman adalah sebesar Rp19,2 miliar.

**h. PT Bank Artha Graha Internasional Tbk**

Pada tanggal 24 April 2014, berdasarkan Akta Perjanjian Kredit No. 172, PT Bakrie Building Industries (BBI) memperoleh fasilitas kredit dalam bentuk pinjaman tetap dari PT Bank Artha Graha Internasional Tbk sebesar Rp56,5 miliar dan jatuh tempo pada tanggal 24 April 2018. Pinjaman ini dijamin dengan tanah, bangunan dan fasilitas yang dimiliki oleh BBI di Kalideres, Jakarta.

Selama periode pinjaman, BBI tidak diperbolehkan untuk melaksanakan kegiatan-kegiatan berikut tanpa persetujuan tertulis dari BAG, antara lain:

- Melakukan merger atau konsolidasi dengan entitas lain;
- Mengubah bisnis usaha;
- Menjadi penjamin dan menyerahkan aset yang telah diagunkan dari BAG kepada pihak ketiga;
- Mendapatkan tambahan pinjaman dari lembaga keuangan lain yang terkait dengan agunan yang telah ditunjuk oleh BAG.

Pada tahun 2017, BBI telah membayar sejumlah Rp4,9 miliar.

Saldo pinjaman ini pada tanggal 31 Desember 2017 dan 2016 masing-masing adalah sebesar Rp13,5 miliar dan Rp21,5 miliar.

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**23. LONG-TERM LOANS (Continued)**

This facility was secured by:

- Land of 29,953m<sup>2</sup> located in Jl. Tipar Cakung, Kel. Cakung Barat, Kec. Cakung, East Jakarta.
- Building located in Cakung, East Jakarta.
- Machinery and equipment located in Cakung, East Jakarta.

In 2017, BA and BUMM paid this loan in the amount of Rp4.8 billion.

Outstanding balance of these loans as of December 31, 2017 and 2016 amounted to Rp20.5 billion and Rp10.2 billion, respectively.

**g. PT Timur Properti Investindo**

On October 27, 2017, BA obtained loan facility from PT Timur Properti Investindo in the form of bank overdraft facility with a credit limit of Rp25.0 billion. This facility was secured with inventories, trade receivables, land, building and machinery owned by BA and will be due on October 31, 2020.

The outstanding balance of loan as of December 31, 2017 amounted to Rp19.2 billion.

**h. PT Bank Artha Graha Internasional Tbk**

On April 24, 2014, PT Bakrie Building Industries (BBI) obtained a fixed loan from PT Bank Artha Graha Internasional Tbk based on Credit Agreement Deed No. 172, with credit ceiling of Rp56.5 billion and will mature on April 24, 2018. The loan was collateralized by land, building and facilities owned by BBI located in Kalideres, Jakarta.

During the period of the loan, BBI is not allowed to carry out the following activities without written approval from BAG, among others:

- Execute merger or consolidation with other entities;
- Change the core business;
- Act as a guarantor and pledge the assets that have been designated as collateral by BAG to third parties;
- Obtain an additional loan from another financial institution in respect of the collateral designated by BAG.

In 2017, the BBI has paid in the amount of Rp4.9 billion.

Outstanding balance of this loan as of December 31, 2017 and 2016 amounted to Rp13.5 billion and Rp21.5 billion, respectively.

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**23. PINJAMAN JANGKA PANJANG (Lanjutan)**

**i. Mitsubishi Corporation**

Pada tanggal 10 Agustus 2011, Perusahaan menandatangani Perjanjian Fasilitas dengan Mitsubishi Corporation (Mitsubishi) dengan jumlah maksimal sebesar USD150,0 juta untuk investasi saham di PT Bumi Resources Tbk (BUMI), termasuk biaya transaksinya. Saldo pinjaman pada akhir periode ketersediaan harus dibayar kembali dalam enam kali angsuran tengah-tahunan dimulai sejak 30 bulan setelah tanggal penggunaan pertama.

Perusahaan telah menggunakan fasilitas tersebut sebesar USD149,9 juta dan digunakan untuk membeli 548,6 juta lembar saham BUMI.

Fasilitas pinjaman ini dijamin dengan saham BUMI yang telah diakuisisi (Catatan 6).

Pada tahun 2017, Perusahaan membayar sejumlah USD0,7 juta (setara dengan Rp10,0 miliar).

Saldo pinjaman ini pada tanggal 31 Desember 2017 dan 2016 masing-masing adalah sebesar USD144,0 juta (setara dengan Rp2,0 triliun) dan USD147,0 juta (setara dengan Rp2,0 triliun).

**j. Eurofa Capital Investment Inc.**

Pada tanggal 16 Desember 2010, Perusahaan menerbitkan *Equity Linked Notes (Notes)* sejumlah USD109,0 juta kepada Eurofa Capital Investment Inc. ("Eurofa") yang akan jatuh tempo pada tanggal 16 Desember 2015. Perusahaan harus membayar Eurofa *upfront fee* sebesar USD6,4 juta.

Berdasarkan perjanjian tersebut, Eurofa mempunyai hak untuk melakukan konversi jumlah pokok pinjaman menjadi saham biasa Perusahaan setiap saat pada atau setelah kejadian berikut ini:

- Perusahaan gagal dalam melakukan pembayaran secara penuh atas *Notes* pada tanggal yang ditentukan untuk pelunasan;
- Notes* tersebut tidak dibayar pada tanggal jatuh tempo; dan
- Gagal bayar terjadi dan terus berlanjut.

Pada tanggal 25 Juni 2014, Eurofa mengalihkan sebagian *Notes* kepada Ecoline Investment Limited sebesar USD6,0 juta.

Saldo *Notes* ini pada tanggal 31 Desember 2017 dan 2016 adalah sebesar USD103,0 juta (setara dengan Rp1,4 triliun).

Pada tanggal 31 Desember 2017 dan 2016, manajemen berkeyakinan bahwa seluruh pinjaman jangka panjang Kelompok Usaha telah memenuhi persyaratan dan kondisi sebagaimana diatur dalam perjanjian pinjaman.

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**23. LONG-TERM LOANS (Continued)**

**i. Mitsubishi Corporation**

On August 10, 2011, the Company entered into a Facility Agreement with Mitsubishi Corporation (Mitsubishi) with a maximum amount of USD150.0 million for investment in PT Bumi Resources Tbk (BUMI) shares, including transaction costs. The loans outstanding at the end of availability period shall be repaid in six equal semi-annual installments starting from 30 months after the first utilization date.

The Company utilized the facility amounting to USD149.9 million and used it to purchase 548.6 million BUMI shares.

This loan facility was secured by the pledge of acquired BUMI shares (Note 6).

In 2017, the Company paid in the amount of USD0.7 million (equivalent to Rp10.0 billion).

Outstanding balance of this loan as of December 31, 2017 and 2016 amounted to USD144.0 million (equivalent to Rp2.0 trillion) and USD147.0 million (equivalent to Rp2.0 trillion), respectively.

**j. Eurofa Capital Investment Inc.**

On December 16, 2010, the Company issued Equity Linked Notes (Notes) amounting to USD109.0 million to Eurofa Capital Investment Inc. ("Eurofa") that will mature on December 16, 2015. The Company paid Eurofa an upfront fee of USD6.4 million.

Based on the agreement, Eurofa has the right to convert the principal amount into ordinary shares of the Company at any time on or after the occurrence of the following:

- The Company defaults in making payment in full in respect of the Notes on the date fixed for redemption thereof;
- The Notes are not redeemed on the maturity date; and
- An event of default occurs and is continuing.

On June 25, 2014, Eurofa transferred partial Notes to Ecoline Investment Limited amounting to USD6.0 million.

Outstanding balance of this Notes as of December 31, 2017 and 2016 amounted to USD103.0 million (equivalent to Rp1.4 trillion).

As of December 31, 2017 and 2016, the management believes that all long-term loans of the Group have met the terms and conditions as stipulated in the loan agreements.

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#### 24. UTANG SEWA PEMBIAYAAN

Kelompok Usaha memiliki utang sewa pembiayaan kepada:

Perusahaan sewa pembiayaan	2017	2016	Lessors
PT Astra Sedaya Finance	857	1.071	PT Astra Sedaya Finance
PT Dipo Star Finance	188	330	PT Dipo Star Finance
PT CIMB Niaga Auto Finance	-	834	PT CIMB Niaga Auto Finance
Lain-lain	112	281	Others
<b>Total</b>	<b>1.157</b>	<b>2.516</b>	<b>Total</b>

Utang sewa pembiayaan dijamin dengan aset yang dibiayai oleh utang ini (Catatan 14). Pembayaran sewa pembiayaan minimum di masa depan adalah sebagai berikut:

#### 24. FINANCING LEASE PAYABLES

The Group had finance lease payables as follows:

Finance lease payables are collateralized by assets financed by these payables (Note 14). Future minimum lease payments were as follows:

2017		
Pembayaran minimum sewa pembiayaan di masa depan/ <i>Future minimum lease payments</i>	Nilai kini pembayaran minimum sewa pembiayaan di masa depan/ <i>Present value of future minimum lease payments</i>	
Tidak lebih dari 1 tahun	751	334
Lebih dari 1 - 5 tahun	1.614	823
<b>Jumlah</b>	<b>2.365</b>	<b>1.157</b>
Disajikan sebagai:		
Liabilitas jangka pendek		334
Liabilitas jangka panjang		823
<b>Jumlah</b>		<b>1.157</b>
2016		
Pembayaran minimum sewa pembiayaan di masa depan/ <i>Future minimum lease payments</i>	Nilai kini pembayaran minimum sewa pembiayaan di masa depan/ <i>Present value of future minimum lease payments</i>	
Tidak lebih dari 1 tahun	786	661
Lebih dari 1 - 5 tahun	1.861	1.855
<b>Jumlah</b>	<b>2.647</b>	<b>2.516</b>

Not later than 1 year  
Over 1- 5 years

**Total**

Presented as:  
Short-term liabilities  
Long-term liabilities

**Total**

Not later than 1 year  
Over 1- 5 years

**Total**



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**24. UTANG SEWA PEMBIAYAAN (Lanjutan)**

**24. FINANCING LEASE PAYABLES (Continued)**

2016		Nilai kini pembayaran minimum sewa pembiayaan di masa depan/ <i>Present value of future minimum lease payments</i>
Pembayaran minimum sewa pembiayaan di masa depan/ <i>Future minimum lease payments</i>		
Disajikan sebagai:		
Liabilitas jangka pendek	661	
Liabilitas jangka panjang	1.855	
<b>Jumlah</b>	<b>2.516</b>	<b>Total</b>

Presented as:  
Short-term liabilities  
Long-term liabilities

**25. MODAL SAHAM**

**25. SHARE CAPITAL**

2017			
Pemegang Saham	Jumlah Saham Ditempatkan dan Disetor Penuh (dalam angka penuh)/ <i>Number of Shares Issued and Fully Paid (full amount)</i>	Persentase Kepemilikan/ <i>Percentage of Ownership</i>	Jumlah/ Amount (Rp)
		(%)	
Credit Suisse AG, Cabang Singapura			
S/A Bright Ventures Pte. Ltd.	20.251.500.000	17,84%	2.308.671
PT Solusi Sarana Sejahtera	8.663.147.700	7,63%	433.157
BNYM S/A For Mackenzie Cundill Recovery Fd	7.670.000.000	6,76%	874.380
PT Bakrie Investindo	26.230.295	0,02%	74.756
Aburizal Bakrie	665.950	0,00%	1.898
Armansyah Yamin	167.989	0,00%	479
E J Abidin Monot	79.995	0,00%	228
Reginald Edward Kreefft	75.996	0,00%	217
Dewi Asmara Hamizar	40.595	0,00%	116
Indra Usmansyah Bakrie	550	0,00%	2
Masyarakat	76.923.655.238	67,75%	9.560.337
<b>Total</b>	<b>113.535.564.308</b>	<b>100,00%</b>	<b>13.254.241</b>

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**25. MODAL SAHAM (Lanjutan)**

**25. SHARE CAPITAL (Continued)**

2016			
Pemegang Saham	Jumlah Saham Ditempatkan dan Disetor Penuh (dalam angka penuh)/ Number of Shares Issued and Fully Paid (full amount)	Persentase Kepemilikan/ Percentage of Ownership (%)	Jumlah/ Amount (Rp)
Credit Suisse AG, Cabang Singapura S/A Bright Ventures Pte. Ltd.	20.251.500.000	20,87%	2.308.671
BNYM S/A For Mackenzie Cundill Recovery Fd	8.530.000.000	8,79%	972.420
Interventures Capital Pte. Ltd.	4.814.695.351	4,96%	548.875
PT Bakrie Investindo	24.541.151	0,03%	69.942
Aburizal Bakrie	665.950	0,00%	1.898
Armansyah Yamin	167.989	0,00%	479
E J Abidin Monot	79.995	0,00%	228
Reginald Edward Kreefft	75.996	0,00%	217
Dewi Asmara Hamizar	40.595	0,00%	116
Indra Usmansyah Bakrie	550	0,00%	2
Masyarakat	63.399.949.951	65,35%	8.525.700
<b>Total</b>	<b>97.021.717.528</b>	<b>100,00%</b>	<b>12.428.548</b>

Susunan pemegang saham Perusahaan diatas pada tanggal 31 Desember 2017 dan 2016, berdasarkan catatan yang dibuat oleh PT EDI Indonesia, Biro Administrasi Efek.

The above mentioned composition of the Company's shareholders as of December 31, 2017 and 2016, were maintained by PT EDI Indonesia, Securities Administration Agency.

Rincian modal dasar Perusahaan pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

Details of the Company's authorized share capital as of December 31, 2017 and 2016 were as follows:

2017			
Saham	Jumlah Saham/ Number of Shares	Nilai Nominal (angka penuh)/ Par Value (full amount)	Jumlah/ Amount
Modal dasar			
Seri A	775.008.000	2.850	2.208.773
Seri B	3.681.288.000	399	1.468.834
Seri C	89.846.677.600	114	10.242.521
Seri D	712.852.827.952	50	35.642.641
<b>Total</b>	<b>807.155.801.552</b>		<b>49.562.769</b>
Modal ditempatkan dan disetor			
Seri A	193.752.000	2.850	552.193
Seri B	3.681.288.000	399	1.468.834
Seri C	89.846.677.528	114	10.242.521
Seri D	19.813.846.780	50	990.693
<b>Total</b>	<b>113.535.564.308</b>		<b>13.254.241</b>

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**25. MODAL SAHAM (Lanjutan)**

Saham	2016		Jumlah/ Amount	Shares
	Jumlah Saham/ Number of Shares	Nilai Nominal (angka penuh)/ Par Value (full amount)		
Modal dasar				Authorized Capital
Seri A	775.008.000	2.850	2.208.773	Series A
Seri B	3.681.288.000	399	1.468.834	Series B
Seri C	367.740.292.000	114	41.922.393	Series C
Seri D	79.255.387.120	50	3.962.769	Series D
<b>Total</b>	<b>451.451.975.120</b>		<b>49.562.769</b>	<b>Total</b>
Modal ditempatkan dan disetor				Issued and fully paid capital
Seri A	193.752.000	2.850	552.193	Series A
Seri B	3.681.288.000	399	1.468.834	Series B
Seri C	89.846.677.528	114	10.242.521	Series C
Seri D	3.300.000.000	50	165.000	Series D
<b>Total</b>	<b>97.021.717.528</b>		<b>12.428.548</b>	<b>Total</b>

Berdasarkan Akta Notaris No. 121 tanggal 11 Agustus 2017 oleh Humberg Lie, S.H., S.E., M.Kn., mengenai konversi 277.893.614.400 saham Seri C dengan nilai nominal Rp114 per saham menjadi 633.597.440.832 saham Seri D dengan nilai nominal Rp50 per saham. Perubahan ini telah disetujui oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan Surat No. AHU-0107820.AH.01.11.Tahun 2017 tanggal 30 Agustus 2017 dan menunggu pengumuman dalam Berita Negara Republik Indonesia.

**Perubahan Modal Disetor**

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 terlebih dahulu Perusahaan masing-masing sejumlah 3.300.000.000 lembar saham seri D, 16.458.094.820 lembar saham seri D dan 55.751.960 lembar saham seri D dan sejumlah Rp825,7 miliar (Catatan 27).

**25. SHARE CAPITAL (Continued)**

Based on Notarial Deed No. 121 dated August 11, 2017 by Humberg Lie, S.H., S.E., M.Kn. regarding the conversion of 277,893,614,400 Series C shares with par value of Rp114 per share into 633,597,440,832 Series D shares with par value of Rp50 per share. This amendment was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-0107820.AH.01.11.Tahun 2017 dated August 30, 2017 and is awaiting publication in the State Gazette of the Republic of Indonesia.

**Changes in Paid-up Capital**

On December 14, 2016, March 30, 2017 and September 30, 2017, the Company obtained letter from PT EDI Indonesia with regards to the additional share capital without preemptive right of 3,300,000,000 Series D shares, 16,458,094,820 Series D shares and 55,751,960 Series D shares, respectively, and totaling Rp825.7 billion (Note 27).

**26. TAMBAHAN MODAL DISETOR**

	2017	2016
Selisih penerimaan dari penerbitan saham atas nilai nominal	61.728	61.728
Selisih atas pengampunan pajak	533.539	302.896
Selisih nilai transaksi restrukturisasi entitas sepengendali	(2.621.572)	(2.621.572)
<b>Total</b>	<b>(2.026.305)</b>	<b>(2.256.948)</b>

**26. ADDITIONAL PAID-IN CAPITAL**

Paid-in capital in excess of par value
Paid-in capital from tax amnesty
Difference in restructuring of entities under common control
<b>Total</b>

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**26. TAMBAHAN MODAL DISETOR (Lanjutan)**

Selisih penerimaan dari penerbitan saham atas nilai nominal

Selisih penerimaan dari penerbitan saham atas nilai nominal merupakan selisih antara penerimaan dana hasil penawaran umum saham setelah dikurangi biaya emisi saham dan nilai nominal saham.

Selisih atas pengampunan pajak

Pada tahun 2017, Kelompok Usaha mencatat sebesar Rp230,6 miliar yang merupakan penambahan aset Pengampunan Pajak (Catatan 34e).

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 di saling hapus dengan piutang dari LHH.

Atas kedua transaksi tersebut, Perusahaan mencatat "Selisih Nilai Transaksi Restrukturisasi Entitas Sepengendali" sebesar Rp179,2 miliar.

c. Entitas Anak

Pada tanggal 31 Desember 2017 dan 2016, Entitas Anak mencatat saldo "Selisih Nilai Transaksi Restrukturisasi Entitas Sepengendali" sebesar Rp24,3 miliar.

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**26. ADDITIONAL PAID-IN CAPITAL (Continued)**

Paid-in capital in excess of par value

*Paid-in capital in excess of par value represents the excess of proceeds from the issuance of shares after deduction of the share issuance cost and par value.*

Paid-in capital from tax amnesty

*In 2017, the Group has recorded an additional Rp230.6 billion representing the Tax Amnesty assets (Note 34e).*

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. Subsidiaries

*As of December 31, 2017 and 2016, the Subsidiaries have outstanding balance recorded under "Difference in Value from Restructuring Transactions of Entities Under Common Control" amounting to Rp24.3 billion.*



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**27. OBLIGASI WAJIB KONVERSI**

Berdasarkan Perjanjian Penerbitan Obligasi Wajib Konversi (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.

OWK dapat dikonversi menjadi saham baru Seri D Perusahaan setiap saat sejak tanggal diterbitkannya sampai dengan tanggal jatuh tempo. Pada tanggal jatuh tempo, OWK yang telah diterbitkan akan dikonversi menjadi saham baru Seri D pada nilai nominal.

Dana yang diperoleh dari hasil penerbitan OWK akan dipergunakan untuk pembayaran dan/atau modal kerja Perusahaan.

Pada tanggal 20 Juni 2016, Perusahaan telah menerbitkan OWK sebesar Rp987,9 miliar kepada beberapa kreditur.

Pada tanggal 14 Desember 2016, 30 Maret 2017 dan September 30, 2017, Perusahaan memperoleh surat dari PT EDI Indonesia mengenai pelaksanaan proses penambahan modal tanpa hak memesan efek terlebih dahulu Perusahaan masing-masing sejumlah 3.300.000.000 lembar saham seri D, 16.458.094.820 lembar saham seri D dan 55.751.960 lembar saham seri D (Catatan 25).

Pada tanggal 22 Desember 2017, Perusahaan telah menerbitkan tambahan OWK sebesar Rp1.037,5 miliar kepada beberapa kreditur.

Pada tanggal 31 Desember 2017 dan 2016, saldo OWK yang diterbitkan oleh Perusahaan adalah sebagai berikut:

Kreditur	Jumlah OWK/ MCB Amount (Rp)		Creditors
	2017	2016	
Orchard Centar Master Ltd	223.670	-	Orchard Centar Master Ltd
D E Shaw Oculus Intl Inc	161.382	-	D E Shaw Oculus Intl Inc
Daley Capital Limited	99.661	265.370	Daley Capital Limited
Abraham Capital Limited	70.333	-	Abraham Capital Limited
Merill Lynch International	64.330	-	Merill Lynch International
Amsterdam Trade Banks	60.972	-	Amsterdam Trade Banks
PT Sinarmas Sekuritas	55.891	-	PT Sinarmas Sekuritas
ICE 1: EM CLO Ltd	52.789	-	ICE 1: EM CLO Ltd
Interventures Capital Pte Ltd	-	373.755	Interventures Capital Pte Ltd
Smart Treasures Limited	-	90.836	Smart Treasures Limited
Harus Capital Limited	-	81.000	Harus Capital Limited
Lain-lain (dibawah Rp50 miliar)	248.469	11.944	Others (below Rp50 billion)
<b>Total</b>	<b>1.037.497</b>	<b>822.905</b>	<b>Total</b>

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**27. MANDATORY CONVERTIBLE BONDS**

Based on Mandatory Convertible Bond (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.

MCB can be converted into the Company's Series D shares at any time from the date of issuance until maturity date. On maturity date, MCB which has been issued will be converted into the Company's Series D shares at par value.

The fund from the issuance of MCB will be used for loan repayment and/or working capital of the Company.

As of June 20, 2016, the Company has issued MCB amounting to Rp987.9 billion to several creditors.

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 right of 3,300,000,000 shares series D, 16,458,094,820 shares series D and 55,751,960 shares series D, respectively (Note 25).

As of December 22, 2017, the Company has issued additional MCB amounting to Rp1,037.5 billion to several creditors.

As of December 31, 2017 and 2016, the outstanding MCB issued by the Company are as follows:

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**28. CADANGAN MODAL LAINNYA**

**28. OTHER CAPITAL RESERVES**

	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 Kerja/ <i>Cumulative Remeasurements on Employee Benefits</i>	Total/ Total	
Saldo 1 Januari 2016	291.221	-	(78.577)	212.644	Balance as of January 1, 2016
Selisih kurs penjabaran laporan keuangan	70.910	-	-	70.910	Exchange differences due to financial statements translation
Pengukuran kembali atas program pensiun imbalan pasti	-	-	(12.170)	(12.170)	Remeasurements on defined benefits pension plan
Perubahan neto nilai wajar aset keuangan tersedia untuk dijual	-	125.078	-	125.078	Net changes in fair value of available-for-sale financial assets
Dekonsolidasi entitas anak	(12.074)	-	-	(12.074)	Deconsolidation of subsidiary
Saldo 31 Desember 2016	350.057	125.078	(90.747)	384.388	Balance as of December 31, 2016
Selisih kurs penjabaran laporan keuangan	18.712	-	-	18.712	Exchange differences due to financial statements translation
Pengukuran kembali atas program pensiun imbalan pasti	-	-	(27.727)	(27.727)	Remeasurements on defined benefits pension plan
Perubahan neto nilai wajar aset keuangan tersedia untuk dijual	-	(175)	-	(175)	Net changes in fair value of available-for-sale financial assets
Saldo 31 Desember 2017	368.769	124.903	(118.474)	375.198	Balance as of December 31, 2017

**29. KEPENTINGAN NONPENGENDALI**

**29. NON-CONTROLLING INTEREST**

Rincian hak kepentingan nonpengendali aset neto  
Entitas Anak adalah sebagai berikut:

*Details of non-controlling interest in net assets of  
Subsidiaries were as follows:*

	2017	2016	
PT Bakrie Autoparts	41.793	36.009	PT Bakrie Autoparts
PT Bakrie Harper	(68.348)	(68.348)	PT Bakrie Harper
Lain-lain	1.096	7.133	Others
<b>Total</b>	<b>(25.459)</b>	<b>(25.206)</b>	<b>Total</b>

Kepentingan nonpengendali atas laba rugi neto Entitas  
Anak masing-masing sebesar Rp6,4 miliar dan Rp63,0  
miliar untuk tahun yang berakhir pada tanggal-tanggal  
31 Desember 2017 dan 2016.

*Non-controlling interest in net profit or loss  
of Subsidiaries amounted to Rp6.4 billion and  
Rp63.0 billion for the years ended December 31, 2017  
and 2016, respectively.*

Kepentingan nonpengendali atas total rugi komprehensif  
Entitas Anak masing-masing sebesar Rp5,4 miliar dan  
Rp8,4 miliar untuk tahun yang berakhir pada tanggal-  
tanggal 31 Desember 2017 dan 2016.

*Non-controlling interest in total comprehensive loss of  
Subsidiaries amounted to Rp5.4 billion and Rp8.4 billion  
for the years ended December 31, 2017 and 2016,  
respectively.*

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**30. PENDAPATAN NETO**

	2017	2016
Infrastruktur dan manufaktur	2.452.043	2.072.391
Perdagangan, jasa, dan investasi	7.693	3.518
<b>Total</b>	<b>2.459.736</b>	<b>2.075.909</b>

Untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2017 dan 2016, Kelompok Usaha tidak memiliki pelanggan/pembeli dengan total penjualan lebih dari 10% dari total pendapatan konsolidasian Kelompok Usaha.

**30. NET REVENUES**

*Infrastructure and manufacturing  
Trading, services,  
and investment*

**Total**

*For the years ended December 31, 2017 and 2016, the Group has no customer/buyer with total sales of more than 10% of total consolidated revenues of the Group.*

**31. BEBAN POKOK PENDAPATAN**

	2017	2016
<b>Infrastruktur dan manufaktur</b>		
Bahan baku yang digunakan	1.249.185	1.200.124
Tenaga kerja langsung	197.993	160.213
Overhead	554.164	722.004
Total beban produksi	2.001.342	2.082.341
Barang dalam proses		
Awal	89.035	47.657
Akhir	(64.491)	(89.035)
Barang jadi		
Awal	295.911	233.711
Akhir	(302.733)	(295.911)
Total infrastruktur dan manufaktur	2.019.064	1.978.763
<b>Perdagangan, jasa dan investasi</b>		
Biaya pelayanan dan pemasangan	26.328	1.047
<b>Total Beban Pokok Pendapatan</b>	<b>2.045.392</b>	<b>1.979.810</b>

Untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2017 dan 2016, Kelompok Usaha tidak memiliki *supplier* dengan total beban pokok pendapatan lebih dari 10% dari total beban pokok pendapatan konsolidasian Kelompok Usaha.

**31. COST OF REVENUES**

*Infrastructure and manufacturing  
Raw materials used  
Direct labor  
Overhead*

*Total production costs*

*Work-in-process  
Beginning  
Ending*

*Finished goods  
Beginning  
Ending*

*Total infrastructure  
and manufacturing*

*Trading, services  
and investment*

*Service and installation costs***Total Cost of Revenues**

*For the years ended December 31, 2017 and 2016, 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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**32. BEBAN USAHA****32. OPERATING EXPENSES**

	2017	2016	
<b>Beban penjualan</b>			<b>Selling expenses</b>
Transportasi	66.565	11.148	Transportation
Gaji, upah dan kesejahteraan karyawan	14.621	15.949	Salaries, wages and employee benefits
Iklan, pameran dan promosi	977	5.230	Advertising, exhibition and promotion
Lain-lain	17.298	12.480	Others
<b>Total</b>	<b>99.461</b>	<b>44.807</b>	<b>Total</b>
<b>Beban karyawan</b>			<b>Personnel expenses</b>
Gaji, upah dan imbalan kerja karyawan	250.136	223.418	Salaries, wages and employees' benefits
<b>Beban umum dan administrasi</b>			<b>General and administrative expenses</b>
Pajak dan asuransi	20.728	19.432	Taxes and insurance
Honorarium tenaga ahli	17.841	10.159	Professional fees
Penyusutan (Catatan 14)	16.539	24.398	Depreciation (Note 14)
Perjalanan dinas	13.811	20.330	Transportation and travel
Pemeliharaan dan perbaikan	8.501	7.799	Repairs and maintenance
Listrik, air dan telepon	6.655	7.208	Electricity, water and telephone
Pos dan alat tulis	2.671	5.243	Postage and stationery
Sumbangan, hadiah dan hubungan masyarakat	2.198	2.440	Donations, gifts and public relations
Representasi dan jamuan	2.046	2.968	Representation and entertainment
Sewa	1.939	2.421	Rent
Latihan kerja dan penerimaan karyawan	985	1.716	Training and recruitment of employees
Lain-lain	70.818	167.704	Others
<b>Total</b>	<b>164.732</b>	<b>271.818</b>	<b>Total</b>

**33. BEBAN BUNGA DAN KEUANGAN SERTA LAIN-LAIN****33. INTEREST AND FINANCIAL CHARGES AND OTHERS****a. Beban bunga dan keuangan****a. Interest and Financial Charges**

	2017	2016	
Denda keterlambatan bayar	297.837	94.796	Penalty from late payment
Beban bunga pinjaman	79.426	160.463	Interest from loan
Amortisasi diskonto	49.249	-	Amortization of discount
Beban bank dan lain-lain	7.515	13.332	Bank charges and others
<b>Total</b>	<b>434.027</b>	<b>268.591</b>	<b>Total</b>



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**33. BEBAN BUNGA DAN KEUANGAN SERTA LAIN-LAIN  
(Lanjutan)**

**33. INTEREST AND FINANCIAL CHARGES AND OTHERS  
(Continued)**

**b. Penghasilan (Beban) Lain-lain**

**b. Other Income (Expenses)**

	2017	2016	
Penghasilan bunga	3.568	7.790	Interest income
Penurunan nilai atas aset tetap	(17.167)	-	Impairment of fixed assets
Lain-lain	(18.787)	(23.312)	Others
<b>Total</b>	<b>(32.386)</b>	<b>(15.522)</b>	<b>Total</b>

**34. PERPAJAKAN**

**34. TAXATION**

**a. Utang pajak**

**a. Taxes payable**

	2017	2016	
Pajak penghasilan:			Income taxes:
Pasal 4 (2)	1.291	3.394	Article 4 (2)
Pasal 21	23.856	17.446	Article 21
Pasal 23 dan 26	2.113	1.411	Article 23 and 26
Pasal 25	15	73	Article 25
Pasal 29	1.551	539	Article 29
Pajak Pertambahan Nilai	41.248	27.979	Value-Added Tax
SKPKB	113	-	SKPKB
Retribusi Pajak Daerah	3.345	-	Regional Tax
<b>Total</b>	<b>73.532</b>	<b>50.842</b>	<b>Total</b>

**b. Rekonsiliasi antara rugi sebelum manfaat (beban) pajak penghasilan seperti yang disajikan dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian dengan taksiran rugi fiskal adalah sebagai berikut:**

**b. Reconciliation between loss before income tax benefit (expense) as shown in the consolidated statements of profit or loss and other comprehensive income and the estimated fiscal loss was as follows:**

	2017	2016	
Rugi sebelum manfaat (beban) pajak penghasilan menurut laporan laba rugi dan penghasilan komprehensif lain konsolidasian	(1.185.168)	(3.590.368)	Loss before income tax benefit (expense) per consolidated statements of profit or loss and other comprehensive income
Dikurangi:			Deduct:
Laba Entitas Anak sebelum beban pajak penghasilan dan transaksi eliminasi	20.265	8.233	Profit of the Subsidiaries before income tax expense and elimination transactions
Rugi komersial sebelum taksiran beban pajak penghasilan yang dapat diatribusikan ke Perusahaan	(1.205.433)	(3.598.601)	Commercial loss before income tax expense attributable to the Company
Beda temporer			Temporary differences
Penyisihan imbalan kerja karyawan	5.600	(1.898)	Retirement benefits
Penyusutan aset tetap	(1.888)	8.300	Depreciation of fixed assets

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**34. PERPAJAKAN (Lanjutan)**

**34. TAXATION (Continued)**

	2017	2016	
Beda tetap			Permanent differences
Bagian atas rugi neto entitas asosiasi	158.950	3.094.429	Equity in net loss of associates
Beban imbalan kerja	4.639	4.361	Employee benefits expenses
Jamuan dan sumbangan	863	-	Entertainment and donations
Bunga dan denda atas keterlambatan pembayaran pajak	352	406	Interest and penalties for late payment of tax
Penghasilan bunga yang pajaknya bersifat final	(1.104)	(3.697)	Interest income subjected to final tax
Taksiran rugi fiskal sebelum kompensasi rugi fiskal	(1.038.021)	(496.700)	Estimated fiscal loss before fiscal loss compensation
Rugi fiskal periode sebelumnya Tahun fiskal 2016	(496.700)	-	Fiscal loss of previous periods Fiscal year of 2016
Akumulasi rugi fiskal	(1.534.721)	(496.700)	Accumulated fiscal loss
Beban pajak penghasilan - kini Perusahaan	-	-	Income tax expense - current Company
Entitas Anak	33.374	8.183	Subsidiaries
<b>Total Beban Pajak Penghasilan - Kini</b>	<b>33.374</b>	<b>8.183</b>	<b>Total Income Tax Expense - Current</b>

**c. Pajak tangguhan**

**c. Deferred tax**

	2017					
	Pada awal tahun/ At beginning of year	Dikreditkan (dibebankan) ke laba rugi/ Credited (charged) to profit or loss	Dikreditkan ke penghasilan komprehensif lain/ Credited/ to other comprehensive income	Selisih kurs karena penjabaran laporan keuangan dalam valuta asing/ Exchange difference on translation of financial statements in foreign currencies	Pada akhir tahun/ At end of year	
<b>Aset (liabilitas) pajak tangguhan</b>						<b>Deferred tax assets (liabilities)</b>
Liabilitas imbalan kerja	49.907	6.581	5.432	-	61.920	Employee benefits liabilities
Aset tetap	6.551	1.362	-	-	7.913	Fixed assets
Penyisihan penurunan nilai piutang	4.064	2.842	-	-	6.906	Allowance for impairment of receivables
Rugi fiskal	10.536	(9.483)	-	-	1.053	Fiscal loss
Penyisihan penurunan nilai persediaan	1.840	(1.542)	-	-	298	Allowance for inventory obsolescence
Akrual pesangon	-	288	-	-	288	Accrued severance
<b>Aset pajak tangguhan</b>	<b>72.898</b>	<b>48</b>	<b>5.432</b>	<b>-</b>	<b>78.378</b>	<b>Deferred tax assets</b>

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**34. PERPAJAKAN (Lanjutan)**

**34. TAXATION (Continued)**

2017					
	Pada awal tahun/ At beginning of year	Dikreditkan (dibebankan) ke laba rugi/ Credited (charged) to profit or loss	Dikreditkan ke penghasilan komprehensif lain/ Credited/ to other comprehensive income	Selisih kurs karena penjabaran laporan keuangan dalam valuta asing/ Exchange difference on translation of financial statements in foreign currencies	Pada akhir tahun/ At end of year
<b>Aset (liabilitas) pajak tangguhan</b>					<b>Deferred tax assets (liabilities)</b>
Liabilitas imbalan kerja	14.646	335	1.668	-	16.649
Rugi fiskal	-	9.441	-	-	9.441
Penyisihan penurunan nilai persediaan	-	4.573	-	-	4.573
Penyisihan piutang tak tertagih	2.023	1.121	-	-	3.144
Aset tetap	(214.574)	4.030	-	-	(210.544)
<b>Liabilitas pajak tangguhan</b>	<b>(197.905)</b>	<b>19.500</b>	<b>1.668</b>	<b>-</b>	<b>(176.737)</b>
					<b>Deferred tax liabilities</b>
2016					
	Pada awal tahun/ At beginning of year	Dikreditkan (dibebankan) ke laba rugi/ Credited (charged) to profit or loss	Dikreditkan ke penghasilan komprehensif lain/ Credited/ to other comprehensive income	Selisih kurs karena penjabaran laporan keuangan dalam valuta asing/ Exchange difference on translation of financial statements in foreign currencies	Pada akhir tahun/ At end of year
<b>Aset (liabilitas) pajak tangguhan</b>					<b>Deferred tax assets (liabilities)</b>
Rugi fiskal	18.429	(7.632)	-	(261)	10.536
Liabilitas imbalan kerja	39.442	5.457	5.008	-	49.907
Penyisihan penurunan nilai piutang	1.045	3.019	-	-	4.064
Penyisihan penurunan nilai persediaan	-	1.840	-	-	1.840
Aset tetap	22.626	(16.075)	-	-	6.551
<b>Aset pajak tangguhan</b>	<b>81.542</b>	<b>(13.391)</b>	<b>5.008</b>	<b>(261)</b>	<b>72.898</b>
					<b>Deferred tax assets</b>
<b>Aset (liabilitas) pajak tangguhan</b>					<b>Deferred tax assets (liabilities)</b>
Liabilitas imbalan kerja	14.240	333	73	-	14.646
Rugi fiskal	44.197	(44.197)	-	-	-
Biaya ditangguhkan	2.439	(2.439)	-	-	-
Penyisihan piutang tak tertagih	1.923	100	-	-	2.023
Aset tetap	(211.101)	(3.473)	-	-	(214.574)
<b>Liabilitas pajak tangguhan</b>	<b>(148.302)</b>	<b>(49.676)</b>	<b>73</b>	<b>-</b>	<b>(197.905)</b>
					<b>Deferred tax liabilities</b>

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**34. PERPAJAKAN (Lanjutan)**

Perusahaan dan beberapa Entitas Anak telah menyediakan penyisihan atas kerugian fiskal seluruhnya karena manajemen berkeyakinan bahwa tidak ada kemungkinan laba kena pajak yang cukup untuk mengkompensasi sebagian atau seluruh aset pajak tangguhan.

**d. Surat Ketetapan Pajak dan Surat Tagihan Pajak**

**Entitas Anak**

Pada tanggal 31 Desember 2017, BA, BUMM, BMC, BBI, Bantala, BPI, BCons, BIIN dan BP memiliki Surat Ketetapan Pajak (SKP) dan Surat Tagihan Pajak (STP) sebagai berikut:

	Pasal 21/ Article 21	Pasal 23/ Article 23	Pasal 25/29/ Article 25/29	Pasal 4 (2)/ Article 4 (2)	PPN/ VAT	Total/ Total	Fiscal years
Tahun fiskal							
2011	-	-	-	-	4	4	2011
2012	-	-	-	-	8	8	2012
2013	-	-	1	-	83	84	2013
2014	36	15	5.939	32	3	6.025	2014
2015	-	-	834	-	2.302	3.136	2015
2016	2.496	115	1	-	17.817	20.429	2016
2017	2.230	12	107	6	13.189	15.544	2017
<b>Total</b>	<b>4.762</b>	<b>142</b>	<b>6.882</b>	<b>38</b>	<b>33.406</b>	<b>45.230</b>	<b>Total</b>

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian ini, BPI, BCons dan BMC (Entitas Anak) telah melakukan pembayaran sebagian kewajibannya atas SKP dan STP sebesar Rp8,5 miliar dan sisanya akan dibayar sesuai dengan ketentuan yang diajukan Entitas Anak kepada Kantor Pajak.

**e. 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 2017 dan 2016, jumlah yang diakui sebagai aset Pengampunan Pajak masing-masing sebesar Rp533,5 miliar dan Rp302,9 miliar dan dicatat sebagai bagian dari akun "Tambahan Modal Disetor" (Catatan 26).

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**34. TAXATION (Continued)**

The Company and certain Subsidiaries provided full valuation 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.

**d. Tax Assessment Letters and Tax Collection Letters**

**Subsidiaries**

As of December 31, 2017, BA, BUMM, BMC, BBI, Bantala, BPI, BCons, BIIN and BP have Tax Assessment Letters (SKP) and Tax Collection Letters (STP) as follows:

As of completion date of the consolidated financial statements, BPI, BCons and BMC settled liability from the above-mentioned SKP and STP amounting to Rp8.5 billion and the remaining balance will be paid in accordance with the proposed terms with Tax Office.

**e. 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, 2017 and 2016, the amounts recognized as Tax Amnesty assets amounted to Rp533.5 billion and Rp302.9 billion, respectively, which was also recorded as part of "Additional Paid-in Capital" account (Note 26).



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### 35. LIABILITAS IMBALAN KERJA

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 kerja dihitung oleh aktuaris independen sebagai berikut:

	<b>Nama Aktuaris/ Actuary Name</b>	<b>Tanggal Laporan/ Date of Report</b>	
2017	PT Sienco Aktuarindo Utama PT Emerald Delta Consulting PT Sigma Prima Solusindo	12 Februari/February 12, 2018 5 Februari/February 5, 2018 31 Januari/January 31, 2018	2017
2016	PT Sienco Aktuarindo Utama PT Emerald Delta Consulting PT Sigma Prima Solusindo	2 Februari/February 2, 2017 9 Januari/January 9, 2017 31 Januari/January 31, 2017	2016

Liabilitas imbalan kerja dihitung dengan menggunakan metode "Project Unit Credit" dengan mempertimbangkan beberapa asumsi sebagai berikut:

	<b>2017</b>	<b>2016</b>	
Tingkat diskonto	6,60% - 10,00% per tahun/per annum	8,10% - 8,30% per tahun/per annum	Discount rate
Tingkat kenaikan gaji	6,00% - 12,00% per tahun/per annum	6,00% - 12,00% per tahun/per annum	Salary growth rate

Liabilitas imbalan kerja karyawan adalah sebagai berikut:

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### 35. EMPLOYEE BENEFITS LIABILITIES

The Group has defined retirement benefit plans for all of their eligible permanent employees. On this funding program, retirement benefits are computed based on the last basic salaries and remaining working lives of the employees. Contribution to the retirement fund is computed at 5.5% of the basic salaries of the employees covered by the plan and fully borne by the Group.

The plan assets of the Group are being managed by Dana Pensiun Bakrie, established based on the Decision Letter of the Minister of Finance of the Republic of Indonesia No. KEP 423/KM.17/1995 dated December 11, 1995.

Employee benefits liabilities were calculated by independent actuary as follows:

Employee benefits liabilities were calculated using the "Projected Unit Credit" method with consideration of the following assumptions:

Employee benefits liabilities were as follows:

	<b>2017</b>	<b>2016</b>	
Nilai kini kewajiban imbalan pasti	494.405	429.095	Present value of defined benefit obligation
Nilai wajar atas aset program	(102.269)	(108.710)	Fair value of plan assets
<b>Liabilitas Imbalan Kerja</b>	<b>392.136</b>	<b>320.385</b>	<b>Employee Benefits Liabilities</b>

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**35. LIABILITAS IMBALAN KERJA (Lanjutan)**

Mutasi liabilitas imbalan kerja karyawan adalah sebagai berikut:

	<b>2017</b>	<b>2016</b>
Saldo awal tahun	320.385	269.896
Beban diakui pada laporan konsolidasian:		
Laba rugi	64.460	58.793
Penghasilan komprehensif lain	35.735	20.919
Pembayaran manfaat	(19.791)	(18.884)
Kontribusi Kelompok Usaha	(8.653)	(10.339)
<b>Saldo Akhir Tahun</b>	<b>392.136</b>	<b>320.385</b>

Jumlah yang diakui dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian sehubungan dengan liabilitas imbalan kerja adalah sebagai berikut:

	<b>2017</b>	<b>2016</b>
<b>Laba rugi</b>		
Biaya jasa kini	38.493	34.449
Biaya bunga	33.440	31.961
Biaya jasa lalu	497	419
Penghasilan bunga dari aset program	(8.268)	(8.971)
Pengukuran kembali liabilitas imbalan pasti - neto	298	935
Subtotal	64.460	58.793
<b>Penghasilan komprehensif lain</b>		
Kerugian aktuarial pengukuran kembali liabilitas imbalan pasti - neto	5.709	7.423
Kerugian (keuntungan) aktuarial terdiri dari:		
Penyesuaian asumsi liabilitas program	(11.493)	14.326
Asumsi keuangan	40.074	4.905
Hasil yang diharapkan dari aset program	1.445	(5.735)
Subtotal	35.735	20.919
<b>Total</b>	<b>100.195</b>	<b>79.712</b>

**35. EMPLOYEE BENEFITS LIABILITIES (Continued)**

Movements of employee benefits liabilities were as follows:

Balance at beginning of year  
Expenses charged in the consolidated statements of:  
    Profit or loss  
    Other comprehensive income  
Benefits paid  
Contribution of the Group  
Balance at End of Year

Amounts recognized in the consolidated statements of profit or loss and other comprehensive income in respect to employee benefits liabilities were as follows:

Profit or loss  
Current service costs  
Interest costs  
Past service costs  
Interest income from plan assets  
Remeasurement of employee benefits liabilities - net  
Subtotal  
  
Other comprehensive income  
Actuarial loss from remeasurement of the defined benefits liability - net  
Actuarial loss (gain) arising from:  
    Experience assumptions from liability program  
    Financial assumptions  
    Expected return on plan assets  
Subtotal  
Total

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**35. LIABILITAS IMBALAN KERJA (Lanjutan)**

Mutasi nilai kini kewajiban imbalan pasti adalah sebagai berikut:

	2017	2016
Saldo awal tahun	429.095	376.938
Beban diakui pada laporan konsolidasian:		
Laba rugi	72.728	67.762
Penghasilan komprehensif lain	34.290	16.893
Pembayaran manfaat	(41.708)	(32.498)
<b>Saldo Akhir Tahun</b>	<b>494.405</b>	<b>429.095</b>

Mutasi nilai wajar aset program adalah sebagai berikut:

	2017	2016
Saldo awal tahun	108.710	107.043
Penghasilan bunga	8.268	8.971
Pengukuran kembali untuk hasil yang diharapkan dari aset program	(1.445)	5.735
Pembayaran manfaat luran pemberi kerja	(22.284)	(23.352)
	9.020	10.313
<b>Saldo Akhir Tahun</b>	<b>102.269</b>	<b>108.710</b>

Aset program terdiri dari:

2017				
	Dikutip/ Quoted	Tidak dikutip/ Unquoted	Total/ Total	%
Obligasi	36.438	-	36.438	39,01%
Deposito Berjangka	29.397	-	29.397	31,47%
Surat Berharga Negara	-	3.829	3.829	4,10%
Saham	4.547	-	4.547	4,87%
Reksadana	15.514	-	15.514	16,61%
Sukuk	1.944	-	1.944	2,08%
Deposito On Call	1.749	-	1.749	1,87%
	<b>89.589</b>	<b>3.829</b>	<b>93.418</b>	<b>100,00%</b>

2016				
	Dikutip/ Quoted	Tidak dikutip/ Unquoted	Total/ Total	%
Obligasi	47.224	-	47.224	48,66%
Deposito Berjangka	33.105	-	33.105	34,11%
Surat Berharga Negara	-	5.716	5.716	5,89%
Reksadana	3.879	-	3.879	4,00%
Saham	3.822	-	3.822	3,94%
Deposito On Call	2.434	-	2.434	2,51%
Sukuk	876	-	876	0,90%
	<b>91.340</b>	<b>5.716</b>	<b>97.056</b>	<b>100,00%</b>

**35. EMPLOYEE BENEFITS LIABILITIES (Continued)**

Movements of the present value of defined benefit obligation were as follows:

Beginning of the year  
Expenses charged in the consolidated statements of:  
Profit or loss  
Other comprehensive income  
Benefits paid  
**Balance at End of Year**

Movements of the fair value of plan assets were as follows:

Beginning of the year  
Interest income  
Remeasurements for expected return on plan assets  
Benefits paid  
Employee's contribution  
**Balance at End of Year**

Plan assets consist of:

Corporate Bonds  
Time Deposits  
Government Bonds  
Shares of Stocks  
Investment Funds  
Islamic Bonds  
On Call Deposits

Corporate Bonds  
Time Deposits  
Government Bonds  
Investment Funds  
Shares of Stocks  
On Call Deposits  
Islamic Bonds

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**35. LIABILITAS IMBALAN KERJA (Lanjutan)**

Kontribusi yang diharapkan untuk aset program untuk tahun yang berakhir pada tanggal 31 Desember 2017 sebesar Rp22,5 miliar.

Kelompok Usaha menghadapi sejumlah risiko signifikan terkait program imbalan pasti, sebagai berikut:

- (a) Perubahan tingkat diskonto  
Penurunan pada tingkat diskonto menyebabkan kenaikan liabilitas program.
- (b) Tingkat kenaikan gaji  
Liabilitas imbalan pasti berhubungan dengan tingkat kenaikan gaji, dimana semakin tinggi tingkat kenaikan gaji akan menyebabkan semakin besarnya liabilitas.

Analisa sensitivitas kuantitatif kewajiban imbalan pasti terhadap perubahan asumsi utama tertimbang pada tanggal 31 Desember 2017 dan 2016 adalah sebagai berikut:

	2017		2016		
	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	461.228	530.879	402.519	460.753	Increase in interest rate in 100 basis point
Penurunan suku bunga dalam 100 basis poin	531.980	461.575	459.788	401.205	Decrease in interest rate in 100 basis point

Analisa sensitivitas didasarkan pada perubahan atas satu asumsi aktuarial dimana asumsi lainnya dianggap konstan. Dalam prakteknya, hal ini jarang terjadi dan perubahan beberapa asumsi mungkin saling berkorelasi. Dalam perhitungan sensitivitas kewajiban imbalan pasti atas asumsi utama, metode yang sama (perhitungan nilai kini kewajiban imbalan pasti dengan menggunakan metode *Projected Unit Credit* di akhir periode) telah diterapkan.

Metode dan jenis asumsi yang digunakan dalam menyiapkan analisa sensitivitas tidak berubah dari periode sebelumnya.

Analisa jatuh tempo yang diharapkan dari pensiun dan imbalan kerja tidak terdiskonto adalah sebagai berikut:

	2017				
	Kurang dari 1 tahun/ Less than a year	1 sampai 2 tahun/ Between 1 - 2 years	2 sampai 5 tahun/ Between 2 - 5 years	Lebih dari 5 tahun/ Over than 5 years	
Imbalan pensiun	-	30.878	70.663	305.240	Pension benefits

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**35. EMPLOYEE BENEFITS LIABILITIES (Continued)**

Expected contributions to plan assets for the year ended December 31, 2017 amounted to Rp22.5 billion.

The Group was exposed to a number of significant risks related to its defined benefit plans, as follows:

- (a) Changes in discount rate  
A decrease in discount rate will increase plan liabilities.
- (b) Salary increment rate  
Defined benefits liabilities are linked to salary increment rate, whereby the higher salary increment rate will lead to higher liabilities.

The quantitative sensitivity analysis of the defined benefits obligation to the changes in the weighted principal assumptions as of December 31, 2017 and 2016 were as follows:

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefits obligation to principal assumptions, the same method (present value of the defined benefits obligation calculated with the *Projected Unit Credit* method at the end of the reporting period) has been applied.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Expected maturity analysis of undiscounted pension and employee benefits liabilities is as follows:



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**35. LIABILITAS IMBALAN KERJA (Lanjutan)**

**35. EMPLOYEE BENEFITS LIABILITIES (Continued)**

2017				
	Kurang dari 1 tahun/ <i>Less than a year</i>	1 sampai 2 tahun/ <i>Between 1 - 2 years</i>	2 sampai 5 tahun/ <i>Between 2 - 5 years</i>	Lebih dari 5 tahun/ <i>Over than 5 years</i>
Imbalan pascakerja	-	23.670	59.065	733.963
<b>Total</b>	<b>-</b>	<b>54.548</b>	<b>129.728</b>	<b>1.039.203</b>
2016				
	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	-	38.016	63.943	305.316
Imbalan pascakerja	-	27.445	37.130	537.538
<b>Total</b>	<b>-</b>	<b>65.461</b>	<b>101.073</b>	<b>842.854</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:

	2017	2016	2015	2014	2013	
Kewajiban imbalan pasti	494.405	429.095	376.938	376.889	314.999	Defined benefit obligation
Aset program	(102.269)	(108.710)	(107.043)	(106.219)	(100.402)	Plan assets
Surplus (defisit)	392.136	320.385	269.895	270.670	214.597	Surplus (deficit)
Penyesuaian atas						Experience adjustment on
Liabilitas program	21.080	11.442	(13.231)	(31.627)	(18.936)	Plan liabilities
Aset program	(1.253)	5.797	(1.747)	(3.090)	(2.564)	Plan assets

**36. RUGI PER SAHAM**

**36. LOSS PER SHARE**

**a. Rugi Per Saham Dasar/Dilusan**

**a. Basic/Diluted Loss Per Share**

	2017	2016	
Rugi netto diatribusikan kepada pemilik entitas induk	(1.205.434)	(3.598.601)	Loss attributable to owners of parent
Jumlah rata-rata tertimbang saham untuk perhitungan rugi per saham dasar	109.379	97.022	Total weighted average number of shares for basic loss per share calculation
<b>Rugi Neto per Saham Dasar/Dilusan Diatribusikan kepada Pemilik Entitas Induk (Angka penuh)</b>	<b>(11,02)</b>	<b>(37,09)</b>	<b>Basic/Diluted Loss per Share Attributable To Owners of Parent (Full amount)</b>

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**36. RUGI PER SAHAM**

- b. Informasi terkait dengan klasifikasi efek untuk laba atau rugi per saham dilusian.

*Equity Linked Notes* yang diterbitkan pada tanggal 16 Desember 2010 dianggap berpotensi saham biasa dan telah disertakan dalam perhitungan laba atau rugi per saham dilusian. Rincian terkait *Equity Linked Notes* dijelaskan dalam Catatan 23j.

Obligasi konversi diasumsikan telah dikonversi ke saham biasa, untuk itu laba atau rugi neto disesuaikan untuk mengeliminasi beban bunga dikurangi dampak pajak. Rincian terkait dengan obligasi konversi dijelaskan dalam Catatan 27.

Untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2017 dan 2016, potensi konversi dari *Equity Linked Notes* dan obligasi konversi menjadi saham biasa dari Perusahaan bersifat antidilutif, sehingga tidak termasuk dalam perhitungan rugi per saham dilusian.

**37. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI**

Dalam kegiatan usaha normal, Kelompok Usaha melakukan transaksi dengan pihak-pihak berelasi. Transaksi-transaksi tersebut adalah sebagai berikut:

**a. Investasi jangka pendek (Catatan 6)**

			Persentase terhadap Total Aset Konsolidasian / Percentage to Total Consolidated Assets		
	2017	2016	2017	2016	
PT Bumi Resources Tbk	148.119	157.178	2,24%	2,40%	PT Energi Mega Persada Tbk
PT Bakrie Sumatera Plantation Tbk	6.078	18.643	0,09%	0,28%	PT Bakrie Sumatera Plantation Tbk
PT Bakrieland Development Tbk	3.597	3.597	0,05%	0,05%	PT Bumi Resources Tbk
PT Bakrie Telecom Tbk	2.152	2.152	0,03%	0,03%	PT Bakrie Telecom Tbk
PT Darma Henwa Tbk	1.240	14.710	0,02%	0,22%	PT Darma Henwa Tbk
PT Energi Mega Persada Tbk	1	5	0,00%	0,00%	PT Energi Mega Persada Tbk
<b>Total</b>	<b>161.187</b>	<b>196.285</b>	<b>2,44%</b>	<b>2,99%</b>	<b>Total</b>

**b. Piutang usaha - pihak berelasi (Catatan 7)**

			Persentase terhadap Total Aset Konsolidasian/ Percentage to Total Consolidated Assets		
	2017	2016	2017	2016	
Lain-lain (dibawah Rp1 miliar)	14.439	14.280	0,22%	0,22%	Others (below Rp1 billion)

Manajemen Kelompok Usaha berkeyakinan bahwa piutang-piutang yang ada masih dapat ditagih dan penyisihan kerugian atas penurunan nilai cukup untuk menutup kemungkinan kerugian atas tidak tertagihnya piutang dari pihak berelasi tersebut.

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**36. LOSS PER SHARE**

- b. Information concerning the classification of securities for diluted earnings or losses per share.

*Equity Linked Notes* issued on December 16, 2010 are considered to be potential ordinary shares and have been included in the determination of diluted earning or loss per share. Details relating to the *Equity Linked Notes* are disclosed in Note 23j.

The convertible bonds are assumed to have been converted into ordinary shares, and the net profit or loss is adjusted to eliminate the interest expense less tax effect. Details relating to the convertible bonds are disclosed in Note 27.

For the years ended December 31, 2017 and 2016, the potential conversion of the *Equity Linked Notes* and convertible bonds into ordinary shares of the Company is considered antidilutive, thus not included in the calculation of the diluted loss per share.

**37. TRANSACTIONS WITH RELATED PARTIES**

The Group, in its regular conduct of business, has engaged in transactions with related parties. These transactions were as follows:

**a. Short-term investments (Note 6)**

			Persentase terhadap Total Aset Konsolidasian / Percentage to Total Consolidated Assets		
	2017	2016	2017	2016	
PT Energi Mega Persada Tbk			2,24%	2,40%	PT Energi Mega Persada Tbk
PT Bakrie Sumatera Plantation Tbk			0,09%	0,28%	PT Bakrie Sumatera Plantation Tbk
PT Bumi Resources Tbk			0,05%	0,05%	PT Bumi Resources Tbk
PT Bakrie Telecom Tbk			0,03%	0,03%	PT Bakrie Telecom Tbk
PT Darma Henwa Tbk			0,02%	0,22%	PT Darma Henwa Tbk
PT Energi Mega Persada Tbk			0,00%	0,00%	PT Energi Mega Persada Tbk
<b>Total</b>	<b>161.187</b>	<b>196.285</b>	<b>2,44%</b>	<b>2,99%</b>	<b>Total</b>

**b. Trade receivables - related parties (Note 7)**

			Persentase terhadap Total Aset Konsolidasian/ Percentage to Total Consolidated Assets		
	2017	2016	2017	2016	
Lain-lain (dibawah Rp1 miliar)	14.439	14.280	0,22%	0,22%	Others (below Rp1 billion)

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.

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**37. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI  
(Lanjutan)**

**c. Piutang pihak berelasi**

	2017	2016	Persentase terhadap Total Aset Konsolidasian / Percentage to Total Consolidated Assets		
			2017	2016	
PT Tanjung Jati Power Company	210.172	201.624	3,18%	3,07%	PT Tanjung Jati Power Company
PT Bakrie Anugerah					PT Bakrie Anugerah
Batu Alam Industry	21.724	21.724	0,33%	0,33%	Batu Alam Industry
PT Batuta Kimia Perdana	12.751	12.751	0,19%	0,19%	PT Batuta Kimia Perdana
Long Haul Holdings Ltd	2.328	2.328	0,04%	0,04%	Long Haul Holdings Ltd
PT Bakrie Mira Satmakura	1.344	1.344	0,02%	0,02%	PT Bakrie Mira Satmakura
Lain-lain (dibawah Rp1 miliar)	31.847	7.964	0,48%	0,12%	Others (below Rp1 billion)
<b>Total</b>	<b>280.166</b>	<b>247.735</b>	<b>4,24%</b>	<b>3,78%</b>	<b>Total</b>
Dikurangi penyisihan kerugian atas penurunan nilai	(23.628)	(23.673)	-0,36%	-0,36%	Less allowance for impairment losses
<b>Neto</b>	<b>256.538</b>	<b>224.062</b>	<b>3,88%</b>	<b>3,42%</b>	<b>Net</b>

- Piutang pihak berelasi berasal dari pemberian pinjaman dana (uang muka) dan penggantian biaya kepada pihak berelasi. Piutang-piutang ini tanpa dikenakan bunga dan tidak memiliki jangka waktu pembayaran tetap.
- Pembentukan penyisihan kerugian atas penurunan nilai piutang pihak berelasi adalah sehubungan dengan penelaahan yang berkesinambungan oleh manajemen atas kemampuan masing-masing pihak berelasi untuk melunasi kewajibannya.

**d. Piutang kepada Komisaris, Direktur dan Karyawan (Catatan 17)**

Kelompok Usaha memberikan pinjaman tanpa bunga kepada direktur dan karyawan lainnya untuk pembelian rumah dan kendaraan bermotor. Saldo pinjaman kepada komisaris, direksi dan karyawan pada tanggal 31 Desember 2017 dan 2016, masing-masing sebesar Rp3,0 miliar dan Rp6,1 miliar, yang disajikan sebagai bagian dari "Aset Tidak Lancar Lainnya" dalam laporan posisi keuangan konsolidasian.

**e. Utang usaha - pihak berelasi (Catatan 19)**

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**37. TRANSACTIONS WITH RELATED PARTIES  
(Continued)**

**c. Due from related parties**

	2017	2016	Persentase terhadap Total Aset Konsolidasian / Percentage to Total Consolidated Assets		
			2017	2016	
PT Tanjung Jati Power Company	210.172	201.624	3,18%	3,07%	PT Tanjung Jati Power Company
PT Bakrie Anugerah					PT Bakrie Anugerah
Batu Alam Industry	21.724	21.724	0,33%	0,33%	Batu Alam Industry
PT Batuta Kimia Perdana	12.751	12.751	0,19%	0,19%	PT Batuta Kimia Perdana
Long Haul Holdings Ltd	2.328	2.328	0,04%	0,04%	Long Haul Holdings Ltd
PT Bakrie Mira Satmakura	1.344	1.344	0,02%	0,02%	PT Bakrie Mira Satmakura
Lain-lain (dibawah Rp1 miliar)	31.847	7.964	0,48%	0,12%	Others (below Rp1 billion)
<b>Total</b>	<b>280.166</b>	<b>247.735</b>	<b>4,24%</b>	<b>3,78%</b>	<b>Total</b>
Dikurangi penyisihan kerugian atas penurunan nilai	(23.628)	(23.673)	-0,36%	-0,36%	Less allowance for impairment losses
<b>Neto</b>	<b>256.538</b>	<b>224.062</b>	<b>3,88%</b>	<b>3,42%</b>	<b>Net</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. Receivable from Commissioners, Directors and Employees (Note 17)**

The Group extended non-interest bearing loans to directors and other employees for the purchase of houses and cars. The balances of the loans to commissioners, directors and employees as of December 31, 2017 and 2016, were Rp3.0 billion and Rp6.1 billion, respectively, and are presented as part of "Other Non-Current Assets" in the consolidated statements of financial position.

**e. Trade payables - related parties (Note 19)**

	2017	2016	Persentase terhadap Total Liabilitas Konsolidasian/ Percentage to Total Consolidated Liabilities		
			2017	2016	
Lain-lain (dibawah Rp1 miliar)	2.276	16.549	0,02%	0,13%	Others (below Rp1 billion)

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**37. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI  
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**f. Utang lainnya - pihak berelasi (Catatan 20)**

	2017	2016	Persentase terhadap Total Liabilitas Konsolidasian/ Percentage to Total Consolidated Liabilities		
			2017	2016	
Dana Pensiun Bakrie	18.739	38.913	0,15%	0,31%	Dana Pensiun Bakrie
Lain-lain (dibawah Rp1 miliar)	2.729	1.376	0,02%	0,01%	Others (below Rp1 billion)
<b>Total</b>	<b>21.468</b>	<b>40.289</b>	<b>0,17%</b>	<b>0,32%</b>	<b>Total</b>

Saldo utang lainnya kepada pihak berelasi berasal dari pinjaman modal kerja, pembelian saham, iuran dana pensiun dan biaya sewa.

The balance of other payables - related parties arose from working capital loan, purchase of shares, contributions of retirement benefits and rent expenses.

**g. Utang pihak berelasi**

	2017	2016	Persentase terhadap Total Liabilitas Konsolidasian / Percentage to Total Consolidated Liabilities		
			2017	2016	
PT Petromine Energy Trading	109.906	115.258	0,87%	0,91%	PT Petromine Energy Trading
PT Cimanggis Cibitung Tollways	69.697	69.697	0,55%	0,55%	PT Cimanggis Cibitung Tollways
PT Bakrie Capital Indonesia	10.000	10.000	0,08%	0,08%	PT Bakrie Capital Indonesia
PT Kalimantan Prima Power	6.311	6.311	0,05%	0,05%	PT Kalimantan Prima Power
Others (below Rp1 billion)	3.198	22.134	0,03%	0,18%	Others (below Rp1 billion)
<b>Total</b>	<b>199.112</b>	<b>223.400</b>	<b>1,58%</b>	<b>1,77%</b>	<b>Total</b>

Saldo utang pihak berelasi berasal dari pinjaman untuk proyek jangka panjang dan belanja modal. Utang-utang ini tanpa dikenakan bunga dan tidak memiliki jangka waktu pembayaran tetap.

The balance of due to related parties arose from loan for long-term projects and capital expenditures. These payables are non-interest bearing loan and with no fixed payment schedule.

**h. Kompensasi manajemen kunci**

Manajemen kunci Kelompok Usaha terdiri dari Dewan Komisaris dan Direksi Perusahaan dan *Chief Officers*.

**h. Key management compensation**

The Group's key management personnel consists of the Company's Boards of Commissioners and Directors and *Chief Officers*.

Total remunerasi dan imbalan lainnya yang diberikan kepada personil manajemen kunci sebagai berikut:

Total remuneration and other benefits given to key management personnel were as follows:

	2017				
	Dewan Komisaris/ Board of Commissioners	Direksi/ Board of Directors	Personil Manajemen Kunci lainnya/ Other Key Management Personnel	Total/ Total	
Imbalan kerja jangka pendek	11.411	23.651	12.793	47.855	Short-term employment benefits
Imbalan pascakerja	-	6.419	2.833	9.252	Post-employment benefits
Imbalan kerja jangka panjang lainnya	-	6.819	2.202	9.021	Other long-term benefits
<b>Total</b>	<b>11.411</b>	<b>36.889</b>	<b>17.828</b>	<b>66.128</b>	<b>Total</b>



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**37. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI  
(Lanjutan)**

**37. TRANSACTIONS WITH RELATED PARTIES  
(Continued)**

2016				
	Dewan Komisaris/ Board of Commissioners	Direksi/ Board of Directors	Personil Manajemen Kunci lainnya/ Other Key Management Personnel	Total/ Total
Imbalan kerja jangka pendek	11.171	28.013	11.458	50.642
Imbalan pascakerja	-	18.753	15.372	34.125
Imbalan kerja jangka panjang lainnya	-	1.071	5.650	6.721
<b>Total</b>	<b>11.171</b>	<b>47.837</b>	<b>32.480</b>	<b>91.488</b>

Short-term employment benefits  
Post-employment benefits

Other long-term benefits

Total

**i. Sifat hubungan berelasi**

Pihak berelasi merupakan entitas sepengendali yang memiliki pemegang saham dan/atau anggota direksi dan dewan komisaris yang sama dengan Perusahaan, Entitas Anak, Entitas Asosiasi atau Entitas Pengendalian Bersama.

Karena memiliki sifat hubungan istimewa, hal ini memungkinkan syarat dan kondisi transaksi dengan pihak yang mempunyai hubungan istimewa tidak sama jika transaksi tersebut dilakukan dengan pihak ketiga, contohnya pinjaman karyawan.

**i. Nature of related parties**

The related parties are under common control of the same shareholders and/or same members of the boards of directors or commissioners as the Company, Subsidiaries, Associates or Jointly Controlled Entities.

Because of these relationships, it is possible that the terms and conditions of these transactions are not the same as those that would result from transactions with third parties, such as employee loans.

**38. SEGMENT OPERASI**

Kelompok Usaha memiliki usaha yang terbagi dalam dua operasi yang meliputi usaha yang berhubungan dengan infrastruktur dan manufaktur serta perdagangan, jasa dan investasi.

Informasi tentang segmen usaha Kelompok Usaha adalah sebagai berikut:

**38. OPERATING SEGMENT**

The Group classifies its products and services into two core business segments namely infrastructure and manufacturing as well as trading, services and investment.

Information concerning the Group business segments is as follows:

2017				
	Infrastruktur dan Manufaktur/ Infrastructure and Manufacturing	Perdagangan, Jasa dan Investasi/ Trading, Services, and Investment	Eliminasi/ Elimination	Konsolidasian/ Consolidated
<b>PENDAPATAN NETO</b>	2.452.043	7.693	-	2.459.736
<b>BEBAN POKOK PENDAPATAN</b>	2.019.064	26.328	-	2.045.392
<b>LABA (RUGI) BRUTO</b>	432.979	(18.635)	-	414.344
<b>BEBAN USAHA</b>				
Beban umum dan administrasi	104.661	60.071	-	164.732
Beban karyawan	166.824	83.312	-	250.136
Beban penjualan	99.342	119	-	99.461
Total Beban Usaha	370.827	143.502	-	514.329
<b>LABA (RUGI) USAHA</b>	62.152	(162.137)	-	(99.985)

NET REVENUES

COST OF REVENUES

GROSS PROFIT (LOSS)

OPERATING EXPENSES

General and administrative

expenses

Personnel expenses

Selling expenses

Total Operating Expenses

OPERATING PROFIT (LOSS)

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**38. SEGMENT OPERASI (Lanjutan)**

**38. OPERATING SEGMENT (Continued)**

2017					
	Infrastruktur dan Manufaktur/ Infrastructure and Manufacturing	Perdagangan, Jasa dan Investasi/ Trading, Services, and Investment	Eliminasi/ Elimination	Konsolidasian/ Consolidated	
<b>PENGHASILAN (BEBAN) LAIN-LAIN</b>					<b>OTHER INCOME (EXPENSES)</b>
Bagian atas laba (rugi) neto pada dari entitas asosiasi dan entitas pengendalian bersama	(20.211)	(865)	158.950	137.874	Share in net profit (loss) of associates and jointly controlled entities
Keuntungan atas pelepasan saham	7.855	4.846	-	12.701	Gain on divestment
Perubahan nilai wajar derivatif - neto	-	(594.970)	-	(594.970)	Fair value changes of derivatives - net
Beban bunga dan keuangan	(58.291)	(375.736)	-	(434.027)	Interest and financial expenses
Beban pajak	(60.412)	(352)	-	(60.764)	Tax expenses
Beban penghapusan dan penyisihan penurunan nilai piutang	(59.602)	-	-	(59.602)	Write-off and provision for impairment of receivables
Keuntungan (kerugian) selisih kurs - neto	11.853	(65.862)	-	(54.009)	Gain (loss) on foreign exchange - net
Lain-lain	(41.629)	9.243	-	(32.386)	Others
Penghasilan (Beban) Lain-lain - Neto	(220.437)	(1.023.696)	158.950	(1.085.183)	Other Income (Expense) - Net
<b>LABA (RUGI) SEBELUM MANFAAT (BEBAN) PAJAK PENGHASILAN</b>	<b>(158.285)</b>	<b>(1.185.833)</b>	<b>158.950</b>	<b>(1.185.168)</b>	<b>INCOME (LOSS) BEFORE INCOME TAX BENEFIT (EXPENSE)</b>
<b>MANFAAT (BEBAN) PAJAK PENGHASILAN</b>					<b>INCOME TAX BENEFIT (EXPENSE)</b>
Kini	(33.374)	-	-	(33.374)	Current
Tangguhan	20.720	(1.172)	-	19.548	Deferred
Beban Pajak Penghasilan - Neto	(12.654)	(1.172)	-	(13.826)	Income Tax Expense - Net
<b>RUGI NETO</b>	<b>(170.939)</b>	<b>(1.187.005)</b>	<b>158.950</b>	<b>(1.198.994)</b>	<b>NET LOSS</b>
Aset tetap - neto	2.162.600	37.905	335.143	2.535.648	Fixed assets - net
Aset segmen lainnya	2.473.964	2.466.754	(1.072.668)	3.868.050	Other assets per segment
Investasi pada entitas asosiasi dan entitas pengendalian bersama - neto	165	2.555.775	(2.354.753)	201.187	Investments in associated and jointly controlled entities - net
<b>TOTAL ASET</b>	<b>4.636.729</b>	<b>5.060.434</b>	<b>(3.092.278)</b>	<b>6.604.885</b>	<b>TOTAL ASSETS</b>
<b>TOTAL LIABILITAS</b>	<b>2.305.396</b>	<b>11.082.246</b>	<b>(786.787)</b>	<b>12.600.855</b>	<b>TOTAL LIABILITIES</b>
2016					
	Infrastruktur dan Manufaktur/ Infrastructure and Manufacturing	Perdagangan, Jasa dan Investasi/ Trading, Services, and Investment	Eliminasi/ Elimination	Konsolidasian/ Consolidated	
<b>PENDAPATAN NETO</b>	2.072.391	3.518	-	2.075.909	<b>NET REVENUES</b>
<b>BEBAN POKOK PENDAPATAN</b>	1.978.763	1.047	-	1.979.810	<b>COST OF REVENUES</b>
<b>LABA KOTOR</b>	93.628	2.471	-	96.099	<b>GROSS PROFIT</b>
<b>BEBAN USAHA</b>					<b>OPERATING EXPENSES</b>
Beban umum dan administrasi	231.583	40.235	-	271.818	General and administrative expenses
Beban karyawan	154.837	68.581	-	223.418	Personnel expenses
Beban penjualan	44.157	650	-	44.807	Selling expenses
Total Beban Usaha	430.577	109.466	-	540.043	Total Operating Expenses
<b>RUGI USAHA</b>	<b>(336.949)</b>	<b>(106.995)</b>	<b>-</b>	<b>(443.944)</b>	<b>LOSS FROM OPERATIONS</b>

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**38. SEGMENT OPERASI (Lanjutan)**

**38. OPERATING SEGMENT (Continued)**

2016					
	Infrastruktur dan Manufaktur/ <i>Infrastructure and Manufacturing</i>	Perdagangan, Jasa dan Investasi/ <i>Trading, Services, and Investment</i>	Eliminasi/ <i>Elimination</i>	Konsolidasian/ <i>Consolidated</i>	
<b>PENGHASILAN (BEBAN) LAIN-LAIN</b>					<b>OTHER INCOME (EXPENSES)</b>
Laba (rugi) selisih kurs - neto	(10.280)	222.286	-	212.006	Gain (loss) on foreign exchange - net
Laba atas pelepasan saham	-	30.507	-	30.507	Gain on divestment
Bagian atas laba (rugi) neto dari entitas asosiasi dan pengendalian bersama	225.029	(4.842.626)	3.094.429	(1.523.168)	Share in net profit (loss) of associated and jointly controlled entities
Beban bunga dan keuangan	(138.381)	(130.210)	-	(268.591)	Interest and financial expenses
Penyisihan penurunan nilai investasi	(1.024.588)	-	-	(1.024.588)	Provision for impairment losses of investments
Perubahan nilai wajar derivatif - neto	-	(340.359)	-	(340.359)	Fair value changes of derivatives - net
Beban penyisihan penurunan nilai biaya pengembangan proyek	(13.609)	(86.622)	-	(100.231)	Provision for impairment of project development costs
Beban penghapusan dan penyisihan kerugian atas penurunan nilai	(94.597)	-	-	(94.597)	Write-off and provision for impairment losses
Beban pajak	(20.931)	(950)	-	(21.881)	Tax expenses
Lain-lain	(3.042)	(12.480)	-	(15.522)	Others
Beban Lain-lain - Neto	(1.080.399)	(5.160.454)	3.094.429	(3.146.424)	Other Expense - Net
<b>LABA (RUGI) SEBELUM BEBAN PAJAK PENGHASILAN</b>	<b>(1.417.348)</b>	<b>(5.267.449)</b>	<b>3.094.429</b>	<b>(3.590.368)</b>	<b>INCOME (LOSS) BEFORE INCOME TAX EXPENSE</b>
<b>BEBAN PAJAK PENGHASILAN</b>					<b>INCOME TAX EXPENSE</b>
Kini	(8.183)	-	-	(8.183)	Current
Tangguhan	(55.901)	(7.166)	-	(63.067)	Deferred
Total Beban Pajak Penghasilan	(64.084)	(7.166)	-	(71.250)	Total Income Tax Expense
<b>RUGI NETO</b>	<b>(1.481.432)</b>	<b>(5.274.615)</b>	<b>3.094.429</b>	<b>(3.661.618)</b>	<b>NET LOSS</b>
Aset tetap - neto	2.184.376	42.775	282.067	2.509.218	Fixed assets - net
Aset segmen lainnya	2.434.515	2.592.447	(1.015.310)	4.011.652	Other assets per segment
Investasi pada entitas asosiasi dan entitas pengendalian bersama - neto	20.368	2.296.213	(2.279.013)	37.568	Investments in associates and jointly controlled entities - net
<b>TOTAL ASET</b>	<b>4.639.259</b>	<b>4.931.435</b>	<b>(3.012.256)</b>	<b>6.558.438</b>	<b>TOTAL ASSETS</b>
<b>TOTAL LIABILITAS</b>	<b>2.077.749</b>	<b>11.192.771</b>	<b>(660.061)</b>	<b>12.610.459</b>	<b>TOTAL LIABILITIES</b>

**39. 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 bersama PLN dan PCM, menandatangani Gas Transportation Agreement (GTA) ruas Kepodang-Tambak Lorok di Kantor Badan Pengelolaan Hulu (BPH-Migas).

**39. 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).

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**39. PERJANJIAN DAN IKATAN YANG SIGNIFIKAN**

(Lanjutan)

Penandatanganan ini merupakan tindak lanjut diterbitkannya SK Menteri Energi dan Sumber Daya Mineral No. 2700 K/11/MEM/2012 tentang Rencana Induk Jaringan Transmisi dan Distribusi Gas Bumi Nasional (RIJTDGBN) Tahun 2015-2025 yang menyatakan bahwa pembangunan ruas Kalija (Kalimantan Timur-Jawa Tengah) dapat dilakukan bertahap dengan pertimbangan ketersediaan pasokan gas bumi. Perusahaan, sebagai pemenang lelang ruas transmisi Kalija pada tahun 2006, dapat memulai pembangunan ruas yang nantinya akan mengirimkan gas dari Kepodang-Tambak Lorok ke Pembangkit Listrik Tenaga Gas Tambak Lorok milik PT PLN sebanyak 354 Billion Cubic Feet hingga tahun 2026.

**b. Perjanjian-perjanjian Sehubungan dengan Proyek Konstruksi Pipa**

Pada tanggal 16 Desember 1996, PT Bakrie Harper (BHP), Entitas Anak, mengadakan perjanjian dengan Punj Lloyd (Malaysia) Sdn Bhd sebagai kontraktor untuk melaksanakan Proyek Pipanisasi Kertapati - Jambi. Nilai kontrak atas proyek tersebut adalah sebesar USD152,5 juta, termasuk setoran jaminan proyek sebesar USD37,0 juta atau setara dengan Rp262,7 miliar, untuk periode dua puluh empat (24) bulan sejak tanggal efektifnya perjanjian tersebut. Punj Lloyd (Malaysia) Sdn Bhd telah mengalihkan seluruh hak dan kewajibannya dalam proyek ini kepada PT Punj Lloyd Indonesia (PLI) setelah PLI berdiri di bawah hukum Indonesia.

**c. Perjanjian Kontrak Konstruksi**

1. Perjanjian kontrak konstruksi antara Husky dengan CNOOC Madura Limited dimana BCons merupakan bagian dari pihak konsorsium. Bentuk kontrak tersebut termasuk jasa teknik, pengadaan, konstruksi dan instalasi (EPCI) untuk proyek MDA dan MBH Fields Development.

Kontrak dijadwalkan akan dimulai pada bulan November 2015 untuk jangka waktu dua puluh enam (26) bulan. Pada tanggal 31 Desember 2017, nilai kontrak dan variasi sebesar USD34.991.520, tidak termasuk PPN, dan jumlah biaya yang terjadi sebesar USD27.859.837.

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, proyek tersebut sudah selesai 69,98%.

2. Kontrak konstruksi dengan Black & Veatch International Company untuk baja struktural dan aneka logam Proyek Pembangkit Tenaga Uap Lontar Extension Coal.

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**39. SIGNIFICANT AGREEMENTS AND COMMITMENTS**

(Continued)

The signing was as the follow-up of the Ministry of Energy Mineral Resources (EMR) Decree Number 2700 K/11/MEM/2012 regarding the Master Plan for Transmission Network and National Gas Distribution (RIJTDGBN) Year 2015-2025 which states that the construction of Kalija section (East Kalimantan-Central Java) can be performed gradually with consideration of the availability of natural gas supply. The Company, as the bid winner of Kalija transmission segment in 2006, was able to start the segment construction which will transmit gas from Kepodang-Tambak Lorok to Pembangkit Listrik Tenaga Gas Tambak Lorok owned by PT PLN as much as 354 Billion Cubic Feet up to 2026.

**b. Agreements Related to Pipeline Construction Projects**

On December 16, 1996, PT Bakrie Harper (BHP), Subsidiary, entered into a cooperation agreement with Punj Lloyd (Malaysia) Sdn Bhd as the contractor for the Kertapati - Jambi Pipeline Project. The contract price of this project amounted to USD152.5 million including a project security deposit of USD37.0 million or equivalent to Rp262.7 billion and covering a twenty-four (24) month period commencing from the effective date of the agreement. Punj Lloyd (Malaysia) Sdn Bhd was entitled to assign its rights and obligation in the project in favor of PT Punj Lloyd Indonesia (PLI) after PLI was established and organized under the laws of the Republic of Indonesia.

**c. Construction Contract Agreement**

1. Construction contract agreement between Husky-CNOOC Madura Limited wherein BCons is part of a consortium.-The agreement included engineering, procurement, construction and installation (EPCI) for the MDA and MBH Fields Development.

The contract was scheduled to commence in November 2015 for a period of twenty-six (26) months. As of December 31, 2017, the total original contract and variation amounted to USD34,991,520, excluding VAT, and total costs incurred amounted to USD27,859,837.

As of completion date of the consolidated financial statements, the project was 69.98% complete.

2. Construction contract with Black & Veatch International Company for the structural steel and miscellaneous metal of Lontar Extension Coal Fired Steam Power Plant Project.



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**39. PERJANJIAN DAN IKATAN YANG SIGNIFIKAN  
(Lanjutan)**

Kontrak dijadwalkan akan dimulai pada bulan Desember 2016 untuk jangka waktu sebelas (11) bulan. Pada tanggal 31 Desember 2017, nilai kontrak dan variasi sebesar Rp133,85 miliar (USD9.962.208), tidak termasuk PPN, dan jumlah biaya yang terjadi sebesar USD959.378.

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, proyek tersebut sudah selesai 10,95%.

**40. TRANSAKSI DERIVATIF**

Pada tanggal 30 November 2011, Perusahaan menandatangani *Master Confirmation for Share Swap Transactions* dengan Glencore International AG (Glencore) dengan jumlah komitmen transaksi senilai USD200,0 juta dikurangi biaya transaksi tertentu. Glencore membeli saham BUMI sampai dengan jumlah USD200,0 juta tersebut dikurangi transaksi tertentu. Berdasarkan perjanjian tersebut Perusahaan mempunyai opsi untuk membeli saham BUMI mulai 6 bulan dan terakhir 30 bulan setelah tanggal transaksi pertama, pada harga sebesar rata-rata tertimbang harga yang direalisasikan Glencore ditambah biaya transaksi. Untuk dapat melaksanakan opsi tersebut, Perusahaan melakukan pembayaran uang muka tertentu setiap 6 bulan yang jumlahnya ditentukan oleh Glencore. Transaksi ini menghasilkan derivatif liabilitas sampai dengan tanggal 31 Desember 2017 dan 2016 masing-masing sebesar Rp5,1 triliun dan Rp4,5 triliun. Perubahan atas nilai wajar dari liabilitas derivatif dicatat dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian masing-masing rugi sebesar Rp595,0 miliar dan Rp340,4 miliar pada tahun 2017 dan 2016.

**41. ASET DAN LIABILITAS MONETER DALAM MATA UANG ASING**

Kelompok Usaha memiliki aset dan liabilitas dalam mata uang asing sebagai berikut:

	2017		2016		
	Mata Uang Asing (angka penuh)/ <i>Original Currency (full amount)</i>	Setara Rupiah/ <i>Equivalent Rupiah</i>	Mata Uang Asing (angka penuh)/ <i>Original Currency (full amount)</i>	Setara Rupiah/ <i>Equivalent Rupiah</i>	
<b>Aset</b>					<b>Assets</b>
Kas dan setara kas					Cash and cash equivalents
Dolar AS	1.406.314	19.052	3.690.458	49.585	US Dollar
Yen Jepang	454	55	615	71	Japanese Yen
Dolar Singapura	153	2	215	2	Singaporean Dollar

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**39. SIGNIFICANT AGREEMENTS AND COMMITMENTS  
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The contract was scheduled to commence in December 2016 for a period of eleven (11) months. As of December 31, 2017, the total original contract and variation amounted to Rp133.85 miliar (USD9,962,208), excluding VAT, and total costs incurred amounted to USD959,378.

As of completion date of the consolidated financial statements, the project was 10.95% complete.

**40. 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, 2017 and 2016 amounting to Rp5.1 trillion and Rp4.5 trillion, respectively. Net changes in fair value of derivative liability recognized in the consolidated statements of profit or loss and other comprehensive income amounted to loss of Rp595.0 and Rp340.4 billion in 2017 and 2016, respectively.

**41. MONETARY ASSETS AND LIABILITIES IN FOREIGN CURRENCIES**

The Group had monetary assets and liabilities in foreign currencies as follows:

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**41. ASET DAN LIABILITAS MONETER DALAM MATA  
UANG ASING (Lanjutan)**

**41. MONETARY ASSETS AND LIABILITIES IN FOREIGN  
CURRENCIES (Continued)**

	2017		2016		
	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	
Investasi jangka pendek					Short-term investments
Dolar AS	25.565.197	346.358	25.565.198	343.494	US Dollar
Piutang usaha					Trade receivables
Dolar AS	3.303.183	44.752	6.521.658	87.624	US Dollar
Piutang pihak berelasi					Due from related parties
Dolar AS	15.677.504	212.398	15.164.930	203.756	US Dollar
Piutang lain-lain					Other receivables
Dolar AS	8.817.493	119.459	14.018.905	188.358	US Dollar
Kas yang dibatasi penggunaannya					Restricted cash in bank
Dolar AS	1.809.201	24.512	9.260.196	124.420	US Dollar
Yen Jepang	334	40	389	45	Japanese Yen
Dolar AS	56.578.892	766.531	74.221.345	997.237	US Dollar
Yen Jepang	788	95	1.004	116	Japanese Yen
Dolar Singapura	153	2	215	2	Singaporean Dollar
<b>Total Aset</b>		<b>766.628</b>		<b>997.355</b>	<b>Total Assets</b>
<b>Liabilitas</b>					<b>Liabilities</b>
Utang usaha					Trade payables
Dolar AS	13.251.801	179.535	14.801.652	198.875	US Dollar
Euro	582	9	565	8	Euro
Dolar Singapura	9.485	96	13.335	124	Singapore Dollar
Dolar Australia	-	-	4.525	44	Australian Dollar
Utang lain-lain					Other payables
Dolar AS	751.173	10.176	697.082	9.366	US Dollar
Biaya masih harus dibayar					Accrued expenses
Dolar AS	83.659.065	1.133.413	86.827.776	1.166.618	US Dollar
GBP	9.400	171	9.400	155	Pound Sterling
Dolar Singapura	1.785	18	421	4	Singapore Dollar
Pinjaman jangka pendek					Short-term loans
Dolar AS	18.542.354	251.212	98.446.263	1.322.725	US Dollar
Liabilitas derivatif					Derivative liabilities
Dolar AS	377.690.803	5.116.955	333.180.485	4.476.613	US Dollar
Pinjaman jangka panjang					Long-term loans
Dolar AS	246.982.790	3.346.123	249.982.807	3.358.769	US Dollar
Dolar AS	740.877.986	10.037.414	783.936.067	10.532.966	US Dollar
Euro	582	9	565	8	Euro
Dolar Singapura	11.270	114	13.756	128	Singapore Dollar
GBP	9.400	171	9.400	155	Pound Sterling
Dolar Australia	-	-	4.525	44	Australian Dollar
<b>Total Liabilitas</b>		<b>10.037.708</b>		<b>10.533.301</b>	<b>Total Liabilities</b>
<b>Liabilitas - Neto</b>		<b>(9.271.080)</b>		<b>(9.535.946)</b>	<b>Net Liabilities</b>

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## 42. INSTRUMEN KEUANGAN

Tabel berikut menyajikan jumlah tercatat dan taksiran nilai wajar dari instrumen keuangan Kelompok Usaha yang dicatat di laporan posisi keuangan konsolidasian:

	2017		2016	
	Jumlah Tercatat/ Carrying Amounts	Nilai Wajar/ Fair values	Jumlah Tercatat/ Carrying Amounts	Nilai Wajar/ Fair values
<b>Aset keuangan</b>				
<u>Dimiliki untuk diperdagangkan</u>				
Dana investasi	346.358	346.358	343.494	343.494
Saham yang diperdagangkan	-	-	14.666	14.666
Subtotal	346.358	346.358	358.160	358.160
<u>Kas</u>	1.281	1.281	1.107	1.107
<u>Diukur pada biaya perolehan diamortisasi</u>				
Pinjaman yang diberikan dan piutang				
Kas di bank dan setara kas	123.067	123.067	144.656	144.656
Deposito berjangka	2.200	2.200	2.200	2.200
Piutang usaha				
Pihak ketiga	441.928	441.928	1.032.236	1.032.236
Pihak berelasi	14.439	14.439	14.280	14.280
Piutang lain-lain - pihak ketiga	658.823	658.823	445.498	445.498
Piutang pihak berelasi	256.538	256.538	224.062	224.062
Piutang jangka panjang	468.014	468.014	-	-
Aset keuangan tidak lancar lainnya				
Kas di bank yang dibatasi penggunaannya	89.763	89.763	154.468	154.468
Piutang dari komisaris, direktur dan karyawan	3.002	3.002	6.081	6.081
Jaminan	1.328	1.328	3.423	3.423
Subtotal	2.059.102	2.059.102	2.026.904	2.026.904
<u>Aset keuangan tersedia untuk dijual</u>				
Efek ekuitas tercatat	161.187	161.187	196.285	196.285
Efek ekuitas tidak tercatat	251.825	251.825	154.201	154.201
Subtotal	413.012	413.012	350.486	350.486
<b>Total aset keuangan</b>	<b>2.819.753</b>	<b>2.819.753</b>	<b>2.736.657</b>	<b>2.736.657</b>
<b>Liabilitas keuangan</b>				
<u>Liabilitas keuangan pada FVTPL</u>				
Liabilitas derivatif	5.116.955	5.116.955	4.476.613	4.476.613
<u>Diukur pada biaya perolehan diamortisasi</u>				
Pinjaman jangka pendek	670.829	670.829	1.712.927	1.712.927
Utang usaha				
Pihak ketiga	541.440	541.440	578.746	578.746
Pihak berelasi	2.276	2.276	16.549	16.549
Utang lain-lain				
Pihak ketiga	213.155	213.155	143.491	143.491
Pihak berelasi	21.468	21.468	40.289	40.289
Beban masih harus dibayar	1.484.343	1.484.343	1.193.952	1.193.952
Pinjaman jangka panjang	3.578.814	3.578.814	3.589.524	3.589.524
Utang sewa pembiayaan	1.157	1.157	2.516	2.516
Utang pihak berelasi	199.112	199.112	223.400	223.400
Subtotal	6.712.594	6.712.594	7.501.394	7.501.394
<b>Total Liabilitas Keuangan</b>	<b>11.829.549</b>	<b>11.829.549</b>	<b>11.978.007</b>	<b>11.978.007</b>

## 42. FINANCIAL INSTRUMENTS

The following table sets forth the carrying amounts and estimated fair values of Group's financial instruments that were carried on the consolidated statements of financial position:

<b>Financial assets</b>
<u>Held-for-trading</u>
Investment fund
Marketable securities
Subtotal
<u>Cash on hand</u>
<u>Measured at amortized cost</u>
Loans and receivables
Cash in banks and cash equivalents
Time deposit
Trade receivables
Third parties
Related parties
Other receivables - third parties
Due from related parties
Long-term receivables
Other non-current financial assets
Restricted cash in banks
Receivable from commissioners, directors and employees
Security deposits
Subtotal
<u>Available-for-sale financial assets</u>
Quoted equity securities
Unquoted equity securities
Subtotal
<b>Total financial assets</b>
<b>Financial liabilities</b>
<u>Financial liability at FVTPL</u>
Derivative liabilities
<u>Measured at amortized cost</u>
Short-term loan
Trade payables
Third parties
Related parties
Other payables
Third parties
Related parties
Accrued expenses
Long-term loans
Finance lease payables
Due to related parties
Subtotal
<b>Total Financial Liabilities</b>

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**42. INSTRUMEN KEUANGAN (Lanjutan)**

Metode dan asumsi berikut ini digunakan untuk mengestimasi nilai wajar untuk setiap kelompok instrumen keuangan yang praktis untuk memperkirakan nilai tersebut:

Aset dan liabilitas keuangan jangka pendek:

- Instrumen keuangan jangka pendek dengan jatuh tempo satu tahun atau kurang (kas dan setara kas, deposito berjangka, piutang usaha, piutang lain-lain, pinjaman jangka pendek, utang usaha, utang lain-lain dan beban masih harus dibayar).

Instrumen keuangan ini sangat mendekati nilai tercatat mereka karena jatuh tempo mereka dalam jangka pendek (tingkat 2).

- Instrumen keuangan yang diperdagangkan dan efek ekuitas yang tercatat.

Instrumen ini diukur pada nilai wajarnya dengan menggunakan teknik penilaian kuotasi harga pasar untuk instrumen tersebut (tingkat 1).

- Instrumen derivatif.

Nilai wajar dari instrumen derivatif yang dimiliki ditentukan dengan teknik penilaian tertentu, yang menggunakan data pasar yang dapat diobservasi, antara lain dengan mendiskontokan arus kas masa datang menggunakan suku bunga transaksi pasar terkini yang dapat diobservasi yang berlaku untuk instrumen dengan persyaratan, risiko kredit dan jatuh tempo yang sama (tingkat 2).

Aset dan liabilitas keuangan jangka panjang:

- Liabilitas keuangan jangka panjang dengan suku bunga tetap dan variabel (pinjaman jangka panjang dan utang sewa pembiayaan yang tidak dikuotasikan).

Nilai wajar dari liabilitas keuangan ini ditentukan dengan mendiskontokan arus kas masa datang menggunakan suku bunga yang berlaku dari transaksi pasar yang dapat diamati untuk instrumen dengan persyaratan, risiko kredit dan jatuh tempo yang sama (tingkat 2).

- Aset keuangan tidak lancar lainnya.

Untuk aset keuangan tidak lancar lainnya yang tidak dikuotasi di harga pasar dan nilai wajarnya tidak dapat diukur secara andal tanpa menimbulkan biaya yang berlebihan, dicatat berdasarkan nilai nominal dikurangi penurunan nilai.

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**42. FINANCIAL INSTRUMENTS (Continued)**

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Short-term financial assets and liabilities:

- Short-term financial instruments with remaining maturities of one year or less (cash and cash equivalents, time deposits, trade receivables, other receivables, short-term loans, trade payables, other payables and accrued expenses).

These financial instruments approximate to carrying amounts largely due to their short-term maturities (level 2).

- Trading financial instruments and quoted equity instruments.

These instruments are measured at their fair values using quoted market prices existing for such instruments (level 1).

- Derivative instruments.

The fair values of derivative instruments were determined using valuation techniques, which maximizing the use of observable market data, among others by discounting future cash flows using applicable rates from observable current market transactions for instruments with similar terms, credit risk and remaining maturities (level 2).

Long-term financial assets and liabilities:

- Long-term fixed-rate and variable-rate financial liabilities (unquoted long-term loans and finance lease payables).

The fair value of these financial liabilities is determined by discounting future cash flows using applicable rates from observable current market transactions for instruments with similar terms, credit risk and remaining maturities (level 2).

- Other non-current financial assets.

Other non-current financial assets that are not stated at quoted market price and whose fair value cannot be reliably measured without incurring excessive costs, are carried at their nominal amounts less any impairment losses.



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**43. 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 diringkaskan 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 Perusahaan 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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**43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND  
POLICIES**

**Financial Risks**

*The Group's activities expose it to a variety of financial risks namely: market risk (including interest rate risk, foreign currency risk and price risk), credit risk and liquidity risk.*

*The Group's overall risk management objective is to effectively manage these risks and minimize potential adverse effects on its financial performance. The Board of Directors reviews and approves the policies for managing each of these risks, which are summarized below, and also monitors the market price risks arising from all financial instruments.*

**a. Market Risk**

*Market risk refers to the risk that arises when the Group is confronted with fluctuations in share price of the assets owned, interest rates and exchange rates related to the investment portfolio that impact the Group's financial position and investment value on the market, both on market movement against the Company's expectations and volatility increase.*

*Identification, assessment, and monitoring of market risk are performed on market price performance of the Company's share and its investment portfolio, volatility of exchange rates and interest rates. Other factors considered to have impact on or contributing to performance and/or volatility of the market risk indicators that can be used as reference data in order to obtain accurate market risk assessment, are among others: the performance of the Company's financial fundamentals and its investment portfolio, macroeconomic conditions, as well as information on the development of other related industries.*

*As initiatives for mitigating market risk, the Group practices the following:*

- *Delivers periodic risk assessment report to the Risk Management Committee, CEO and/or other relevant parties to be followed-up and used as a reference in the decision-making process. The reported assessment result of market risk indicators are volatility risk and risk exposure to the value of money.*

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**43. 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 50 basis poin dibandingkan tingkat bunga pada tanggal 31 Desember 2017 dan 2016.

Jika suku bunga lebih tinggi/rendah 50 basis poin dengan seluruh variabel lain tetap, maka dampak terhadap laba rugi dan ekuitas pada tanggal 31 Desember 2017 dan 2016 akan berupa peningkatan/penurunan beban bunga sekitar Rp31,9 miliar dan Rp6,6 miliar.

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**43. FINANCIAL RISK MANAGEMENT (Continued)**

- Related to this particular risk, there are two types of risks that need to be considered, i.e., shrinking market value exposure and growing market value exposure. In the first exposure, if the Group takes a position that assumes that the market value is to grow, such a position will create a risk of loss. On the other hand, in the second exposure, if the Group takes a bearish position, it will create a risk of loss of opportunities. Based on internal analyses and through cross-checking with certain external analyses, the Group concludes that emerging markets in general, and that of Indonesia specifically, will expand as associated with the substantial economic growth experienced with countries outside the developed countries.
- In summary, internal analyses thus show that the risk of having loss of opportunity is greater than the risk of experiencing losses in a bear market. The Group portfolio's placement in growing markets is related to the market risk factor's mitigation initiatives.
- Sets risk limit that consists of risk rating based on price volatility, beta value range, the acceptable range of risk exposures, and the range of prices of assets on the market.

**(1) Interest Rate Risk**

The Group's exposure to interest rate risk is resulted from deposits with banks and credit facilities based on floating interest rates. The Group manages this financial risk by monitoring the market interest rates risk movement.

Based on management's estimate, until the Company's next reporting date, the interest rates may increase/ decrease by 50 basis points, compared to the interest rate at December 31, 2017 and 2016.

If interest rate had been 50 basis points higher/lower with all other variables held constant, the effect on December 31, 2017 and 2016 profit or loss and equity would have been an increase/a decrease of interest expense by approximately Rp31.9 billion and Rp6.6 billion, respectively.

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**43. MANAJEMEN RISIKO KEUANGAN (Lanjutan)**

**(2) Risiko Mata Uang Asing**

Kelompok Usaha terekspos risiko perubahan nilai tukar mata uang asing terutama dari biaya, aset dan liabilitas tertentu dalam Dolar AS, Dolar Singapura, Euro, Dolar Australia dan Yen yang timbul karena aktivitas pendanaan dan kegiatan operasional sehari-hari. Kelompok Usaha memonitor dan mengelola risiko ini dengan menyepadankan liabilitas keuangan dalam mata uang asing dengan aset keuangan dalam mata uang asing terkait dan melakukan pembelian atau penjualan mata uang asing saat diperlukan.

Manajemen memperkirakan bahwa nilai tukar Rupiah terhadap Dolar Amerika Serikat, Dolar Singapura, Euro, Dolar Australia dan Yen dapat melemah/menguat dalam kisaran hingga 0,4% dan 3,5% dibandingkan dengan nilai tukar pada tanggal 31 Desember 2017 dan 2016.

Jika Rupiah melemah/menguat hingga 0,5% untuk tahun 2017 dan 0,4% untuk tahun 2016 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 Rp46,1 miliar dan Rp71,4 miliar untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2017 dan 2016.

**(3) Risiko Harga**

Kelompok Usaha menghadapi risiko harga efek ekuitas karena perdagangan investasi efek dan investasi efek tersedia untuk dijual yang dimiliki oleh Kelompok Usaha. Untuk mengelola risiko harga yang timbul dari investasi pada efek ekuitas, Kelompok Usaha mendiversifikasi portofolionya. Diversifikasi portofolio dilakukan dalam batas-batas yang ditetapkan oleh Kelompok Usaha.

Dampak dari kenaikan atau penurunan indeks ekuitas sebesar 30% dan 20% pada tanggal 31 Desember 2017 dan 2016 dengan semua variabel lainnya konstan dan semua instrumen ekuitas Kelompok usaha dipindahkan sesuai dengan korelasi historis indeks, laba rugi dan ekuitas akhir tahun akan menjadi lebih tinggi/lebih rendah masing-masing sebesar Rp15,3 miliar dan Rp74,5 miliar.

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**43. FINANCIAL RISK MANAGEMENT (Continued)**

**(2) Foreign Currency Risk**

The Group is exposed to changes in foreign currency exchange rate primarily from certain expenses, assets and liabilities in US Dollar, Singapore Dollar, Euro, Australian Dollar, and Yen which arise from financing activities and daily operations. The Group monitors and manages the risk by matching the foreign currency financial liabilities with relevant foreign currency assets and buying or selling foreign currencies at spot rate when necessary.

Management estimates that the exchange rate of Rupiah against US Dollar, Singapore Dollar, Euro, Australian Dollar and Yen may weaken/strengthen within a range of up to 0.4% and 3.5% compared to the exchange rate as of December 31, 2017 and 2016.

If Rupiah had weakened/strengthened by up to 0.5% for 2017 and 0.4% for 2016 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 Rp46.1 billion and Rp71.4 billion for the years ended December 31, 2017 and 2016, respectively.

**(3) Price Risk**

The Group is exposed to equity securities price risk because of the trading securities investment and available for sale securities investments held by the Group. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done within the limits set by the Group.

The impact of increase or decrease on equity index amounting to 30% and 20% for December 31, 2017 and 2016 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 ended would have been higher/lower amounting to Rp15.3 billion and Rp74.5 billion, respectively.

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**43. 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:

**43. FINANCIAL RISK MANAGEMENT (Continued)**

**b. Credit Risk**

Credit risk is the risk that promised cash flows from receivables and securities held by the Group are not paid in full or are subject to default. The transactions may come from various operating or investing activities.

Credit risk identification process is carried out on various factors, including among other things: the purpose of credit and sources of payment; current risk profile of prospective borrowers, the adequacy and quality of collateral; analysis of ability to pay back; internal business capabilities analysis and comparison (*benchmarking*) with similar industry, as well as risk mitigation plan if the debtor has defaulted. In the process of managing credit risk, the Group has set a limit of risk that must be observed and used as a reference in the management of investment and non-investment transactions that include credit risk category.

Maximum exposure to credit risk is as follows:

	2017	2016	
<u>Dimiliki untuk diperdagangkan</u>			<u>Held-for-trading</u>
Dana Investasi	346.358	343.494	Investment fund
Saham yang diperdagangkan	-	14.666	Marketable securities
<u>Pinjaman yang diberikan dan piutang</u>			<u>Loans and receivables</u>
Kas di bank dan setara kas	123.067	144.656	Cash in banks and cash equivalents
Deposito berjangka	2.200	2.200	Time deposits
Piutang usaha			Trade receivables
Pihak ketiga	441.928	1.032.236	Third parties
Pihak berelasi	14.439	14.280	Related parties
Piutang lain-lain - pihak ketiga	658.823	445.498	Other receivables - third parties
Piutang pihak berelasi	256.538	224.062	Due from related parties
Piutang jangka panjang	468.014	-	Long-term receivables
Aset tidak lancar lainnya			Other non-current assets
Kas di bank yang dibatasi penggunaannya	89.763	154.468	Restricted cash in banks
Piutang dari komisaris, direktur dan karyawan	3.002	6.081	Receivable from commissioners, directors and employees
Jaminan	1.328	3.423	Security deposits
<u>Aset keuangan tersedia untuk dijual</u>			<u>Available-for-sale financial assets</u>
Efek ekuitas tercatat	161.187	196.285	Quoted equity securities
Efek ekuitas tidak tercatat	251.825	154.201	Unquoted equity securities
<b>Total</b>	<b>2.818.472</b>	<b>2.735.550</b>	<b>Total</b>

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**43. MANAJEMEN RISIKO KEUANGAN (Lanjutan)**

Analisis umur aset keuangan yang belum jatuh tempo atau tidak mengalami penurunan nilai dan yang lewat jatuh tempo pada akhir periode pelaporan tetapi tidak mengalami penurunan nilai adalah sebagai berikut:

**43. FINANCIAL RISK MANAGEMENT (Continued)**

The aging analysis of financial assets that are not yet due or are not impaired and were past due at the end of the reporting period but not impaired was as follows:

2017						
Belum Jatuh Tempo ataupun Mengalami Penurunan Nilai/ <i>Neither Past Due nor Impaired</i>	Telah Jatuh Tempo tetapi Tidak Mengalami Penurunan Nilai/ <i>Past Due but Not Impaired</i>					Total/ Total
	Kurang dari 3 bulan/ <i>Less than 3 months</i>	3 bulan - 6 bulan/ <i>3 months - 6 months</i>	6 bulan - 1 tahun/ <i>6 months - 1 year</i>	Lebih dari 1 tahun/ <i>Over 1 year</i>		
Dimiliki untuk diperdagangkan						<i>Held-for-trading</i>
Dana investasi	346.358	-	-	-	-	346.358 <i>Investment fund</i>
Pinjaman yang diberikan dan piutang						<i>Loans and receivables</i>
Kas di bank dan setara kas	122.372	695	-	-	-	123.067 <i>Cash in banks and equivalents</i>
Deposito berjangka	2.200	-	-	-	-	2.200 <i>Time deposits</i>
Piutang usaha	41.390	138.319	148.089	62.856	65.713	456.367 <i>Trade receivables</i>
Piutang lain-lain	-	240.000	-	-	418.823	658.823 <i>Other receivables</i>
Piutang pihak berelasi	256.538	-	-	-	-	256.538 <i>Due from related parties</i>
Piutang jangka panjang	468.014	-	-	-	-	468.014 <i>Long-term receivables</i>
Aset tidak lancar lainnya						<i>Other non-current assets</i>
Kas di bank yang dibatasi penggunaannya	89.763	-	-	-	-	89.763 <i>Restricted cash in banks</i>
Piutang dari komisaris, direktur dan karyawan	3.002	-	-	-	-	3.002 <i>Receivable from commissioners, directors and employees</i>
Jaminan	1.328	-	-	-	-	1.328 <i>Security deposits</i>
Aset keuangan tersedia untuk dijual						<i>Available-for-sale financial assets</i>
Efek ekuitas tercatat	161.187	-	-	-	-	161.187 <i>Quoted equity securities</i>
Efek ekuitas tidak tercatat	251.825	-	-	-	-	251.825 <i>Unquoted equity securities</i>
Total	1.743.977	379.014	148.089	62.856	484.536	2.818.472 Total

2016						
Belum Jatuh Tempo ataupun Mengalami Penurunan Nilai/ <i>Neither Past Due nor Impaired</i>	Telah Jatuh Tempo tetapi Tidak Mengalami Penurunan Nilai/ <i>Past Due but Not Impaired</i>					Total/ Total
	Kurang dari 3 bulan/ <i>Less than 3 months</i>	3 bulan - 6 bulan/ 3 months - 6 months	6 bulan - 1 tahun/ 6 months - 1 year	Lebih dari 1 tahun/ Over 1 year		
Dimiliki untuk diperdagangkan						<i>Held-for-trading</i>
Dana investasi	343.494	-	-	-	-	343.494 <i>Investment fund</i>
Saham yang diperdagangkan	14.666	-	-	-	-	14.666 <i>Marketable securities</i>
Pinjaman yang diberikan dan piutang						<i>Loans and receivables</i>
Kas di bank dan setara kas	144.052	604	-	-	-	144.656 <i>Cash in banks and equivalents</i>
Deposito berjangka	2.200	-	-	-	-	2.200 <i>Time deposits</i>
Piutang usaha	751.217	104.031	39.449	42.058	109.761	1.046.516 <i>Trade receivables</i>
Piutang lain-lain	-	-	-	-	445.498	445.498 <i>Other receivables</i>
Piutang pihak berelasi	224.062	-	-	-	-	224.062 <i>Due from related parties</i>



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**43. MANAJEMEN RISIKO KEUANGAN (Lanjutan)**

**43. FINANCIAL RISK MANAGEMENT (Continued)**

2016						
Belum Jatuh Tempo ataupun Mengalami Penurunan Nilai/ <i>Neither Past Due nor Impaired</i>	Telah Jatuh Tempo tetapi Tidak Mengalami Penurunan Nilai/ <i>Past Due but Not Impaired</i>					
	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>		Total/ <i>Total</i>
Aset tidak lancar lainnya						Other non-current assets
Kas di bank yang dibatasi penggunaannya	154.468	-	-	-	-	154.468
Piutang dari komisaris, direktur dan karyawan	6.081	-	-	-	-	6.081
Jaminan	3.423	-	-	-	-	3.423
Aset keuangan tersedia untuk dijual						Available-for-sale financial assets
Efek ekuitas tercatat	196.285	-	-	-	-	196.285
Efek ekuitas tidak tercatat	154.201	-	-	-	-	154.201
Total	1.994.149	104.635	39.449	42.058	555.259	2.735.550

Pada tanggal 31 Desember 2017 dan 2016, piutang usaha yang secara individual mengalami penurunan nilai masing-masing sebesar Rp198,2 miliar dan Rp151,0 miliar terutama sehubungan dengan pelanggan yang secara tidak terduga mengalami situasi ekonomi yang sulit dan belum membayar piutang tersebut selama lebih dari dua (2) tahun dari tanggal jatuh tempo. Manajemen menilai bahwa sebagian dari piutang tersebut diharapkan dapat dipulihkan.

As of December 31, 2017 and 2016, individually impaired trade receivables, other receivables and due from related parties totaling to Rp198.2 billion and Rp151.0 billion, respectively, mainly relate to customers who are unexpectedly facing difficult economic situations and have not paid these receivables for more than two (2) years from due dates. The management assessed that a portion of these receivables is expected to be recovered.

**c. Risiko Likuiditas**

Risiko likuiditas adalah risiko atau kerugian yang mungkin diderita ketika ada pelunasan liabilitas segera yang menyebabkan Kelompok Usaha berada dalam posisi harus melikuidasi aset dalam waktu sangat singkat dan dengan harga rendah. Termasuk dalam kategori risiko likuiditas yang harus dikelola adalah risiko likuiditas aset dan risiko ketersediaan arus kas. Risiko likuiditas aset dihasilkan dari posisi pelaku pasar dengan jumlah besar telah memengaruhi harga sekuritas aset Kelompok Usaha di pasar. Karena itu, risiko likuiditas aset Kelompok Usaha banyak tergantung kepada fluktuasi harga saham di pasar, yang dipengaruhi oleh beberapa faktor yaitu: besarnya volume transaksi aset saham, selisih antara harga penawaran dan permintaan di pasar, dari jumlah nilai pasar dari saham yang beredar. Dampak risiko ini terhadap Kelompok Usaha adalah munculnya kewajiban untuk menambah nilai jaminan pinjaman Kelompok Usaha kepada pihak terkait sesuai dengan perjanjian yang disepakati. Risiko arus kas muncul akibat ketidak-tersediaan dana tunai Kelompok Usaha untuk membayar pokok dan/atau bunga yang telah jatuh tempo.

**c. Liquidity Risk**

Liquidity risk is the risk incurred when a surge in liability withdrawals may put the Group in a position of having to liquidate assets in a very short period of time and at low prices. Included in the category of liquidity risk to be managed are the asset liquidity risk and cash flow availability. Asset liquidity risk resulting from the large quantity positions taken by market participants has affected the securities market price of the Group's assets. Therefore, liquidity risk on the assets of the Group depends largely on stock price fluctuations on the market, which is influenced by several factors: the volume of transactions of shares assets, the difference between bid and ask price on the market, and the total market value of shares outstanding. The impact of risk on the Group is the top-up obligations to increase the value of the Group's loan collateral to related parties in accordance with the agreed contract. Cash flow risk arises due to lack of cash availability for the Group to pay principal and/or interest that become due.

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**43. MANAJEMEN RISIKO KEUANGAN (Lanjutan)**

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.

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 2017</b>					<b>As of December 31, 2017</b>
Pinjaman jangka pendek	670.829	670.829	-	-	Short-term loans
Utang usaha	543.716	543.716	-	-	Trade payables
Utang lain-lain	234.623	234.623	-	-	Other payables
Beban masih harus dibayar	1.484.343	1.484.343	-	-	Accrued expenses
Pinjaman jangka panjang	3.578.814	3.441.447	137.367	-	Long-term loans
Utang sewa pembiayaan	1.157	334	823	-	Finance lease payable
Utang pihak berelasi	199.112	-	199.112	-	Due to related parties
<b>Total</b>	<b>6.712.594</b>	<b>6.375.292</b>	<b>337.302</b>	<b>-</b>	<b>Total</b>

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**43. FINANCIAL RISK MANAGEMENT (Continued)**

As initiatives for mitigating liquidity risk, the Group practices the following:

- Monitors liquidity risk exposure of Group assets and the availability of cash flow risk, followed by testing the model conditions in the Group's financial model in a difficult situation (*stress testing*);
- The above test results are then used to identify risk factors based on the scale of sensitivity on the financial performance of the Group which will lead the Group to take more specific preventive measures;
- Ongoing attempts to obtain non-cash debt settlement that may benefit the Group more, if possible, are other forms of liquidity risk mitigation initiatives.

The following tables analyze the Group's financial liabilities into its relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities and derivative financial instruments which are essential in understanding the timing of cash flows requirements. The amounts disclosed in the table are the contractual undiscounted cash flows (consisting of outstanding principal balance plus future interest payments, if any) which may differ to the carrying amounts of the financial liabilities at the reporting dates.

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**43. MANAJEMEN RISIKO KEUANGAN (Lanjutan)**

**43. FINANCIAL RISK MANAGEMENT (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 2016</b>					<b>As of December 31, 2016</b>
Pinjaman jangka pendek	1.712.927	689.166	-	-	Short-term loans
Utang usaha	595.295	604.505	-	-	Trade payables
Utang lain-lain	183.780	152.784	-	-	Other payables
Beban masih harus dibayar	1.193.952	1.455.333	-	-	Accrued expenses
Pinjaman jangka panjang	3.589.524	3.371.008	191.810	-	Long-term loans
Utang sewa pembiayaan	2.516	236	786	-	Finance lease payable
Utang pihak berelasi	223.400	-	223.400	-	Due to related parties
<b>Total</b>	<b>7.501.394</b>	<b>6.273.032</b>	<b>415.996</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.

Perhitungan rasio utang terhadap modal adalah sebagai berikut:

	<b>2017</b>	<b>2016</b>
Pinjaman berbunga		
Ekuitas yang dapat diatribusikan kepada pemilik entitas induk	4.250.466 (5.970.511)	5.304.306 (6.026.815)
<b>Rasio Utang terhadap Modal</b>	<b>(0,71)</b>	<b>(0,88)</b>

Kelompok Usaha tidak tunduk pada persyaratan modal yang ditetapkan oleh pihak luar pada tahun 2017 dan 2016.

**Capital Management**

The main objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments with respect to changes in economic conditions and the characteristics of its business risks. In order to maintain and adjust its capital structure, the Group may adjust the amount of dividend payments to shareholders, return capital structure or issue shares certificates. No changes have been made in the objectives, policies and processes as they have been applied in previous years.

The Group monitors its use of capital structure using a debt-to-equity ratio which is total debt divided by total equity. Total debt represents interest bearing borrowings, while equity represents total equity attributable to owners of the parent.

Calculation of debt-equity ration 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 2017 and 2016.

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**44. KUASI-REORGANISASI**

Sampai dengan tanggal 30 Juni 2011, Perusahaan mencatat saldo defisit sebesar Rp27.664,6 miliar. Saldo ini merupakan akumulasi defisit dari dua krisis finansial yang menimpa Indonesia dan dunia, yakni krisis finansial Asia di tahun 1998 dan resesi global di tahun 2008. Mayoritas defisit ini merupakan akumulasi dari kerugian bersih Perusahaan sebesar Rp16,5 triliun di tahun 2008, Rp1,7 triliun di tahun 2009 dan Rp7,6 triliun di tahun 2010.

Untuk mengeliminasi defisit, Perusahaan melakukan kuasi-reorganisasi sesuai dengan PSAK No. 51 (Revisi 2003) dengan menggunakan laporan posisi keuangan tanggal 30 Juni 2011 yang disetujui oleh para pemegang saham Perusahaan melalui Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) yang diselenggarakan pada tanggal 6 Oktober 2011, yang diaktakan dengan Akta Notaris No. 26 oleh Humbert Lie, S.H., S.E., M.Kn tanggal 6 Oktober 2011.

Pengeliminasian saldo defisit Perusahaan dilakukan dengan urutan prioritas sebagai berikut:

	30 Juni/June 30, 2011	
Defisit	(27.664.605)	Deficit
Selisih nilai transaksi restrukturisasi entitas sepengendali	(5.265.443)	Difference in value from restructuring transactions of entities under common control
Rugi investasi jangka pendek yang belum terealisasi	(2.059.762)	Unrealized loss on short-term investments
Surplus revaluasi aset tetap	993.308	Revaluation surplus of fixed assets
Selisih transaksi perubahan ekuitas entitas asosiasi dan entitas anak	273.699	Difference in equity transactions of associated entities and subsidiaries
Tambahan modal disetor	24.471.354	Additional paid-in capital
Agio saham dari penurunan nilai nominal saham	9.251.449	Share premium from decline in par value of share
<b>Neto</b>	<b>-</b>	<b>Net</b>

Penentuan nilai wajar aset tetap Perusahaan dan Entitas Anak pada 30 Juni 2011 telah dilaksanakan oleh KJPP Nana, Imaddudin & Rekan, penilai independen, dalam laporannya tanggal 28 September 2011 dengan menggunakan metode penilaian kembali memakai Pendekatan Data Pasar dengan Perbandingan Data Pasar dan Metode Pendekatan Biaya. Selain itu, penentuan nilai wajar dari aset selain aset tetap dan utang dari Kelompok Usaha pada 30 Juni 2011 telah dilaksanakan oleh KJPP Jennywati, Kusnanto & Rekan, penilai independen, dalam laporannya tanggal 3 Oktober 2011 menggunakan Metode Penyesuaian Aset Neto.

Berdasarkan laporan penilai independen per tanggal 30 Juni 2011, Perusahaan mencatat surplus penilaian kembali aset tetap berdasarkan selisih lebih nilai wajar aset tetap Perusahaan dan Entitas Anak dibandingkan dengan nilai buku sebesar Rp1,1 triliun yang diatribusikan kepada pemilik entitas induk dan kepentingan nonpengendali sebagai berikut:

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**44. 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 Humbert Lie, S.H., S.E., M.Kn dated October 6, 2011.

Elimination of the Company's deficit were made in the following order of priority:

The determination of fair values of fixed assets of the Company and certain Subsidiaries as of June 30, 2011 was performed by KJPP Nana, Imaddudin & Rekan, an independent appraiser, in its report dated September 28, 2011 using revaluation methods employing the Market Data Approach such as Market Data Comparison and Cost Approach Method. Moreover, the determination of fair values of the assets other than fixed assets and liabilities of the Group as of June 30, 2011 was performed by KJPP Jennywati, Kusnanto & Rekan, an independent appraiser, in its report dated October 3, 2011 using Net Asset Adjustment Method.

Based on the reports of the independent appraisers as of June 30, 2011, the Company recorded a revaluation surplus of fixed assets based on the difference over the fair value of fixed assets of the Company and Subsidiaries compared to book values amounting to Rp1.1 trillion which are attributable to the owners of the parent entity and the non-controlling interest as follows:

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**44. KUASI-REORGANISASI (Lanjutan)**

	30 Juni/June 30, 2011
Surplus revaluasi aset tetap	1.133.783
Diatribusikan kepada:	
Pemilik entitas induk	993.308
Kepentingan nonpengendali	140.475
<b>Total</b>	<b>1.133.783</b>

Revaluation surplus of fixed assets

Attributable to:  
Owners of the parent  
Non-controlling interest

**Total**

**45. KELANGSUNGAN USAHA**

Kelompok Usaha telah mengalami kerugian berulang dari kegiatan operasinya. Kelompok Usaha mengalami defisiensi modal sebesar Rp6,0 triliun pada tanggal 31 Desember 2017. Disamping itu, total liabilitas jangka pendek Kelompok Usaha telah melampaui total asetnya pada tanggal 31 Desember 2017. Kondisi ini sebagian besar disebabkan oleh rugi penurunan nilai investasi, rugi neto pada entitas asosiasi dan pengendalian bersama dan perubahan nilai wajar derivatif. Pada tanggal 31 Desember 2017, Kelompok Usaha memiliki pinjaman yang telah jatuh tempo dan sedang melakukan negosiasi dengan krediturnya untuk merestrukturisasi pinjamannya.

Sehubungan dengan hal tersebut, manajemen telah membuat langkah-langkah dan rencana untuk menghadapi hal tersebut antara lain, sebagai berikut:

- Restrukturisasi utang melalui konversi utang menjadi saham.
- Peningkatan modal melalui penerbitan saham dan penjualan aset.
- Mengurangi investasi dalam bentuk saham.
- Fokus dalam pengembangan kegiatan usaha manufaktur.
- Mengembangkan proyek infrastruktur utama untuk mendapatkan sumber pendapatan yang berkelanjutan.

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian ini, Perusahaan dalam proses finalisasi restrukturisasi dengan beberapa kreditur dalam rangka konversi utang menjadi saham.

**44. QUASI-REORGANIZATION (Continued)**

**45. GOING CONCERN**

The Group incurred recurring losses from its operations. The Group is in a capital deficiency position amounting to Rp6.0 trillion as of December 31, 2017. Furthermore, the total liabilities of the Group exceeded its total assets as of December 31, 2017. These conditions are 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, 2017, the Group has matured loans and is undergoing discussion with its creditors to restructure its 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.
- Focus in growing the manufacturing business operations.
- Develop main infrastructure projects to tap on sources of recurring income.

As of completion date of the consolidated financial statements, the Company still in process finalization of the restructuring with the creditors in the conversion of debt into shares.

**46. INFORMASI TAMBAHAN ARUS KAS**

Aktivitas yang tidak memengaruhi arus kas adalah sebagai berikut:

	2017
Penyelesaian pinjaman jangka pendek dengan Obligasi wajib konversi (OWK)	1.037.497
Penerbitan saham dengan OWK	822.905

**46. SUPPLEMENTARY CASH FLOW INFORMATION**

Activities not affecting cash flows were as follows:

	2016
Settlement of short-term loan through Mandatory Convertible bonds (MCB)	527.699
Issuance of shares through MCB	-



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**46. INFORMASI TAMBAHAN ARUS KAS (Lanjutan)**

**46. SUPPLEMENTARY CASH FLOWS INFORMATION  
(Continued)**

	2017	2016	
Reklasifikasi biaya pengembangan proyek menjadi investasi jangka panjang lain-lain	96.724	-	Reclassification of project development costs to other long-term investments
Reklasifikasi bunga yang masih harus dibayar menjadi pinjaman jangka pendek	73.793	-	Reclassification of accrued interest to short-term loans
Reklasifikasi aset dalam penyelesaian menjadi aset tetap	25.337	78.602	Reclassification of construction-in-progress to fixed assets
Utang pihak berelasi termasuk dalam keuntungan dari kelompok pelepasan	21.235	-	Due to related parties included as gain from disposal group
Reklasifikasi biaya pengembangan proyek menjadi piutang lain-lain	18.981	-	Reclassification of project development costs to other receivables
Pelepasan tanah melalui pengampunan pajak	9.378	-	Disposal of land through tax amnesty
Reklasifikasi kelompok lepasan menjadi jangka panjang lain-lain	900	-	Reclassification of disposal group to other long-term investments
Penyelesaian bunga dan denda masih harus dibayar dengan OWK	-	460.206	Settlement of accrued interest and penalty through MCB

**47. KELOMPOK LEPASAN YANG DIKLASIFIKASIKAN SEBAGAI DIMILIK UNTUK DIJUAL**

**47. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE**

Pada tanggal 1 Agustus 2016, PT Bakrie Power (BP), Entitas Anak, (sebagai "Penjual") dan KS Orka Renewables Pte. Ltd. (KSO) (sebagai "Pembeli") menandatangani Perjanjian Jual Beli Saham Bersyarat (PJBSB), dimana BP akan menjual 15.000 sahamnya dengan kepemilikan 50% di PT Sokoria Geothermal Indonesia dengan imbalan sebesar USD1 dan mengalihkan utang BP kepada SGI sebesar Rp15 miliar yang tunduk pada syarat dan ketentuan yang tercantum dalam PJBSB.

On August 1, 2016, PT Bakrie Power (BP), a Subsidiary (the "Seller") and KS Orka Renewables Pte. Ltd. (KSO) (the "Buyer") entered into a Conditional Sale and Purchase Agreement (CSPA) wherein BP will sell its 15,000 shares representing 50% ownership interest in PT Sokoria Geothermal Indonesia for initial consideration of USD1 and transfer of BP's payables to SGI amounting to Rp15 billion subject to terms and conditions set forth in the CSPA.

Pada tanggal yang sama, kedua belah pihak menandatangani Perjanjian Komitmen Pembayaran. Dimana KSO berkewajiban melakukan pembayaran tambahan sebesar USD1,05 juta kepada BP yang tunduk kepada beberapa persyaratan terkait dengan kapasitas.

On the same date, both parties entered into a Payment Commitment Agreement. Whereby, KSO is obliged to make an additional payment equivalent to USD1.05 million to BP subject to certain conditions related to capacity.

Pada tanggal 13 Januari 2017, BP telah menyelesaikan penjualan saham tersebut berdasarkan Akta Notaris No. 2 dari Abu Tafsir, S.H., M.Kn. Dengan demikian, BP memiliki 3% kepemilikan saham di SGI yang dicatat pada nilai wajarnya pada tanggal penjualan sebesar Rp900 juta. Sejak saat itu, BP tidak lagi mengkonsolidasi SGI dan sisa investasi tersebut diklasifikasikan sebagai "Investasi Jangka Panjang".

On January 13, 2017, BP completed the sale of shares based on Notarial Deed No. 2 of Abu Tafsir, S.H., M.Kn. Accordingly, BP has 3% remaining ownership interest in SGI which was accounted for at its fair value at the date of sale amounting to Rp900 million. Since then, BP deconsolidated SGI and the remaining investment has been classified as "Long-term Investment".

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**47. KELOMPOK LEPASAN YANG DIKLASIFIKASIKAN  
SEBAGAI DIMILIK UNTUK DIJUAL (Lanjutan)**

**a. Aset atas kelompok lepasan yang dimiliki untuk  
dijual**

	2017	2016
Kas di bank	-	87
Aset lancar lainnya	-	224
Aset tetap	-	50
Biaya pengembangan proyek	-	14.701
Aset tidak lancar lainnya	-	23.958
<b>Total</b>	<b>-</b>	<b>39.020</b>

**b. Liabilitas atas kelompok lepasan yang terkait  
langsung dengan aset dimiliki untuk dijual**

	2017	2016
Utang lain-lain	-	16.684
Aset tidak lancar lainnya	-	2.423
<b>Total</b>	<b>-</b>	<b>19.107</b>

Sehubungan dekonsolidasi SGI tersebut, BP mengakui keuntungan atas penjualan saham dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian sebesar Rp7,9 miliar.

**47. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE  
(Continued)**

**a. Assets of disposal group classified as held for  
sale**

Cash in banks	87
Other current assets	224
Fixed assets	50
Project development costs	14.701
Other non-current assets	23.958
<b>Total</b>	<b>39.020</b>

**b. Liabilities of disposal group directly associated  
with assets classified as held for sale**

Other payables	16.684
Due to related party	2.423
<b>Total</b>	<b>19.107</b>

In connection with the deconsolidation of SGI, BP recognized gain on sale of investment in the consolidated statements of profit or loss and other comprehensive income amounting to Rp7.9 billion.

**48. REKLASIFIKASI**

Beberapa angka pebandingan dalam laporan posisi keuangan konsolidasian dan arus kas pada tanggal 31 Desember 2016 dan untuk tahun yang berakhir pada tanggal tersebut telah direklasifikasi agar sesuai dengan penyajian laporan keuangan tahun 2017. Reklasifikasi tersebut adalah sebagai berikut:

**48. RECLASSIFICATIONS**

Certain comparative figures in the consolidated statements of financial position and cash flows as of December 31, 2016 and for the year then ended have been reclassified to conform to the 2017 consolidated financial statements presentation. These reclassifications were as follows:

31 Desember/December 31, 2016			
	Dilaporkan Sebelumnya/ Previously Reported	Penyesuaian/ Adjustments	Direklasifikasi/ As Reclassified
<b>Laporan posisi keuangan konsolidasian</b>			<b>Consolidated statement of financial position</b>
<b>Liabilitas jangka pendek</b>			<b>Short-term liability</b>
Utang lain-lain - pihak ketiga	54.991	88.500	143.491 Other payables - third parties
<b>Liabilitas jangka panjang</b>			<b>Long-term liability</b>
Utang pihak berelasi	311.900	(88.500)	223.400 Due to related parties
<b>Laporan posisi arus kas konsolidasian</b>			<b>Consolidated statement of cash flows</b>
Kas Neto yang Digunakan untuk			Net Cash Flows Used in
Aktivitas Investasi	(99.584)	253	(99.331) Investing Activities
Kas Neto yang Diperoleh dari			Net Cash Flows Provided by
Aktivitas Pendanaan	40.756	(253)	40.503 Financing Activities

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**48. REKLASIFIKASI (Lanjutan)**

Manajemen berpendapat bahwa reklasifikasi akun tidak berdampak terhadap penyajian laporan keuangan konsolidasian pada tanggal 1 Januari 2016. Oleh karena itu, laporan posisi keuangan konsolidasian pada tanggal 1 Januari 2016 tidak disajikan.

**49. 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 2018. Namun, penerapan dini diperkenankan.

Pernyataan Standar Akuntansi Keuangan (PSAK) yang telah diterbitkan dan berlaku efektif untuk tahun buku yang dimulai pada atau setelah tanggal 1 Januari 2017 adalah sebagai berikut:

- Amendemen PSAK No. 2, "Laporan Arus Kas", tentang Prakarsa Pengungkapan.
- Amendemen PSAK No. 13, "Properti Investasi", tentang Pengalihan Properti Investasi.
- PSAK No. 15 (Penyesuaian 2017), "Investasi pada Entitas Asosiasi dan Ventura Bersama".
- Amendemen PSAK No. 16, "Aset Tetap", tentang Agrikultur: Tanaman Produktif.
- Amendemen PSAK No. 46, "Pajak Penghasilan", tentang Pengakuan Aset Pajak Tangguhan untuk Rugi yang Belum Direalisasi.
- Amendemen PSAK No. 53, "Pembayaran Berbasis Saham", tentang Klasifikasi dan Pengukuran Pembayaran Berbasis Saham.
- PSAK No. 67 (Penyesuaian 2017), "Pengungkapan Kepentingan dalam Entitas Lain".
- PSAK No. 69, "Agrikultur".

Kelompok Usaha sedang mempelajari dampak yang mungkin timbul dari penerapan PSAK tersebut terhadap laporan keuangan konsolidasian.

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**48. RECLASSIFICATIONS (Continued)**

The management believed that the above reclassification of accounts have no impact on the presentation of the consolidated statement of financial position as of January 1, 2016. Therefore, the consolidated statement of financial position as of January 1, 2016 was not presented.

**49. 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 January 1, 2018. However, earlier application is permitted.

Statements of Financial Accounting Standards (PSAK) issued and effective for the year commencing on or after January 1, 2018 were as follows:

- Amendment to PSAK No. 2, "Statements of Cash Flows," on Disclosure Initiatives.
- Amendment to PSAK No. 13, "Investment Property," on Transfers of Investment Property.
- PSAK No. 15 (Improvement 2017), "Investments in Associates and Joint Ventures".
- Amendment to PSAK No. 16, "Fixed Assets," on Agriculture: Bearer Plants.
- Amendment to PSAK No. 46, "Income Taxes," on Recognition of Deferred Tax Assets on Unrealized Losses.
- Amendment to PSAK No. 53, "Share-Based Payment," on Classification and Measurement of Share-Based Payment Transactions.
- PSAK No. 67 (Improvement 2017), "Disclosure of Interests in Other Entities".
- PSAK No. 69, "Agriculture".

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

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